

Review of Representation on the Gladstone Foundation

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 5 November 2019

File Ref: CM7.1

G/19 /3961 Council Resolution:

Moved Cr Muszkat

Seconded Cr Goodluck

That Council endorse its decision to nominate a Councillor of Gladstone Regional Council to serve on the Gladstone Foundation Board of Advice noting that Mayor Burnett is the current representative, and advocate for the full distribution of the funds.

CARRIED

Purpose:

This report presents information to assist in determining whether Council should continue with representation on the Board of the Gladstone Foundation.

Officer's Recommendation:

That Council determine a position on representation on the Board of the Gladstone Foundation.

Background:

One of the outputs of Council's 2019/20 Operational Plan is to '*Review existing and develop new organisational committees that are aligned to strategic objectives*'. This requires a governance review of Council appointed representation on external organisations including the Gladstone Foundation.

The Gladstone Foundation was established under a Trust Deed on 11 February 2011 for the purpose of managing the voluntary contributions made by infrastructure project proponents in Gladstone towards social infrastructure in the region. The trust deed sets out the following specific purposes of the Trust:

"The Specific Purposes of the Trust are for the benefit of the Gladstone Region and are in no specific order:

- a. The relief of poverty;*
- b. The relief of the needs of the aged;*
- c. The relief of sickness or distress;*
- d. The advancement of religion;*
- e. The advancement of education;*
- f. The provision of childcare services on a non-profit basis; and*
- g. Other purposes which are for the benefit of the Gladstone Region."*

The Trustee of the Foundation is the Public Trustee of Queensland. The Trustee has the power to establish and appoint the Board of Advice taking into account the views of the Minister for State Development, Manufacturing, Infrastructure and Planning. Board membership is presented below:

- Mr Tim Griffin, OAM (Chair)
- Mayor Matt Burnett
- Mrs Maxine Brushe
- Mr Bob McCosker
- Mr Robert Gibb
- Mrs Karen Leinster
- Mr Richard Austin.

Membership must be at least 6 members but not more than 10.

Options & Risk Analysis:

Gladstone Regional Council (GRC) - Entity Considerations

Some considerations for Council in determining this matter should include:

- The Board of Advice has no decision-making powers and can only make recommendations to the Trustee.
- Council as a representative of the community may wish to participate in providing advice on what social infrastructure is appropriate for the community it serves.
- The Trustee Deed that establishes the Foundation states that, the Trustee in appointing the members of the Board of Advice, will use best endeavours to appoint members from the following:
 - (a) the Queensland Government;
 - (b) the local government of Gladstone Region;**
 - (c) the business sector of the Gladstone Region;
 - (d) community or philanthropic representatives from the Gladstone Region; and
 - (e) industry donors to the Foundation.
- Council is not a financial contributor to the Gladstone Foundation.
- The Trustee Deed requires a minimum of six Members on the Board of Advice. There are currently seven members.

Appointed Representative – Potential Conflicts

Councillors are obligated under the *Local Government Act 2009* to act in good faith and in the best interests of Council [S.12(6)]. The trust deed that establishes the Gladstone Foundation does not contain any specific requirements in relation to the duties and obligations of the Board of Advice other than fulfilling the functions set out in the Terms of Reference.

4.2 FUNCTION

The Board of Advice's broad function is to:

- (a) promote and market the Foundation to the community and the key stakeholders (including potential donors);
- (b) bring a wide community perspective reflective of the Members' background, skills and experience to the Trustee's administration and management of the Foundation;
- (c) make recommendations to the Trustee regarding the distribution of capital and income from the Foundation in pursuing the Specific Purposes;
- (d) comment and assist where possible in identifying opportunities for the Foundation;
- (e) provide recommendations as to suitable key indicators of financial performance of the Foundation and its activities;
- (f) liaise with the Gladstone Region Community Development Committee in its role to provide the board with expert advice and local content and context regarding social infrastructure and programs;
- (g) monitor and regularly report to the Trustee on the impact and effectiveness of the Foundation in achieving its objectives;
- (h) review, assess and comment on the strategic direction to be taken by the Foundation and to enhance the achievement of its activities in pursuing the Specific Purposes;
- (i) provide advice and recommendations in relation to the overall governance of the Foundation including its strategic direction and goals for management, and monitoring the achievement of these goals;
- (j) provide direction to the Foundation Secretariat established pursuant to clause 13.5(a) of the Trust Deed;
- (k) assist and, where practical, locate and make recommendations to the Minister and the Trustee as to the best possible candidates for potential Members of the Board of Advice; and
- (l) generally to take an effective advisory role in relation to the Foundation.

The potential points of conflict for a Councillor in fulfilling their Councillor role and undertaking the duties associated with the Gladstone Foundation Board of Advice should not be significant.

From a governance perspective, provided the Councillor is aware of their obligations and duties with declaring conflicts of interest as a Councillor there does not appear to be a significant governance impediment which cannot be managed in having a Councillor serve on both organisations.

Council should balance this view with considerations such as:

1. The strategic advantages and disadvantages for Council serving on the Gladstone Foundation Board of Advice;
2. Council is not legally obligated to have a Councillor representative on the Board.
3. Any community expectation (perceived or real) in relation to Councillor participation on the Board given its function in determining community social infrastructure.

Consideration:

Option 1 – Continue with Councillor Representation on the Gladstone Foundation

Should Council consider having a Councillor representative on the Gladstone Foundation aligns with the strategies and objectives of its Corporate Plan, and that associated potential conflicts for the appointed Councillor can be managed, then Council may elect to continue

having a Councillor appointment on the Board of Advice of the Gladstone Foundation.

Option 1 suggested resolution:

That Council endorse its decision to nominate a Councillor of Gladstone Regional Council to serve on the Gladstone Foundation Board of Advice noting that Mayor Burnett is the current representative.

Option 2 – Council cease its participation on the Gladstone Foundation Board of Advice
Should Council be comfortable with not having a Councillor serve on the Gladstone Foundation Board of Advice, it may wish to consider withdrawing.

Option 2 suggested resolution:

That Council discontinue its participation on the Board of Advice of the Gladstone Foundation.

Communication and Consultation (Internal/External):

Manager Governance
General Manager Finance Governance and Risk

Legal Environmental and Policy Implications:

Council is not legally required to have a representative on the Gladstone Foundation.

Financial and Resource Implications:

The Mayor as the Council appointed representative on the Board dedicates time in fulfilling the duties and responsibilities of the role.

Commentary:

Not applicable.

Summary:

Not applicable.

Anticipated Resolution Completion Date:

30 November 2019

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Governance Advisor