GLADSTONE
REGIONAL COUNCIL

GENERAL MEETING NOTICE AND AGENDA

TO BE HELD AT THE COUNCIL CHAMBERS – CIVIC CENTRE
101 GOONDOON STREET, GLADSTONE

On Tuesday 19 April 2022
Commencing at 9.00am

Leisa Dowling
CHIEF EXECUTIVE OFFICER

Table of Contents

G/1. MAYORAL STATEMENT OF CURRENT ISSUES

G/2. CONFIRMATION OF MINUTES

G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 5 APRIL 2022

Responsible Officer: Chief Executive Officer

Council Meeting Date: 19 April 2022

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 5 April 2022.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 5 April 2022 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 5 April 2022.

Tabled Items:

Nil.

Report Prepared by: Executive Secretary

G/3. OFFICERS' REPORTS

G/3.1. DEVELOPMENT APPLICATION 25/2021 FOR A MATERIAL CHANGE OF USE OF PREMISES FOR A UTILITY INSTALLATION (GAS DISTRIBUTION) AND RENEWABLE ENERGY FACILITY (HYDROGEN FACILITY) LOCATED AT LOT 43 DERBY STREET, SOUTH GLADSTONE QLD 4680

Responsible Officer: General Manager Customer Experience

Council Meeting Date: 19 April 2022

File Ref: DA.25.2021; DB1.7

Development Application:

Application Number:	DA/25/2021
Applicant:	Australian Gas Network Pty Ltd C/- Attexo Group Pty Ltd
Owner:	State of Queensland with Gladstone Regional Council as Trustee
Confirmation Notice:	17 June 2021
Location:	Lot 43, Derby Street, South Gladstone QLD 4680
RPD:	Lot 43 SP 165451
Area:	2.13 hectares
Current Use of Land:	Vacant Lot (informal stockpiling and laydown area)
Zoning:	Community Facility Zone
Proposal:	Utility Installation and Renewable Energy Facility
Public Notification Period:	13 August 2021 to 3 September 2021
Number Of Submissions:	106 submissions received; 14 Not Properly Made, 82 Properly Made, and 10 Properly Made Principal Submitters (with an extra 36 signatures)

Purpose:

The purpose of this report is to assess Development Application 25/2021 for a Material Change of Use of Premises for a Utility Installation (Gas Distribution) and Renewable Energy Facility (Hydrogen Blending Facility) located at Lot 43 Derby Street, South Gladstone QLD 4680.

Executive Summary:

A Development Application for a Material Change of Use of Premises for a Utility Installation (Gas Distribution) and Renewable Energy Facility (Hydrogen Blending Facility) located at Lot 43 Derby Street, South Gladstone, was received by Council on 21 May 2021. The application was prepared by Attexo Group Pty Ltd on behalf of Australian Gas Network Pty Ltd (AGIG) for the combined proposal. The application seeks to relocate the existing 'city gate' from Breslin Street to the subject site and the develop a renewable hydrogen production facility to produce and blend hydrogen into the existing natural gas distribution network using a new City Gate station. This project aims to reduce the amount of carbon in the gas supply network.

In accordance with the *Our Place Our Plan Gladstone Regional Council Planning Scheme 2015, Version 2* (the Planning Scheme), the proposed Utility Installation is categorised as Code Assessable while the Renewable Energy Facility is Impact Assessable in the Community Facility Zone. As per the Act, an Impact Assessable application must be carried out against the assessment benchmarks in the categorising instrument, may have regard to any matters prescribed by the *Planning Regulation 2017* (the Regulation), and may be carried out against, or having regard to, any other relevant matter. Therefore, the Application was assessed against the entire planning scheme, the *State Planning Policy – July 2017* (the SPP) and in accordance with the *Planning Act 2016* (the Act).

Given the location and size of the proposed facility, the application did not trigger any referrals as per the Regulation.

As per the Act, an Impact Assessable application must be publicly notified. The Applicant conducted the Public Notification period between 13 August and 3 September 2021. During this period, a total of 106 submissions were received: 105 objections and one (1) in support. Of these submissions, 14 were Not Properly Made, 82 were Properly Made, and 10 Properly Made submissions were considered as Principal Submitters (with an extra 36 signatures).

The Applicant provided a response to the submission which resulted in further correspondence from the submitter working group highlighting continued concern in relation to safety and the proposed location. Council and the Applicant have separately engaged with the submitter working group regarding the raised concerns. From the additional correspondence material and meetings, Council issued a Further Advice Notice. Upon receipt, the Applicant provided additional information with further confirmation from the State Government departments, both an assessor and regulator within the gas and major hazard facility sections.

As detailed in the assessment report, the proposal has aligned with the Strategic Intent of the planning scheme; provided synergies with industry, business, and educational themes; and demonstrated compliance with the zone and development codes. The report has also considered other relevant matters including safety which was highlighted via the submissions received. These other relevant matters were assessed in accordance with the Act provisions to achieve a balanced assessment of the Development Application. As such, it is recommended that the Material Change of Use of Premises for a Utility Installation (Gas Distribution) and Renewable Energy Facility (Hydrogen Blending Facility) located at Lot 43 Derby Street, South Gladstone, be approved, subject to conditions.

Subject Site:

Lot 43 on SP 165461 is Crown Reserve for Strategic Land Management with Gladstone Regional Council (Council) as trustee of the site. Lot 43 is an irregular shaped rectangular lot that fronts Derby Street, Lyons Street, and an unformed road reserve. The subject site has an area of 2.13 hectares. Figure One provides an aerial view of the site and surrounding area.

Figure One: Aerial View of the subject site

Lot 43 was historically used for the extraction of quarry materials which can still be viewed from the land formation located to the north of the site. More recent activity on Lot 43 has included informal use of the subject site for storage and stockpiling. Stockpile areas in the north-east and north-western corners of Lot 43 are fenced and are currently being remediated due to the identification of asbestos containing material. As a result of the identified material, Lot 43 is listed on the Environmental Management Register (EMR). The listing on the EMR is due to the lot being subject to a hazardous contaminant, specifically asbestos materials in soil. However, Lot 43 is not listed on the Contaminated Land Register.

The majority of Lot 43 features compacted ground and gravel hard stand areas which were introduced by Council for the informal use of the site. Vegetation across the site borders the lot with limited grass and shrubs, with the most prominent vegetation fronting Derby Street which exists of an earth bund with landscape trees. The site access is located at the southeastern corner which has a security gate and sealed crossover. Figure Two provides an illustration of the subject site from the Derby Street road reserve.

Figure Two: Image from Derby Street

The subject site is located within the Community Facility Zone under the Planning Scheme which can be viewed below in Figure Three. The area surrounding the site is characterised by the following zones and uses:

- Community Facility Zone: Council's Lyons Street depot, Broadcast Australia Telecommunication Tower and transformer, Central Queensland University (CQU) campus, Gladstone Community Linking Agency, and Gladstone South State School.
- Open Space: State Reserve
- Low and Low-Medium Residential Zone: Mixture of single and double storey Dwelling Houses, Dual Occupancies, Multiple Dwellings, Short-term Accommodation, and existing Shops/Offices
- Special Purpose: Rail Corridor
- Limited Development (Constrained Land): Queensland Alumina Limited

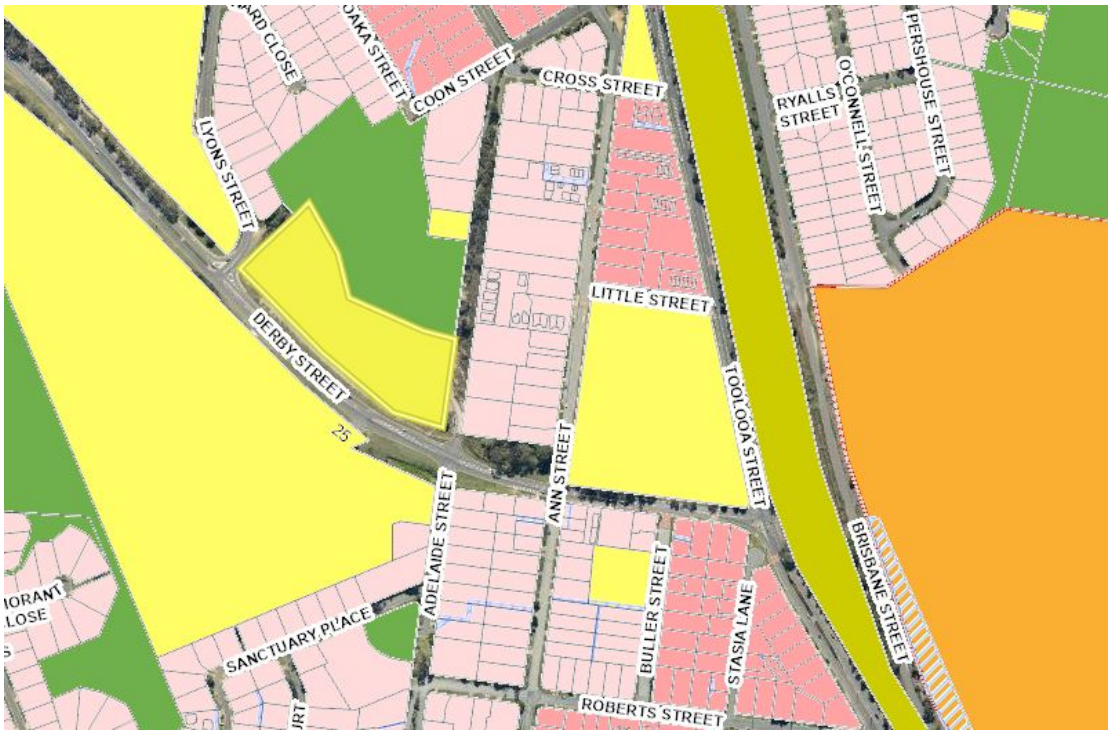


Figure Three: Zoning of the subject site (Community Facility Zone) and surrounds

The site falls to the southeast with the earth bund directing stormwater flows via an existing culvert which transfers flows under the earth bund and toward a stormwater gully pit on Derby Street. There is a rising sewer main located on the southern portion of Derby Street and a water main that terminates at the southeastern corner of the subject site. The location of Council's water, sewer and stormwater networks can be viewed below in Figure Four.

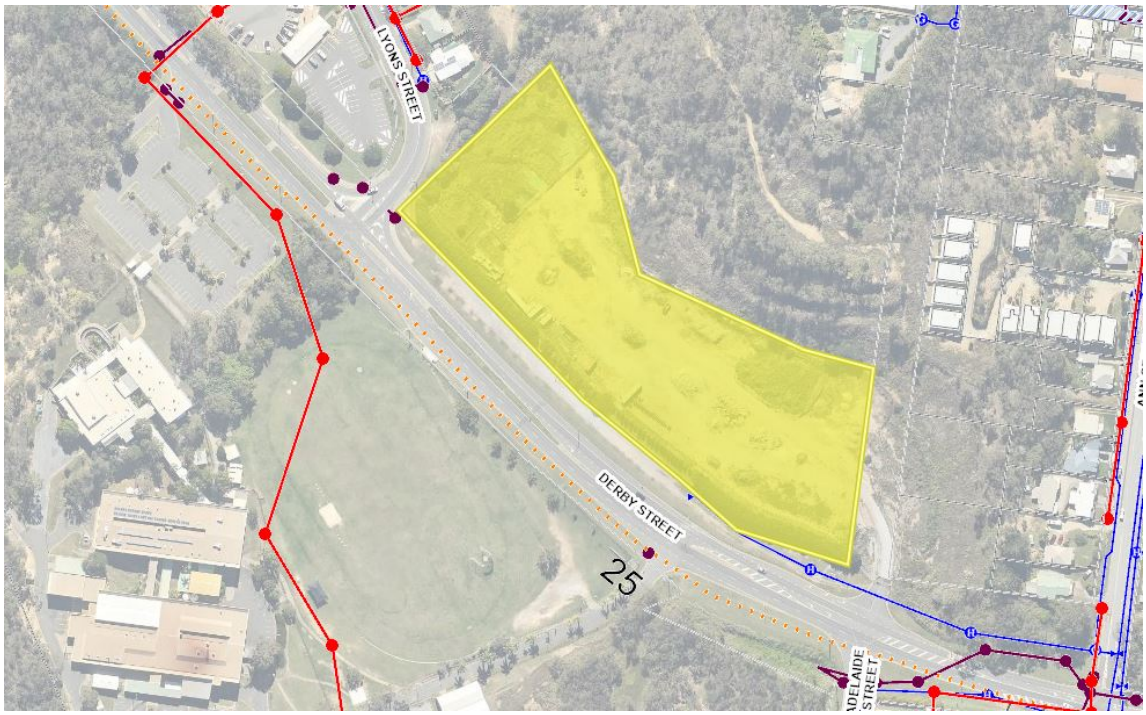


Figure Four: Council's Infrastructure network

Additionally, Jemena Queensland Gas Pipeline (QFP) which is a high-pressure natural gas transmission pipeline is located within the Derby Street road corridor. This is depicted below in Figure Five.

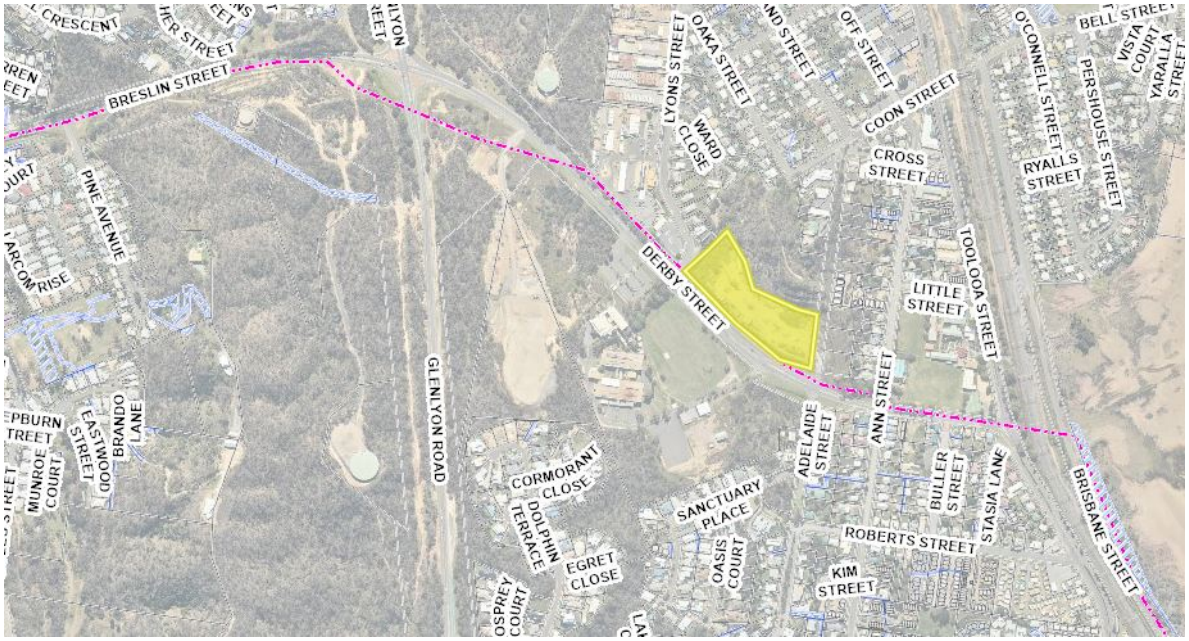


Figure Five: Jemena Queensland Gas Pipeline

While the application has been lodged over Lot 43, it is further noted that the proposed development would be subject to a lease arrangement within the site. The draft lease area is 5,561m2 with an approximate 1,110m2 for the compound of the proposed development. The draft lease was submitted within the common material and is illustrated in Figure Six.

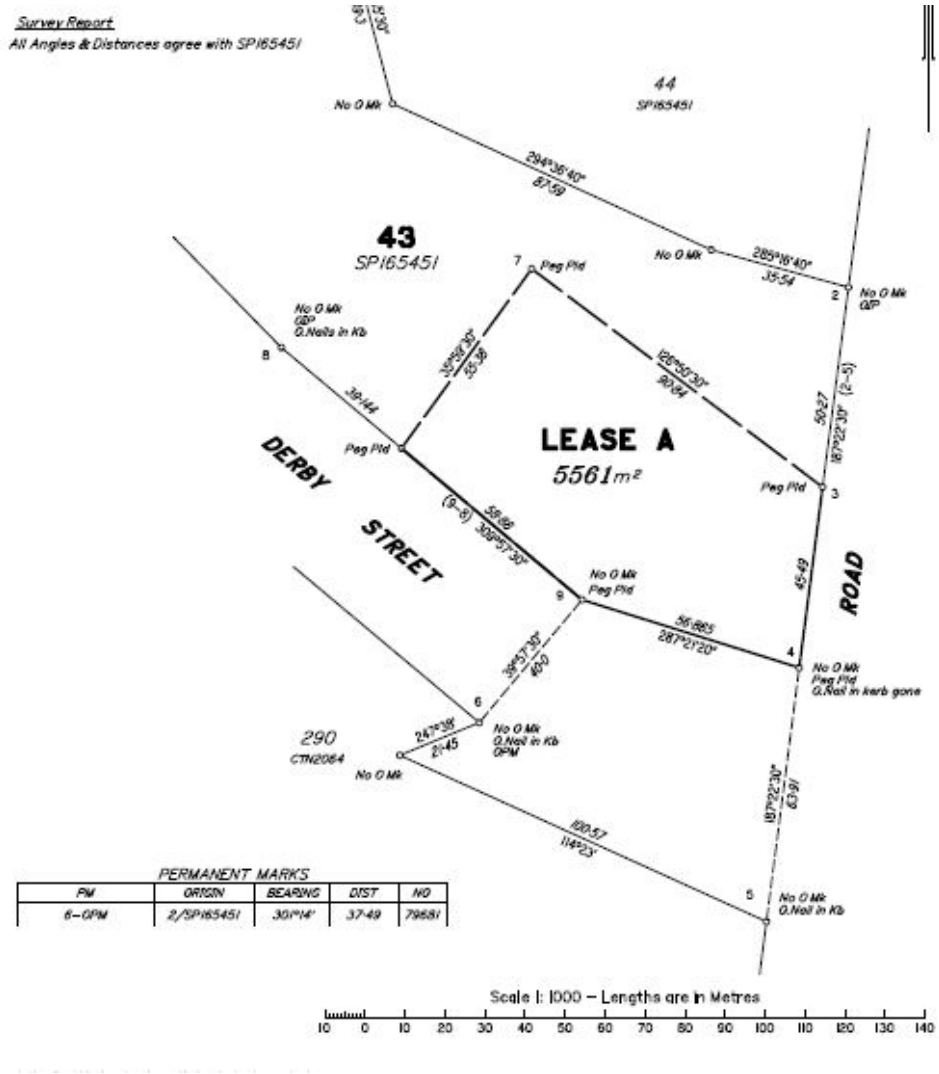


Figure Six: Draft Lease Area within subject site

Background:

The existing gate station was built at Breslin Street by the project team that consisted of the Boral (Origin) LPG energy team in 1990. In 1996 this asset was handed over to the NG team at Boral Energy for the operations and maintenance. Resources Safety & Health Queensland have stated that over the years various components such as the pressure control regulators, SCADA, metering equipment, etc., have been replaced and upgraded. The asset owner changed in 1999 and then sold to Envestra which evolved to AGIG.

Australian Gas Networks (AGN) forms part of AGIG. The combined distribution, transmission and storage assets make AGIG one of the largest gas infrastructure businesses in Australia (more than 2 million customers). AGIG have identified the upcoming project required to relocate the existing Breslin Street City Gate Station due to inundation from stormwater/overland flow at the current site. The existing City Gate is a critical element of the gas supply system that takes gas from the high-pressure gas transmission network and reduces its pressure to levels suitable for distribution to approximately 770 customers within the Gladstone area. In addition to inundation factors, it is stated that the existing City Gate requires replacement as it is reaching the end of its operational life. Figures Seven and Eight provide context of the existing City Gate.

Figure Seven: Location of Existing City Gate (Yellow Circle)

Figure Eight: Image of City gate from Breslin Street

As noted in the common material, AGIG conducted a site analysis within Gladstone to determine a new City Gate location and explore opportunities to introduce a hydrogen blend to the transmission network. AGIG identified Lot 43 as a suitable location for the proposed development among other alternative sites, however the reasoning has been included below for reference:

- The existing city gate location was ruled out because of inundation issues and a lack of adequate available land to support both an upgraded city gate and collocated hydrogen blending.
- Consideration of proximal site options further east along Breslin Street were considered, however a suitably sized, unconstrained site was not identified.
- Options in and around the intersection of Blain Drive, Alf O'Rourke Drive and Hanson Road were considered with a key issue being the location on the outer western fringes of the network. Assessment of the network indicated that locating the city gate in this proximity would result in performance issues with the fringes of the east and southeastern sections of the network. Additionally, this would place reliance on a one-way feed over 3.5km long (Hanson Road) which would present an additional risk to network reliability & operation. There are also no suitable nearby areas for reinforcement of the network in this area which may result in the requirement for two city gates in the future.

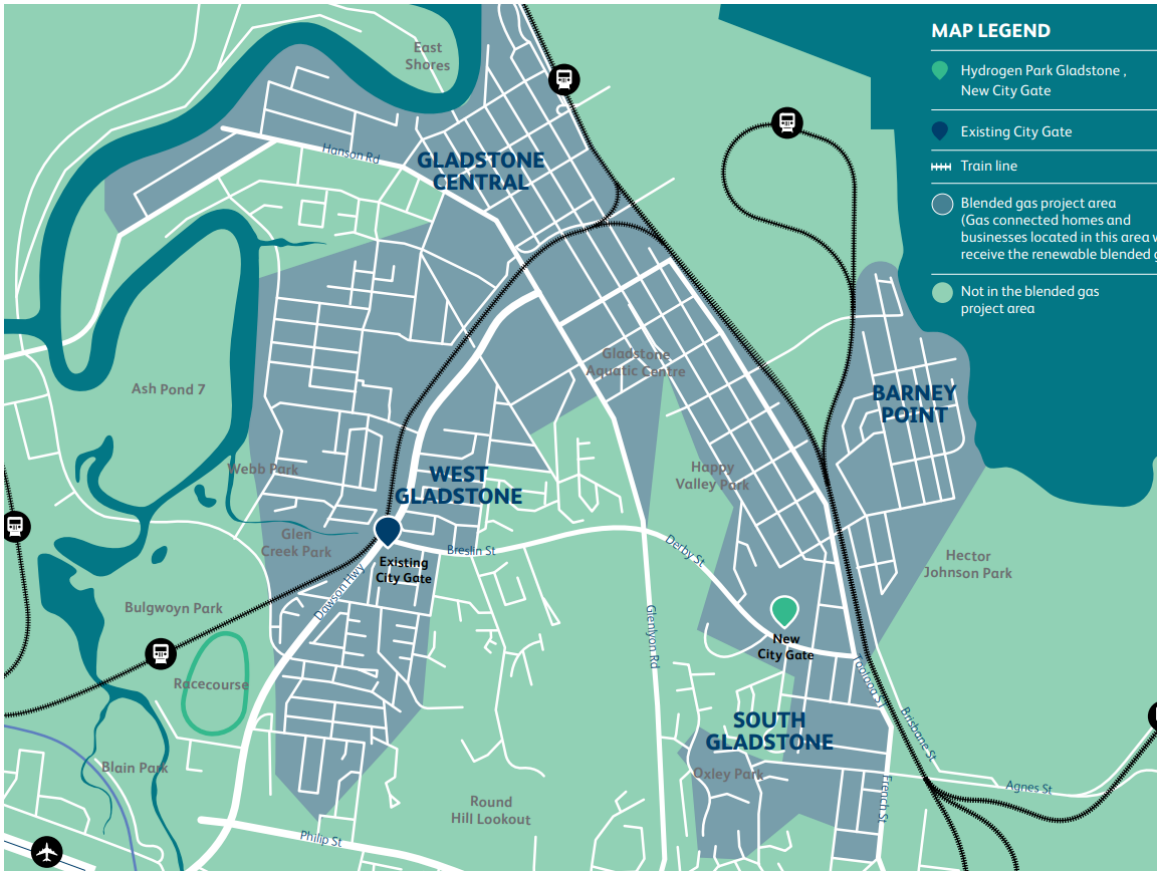


Figure Nine: Existing and Proposed customer catchment

A formal Pre-lodgement Meeting was held between the Applicant and Council on 24 February 2021 to discuss the proposal at Lot 43, land use definitions, planning scheme requirements and supporting application material. It is further noted that several informal meetings and discussions were also had as

supporting material from the State Government was published, confirmation on definitions and standards were confirmed regarding Hydrogen and the opportunity to lease Lot 43 progressed.

Council's Property Acquisition and Disposal Specialist determined that the proposed development was consistent with the reserve purpose and therefore ministerial approval of the lease was not required in accordance with *Land Act 1994* (Land Act). Council have since granted AGN a trustee lease (30 year term) over a portion of Lot 43. Subsequently, the trustee lease under the Land Act does not constitute a Reconfiguration of a Lot as per the Planning Act. This confirmation resulted in the lease component of the application not triggering assessable development for the Reconfiguring a Lot (lease exceeding 10 years).

Within the common material, the Applicant has acknowledged that the site is subject to determined Native Title held by the Port Curtis Coral Coast Trust (PCCC) as the prescribed body corporate and representative of the First Nations Bailai, Gurang, Gooreng Gooreng, Taribelang Bunda People Native Title Claim Group. An Indigenous Land Use Agreement (ILUA) has previously been entered into by the PCCC and Council that applies to the site. Upon review of the endorsed ILUA, the proposed development meets the definition of Low Impact Infrastructure.

Prior to lodgement of the current Development Application, AGN announced a Memorandum of Understanding with CQUniversity which seeks to enable collaboration on research projects, workforce training opportunities and community engagement. The project is also supported by the Queensland Government with grant funding of more than $1.7 million under the Hydrogen Industry Development Fund.

The Applicant lodged the current Development Application for a Material Change of Use of Premises for a Utility Installation and Renewable Energy Facility on 21 May 2021. An Action Notice was issued by Council on 7 June 2021 pertaining to outstanding application fees and owners' consent.

Upon receipt of the outstanding information, Council issued a Confirmation Notice on 17 June 2021 to the Applicant, noting no referral triggers. During the review of the application material, Council issued an Information Request on 30 June 2021 pertaining to sewer, stormwater, sealed access, road corridor impacts, water usage and amenity regarding the proposed fencing and use of existing landscaping at the subject site. The Applicant responded to Council's Information Request on 4 August 2021 with revised Engineering reports and further justification against the Planning Scheme regarding fencing, access and landscaping elements of the development.

During the application process and prior, the Applicant has noted that different methods of community engagement were conducted which included the below:

- A 'Welcome Pack' to approximately 4,700 homes and businesses throughout Gladstone;
- Door-knocking key commercial and industrial connections;
- Presence at community events and landmarks, including sponsors and speakers at industry conferences and hosting a scaled model at CQUniversity;
- More than 100 personal briefings, engagements and presentations to key stakeholders and the community;
- Radio, digital and print advertising in Queensland and Gladstone media outlets;
- Social media advertisements; and
- A webpage dedicated to HyP Gladstone and a Gladstone page on the AGIG website.

The Applicant was required to conduct formal Public Notification whereby the development was on notice from 13 August to 3 September 2021. Upon completion of the formal Public Notification Period, Council received a total of 106 submissions; 14 Not Properly Made, 82 Properly Made, and 10 Properly Made Principal Submitters (with an extra 36 signatures).

The Applicant lodged three (3) Stops to the Current Period in September, October and November while preparing a response to the submissions received and conducting further engagement with the community. On 15 November 2021, the Applicant provided a response to submissions. This package detailed the community engagement, response comments and included revised material such as fencing, landscaping, access, and a Quantitative Risk Assessment (QRA) report. The Applicant's scope for the QRA was to undertake a risk assessment for offsite populations based on operating parameters, hazardous inventories and environmental conditions at the site which was prepared by Thorton Tomasetti via a Registered Professional Engineer of Queensland (RPEQ).

A Working Group formed by the active submitters reviewed the public information available on Council's online system. From this review, some submitters issued further correspondence to Council regarding the application material in December 2021; outside of the formal Public Notification period. Upon review of the additional submitter responses, Council requested an extension and later issued a Further Advice Notice to the Applicant on 22 December 2021.

This Further Advice Notice (FAN) was informed by the additional submitter comments regarding the QRA report and perceived safety concerns from the proposed development. The Applicant agreed a further response to the FAN would be prepared and lodged a fourth Stop Current Period request.

On 31 January 2022, the Applicant submitted a formal response to the FAN which included additional material regarding the proposed development and an independently reviewed report of the QRA. The independent review was conducted by Advisian and their RPEQ officers.

Upon receipt of the FAN response material, Council Officers conducted meetings with the active submitters, the Applicant and state agencies regarding the proposed development. It is noted that the Working Group provided further comments in early February 2022.

To enable this review of additional material and various stakeholder meetings to occur, Council requested a further extension to the Decision Making Period on 16 March 2022 to which the Applicant agreed. On 29 March 2022, the Applicant submitted correspondence from the Chief Executive Officer (CEO) of AGIG and a presentation providing a summary of the extensive technical assessments that have been completed in relation to safety, hazard, and risk for the proposed development.

Proposal:

The Development Application proposes to establish a Renewable Energy Facility aligned with a hydrogen production facility (Hydrogen Park Gladstone (HyP Gladstone)) and a Utility Installation for a new City Gate at Lot 43 within the leased area.

Figure 10: Proposed Site Plan

The Planning Scheme defines Renewable Energy Facility and Utility Installation as below:

Renewable Energy Facility: *Premises used for the generation of electricity or energy from renewable (naturally reoccurring) sources.*

Utility Installation: *Premises used to provide the public with the following services: supply or treatment of water, hydraulic power or gas; sewerage, drainage or stormwater services transport services including road, rail or water; waste management facilities, or network infrastructure. The use includes maintenance and storage depots and other facilities for the operation of the use.*

The proposed new City Gate station forms part of the development to facilitate the connection of the facility to the existing high-pressure gas network. The proposed City Gate will replace the existing facility on Breslin Street which has reached the end of its operational life. This facility manages the pressure regulation and metering of natural gas taken from the licensed high-pressure transmission pipeline to make it suitable for introduction into the lower pressure reticulation system for approximately 770 customers.

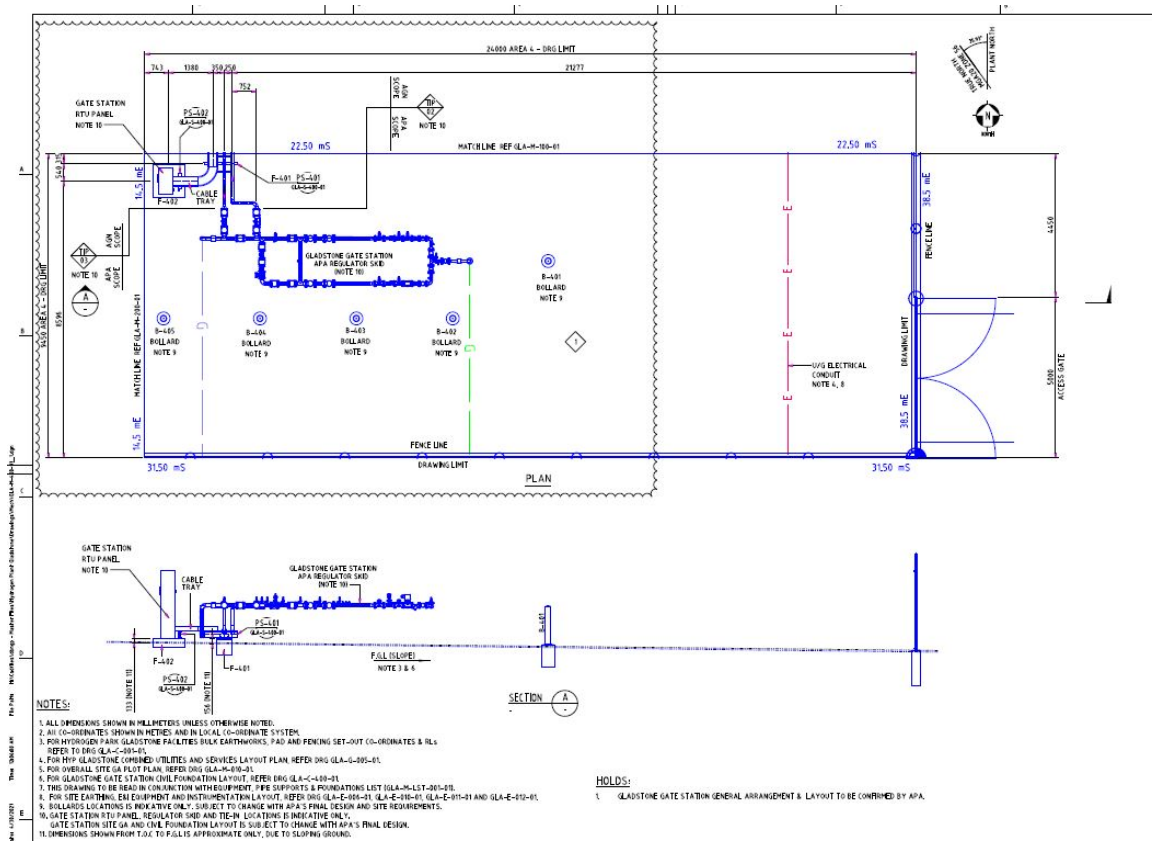


Figure 11: Proposed City Gate Station

In addition to the proposed City Gate, the development includes the Hydrogen Park Gladstone project (also known as HyP Gladstone). HyP Gladstone is a small demonstration facility designed to produce hydrogen to initiate the decarbonisation of the domestic gas supply in Gladstone. The proposed purpose-built facility will produce hydrogen through a process called electrolysis which purifies water and splits it into hydrogen (H2) and oxygen (O2). When hydrogen is produced using renewable electricity sources (e.g. wind and solar), it is renewable hydrogen or otherwise known as green hydrogen; aligning with the Renewable Energy Facility use unlike Industry use definitions.

HyP Gladstone proposes to produce renewable hydrogen using a 175kW Nel C30 Proton Exchange Membrane electrolyser with water and renewable electricity. This electrolyser can produce up to 2.75 kilograms of hydrogen per hour. HyP Gladstone has also stated that electricity being purchased will align with GreenPower Large-scale Generation Certificates (LGCs), meaning that the retailer must secure only renewable electricity to meet 100% of HyP Gladstone's requirements; resulting in green Hydrogen. Figure 12 has been extracted from AGIG material to illustrate the proposed facility process.

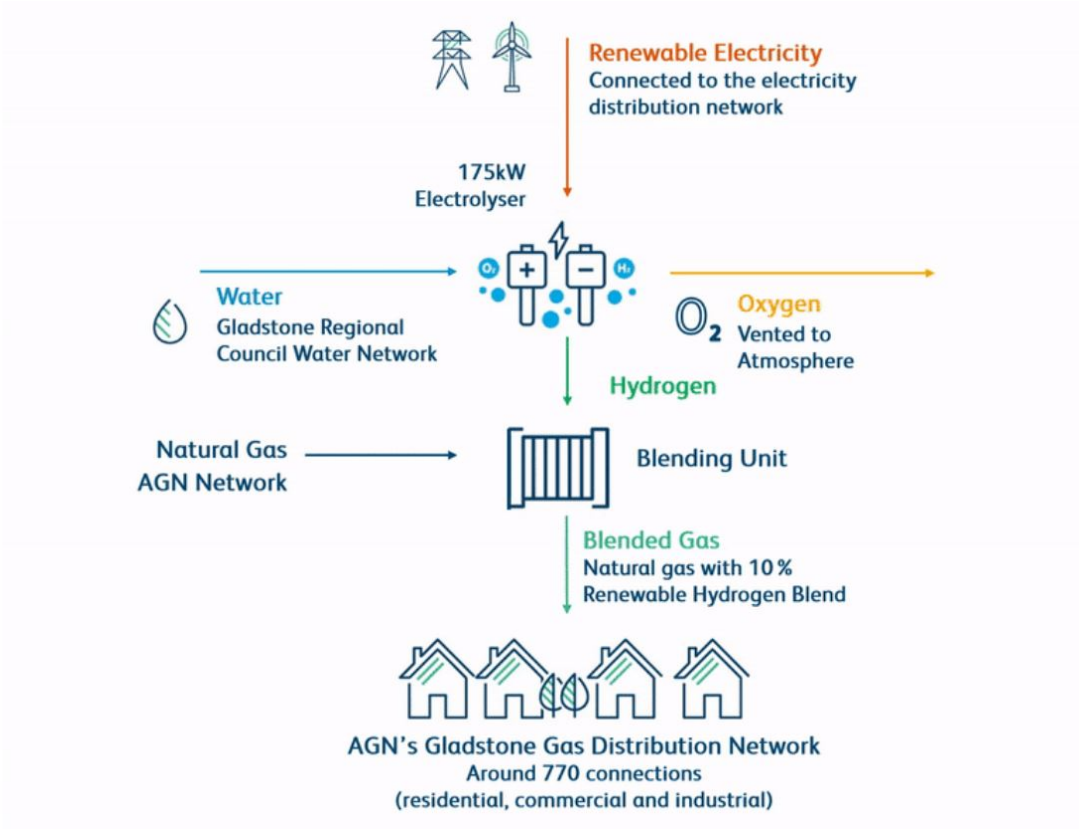


Figure 12: Schematic of Hydrogen Park Gladstone obtained from common material

The facility will source feed gas from the existing transmission pipeline which is located in the Derby Street road reserve. Inlet gas will be reduced from transmission pressure via the proposed City Gate consisting of pressure reduction, metering, and valve equipment in the same compound as the hydrogen facility. The proposed renewable hydrogen from the facility will then be blended with the natural gas at volumes of up to 10% for supply to the existing connections on Gladstone's gas network. The overall site arrangement can be viewed below in Figure 13.

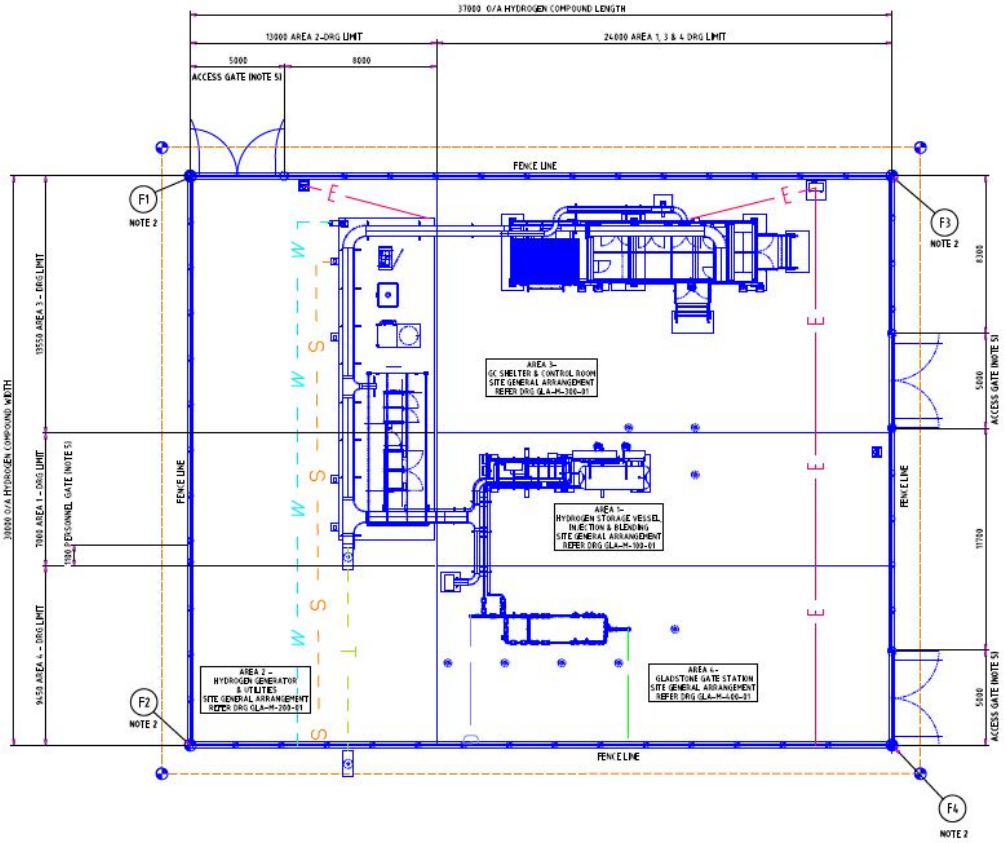


Figure 13: Proposed Overall Site Layout

To further articulate Figure 13, which includes both proposed HyP Gladstone and the City Gate, a brief description of each key plant item has been included below:

- Communications and controls hut - This takes the form of a standard preconstructed building with off-white cladding and will be located on elevated footings and support structure. The switch room building will be approximately 7.3m by 3.5m; total Gross Floor Area 25.55m2;
- Gas chromatograph (equipment used to measure and analyse gas specification);
- Water treatment and cooler package – demineralization of potable water supply via reverse osmosis plant cooling equipment to ensure electrolyser maintains a permissible operating temperature;
- Electrolyser – equipment used to split demineralized water into hydrogen and oxygen. The electrolyser can rapidly respond to fluctuations in the electricity market, ramping up when renewable electricity is abundant and switching off in times of high electricity demand. It is capable of operating 24 hours a day, seven days per week as a storage facility that supplies blended gas.
- Electrolyser Shelter will be a powder coated white cabinet under an off-white roof sheltering the electrolyser only. The shed will have dimensions of 3.5m by 6m; totaling 21m2 GFA. The shelter is open access on all sides.
- Hydrogen storage – storage buffer tank to allow for variations in hydrogen production and demand. The storage tank will be capable of storing approximately 10kg of hydrogen;
- Hydrogen blending and injection (equipment to blend hydrogen with natural gas for use in the reticulated gas network);
- New City Gate and natural gas inlet form transmission main – equipment to receive natural gas from the transmission network and reduce its pressure to a suitable level for injection into the distribution network. The connection from the transmission network to the City Gate will be subject to an

amendment of the existing Pipeline License for the Queensland Gas Pipeline and is not subject to this application; and

- Gas distribution network connection – a new HDPE pipeline connection from the City Gate to deliver blended gas into the existing distribution network.

Figures 14 and 15 provide further illustrations of the subject site and proposed development.

Figure 14: Proposed development photomontage within the subject site

Figure 15: Proposed development photomontage within the lease compound

The proposed development will be capable of operating 24 hours a day, 7 days per week to ensure the continual supply of blended gas into the distribution network to meet the needs of gas users throughout Gladstone. However, it is expected that HyP Gladstone will only operate for approximately 8 hours per day to meet network requirements given the small scale of the development and associated catchment. The Applicant has further stated that the most economical hours to operate the electrolyser is during the day

(likely to be times of low electricity and high renewable energy production).

The Applicant has noted that the proposed purpose-built facility has been specifically designed to meet relevant gas industry standards including safety and emergency response protocols. While the facility is proposed to be predominantly unmanned, the Applicant has stated that it will include electronic monitoring systems that will be monitored from an offsite secure control room facility. Service personnel will be based locally and available to respond to issues if they arise. Security and task specific lighting are proposed to be installed.

The proposed development will obtain access via the existing Derby Street crossover and seal the internal driveway within the leased area to the compound. The sealed portion within the compound will also make provision for four (4) visitor carparks.

The compound has proposed perimeter security fencing which now will reflect black powder coated fencing topped with small barbs instead of the typical chain wire fence with barb-wire security panelling on top. The perimeter fence will have two gated access points into the compound.

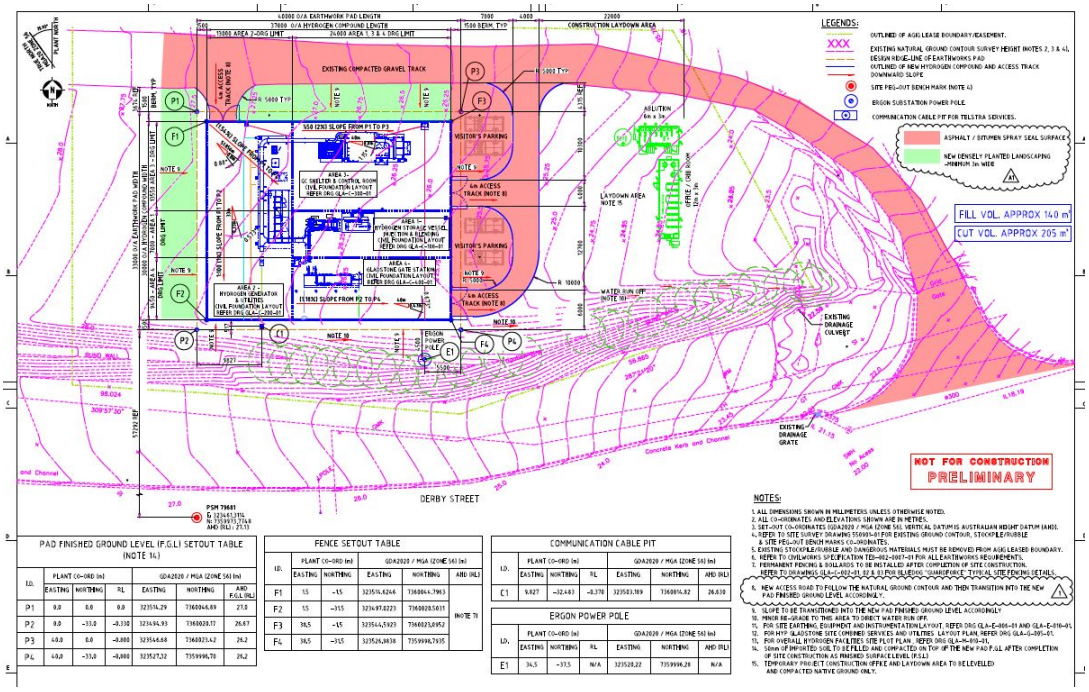


Figure 16: Proposed earthworks plan (including carparking, fencing and landscaping)

As part of the Response to submissions, the Applicant submitted the above amended plan to include the provision of additional landscaping along the north and west compound perimeter fencing. This additional buffer was to further screen the development in conjunction with the existing established landscape border along Derby Street.

Adopted Infrastructure Charges Notice:

The application is subject to calculation against the *Gladstone Regional Council Adopted Infrastructure Charges Resolution (No. 1) – 2015 – Amendment No. 2* (AICR). The table below provides a summary of the Material Change of Use development components:

Existing Lawful Use		**Proposed Use**		
Planning Scheme Definition	**GFA**	**Planning Scheme Definition**	**GFA**	**Stage**
Vacant Lot		Renewable Energy Facility Utility Installation	46.55m2 Nil	N/A

In accordance with the ACIR, a Utility Installation fits within the Specialised Use category while the Renewable Energy Facility aligns with the Minor Use category. Although the Renewable Energy Facility has associated GFA being proposed within the development, the Minor Use category attracts a Nil charge.

As part of the Decision Notice, an Adopted Infrastructure Charge Notice will be issued in accordance with the Act, noting the Nil Charge.

Referral:

The proposed development sits below the thresholds outlined in the Planning Regulation for any potential Environmentally Relevant Activities including ERA (7) Chemical Manufacturing, ERA (8) Chemical Storage, ERA (9) Hydrocarbon Gas Refining and ERA (10) Gas Producing.

Furthermore, in accordance with the *Work Health and Safety Regulation 2011 - Schedule 15*, the proposed development does not exceed the threshold trigger to be referred as a Major Hazard Facility. Major Hazard Facilities (MHF) are classified according to the various state regulations and provide guidance as to the type of facilities that require further licensing, regulation and safety studies. Despite the proposal not formally triggering referral, the Applicant completed engagement with the following departments:

- Department of Energy and Public Works;
- Department of State Development, Infrastructure, Local Government and Planning;
- Department of Resources (State Land Asset Management); and
- Resources Safety & Health Queensland (Petroleum and Gas Inspectorate).

These early engagements were stated to inform in the necessary lodgement material and overall design of the proposed facility.

Additionally, Council Officer's sought feedback from the State Development, Infrastructure, Local Government and Planning unit that assess and provide advice on the MHFs; and Resources Safety & Health Queensland which are the regulators of the development. Council Officer's sought technical advice regarding urban locations, facility design, safety mechanisms and the submitted QRA report. Both sections referred to the rigorous testing of Hydrogen plants and blended gas into existing transmission networks. Blending onsite has been confirmed as safer option with less associated impacts than transporting large tube trailers of hydrogen in an urban context. The percentage of blended gas has also been trialled and tested to confirm 10% blend is suitable in the Gladstone existing transmission line and for end user appliances.

In summary, the relevant departments confirmed the approach of small scale developments, such as this proposed development, being located within an urban context; the associated statements regarding the design in accordance with the relevant Australian Standards were confirmed; the proposed safety mechanisms have been previously consulted with the regulator and confirmed; the QRA and independent review provide the necessary safety assessment and risk of the proposed development.

Assessment:

SPP

The SPP articulates the State Interests that have been identified as critical to protecting and enhancing Queensland and delivering developments. The SPP has effect throughout Queensland and sits above regional plans and Planning Schemes in the hierarchy of planning instruments. An assessment against Part E: Assessment Benchmarks will be required as the Planning Scheme has not been integrated with the current SPP state interest policies. An assessment has been carried out against each applicable State Interest.

State Interest	Trigger	Assessment
Natural Hazards Risk and Resilience	Flood Hazard Area	Complies – The proposal is located within the SPP mapping; however, the Planning Scheme endorsed Flood Study for Auckland Creek does not impact the subject site. As part of the Site Based Stormwater Management Plan, the modelling of the design suggests that it is possible to mitigate any negative impacts to the surrounding sites. As such, the proposal has mitigated flood risk to people and property.
Strategic Airports and Aviation Facilities	Obstacle Limitation Surface Area Lighting area buffer 6km Wildlife hazard buffer zone	Complies – The proposed development reflects a low scale built form that does not include significant increase to lighting and waste generated onsite compared to the current informal uses. As further detailed in the assessment of the Airport Environs Overlay Code, the proposed development does not impact on the Airport operations and therefore complies.

Planning Scheme

The strategic framework sets the policy direction for the planning scheme and forms the basis for ensuring appropriate development occurs within the area for the life of the planning scheme. For the purpose of articulating the policy direction for the planning scheme, the strategic framework is structured with the strategic intent, six themes that work together to articulate the complete policy direction, strategic outcomes, and the elements that refine and further describe the strategic outcomes.

The policy direction in the strategic framework is supported, at a finer grain level, by other parts of the planning scheme. The zones organise the planning scheme in a way that facilitates the location of compatible land uses.

By achieving the balance of economic opportunities with community and environmental aspects, it creates a mature region which provides genuine choice and support for all its residents, workers and visitors. With the Strategic Intent noted, the following assessment within the planning scheme has been applied.

Strategic Framework - New Industry

The strategic framework acknowledges the importance of existing established industry uses in the region and the introduction of new development within the community. In particular, Gateway to the World theme has three Strategic Outcomes for new industry in the Gladstone region which have been included below.

(1) Gladstone is a world class industrial city that balances the impacts of major industrial development with community and environmental well–being.

(2) Major industries of state and global importance locate in Gladstone mainly in the Gladstone State Development Area and the Gladstone strategic port land.

(6) Major electricity, bulk water infrastructure and pipeline corridors including into the Gladstone State Development Area, Gladstone Power Station and Gladstone Port are protected from encroachment by development that would compromise their integrity and function.

The proposed development seeks to establish, at Lot 43, a new City Gate and green Hydrogen facility to produce the first 10% blend into an existing gas transmission network. As noted within the common material, the proposed development seeks to achieve the intent of the Queensland Hydrogen Industry Strategy and Australia's National Hydrogen Strategy which highlight the benefits of introducing Hydrogen as a blend into the existing gas infrastructure to contribute to decarbonisation of the gas distribution networks (one element amongst others to decarbonise Australia with Hydrogen).

To facilitate the blend injection into the gas network, the proposed development would require access into the existing high pressure gas pipeline. This requirement removed the suitability of the proposal being located within the Gladstone State Development Area (GSDA). The GSDA is acknowledged for major high impact or land intensive development, Gladstone Port for industry needing harbour and port access, and specific use and industrial places within Council's jurisdiction for industry meeting the needs of the region and supporting major industry.

Given the proposed low scale facility and the requirement to inject via the City Gate into the existing transmission network, the development would not align with 'major industries'. The location and scale of the proposed development have influenced the review of suitable available land within the Gladstone area.

The Applicant notes within the common material that the site analysis options, and the necessary criteria ranked Lot 43 as a suitable lot to progress. The subject site does not hinder the objectives outlined in Strategic Outcome 2 and 3. However, during Public Notification and via further correspondence from active submitters, the balance with community wellbeing was raised. Strategic Outcome 1 specifically references

'major industry' and achieving the balance. Although the proposed development is not specifically classified as 'major' industry, the balance of industry and community remains a relevant consideration which has been outlined later in this report.

Strategic Framework – Access to Community Development/Facilities

The Strategic Framework also seeks to ensure the community have appropriate access to a range of services and facilities which is outlined via the various zones in the planning scheme. Within the Connecting our Places theme, Strategic Outcome (3) states *all communities have access to a range of facilities and services, public spaces, open space, sport and recreation areas*.

The subject site is located within the Community Facility Zone as per the Planning Scheme. To date, the site has been utilised to extract quarry materials, store goods and stockpile other items for Council. At present, there is also remediation activity to manage the known asbestos located within the site area. Given the history and current remediation works, the subject site is yet to provide the Gladstone region with additional community services or open space as envisaged by the scheme.

The proposed development will seek to utilise a portion of the subject site via a lease. The development will introduce a new facility to the region along with the relocation of the existing City Gate. It should be acknowledged that the proposal does not remove a previous community use, however, introduces a new development to the site. The proposed development operation has been considered compatible with the current stockpiling, storage and remediation works being conducted on the balance portion of the site. Furthermore, the proposal does not remove existing community facilities or public places outside of the subject site nor restrict appropriate future development to occur on other sites zoned for the purpose of community facilities.

Strategic Framework – Balance of the site

The proposed development seeks to introduce a green hydrogen facility to inject a 10% blend into the existing gas transmission network via the relocation of the City Gate. As noted by the Applicant, this proposed development does require various safety measures to ensure the site is not accessible to the general public or unauthorised personnel. As such, this requires an assessment of the balance lot and how facilitation of suitable uses at the site can be achieved.

Although the proposal includes a safety perimeter fence around the compound for the development, the zone considers potential land uses such as Club, Community Care Centre, Community Use, Food and Drink Outlet, Shop to name a few. All of which would generate public interaction with the site. The proposed development may result in other uses such as commercial and community orientated development being inappropriate or limited within the site.

Reviewing the current stockpiling operation and limited services accessible to the site currently, it would be difficult to envisage a commercial development such as a Shop or Food and Drink Outlet as being appropriate at this site, considering the planning scheme focus for South Gladstone is to revitalise the Toolooa Street precinct rather than create additional hubs.

In addition, other Hydrogen pilot projects acknowledged in the strategies and committees within Australia suggest the integration of Educational Establishments such as Universities and Hydrogen facilities to utilise

the green energy and conduct further studies and upskill/train a new workforce. This synergy between Hydrogen and Education is further highlighted with the Memorandum of Understanding with CQUniversity Australia and a stated collaboration with Gladstone State High School which has received a $2 million Queensland Government investment in hydrogen industry training. This also aligns with the Gateway to the World – Element of Local Business and Industry which acknowledges the Gladstone region has a *diverse and growing economy underpinned by commerce, business and retail functions in a range of centres. It provides development and business opportunities in education and training, particularly leveraging off the presence of Central Queensland University and the mining and energy sector*.

It is understood that the subject site land mass and location within proximity of the Council Depot and former TAFE college influenced its inclusion within the Community Facility Zone. Notwithstanding this, Public Utilities such as Water Reservoirs, Landfill, Telecommunication Facilities, etc are generally reflected in the Community Facility Zone given the nature of the service.

Based on the above, the introduction of the proposed development would not be dissimilar to other utilities that are considered within the Community Facility Zone and would allow the necessary assessment framework to consider appropriate land uses within the balance of the subject site.

Strategic Framework - Surrounding land uses

With reference to the surrounding existing settlement pattern, the Strategic Framework considers impacts on sensitive land uses. It is acknowledged that the petroleum and gas industries, such as the proposed development, require additional buffers to protect development from encroachment by inappropriate and sensitive land uses.

The existing settlement pattern within the South Gladstone area is comprised of low-medium density residential development, community uses and some small scale commercial and accommodation providers. This is also considered via the Building it Better theme, Strategic Outcome (3) which references *Buildings in urban revitalisation neighbourhoods within residential zones promote neighbourhood residential character and amenity commensurate with the relevant Low–medium density residential or Medium density residential zones. These areas accommodate a range of attached housing forms including low–medium rise townhouses and medium rise apartments*. This is further illustrated via the planning scheme Gladstone South Revitalisation Neighbourhood boundary.

Figure 17: Gladstone South Urban Revitalisation Neighbourhood

Gladstone South revitalisation neighbourhood looks at reinforcing:

- Toolooa Street as a gateway into the Valley and eventually the Central Business District (CBD).
- The Toolooa Street shopping centre provides a major redevelopment opportunity to anchor Gladstone south and reinforce the gateway entry into the Valley and CBD.
- The eastern frontage of Toolooa Street includes land within the Specialised centre zone where development provides for smaller scale bulky goods showrooms and outdoor sales activities.
- Low medium density residential development such as townhouses and other forms of attached housing are appropriate beyond the western frontage of Toolooa Street. This is identified in the Low–medium density residential zone.

Existing suburban areas represent well established low density residential neighbourhoods in the region's urban areas. They are generally dominated by dwelling houses on medium to large residential lots located in the Low density residential zone. Existing suburban areas remain unchanged apart from limited dual occupancy housing forms only where development maintains low density residential character. Infill development including higher density attached housing is not appropriate in existing suburban areas in the Low density residential zone.

This is further articulated via the Community Living theme, Strategic Outcome (5) states *redevelopment and infill development will provide an increasing proportion of the region's housing stock through attached*

housing types. This will occur in identified urban revitalisation areas, larger mixed use centres and the Gladstone CBD.

The proposed development would not sterilise the revitalisation neighbourhood vision for South Gladstone nor limit the infill development growth opportunities within the existing urban footprint. On balance, nor would the redevelopment or infill development of Gladstone South impact on the proposed development. As such, the HyP Gladstone would allow for the revitalisation or infill development of the urban suburb as per the planning scheme vision.

Notwithstanding the above, the proposed development would also present a logical use of the subject site given the current operations and would remain consistent with the present interface amongst the adjoining community facilities and residential sites.

Strategic Framework - Surrounding networks

The Strategic Framework acknowledges the importance of maintaining critical networks and routes in the region. The following Strategic Outcomes referenced in Gateway to the World and Connecting Our Places articulate the significance of upholding the networks:

(2) Development achieves the efficient use of existing transport and community infrastructure and the timely and equitable delivery of new infrastructure.

(8) The Gladstone airport and major road transport corridors such as the Bruce and Dawson highways and other State controlled roads and arterial routes are protected from inappropriate development that undermines their efficient and safe operation.

(9) Major freight and haulage routes avoid sensitive areas and surrounding development does not compromise their important function in servicing specific uses and industrial places throughout the region.

(5) Industrial development occurs in a range of small and large lots that reflect site area requirements for a range of industrial activities. It must also be well serviced, connected to major transport links, transport routes and other key infrastructure and avoids adverse impacts on sensitive uses.

The proposed development does not impact the safe and efficient operation of Gladstone Airport as further assessed in the relevant Airport Environs Overlay Code. In summary, the airport operations will be maintained given the low scale of the development with low traffic, minimum waste generation and no hazardous plumes.

Council identified to the Applicant prior to lodgement of the application and as part of the Information Request items that Derby Street is an alternative route for oversize or over mass freight movements, from the Port of Gladstone due to height constraints on the Port Access Road associated with the Goondoon Street Bridge.

The proposed development has identified the requirement of new electricity connection to the facility at the subject site. The Applicant and the Electricity provider advised Council that the connection must be overhead given the existing services within the Derby Street corridor. They further noted that there are

existing powerline connections across Derby Street to the east and west of the site. Therefore, the new proposed overhead line would remain consistent with the current limitations within the road corridor.

Additionally, it should be acknowledged that the proposed development is located outside of the road corridor unlike the current City Gate which sits within the Breslin Street road reserve. By locating the proposed development within the subject site and behind various buffers, this further upholds the operation and efficiency of Derby Street road corridor. As highlighted within the common material, the proposed development is unmanned and will result in minimum traffic upon operation. This approach will reduce significant traffic and potentially large vehicle types accessing the network. In turn, the proposed development and the existing transport routes are protected from the encroachment of new sensitive land uses to ensure they can operate efficiently and safely.

Airport Environs Overlay Code

Acceptable Outcome 3 states that *development does not generate gaseous plumes with a velocity exceeding 4.3m per second; smoke, dust, ash or steam that will penetrate the Obstacle Limitation Surface (OLS) (Inner and Outer), Transitional Surface or Approach and Departure Limitation Surface as identified on Airport Environs Overlay Map, or emissions with depleted oxygen content*. Within the common material, it has been acknowledged that the proposed development does not result in a plume that will penetrate the OLS nor emit emissions. As such, the development is compliant with Acceptable Outcome 3.

Assessment within the Airport Overlay Code also considers measures to reduce the potential of birds/bats via Acceptable Outcome 4.3. HyP Gladstone is stated to be operated unmanned with varying maintenance or coordinated site visits. Subsequently, this results in minimal waste storage onsite which is normally a contributing factor to attracting wildlife. Furthermore, the proposed built form of the facility with limited enclosed structures and roof lines, reduces the potential for attracting wildlife. Based on the proposed operation and design of the facility, Acceptable Outcome 4.3 is adequately addressed.

Steep Land Overlay Code

The proposed lease area and access point avoids all mapped steep land as per the planning scheme overlay (illustrated below in Figure 18). As such, the proposed development does not necessitate further assessment against the overlay code.

Figure 18: Extract from Planning Scheme mapping – Steep Land Overlay

Community Facility Zone Code

Acceptable Outcome 5.2 states that *where development adjoins a residential use or land within a residential zone a 1.8m high solid screen fence is provided along that common boundary, or a landscaped buffer with a minimum width of 3m and consisting of dense screen planting is provided along that common boundary*. While the subject site does not directly adjoin a residential zone as an unformed road reserve separates the site, the intent of achieving minimum amenity outcomes remains relevant.

The proposed development has included a 3m security fence and additional landscaping to the west within the compound area. The proposed development does not propose either treatments along the boundary that abuts the residential zone given this portion of the subject site is required to provide access to the lease area and balance of the lot. As such, the proposal will not achieve compliance with Acceptable Outcome 5.2 and will require assessment against the correlating Performance Outcome.

Figure 19: Adjoining residential lots

Performance Outcome 5 outlines that *development provides adequate separation and buffering from any adjoining residential premises or residential zone so that residential privacy and amenity is not adversely affected*. The highlighted lots either obtain access from the unformed road reserve which separates the subject site and the lot or via Ann Street. It is suggested that the unformed road reserve with an approximate width of 20 metres provides a suitable buffer between the sites.

Importantly, the current operation of the subject site presents a similar visual amenity with security fencing, stockpiling, laydown for equipment to the adjoining residential uses and the general public from vantage points along the Derby Street and Lyon Street road reserves.

The Applicant conducted further assessment of potential overlooking of surrounding elevated residential sites into the compound. Upon their review, the only residence with potential views overlooking the compound is a single townhouse within a multi-unit dwelling development at 29-31 Ann Street. The residence is located approximately 90m to the north east of the proposed facility compound. It is noted that the existing vegetation on the embankment separating the site from the residence provides partial screening of potential views which are from windows on the secondary frontage of the residence. Accordingly, it is considered that the impacts to the visual amenity of this residence are minor and acceptable. As such, the proposal is considered to comply with Performance Outcome 5.

As noted by the Applicant, the proposed development can operate up to 24 hours a day. As such, the proposal does not comply with Acceptable Outcome 6 which regulates hours of operation are limited to *7am to 6pm, or 6am to 10pm where not adjoining an existing residential use or land within a residential zone*.

Performance Outcome 6 notes that *the amenity of the locality is not unreasonably affected as a result of the development*. As part of the response to submissions, the Applicant provided a revised Noise Report to incorporate noise data taken at 8 locations surrounding the proposed site for a week from 24 September to

1 October 2021. The updated noise assessment noted that compliance with both day and night noise criteria at all sensitive receptors, with noise contributions from proposed development anticipated to be significantly below the anticipated existing transportation noise.

Figure 20: Noise Level Contours (extracted from common material)

The Applicant has stated that the primary noise generating equipment within the facility are the cooler fans associated with the electrolyser and the pressure regulation valves associated with the City Gate station. The facility has proposed further methods to reduce noise from the equipment, noting specifically within the Noise Report that the Cooler, City Gate and Plant Pump will all be equipped with further noise attenuation systems. It is further noted that the proposed facility does not contain local audible alarm sirens or other audible systems within the compound.

The *Environmental Protection (Noise) Policy 2019* outlines environmental values and acoustic quality objectives to be achieved and or protected for various sensitive receptor types. The revised Noise Report has demonstrated compliance with the relevant policy based on the recommended equipment suppression methods. Additionally, the Applicant has acknowledged that during construction and maintenance activities, a Noise Management Plan prepared in accordance with the principles in *AS 2436 - Guide to noise control on construction, demolition and maintenance sites* will be incorporated into the site Construction Management Plan. A condition has been recommended to this effect to ensure this will be prepared as part of the subsequent Operational Works permit.

In summary, the proposed development does not unreasonably affect the amenity of the locality as depicted within the proposed plans and revised Noise Report. To ensure the proposed methods are maintained, a condition has been recommended to approve the supporting assessment report.

Performance Outcome 10 acknowledges that *development does not prejudice the ongoing operation and expansion of existing community related activities on the site*. The subject site is considered vacant with informal uses of stockpiling and storage occurring by Council. The proposed development and associated lease does not compromise the existing Council operation nor expansion, if required.

As considered within the assessment of the Strategic Framework, the proposed development may result in some incompatible uses onsite if co-located. However, there were also synergies identified with the location and relationship with surrounding Educational Establishments. This is further considered within Performance Outcome 11 which articulates *development facilitates opportunities for appropriate co–location of community related activities or facilities*. As such, the proposed development is not considered to sterilise the subject site and may have future opportunities for co-location of appropriate educational and potential community uses onsite; subject to development assessment against the planning scheme.

Performance Outcome 12 refers to development maintaining a high level of amenity within the site and minimise impacts from noise, traffic, visual, signage, odour, access to sunlight and privacy on surrounding areas. The proposed development has demonstrated compliance on noise, visual and traffic. With reference to odour, the proposed development is required to vent, which is clear, non-toxic and odourless. Lastly, signage for the facility is regulated via the Australian Standards regarding proximity to high pressure gas pipeline, City Gate and other high voltage equipment. Furthermore, minimal signage may be placed regarding the proposed development, funding and partnerships.

Figure 21: Existing City Gate signage

As noted in the submissions received, it was highlighted that the proposed security fencing around the compound was visually unappealing and inappropriate given the suburban character of the local area. In response to this feedback, the Applicant updated the proposed fencing specification to be less visually intrusive whilst maintaining a suitable level of security. The revised fencing style has been illustrated below in Figure 22 which consists of a 3m mesh fence with a 50mm serrated top in a black/grey powder coat finish.

Figure 22: Example of proposed fencing style

This is considered to remain low scale to mitigate adverse impacts to the locality. Therefore, the development complies with the intent of Performance Outcome 12.

As referenced in Performance Outcome 13 it states that *development must ensure safe, convenient and legible connections are provided for pedestrians and cyclists to, from and within the site; to public transport infrastructure, open space, parkland, centres and community–related activities*. The proposed development has stated that the type of facility and associated safety requirements that a formed pedestrian link for the full frontage of Derby Street would be inappropriate.

This then highlights the need to redirect pedestrian activity to a safe alternative route which would have provision to connect into the existing pedestrian footpath network along Derby Street. Currently the existing pedestrian network terminates at Lyons Street and commences further east of the site near Ann Street. Furthermore, there is an existing bus shelter located on the opposite side of Derby Street, fronting the CQUniversity site with no formed pedestrian pathway access.

To address Performance Outcome 13 while upholding the necessary safety measures, it is considered appropriate to construct a new pedestrian connection for the full extent of the subject site on the southern portion of Derby Street that connects into the existing network. This will assist in redirecting pedestrian access from Lyons Street pedestrian connection. As a result, it is recommended to include a pedestrian footpath as part of the subsequent Operational Works application to achieve compliance with Performance Outcome 13.

Figure 23: Proposed footpath extension to connect into existing network

The zone code also seeks design elements within the built form to contribute to an interesting and attractive streetscape as highlighted in Performance Outcome 15. The Applicant has stated with reference to the type of development, there is limited built form and opportunities to vary building facades. Furthermore, a key element for the proposal is screening the compound from Derby Street and surrounding residential uses via dense landscaping. This key element was further highlighted during the Public Notification process which initiated a redesign of the proposed compound screening treatments (highlighted in Figure 24). As such, the proposal was considered against the Overall Outcomes of the Community Facility Zone Code.

Figure 24: Proposed compound screening treatment variations

The Overall Outcomes summarised seek to ensure development is of a consistent scale, promote safe pedestrian use, and sited in a way that does not adversely impact on the amenity of the adjoining residents. Given the type of development being proposed, the preference is for landscaping buffers to reduce visual vantage points. As a result, the proposed development is considered to comply with the Overall Outcomes via the recommended conditions.

Development Design Code

As part of the Information Request Response, the Applicant submitted revised Engineering reports which noted that peak water demand on the basis of the maximum rated capacity of all equipment has been calculated at 1,831L/hr. Water demand under standard operating conditions will be far less; approximately 305L/hr during normal hydrogen production. Assuming an expected 8 hours of production per day this equates to a daily average water demand of 101L/hr. The maximum demand level of 1,831L/hr has conservatively been used to determine that a 40mm diameter connection to the existing Council water main in Derby Street will be sufficient to service the needs of the development.

Council's Strategic Asset Planning department reviewed the above and have confirmed the demand is available in the current water network. As such, it is recommended to lodge the appropriate Water Application to obtain a Water Service and meter to the subject site which will comply with Acceptable Outcome 1.1 of the Design Development Code.

Acceptable Outcome 2.1 requires development obtain the necessary sewer connections. The subject site currently is not serviced via an existing sewer connection, nor is one available. As such, the Applicant will be required as part of Operational Works to extent Council's sewer main to the property boundary within Derby Street road reserve and later connect via a private manhole. This compliance has been achieved via several proposed conditions.

As previously highlighted in the report, the Applicant requires a new overhead electricity connection to the subject site. The relevant process and installation is conducted via the Energy supplier and the Applicant. Thus, this proposed new connection will achieve the intent of Acceptable Outcome 3.1.

The open stormwater drain adjacent to the earth bund on the Derby Street frontage of the site currently captures stormwater flows from across the full extent of Lot 43 and diverts these flows to a culvert near the site entrance. As part of the Information Request Response, the Applicant submitted a Site Based Stormwater Management Plan which demonstrated through the peak flow discharge estimates that there will be an insignificant increase in peak flow, which will result in a negligible material impact to the downstream receiving environment and trunk drainage network. As such, the report has been considered as a supporting document and will be required as part of the subsequent Operational Works once detailed designs are completed. Therefore, the proposal will achieve Acceptable Outcome 6.

As part of the subsequent Operational Works application, the associated earthworks will be assessed and inspected via an RPEQ to ensure compliance with the Development Design Code and Operational Works Code. This recommended condition thus demonstrates compliance with Acceptable Outcome 8.1 and 8.3.

Acceptable Outcome 9 requires *car parking and bicycle parking is provided on site in accordance with the rates specified in the Parking Rates Planning Scheme Policy*. The facility is to be operated remotely with no personnel on-site on a day-to-day basis. Demand for car parking has been suggested as planned visits by operations and maintenance personnel to inspect and service equipment and ancillary tours with government, industry and educational parties. Following the Public Notification period, the Applicant altered the proposed compound design to include the provision of four (4) parking spaces via sealed access. It is further noted that the parking rate policy remains silent on prescribed numbers for either use. The proposed parking rates and available space within the compound for servicing and maintenance has been considered sufficient for the proposed development. However, to ensure the proposed tours remain ancillary and via small groups, a condition has been recommended that no more than four (4) vehicles associated with any ancillary tours of the HyP Gladstone facility are permitted at one time.

Lot 43 is currently accessed via a gravel track that commences at a gate within the unformed road reserve before entering the property. A protected left turn on Derby Street provides for safe entry to the access track in the unformed road reserve. The Applicant originally suggested that the existing access arrangement is not intended to be altered as a consequence of the proposed development given the small traffic numbers expected. Council requested via the Information Request that the Applicant review this approach, in which the Applicant proposed no changes. However, post Public Notification period, several submissions raised concerns with the current dust emissions from the site.

In response, the Applicant revised the plans within the lease area to propose surface treatment for the site access, vehicle circulation and parking areas to an asphalt/bitumen spray seal. This treatment has been updated in the revised plans and will be a requirement within the Operational Works application. As such, the proposed development will remain compliant with Acceptable Outcome 11.1 and 12.

Acceptable Outcome 15 states that development achieves the air quality design objectives set out in the *Environmental Protection (Air) Policy 2008*, as amended. The development material has stated that emissions will not be produced as per the air quality indicators outlined in the amended version of the policy which is now *Environmental Protection (Air) Policy 2019*. During operation of the hydrogen production plant, the primary air emissions from the facility will be pure oxygen produced by the facility as

a waste from the electrolysis process. When operating normally, it is said that the electrolyser will continuously discharge at atmospheric pressure a low volume of warm hydrogen as it regenerates the internal swing bed hydrogen gas dryer.

The Applicant has further stated that under abnormal conditions the entire production rate of hydrogen may vent for brief periods. However, both hydrogen (a clear, odourless, tasteless and non-toxic gas) and oxygen are considered to have a positive atmospheric impact in the small volumes contemplated. The vented gases as such pose no impact to adjacent land uses or users in the vicinity of the site and remain compliant with the relevant Environmental Policy.

In addition to the conditions requiring lodgement of a Construction Management Plan and Operational Management Plan, a condition has been included to ensure the Applicant monitors the condition of the access and surrounds within the lease to ensure dust generation is maintained to an acceptable level during and post construction of the facility.

The proposed development will include security and task specific lighting which is suggested to be installed but used only when needed to respond to an alarm and after-hours maintenance. This results in a floodlight installed on either end of the control hut building at a height of approximately 5m. A condition has been included to ensure all proposed lighting will be designed and specified to achieve compliance with *Australian Standard AS4282 Control of the Obtrusive Effects of Outdoor Lighting* as amended in accordance with Acceptable Outcome 18.

As the proposal is an unmanned and remotely operated facility the proposed development is not anticipated to generate any significant volumes of waste necessitating the inclusion of on-site waste storage. During construction, suitably sized skip bins will be used for the management and disposal of all construction waste. This will form part of the Construction Management and Operational Management plans within the Operational Works permits, as such, the development complies with Performance Outcome 21

Performance Outcome 29 refers to development that involves trade waste or contaminated wastewaters that they must be managed appropriately. The Applicant has noted within the common material that the potable water supply will be processed through a small reverse osmosis plant to remove impurities before entering the electrolyser. Of the water supplied to the site approximately 27L will be consumed (converted to O2 and H2) with the remaining forming a slightly briny wastewater stream.

Chemicals are used in the process for the purposes of cleaning the membranes, neutralising chlorine and as an anti-scalant. The acidic and alkaline solutions used to clean the membranes during maintenance are typically used in low concentrations and are pH neutralised in accordance with vendor procedures prior to disposal to sewer. To ensure this disposal to the sewer network is compliant and monitored, a condition has been included prior to the commencement of the use a Trade Waste permit is obtained. This application process will ensure the development complies with Performance Outcome 29.

Landscaping Code

The Applicant has updated the proposed landscaping plan to include two areas of new landscaping along the northern and western sides of the proposed facility compound following the Public Notification period. This landscaping will provide a planted buffer to assist in screening of the facility from adjoining /nearby

residents. Additionally, a condition has been included for the balance of the lease area to be turfed. This will assist in dust suppression and achieving the intent of Performance Outcome 1 and 2.

Performance Outcome 3 stipulates *street trees are provided in appropriate locations to provide shade for pedestrians along footpaths; reinforce the legibility of the movement network; avoid damage to public or private property or infrastructure; enhance the character of the streetscape, and ensure visibility is maintained from entrances and exits to properties and at intersections*. It is recommended that the Applicant submit a pedestrian network plan that includes the location of the proposed footpath and complementary street trees. This plan will be required as part of the subsequent operational Works application to address Performance Outcome 3.

Planning Act 2016

With reference to the Act, Section 45(5)(b) states:

An impact assessment is an assessment that -
a. must be carried out—
i. against the assessment benchmarks in a categorising instrument for the development; and
ii. having regard to any matters prescribed by regulation for this subparagraph; and
b. may be carried out against, or having regard to, any other relevant matter, other than a person's personal circumstances, financial or otherwise.

Examples of another relevant matter—

- *a planning need*
- *the current relevance of the assessment benchmarks in the light of changed circumstances*
- *whether assessment benchmarks or other prescribed matters were based on material errors*

During the Public Notification process and subsequent correspondence between Council, the Applicant and the active submitters, several other relevant matters were raised which are not considered as an assessment benchmark within the current planning scheme. As such, each matter has been broken down to assist in the decision making process of the development application.

Existing City Gate end of life operation

Within the common material the Applicant has identified the opportunity to address the end of life operation of the existing City Gate located at Breslin Street by relocating the equipment and introducing a green Hydrogen facility to inject up to a 10% blend into the gas transmission line. Although the proposed development is located on Lot 43, given the nature of the development Council seeks further confirmation of the decommissioned existing City Gate.

Additionally, the common material also suggests that the proposed hydrogen production technology has a useful life span of approximately 25 years. At some point in the future, new innovation in this technology may enable the current proposal to be upgraded. The City Gate is expected to have a longer operational life of 40+ years. To ensure that in the event if the facility is no longer required, all of the above ground infrastructure and relevant, facility specific, below ground infrastructure is removed, and the site rehabilitated to a standard suitable for an appropriate future use; a condition has been recommended for

both sites. The condition will require the Decommission and Rehabilitation Plan prior to the lease ceasing at the subject site.

Hydrogen as an energy product – Applicable Strategies

Hydrogen development is not a land use under the Act nor defined in the current Planning Scheme. However, the Act is supportive of renewable hydrogen activities that advance the purpose of the Act through section 5(c): '*promoting the sustainable use of renewable and non-renewable natural resources, including biological, energy, extractive, land and water resources that contribute to economic development through employment creation and wealth generation'*.

As noted, the Australia's National Hydrogen Strategy and later Queensland Hydrogen Industry Strategy have acknowledged the benefits of introducing Hydrogen as a renewable energy and various Action Items to achieve the Australian state and territory ambitions which collectively target being net zero carbon by 2050.

Of particular note, the Queensland Hydrogen Industry Strategy states *Gladstone, one of Queensland's industrial powerhouses, will be a focus point for hydrogen development, and for good reason. Existing industries, gas infrastructure, access to a deep-water export port and skilled local workers make it an attractive location for this emerging industry. Gladstone also has a strategically placed State Development Area, that through the powers of the Coordinator General, gives our government the ability to facilitate large-scale industrial development*.

Gladstone has been showcased due to Queensland and Australia's east coast Liquefied Natural Gas production, processing and export industry that currently operates in the region. It has been identified as an '*attractive location for the emerging hydrogen industry given its existing industries, gas infrastructure, access to a deep-water export port and skilled local workers*.'

As an item from the various Hydrogen Strategies, the Hydrogen Strategy Group (COAG) conducted and published a briefing paper *Hydrogen for Australia's future.* Within this paper it states: *'Hydrogen can be safely added to natural gas supplies at 10per cent by volume without changes to pipelines, appliances or regulations*.

Consistent with these strategies, the proposed HyP Gladstone facility is targeting 10% renewable gas into the network.

Furthermore, Council has recently endorsed the Energising the Gladstone Region's Future Economy strategy which references the gateway to Hydrogen in the Gladstone region.

Additionally, other projects that have commenced since the introduction of the national and state strategies for Hydrogen include, but are not limited to, the following:

- HyP South Australia: AGN have commenced the Hydrogen Park in SA which stores 40kg of Hydrogen onsite created via a 1.25MW electrolyser and injects a blend of up to 5% into the existing gas transmission network;
- Victoria's first hydrogen refuelling station is now operational. A commercial-grade facility, Toyota's Hydrogen Centre is located in Altona in Melbourne's West.

- HyP Murray Valley: AGN are progressing the Hydrogen Park which seeks to store 900kg of Hydrogen onsite which is created via a 10MW electrolyser. The proposal intends to inject up to 10% blend into the gas transmission network;
- Redlands QLD: Multiple hydrogen technologies are being developed on the Redlands Coast, with QUT's Institute for Future Environments basing its renewable hydrogen projects at the Department of Agriculture and Fisheries Redlands Research Centre

Safety

During the formal Public Notification period, several submissions outlined concerns with proposed facility in relation to safety and risk. As part of the Response to Submissions, the Applicant prepared a QRA for the proposed development. Upon review, the active submitters provided further correspondence to Council outlining concerns with the submitted QRA and the rupture of pressured vessels and associated risks.

Based on the additional correspondence received, Council issued a FAN requesting a response to the following items (summarised):

- A peer review be undertaken by an independent engineering expert (RPEQ) with specific experience in the Design and Life Assessment of Pressure Equipment
- Risk Exposure (both with respect to explosion and projectile risk)
- Explosive Elastic energy calculations given the storage, pressure and consequence considerations of the main transmission line
- Explosion Risk as a result of failure either on site or at the connection point to the pipeline as a credible risk scenario

On 31 January 2022, the Applicant responded with an independent peer review report prepared by Advisian and a summary of the AGIG asset management.

On 9 February 2022, the active submitters provided further correspondence to the material submitted by the Applicant stating no evidence has been submitted regarding the explosion overpressure consequence.

Following these events, Council conducted a further meeting with the Applicant and engaged State Government sections to seek further clarity on the associated risk.

On 29 March 2022, the Applicant submitted further correspondence with a summarised package of the raised safety concerns to date.

In summary, the Applicant has acknowledged that residents of the area surrounding the site and Council are concerned about the potential for an incident at the site to result in a fire or explosion and the resultant impacts to public safety.

The Applicant and State Government agencies have confirmed that a range of detailed hazard and risk related assessments have been conducted and prepared to inform the design of the proposed facility which include:

- HyP Gladstone HAZOP – Hydrogen Plant, Prepared by Environmental Risk Solutions, 8 October 2020

- HyP Gladstone HAZOP – Vendor Package, Electrolyser, Prepared by Environmental Risk Solutions, 27 January 2021
- HyP Gladstone SIF Classification Study (LOPA), Prepared by Environmental Risk Solutions, 21 March 2021.

In addition, the Applicant has further expressed that the technical services of Thornton Tomasetti as an external consultant to prepare a Quantitative Risk Assessment (QRA) for the HyP Gladstone Project and the independent peer review all refer to the appropriate standards for design of a facility such as the proposal.

The purpose of the QRA was to model hazardous inventories that present a credible risk to off-site populations and determine the level of risk to populations in the area surrounding the development. Furthermore, the Applicant has noted the multiple layers of automated controls include flame detectors, pressure safety valves and a fail-safe independent emergency shut down and blowdown system. In the unlikely event of unacceptable conditions occurring within the facility, the systems have multiple separate layers of redundancy in place that will shut down the facility safely.

If in the event of overpressure of the hydrogen storage vessel, the Applicant has confirmed the vessel is designed to fail by tearing in a ductile fashion (i.e: splitting along the seam as opposed to shattering) and therefore would not create fragments that could become projectiles.

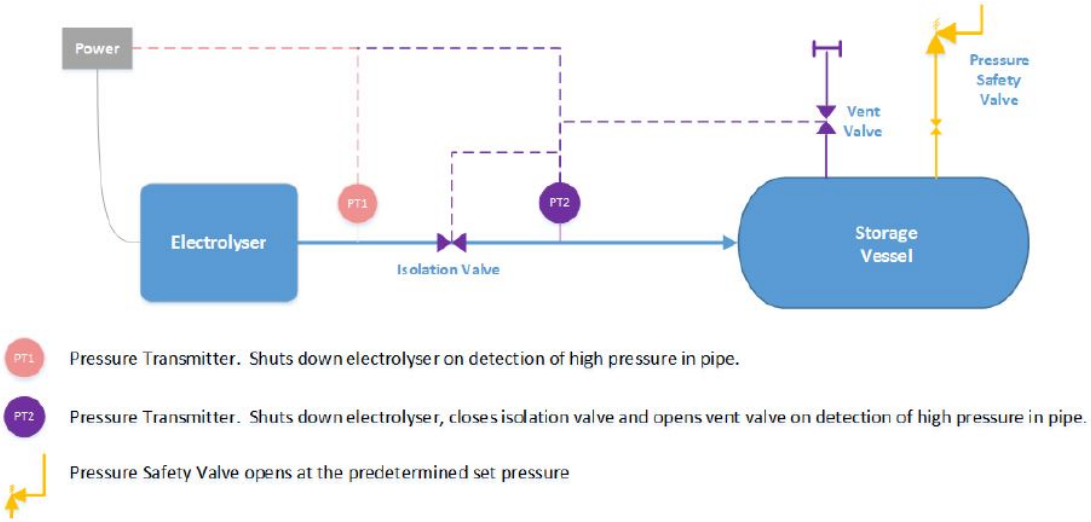


Figure 25: Diagram of safety layers (extract from common material)

The independent QRA assessed scenarios that could lead to a fire or explosion at the site. A catastrophic failure of the hydrogen storage vessel was included in updates to the QRA at Council's request. The QRA noted that in the extremely unlikely event of an incident at the site, the maximum distance that hazardous effects could extend is 72.2m in a single direction. Importantly, hazardous effects would not reach any nearby homes, schools or other sensitive uses.

Figure 26: Diagram of the expected Consequence contour (extract from common material)

The Applicant and QRAs also refer to the likelihood of a consequence of such a magnitude occurring is extremely low - approximately 0.5 chance in a million.

The Applicant and QRAs further note that the proposed development complies with the relevant public risk criteria by maintaining significant separation from nearby vulnerable (black contour) or sensitive (dark green contour) land uses.

Figure 27: Diagram of mapped Public Risk contour (extract from common material)

The Applicant notes that fire and dispersion modelling has been completed for all reasonably foreseeable equipment failure scenarios and risk reduction measures have been incorporated into the design to minimise the risks in the unlikely event of gas release as well as minimisation of the potential for escalation. In the case of an emergency, the control room can trigger an immediate emergency shutdown of the

facility that manages the site until suitably trained local personnel are able to respond to any issues that may arise at the site in a timely and efficient fashion.

In summary, the submitted material provided by technical experts has outlined the associated risk impacts beyond the subject site have been appropriately mitigated to ensure the safety of the surrounding area and residents is upheld.

In addition, the relevant Australian Standards and supporting technical documents, it is recommended that the Applicant prepare regular maintenance inspections to the regulatory gas inspectors and submit a Fire and Emergency Management Plan that considers fire, explosion, gas leak, medical emergency and security threats.

Public Notification and Submissions:

By virtue of the level of assessment, Public Notification was required. As the Development Application seeks only a Development Permit for a Material Change of Use, public notification was required for a minimum of 15 business days (as prescribed in the Act). The public notification period occurred between 13 August to 3 September 2021.

During this period, a total 106 submissions were received; 105 objections and one (1) in support. From these submissions, 14 were Not Properly Made, 82 were Properly Made, and 10 Properly Made submissions were considered as Principal Submitters (with an extra 36 signatures).

Submission	Officer's Response
Staged Development Application	
Current application is for Stage 1 – with information suggesting expansion of refuelling and increased production to export to the world.	The proposed development seeks to establish at Lot 43, a Renewable Energy Facility and Utility Installation. As part of the response to submissions the Applicant revised some of the supporting material to avoid confusion on what the application included. Furthermore, conditions have been recommended to ensure the development does not exceed the proposed scale and restricts potential ancillary uses from the facility. Any further intensification of the proposal would trigger additional assessment, either via a new Development Application, or a Change to the subject application. Based on these recommended conditions, the feedback regarding other operations have been addressed.
Full scale export will see trucks towing hydrogen trailers driving around town, turning in/out of Derby Street on the approved B Double access road. Planning application should redirect heavy vehicle traffic outside of Gladstone. It does not make sense to increase heavy traffic in south Gladstone near a school.	
Documents suggest expansion on the site – making future proposal more difficult to object.	
AGN have explicated stated their ambition to increase hydrogen supply to then network from 10 to 100%. They also say to establish a vehicle hydrogen refuelling facility.	
Based on the vision of the consortium and the big picture from government, the small hydrogen plant proposed really does grow into a much larger facility as per SA plant for export of hydrogen. This application does not take into consideration the full-	

scale impacts to community. Council must consider the end game of where this is all headed before approving the use of land.	
Proposed Definition	
Renewable energy facility – this definition does not actually reflect the use that will be onsite. There is no energy being generated on site. The facility will use existing electricity from the ergon network. To claim this is renewable is dishonest. This is a medium industrial use.	The definition of Renewable Energy facility speaks to the production of energy from renewable sources. Within the common material the Applicant has detailed the hydrogen production will be sourced via green energy and water, resulting in green hydrogen. As such, the proposed use aligns with the Renewable Energy Facility definition.
Community Consultation	
There has been no consultation with the residents that live close to the site.	The Applicant has detailed the different engagement methods conducted prior and during the application process. An Impact Assessable development application requires Public Notification as per the *Planning Act 2016* (the Act) requirements. This legislation requires the Applicant to, at minimum, place notice signs at the frontage of each lot, a newspaper advert and written notification of the proposal to adjoining land holders. This period was conducted between 13 August until 3 September 2021 with a notice of compliance submitted to Council confirming the above was conducted in accordance with the legislation.
No stakeholders have been notified of this development other than the customer currently on gas, therefore the community consultation portion of the *Planning Act 2016* has not been followed. Two signs that are knocked over do not constitute notification	
Object that the fact that there was no community consultation.	
A user of the gas network and I'm still waiting a letter as per AGIG's website.	
Lease	
Council has consented to the lease of the site to AGN. By already agreeing to a 30 year lease council has effectively approved the site for the use without any consultation with the community.	In accordance with the purpose of the Crown Reserve located at Lot 43, Council as Trustee prepared a draft lease for the Applicant, subject to conditions which included obtaining all relevant development permits. This must occur in order for the application to be considered properly made and is undertaken separately to the development assessment.
Can council validate there is no wrong doings here regarding the lease and correct planning and due process has been followed?	The draft lease and owners' consent have allowed the Applicant to lodge a Properly Made Development Application which has

	been determined as an Impact Assessable Material Change of Use.
We noticed there has been no Cultural Heritage Plan submitted, please advise how the local Gooreng Gooreng, Byellee, Gurang and Taribelang Bunda Peoples have been consulted regarding this land use.	Upon review against the provisions of the ILUA confirmed the proposed use is considered as Low Impact Infrastructure under Schedule 7, thus compliant with the ILUA in place for the region.
Community Purpose	
This area is proposed to be developed in the community facility zone. As per the code, the land is to be used for higher order community facilities generally in the Gladstone urban area. Community facilities may include the provision of municipal services, government installations, hospitals and schools and community infrastructure of an artistic, social or cultural nature. The purpose of the zone code clearly provides for the development of facilities and municipal serves that meet the need of the local Gladstone Community.	The Utility Installation component of the Development Application is considered as a suitable use within the Community Facility Zone Code. The zone however has not envisaged a Renewable Energy Facility, resulting in the the Development Application being triggered as Impact Assessable. The introduction of the proposed development within the lease provides a new facility to the Gladstone Region that aligns with the Strategic Framework; Council, State and National Strategies for Hydrogen. The HyP Gladstone facility will assist in progressing decarbonisation targets set out in the strategies by creating green hydrogen and injecting the renewable energy product into the existing gas transmission network up to a 10% blend. This small scale proposal will also create new linkages with the energy sector, and educational and technology sectors in the region. The proposed relationships may assist in progressing Hydrogen as a Renewable Energy source in Queensland to achieve the set targets outlined in the strategies. This will ultimately advance the purpose of the *Planning Act 2016* which aims to *establish an efficient, effective, transparent, integrated, coordinated, and accountable system of land use planning, development assessment and related matters that facilitates the achievement of ecological sustainability*.
With child care facilities in town overloaded, elderly respite centre stretched, and minimal aged care facilities, surely Community land should be used to benefit the whole of the Gladstone community in a sustainable way suppling services to the greater community for the betterment of those living in the Gladstone region. This project reaches only estimated 770 users of domestic gas, not a large benefit to the community of 35 thousand people in the Gladstone district. This does not benefit the greater community based on the claim of 10% injection to existing gas customers.	
780 residents in Gladstone are on domestic gas service, so it is not a community benefit. Even if council depot had strategic plan to convert to hydrogen fuel source for their entire fleet, this sill doesn't meet criteria of a higher order community facility.	
The purpose of the zone code says: *The purpose of the community facilities zone code is to:* *(a)provide for community related activities and facilities whether under public or private ownership;* *(b)ensure all communities have access to a range of community services and facilities which meet local needs; and*	

(c)locate higher order community facilities generally in the Gladstone urban area. A renewable energy facility and utility installation are not community related activities or facilities. The renewable energy facility and utility installation are better suited to industrial zoned land. Object to re-zoning this community facility land for industry.	With regard to the current operation of the site, the proposed development does not remove or impact existing community uses. The proposal has demonstrated the emission, traffic and amenity impacts which were found to be consistent with the existing operation of the Community Facility Zone site. Furthermore, the proposed development does not sterilise the balance of the subject site from potential future uses such as complimentary educational and training uses which have been acknowledged in the State and National strategies. In summary, the proposed development is considered to align with the intent of the Community Facility Zone and broader Planning Scheme, ensures the impacts are managed and mitigated appropriately, and as such, it is recommended for approval, subject to conditions.
The DA does not address P09, P10 or P11 satisfactorily regarding non-community activities or limitations to future community activities. Just because council uses it as a bulk storage yard does not mean this project classifies as a community project and can draw a comparison to current usage. The comment around the balance of site for other community activities is flawed when you consider the site boundary is the total block of land and not just the compound. Placing a Hydrogen Plant on this location limits the future potential for further community developments within the valuable useable land in town.	
This land is designated for community purpose and not suitable for industrial production	
Location	
Please refer to the installation of AGIG operates in Thornsley SA. It is built in a dedicated industry and innovation zone. Which is an appropriate area and not 90m from a nearest resident or 200m from a school or major connection road.	While the Applicant acknowledged other alternative sites were reviewed, this does not form part of the statutory assessment. The Development Application has been prepared and lodged over Lot 43 Derby Street. As such, the legislation requires the Planning Scheme to determine if the proposed development aligns with the Statutory assessment document. Upon assessment of the Strategic Framework, the proposed development was determined to align with the intent of the Planning Scheme by introducing new industry, providing new business and industry opportunities, not sterilising the subject site for future development nor surrounding uses, and co-locating with the current stockpiling and storing operations
Propose that it be built at a location away from all residents living which includes south Gladstone primary school, sports fields used by children at the TAFE grounds.	
There is other land available such as the Aldoga industrial estate.	
Saddens me to think that the Council would approve application by AGN to build this in a peaceful residential area and close to a large school. I repeat close to a large school.	
If you go back some years – the powers that be resumed a large area in Targinnie/Aldoga area that was believed for industrial purposes – this is where the proposed facility should be located.	
The recent announcement of hydrogen injection	

into the gas supply at Rio Tinto Yawun raises the question – why isn't a single facility at Yarwun installed for the whole of Gladstone.	onsite. Therefore, the proposed HyP Gladstone facility is considered to be of a suitable scale and operation at the location of Lot 43 Derby Street.
Great idea – wrong site	
The site adjoins residential uses. The surrounding area is predominately residential uses, with the TAFE college (CQ Uni Campus) and South Gladstone Primary School located nearby. The primary school was established in 1989 and has 350 students. The health and safety of these children, the teachers and the staff need to be consideration in Council's assessment of the proposed industrial use.	
Prioritise the community, value the people. Accepting a plant to be built in such proximity to schools and homes when QAL and Rio Tinto have a occupational building proposal to move all their employees out of a blast zone running, is money thinking.	
Object to its location next to medium density, well established housing and next to a major primary school.	
For years you have been trying to force industry out of town. Now you want to allow the building of this plant within 100m of high quality homes.	
With the other Hydrogen projects announced at Aldoga, the main transition line to town can be charged with Hydrogen and supplied to the domestic customers and industry. We don't need AGN to supply blended gas if the other large projects can do so in the longer term. Upgrade the existing city gate valve station at a better location than Breslin Street and let the Hydrogen come Aldoga.	
Perhaps AGN should invest in Gladstone by purchasing industrial zoned land and paying rates. Much of the funding for this project is coming from state government	
I do not want industry nearby	
Safety	
Due to the plant containing the most flammable gas on the planet – hydrogen – the site must be secure. People should not be able to access the plant in any way – need to be kept away from being able to damage the plant or cause leakage or explosion (e.g. throw a rock over the fence)	As part of the Development Application and in response to submissions, the Applicant prepared a Quantitative Risk Assessment (QRA). The purpose of the QRA was to model hazardous inventories that present a credible risk to determine

Rocks and derby should be removed from around the facility due to the high risk nature of the development	the level of risk to populations in the area surrounding the development. An independent peer review was further conducted by a RPEQ of the submitted QRA regarding the risk assessment and methodologies. The findings outlined that the HyP Gladstone proposal, noting the multiple layers of automated controls include flame detectors, pressure safety valves and a fail-safe independent emergency shut down and blowdown system; has reduced the likelihood of risk onsite and noted if there were to be a catastrophic event, the risk exposure would not extend and impact the adjoining educational and residential uses. As such, the supporting RPEQ QRA and independent review of the QRA have been included as supporting approved documentation for the development. Additionally, conditions have been included to align the proposed scale, design and ongoing operation.
Safety of residents. In the event of an explosion or fire there is not sufficient buffer to protect people or buildings from potential harm. Has a thorough risk analysis been carried out?	
Proposed to store up to 10kg of hydrogen gas in a 4000L storage vessel – this implies an operating pressure of up to 3300 kPa with a hazard level B according to AS4343 – 2005. As this storage vessel is intended to cater for daily fluctuations in demand and generation, it's service conditions will have high cyclic fatigue component, potentially increasing risk of failure compared to static vessel	
It is not clear that a proper safety assessment on the installation has been carried out, and whether the cost of the project will be increased by compliance with good safety practice. An application such as this should show evidence of HAZOP studies, detailed quantitative risk assessment, and sign-off by RPEQ	
The proposal to dispense compressed hydrogen by road increases the risk to road users from interaction with more heavy vehicle activity. Large compressed hydrogen should be by rail or ship	
The proposed plant uses evaporative cooling from the town water supply to control the temperature of the electrolyser. As Gladstone's water supply is currently at risk from droughts this method of cooling seems to be irresponsible for the long term. Why was dry cooling not employed? Why was process heat not used to distil effluent brine to produce water for the process?	
Serious safety concern.	
Hydrogen is highly explosive gas – it has an explosive range of 4%-74% in air, compared to natural gas/methane of 5-15%. Hydrogen also requires very low ignition energy compared to natural gas. The production of hydrogen in any quantity presents potential explosion hazard. A hydrogen explosion of the facility would have two outcomes – blast pressure wave which could shatter windows and burst eardrums – second could be metal projectiles from failed equipment being launched towards populated areas. Even the slightest event of these occurring should deem the proposal unsafe to	

operate in the proposed area	
AGN claims to have completed fire and dispersion modelling for the proposed plan but no detail or summary of this work as been presented. At minimum the following should have been conducted and released to the public – HAZOP, Fire and explosion modelling and a Quantitative Risk Analysis	
It is impossible to guarantee zero risk of explosion and consequential damage from the proposed plant, the only logical solution is to locate any hydrogen production facility, regardless of size, at Aldoga Industrial Estate, away from people and surrounded by an exclusion zone	
Unacceptable explosion risk to residents in the area and also the south Gladstone state school	
Hydrogen used in fuel cells is a very flammable has and can cause fire explosions, yet a bushfire management plan has not been included. The site adjoins bushland off coon street. If there was a fire or explosion at the site it could spread to this bushland and the homes that adjoin it	
No firefighting equipment in it	
AGN show no commitment to community safety or transparency on the issues of environment impacts	
You will argue that all the safety measures will be put in place to prevent those same safety measures would have been in place for Chernobyl and now here we are with it 35 years on the nuclear reactor still smouldering away in the tomb built around it just waiting to explode again. Yes Chernobyl was a nuclear plant but the potential is still there with hydrogen to cause a large explosion and fire with absolutely no protection to the residents around the area	
Derby Street is a very popular street for kids commuting to and from school – their safety should not be jeopardized	
Is there a Fire management plan in place for the facility, generally this would be covered in the Facility Safety Case, but as mentioned above, it has not be submitted. This also brings to question whether there is a bushfire management plan, conscious that our local Fire Station will be managing community emergencies and this plant should not rely on local resources that rate payers	

should have priority for.	
In fact, according to Western Australia Environment Protection website, the required buffer distance for Gasworks (premises on which coal, coke and oil (mixtures or derivatives of) are processed to produce combustible gas) is 1000-2000 meters, depending on raw materials used, odorising process used & size. Most likely similar laws exist in Queensland, and at minimum the mentioned buffer distance can be considered an Industrial best practice.	
Road Network	
Current application does not include sealing the access driveway. The nearby residents should not be impacted by airborne dust particles generated from accessing the facility	The revised proposed plans following on from the submissions received now include a sealed internal driveway and associated parking area as required by the Development Design Code of the Planning Scheme. The Development Application sought only the establishment of the Renewable Energy Facility and Utility Installation. The references to the potential of refuelling and exporting Hydrogen from the plant have been further confirmed by the Applicant and do not form part of the subject application. As such, the expected traffic generation from the site will remain minimal given the unmanned nature of the facility. A condition has been recommended to ensure the development cannot not alter the operation to include refuelling or exporting Hydrogen from the site without further assessment processes. To facilitate a pedestrian connection within the existing network, a condition has been recommended that the Applicant install a pedestrian footpath between the Lyons Street link and Ann Street. This will provide the missing pedestrian link within the Derby Street network.
Increased traffic flow in a school zone and residential area	
Additional and regular activity at this site adds increased risk to commuters that use Derby St, particularly at the intersection and Ann and Adelaide St. During construction and commissioning there will be a large increase in traffic competing with school traffic at peak times. Important to also consider traffic disturbance with pending install of power across Derby Street and integration into sewage network in Ann Street.	
Gladstone rate payers, along with State Government, have funded a recent bypass road to take trucking out of residential areas. This location does not take advantage of this initiative. Explain how increased trucking is a positive move in this location. How does this location make use of the bypass road imitative	
Will a pedestrian crossing be put in to cater for foot traffic currently (school kids and parents) walking to and from South school on Derby Street adjacent to proposed installation	
Visual Amenity	
The plant does not fit into the nearby residential buildings, school or TAFE oval. The plans show the	The proposed developments interface will reflect the existing vegetation screening of

development will be hidden behind trees and completely secure behind what looks like a prison fence	Council's stockpiling and laydown area. To provide further screening of the compound area, the revised plan now includes additional landscaping treatments and fencing. These requirements to further reduce visual impacts have been included in the condition package.
If the development proceeds, improvement on the aesthetics of the laydown area could be done	
Odour	
What will the air/odour emission impacts be?	The proposed development will not result in odour emissions. However, to ensure the development complies with the *Environmental Protection (Air) Policy 2019*, a condition has been recommended to that effect.
Noise	
The noise study says traffic will drown out plant noise. However, no background noise measurements have been completed yet as per the report; instead assumptions have been made for modelling. Equipment in the water treatment plant of the facility showing 89Db at full load. What happens in the evening to 10pm when there is not a lot of traffic?	As part of the Revised Noise Report, the Applicant has included the additional equipment components to undertake a preliminary assessment of the facility and associated noise impacts. From the assumption and recommendations, the proposed facility has achieved the minimum noise requirements in accordance with the *Environmental Protection (Noise) Policy 2019*. This development will be further regulated via a requested Noise Report once operational and additional conditions pertaining to construction management plan and ongoing operation to comply with the policy at all times.
The noise report submitted is not clear on how the proposal will satisfy noise generation	
More concerning than the increase in background noise – is intermittent noise from machinery operation and venting of gas at all hours. This area is already subject to heavy vehicle traffic on derby street and vehicle and machinery alarm noise from Council depot in Lyson Street. A further increase in noise either background or intermitted, in this largely residential area will be unacceptable	
Will be an increase in noise levels, background and intermittent	
Spurious Alarms – Experience with gas detection systems is that spurious alarms are common due to moonlight reflection into sensors or sunlight reflection into sensors (usually from valve and instrument tags). They will need to assess and provide mitigation around how spurious audible alarms will be managed to avoid nuisance noise and shift workers that live in the area	
Operation	
Plant will be unmanned (operated remotely) and will	The proposed HyP facility has been

have the capacity to vent the full inventory of stored hydrogen in the event of equipment malfunction – therefore slow technician response time to any operational issues may arise	designed in accordance with the relevant Australian Standards. The Applicant has noted within the common material the several mechanisms that can appropriately detect and disarm the facility if required. A condition has been recommended to ensure the design and operation of the facility complies with the Australian Standards at all times.
Water consumption	
As a rate payer – I need to know how the increased water consumption will impacts on residents. Residents in the regions close by have seen a higher increase in rates to cover desalination plant, something often associated with hydrogen production plants	The expected water consumption rate aligns with the current capacity of the water network and the anticipated demand assumed for the subject site. As such, no additional upgrades or new infrastructure is required for the water service.
Application Submission	
The common material gives the impression of minimum cost exercise – no proposed access sealing, no formal stormwater plan, sourcing components from China. The common philosophy 'build it cheap and fix the defects alter' is not acceptable	Within the common material, the design and operation of the facility are regulated via several Australian Standards. As such, a condition has been recommended that the development complies at all times to ensure the facility is compliant.
Land Impacts	
How will this project with unknown technology in terms of impacts affect house and land values in the area	The Development Application process assesses the proposal against the planning scheme.
AGIG provides no confidence or indication as to whether there will be sustainable jobs for Gladstone residents on this project, during and/or post construction.	The Applicant has indicated local expertise may be used for the maintenance of the facility. This will be upon the Applicant to consider as part of the ongoing operation of the HyP Gladstone facility.

In addition to the above concerns raised by submitters, the following were also included as neutral/support comments regarding the proposed development.

Submission	**Officers Response**
Suggestions	
Why is the by-product oxygen that is vented from the plant not being collected for use in the industry? The purpose of this plant is for carbon abatement, and this opportunity to substitute for energy-intensive air separation seem to be ignored	The proposed suggestions were noted by the Applicant and can be considered as part of the detailed operational design or later opportunities to retrofit.

Justification for this facility is abatement of atmospheric pollution by carbon dioxide and yet overlooks opportunities to further abatement by reducing water consumption and reducing energy consumption in producing industrial or medical oxygen	
General Support	
Not opposed in principle to the supplementation or replacement of existing fossil-based gas supplies with renewable powered hydrogen.	The opportunity to introduce Hydrogen as a renewable energy source and facilitate a blend up to 10% into the existing gas transmission line has demonstrated synergies with not only the Planning Scheme but Council, State and National Strategies too. As such, the proposed development has been recommended for approval, subject to conditions.
I'm in support in general and am confident that the design and construction will be safe. I'm in favour as this is a big part of our move to renewable based energy system and I work with hydrogen on a regular basis.	

The further correspondence submitted by the active submitter working group was outside of the formal Public Notification period. As such, the attached documents are not referenced in the above table, however previously noted in the assessment against the *Planning Act 2016* – other matters.

As attached, the full submission package and Applicant's response can be viewed. Furthermore, all material associated with the Development Application can be accessed via Council's online portal.

Summary:

In summary, the proposed HyP Gladstone facility has demonstrated the suitability of the location and site characteristics appropriate for the use, without compromising the intent of the scheme for this location and the delivery of community facilities more widely. The proposed HyP Gladstone facility has also outlined the linkages with local, state and national strategies regarding the introduction of Hydrogen as a renewable energy source to achieve set targets for net emissions. In conclusion, the proposed conditions to mitigate impacts are considered reasonable and relevant and therefore the development is recommended for approval.

Officer's Recommendation:

Statement of Reasons:

The following provides the Notice of Reasons under section 63(5) of the *Planning Act 2016:*

Description of the development:

The approved development is a Material Change of Use of Premises or a Utility Installation (Gas Distribution) and Renewable Energy Facility (Hydrogen Blending Facility).

Assessment benchmarks:

Benchmarks applying to the development:	Benchmark reference:
State Planning Policy July 2017	• *State Interest – Natural Hazards, Risk and Resilience*
Our Place Our Plan Gladstone Regional Council Planning Scheme Version 2	• *Strategic Framework;* • *Airport Environs Overlay Code;* • *Steep Land Code;* • *Community Facility Zone Code;* • *Development Design Code; and* • *Landscaping Code.*

Reasons for the assessment manager's decision:

1. The Application was properly made in accordance with the *Planning Act 2016* and the Development Assessment Rules; and
2. The proposed development aligns with the strategic vision outlined in the planning scheme via the six Strategic Framework themes
3. The identified synergies with introduction of a new industry to the region and associated business and educational opportunities.
4. The co-location of the existing operation of the subject site and the proposed HyP Gladstone facility reflect an integrated extension of the existing characteristics of the area.
5. The Application is deemed compliant with the relevant benchmarks of the *State Planning Policy July 2017* and the *Our Place Our Plan Gladstone Regional Council Planning Scheme Version 2*.
6. The supporting documents have demonstrated the proposed HyP GLadstone facility does not exceed the minimum risk exposure or safety impacts on adjoining sensitive land uses.
7. The proposed HyP Gladstone facility aligns with Council, State and National Strategies regarding Hydrogen as a renewable energy.

Reasons for approval despite any non-compliance with certain benchmarks:

Benchmark reference	Reasons for the approval despite non-compliance with benchmark
Airport Environs Overlay Code – Table 8.2.2.3.1 – Acceptable Outcome 3	Compliance with Airport Environs Overlay Code – Table 8.2.2.3.1 – Acceptable Outcome 3 via a condition
Airport Environs Overlay Code – Table 8.2.2.3.1 – Acceptable Outcome 4.3	Compliance with Airport Environs Overlay Code – Table 8.2.2.3.1 – Acceptable Outcome 4.3 via a condition
Community Facility Zone Code – Table 6.2.18.3.1 - Acceptable Outcome 5.2	Compliance with Community Facility Zone Code – Table 6.2.18.3.1 - Performance Outcome 5 via conditions
Community Facility Zone Code – Table 6.2.18.3.1 – Performance Outcome 6	Compliance with Community Facility Zone Code – Table 6.2.18.3.1 - Performance Outcome 6 via conditions

Community Facility Zone Code – Table 6.2.18.3.1 – Performance Outcome 10 and 11	Compliance with Community Facility Zone Code – Table 6.2.18.3.1 - Performance Outcome 10 and 11 via conditions
Community Facility Zone Code – Table 6.2.18.3.1 - Performance Outcome 12	Compliance with Community Facility Zone Code – Table 6.2.18.3.1 - Performance Outcome 12 via conditions
Community Facility Zone Code – Table 6.2.18.3.1 – Performance Outcome 13	Compliance with Community Facility Zone Code – Table 6.2.18.3.1 - Performance Outcome 13 via conditions
Community Facility Zone Code – Table 6.2.18.3.1 – Performance Outcome 15	Compliance with Community Facility Zone Code – Table 6.2.18.3.1 – Overall Outcomes via conditions
Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 1.1 to 3.1	Compliance with Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 1.1 to 3.1 via conditions
Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 4.2	Compliance with Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 4.2 via conditions
Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 5.1 to 6	Compliance with Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 5.1 to 6 via conditions
Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 8.1 to 8.3	Compliance with Development Design Code – Table 9.3.2.3.1 – Performance Outcome 8 via conditions
Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 9	Compliance with Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 9 via conditions
Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 10	Compliance with Development Design Code – Table 9.3.2.3.1 – Performance Outcome 10
Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 11.1, 11.2 and 12	Compliance with Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 11.1, 11.2 and 12 via conditions
Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 13	Compliance with Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 13 via a condition
Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 15 and 16	Compliance with Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 15 and 16 via a condition
Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 18	Compliance with Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 18 via conditions
Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 21 and 22.1	Compliance with Development Design Code – Table 9.3.2.3.1 – Acceptable Outcome 21 and 22.1 via a condition
Development Design Code – Table 9.3.2.3.1 – Performance Outcome 29	Compliance with Development Design Code – Table 9.3.2.3.1 – Performance Outcome 29 via a condition
Landscaping Code – Table 9.3.5.3.1 – Performance Outcome 1 and 2	Compliance with Landscaping Code – Table 9.3.5.3.1 – Performance Outcome 1 and 2 via conditions
Landscaping Code – Table 9.3.5.3.1 – Performance Outcome 3	Compliance with Landscaping Code – Table 9.3.5.3.1 – Performance Outcome 3 via conditions

Relevant matters for impact assessable development:

1. Australia's National Hydrogen Strategy
2. Queensland Hydrogen Industry Strategy
3. Energising the Gladstone Region's Future Economy Strategy

Matters raised in submissions for impact assessable development:

Submission	Officer's Response
Staged Development Application	
Current application is for Stage 1 – with information suggesting expansion of refuelling and increased production to export to the world.	The proposed development seeks to establish at Lot 43, a Renewable Energy Facility and Utility Installation. As part of the response to submissions the Applicant revised some of the supporting material to avoid confusion on what the application included. Furthermore, conditions have been recommended to ensure the development does not exceed the proposed scale and restricts potential ancillary uses from the facility. Any further intensification of the proposal would trigger additional assessment, either via a new Development Application, or a Change to the subject application. Based on these recommended conditions, the feedback regarding other operations have been addressed.
Full scale export will see trucks towing hydrogen trailers driving around town, turning in/out of Derby Street on the approved B Double access road. Planning application should redirect heavy vehicle traffic outside of Gladstone. It does not make sense to increase heavy traffic in south Gladstone near a school.	
Documents suggest expansion on the site – making future proposal more difficult to object.	
AGN have explicated stated their ambition to increase hydrogen supply to then network from 10 to 100%. They also say to establish a vehicle hydrogen refuelling facility.	
Based on the vision of the consortium and the big picture from government, the small hydrogen plant proposed really does grow into a much larger facility as per SA plant for export of hydrogen. This application does not take into consideration the full-scale impacts to community. Council must consider the end game of where this is all headed before approving the use of land.	
Proposed Definition	
Renewable energy facility – this definition does not actually reflect the use that will be onsite. There is no energy being generated on site. The facility will use existing electricity from the ergon network. To claim this is renewable is dishonest. This is a medium industrial use.	The definition of Renewable Energy facility speaks to the production of energy from renewable sources. Within the common material the Applicant has detailed the hydrogen production will be sourced via green energy and water, resulting in green hydrogen. As such, the proposed use aligns with the Renewable Energy Facility definition.
Community Consultation	

There has been no consultation with the residents that live close to the site.	The Applicant has detailed the different engagement methods conducted prior and during the application process. An Impact Assessable development application requires Public Notification as per the *Planning Act 2016* (the Act) requirements. This legislation requires the Applicant to, at minimum, place notice signs at the frontage of each lot, a newspaper advert and written notification of the proposal to adjoining land holders. This period was conducted between 13 August until 3 September 2021 with a notice of compliance submitted to Council confirming the above was conducted in accordance with the legislation.
No stakeholders have been notified of this development other than the customer currently on gas, therefore the community consultation portion of the *Planning Act 2016* has not been followed. Two signs that are knocked over do not constitute notification	
Object that the fact that there was no community consultation.	
A user of the gas network and I'm still waiting a letter as per AGIG's website.	
Lease	
Council has consented to the lease of the site to AGN. By already agreeing to a 30 year lease council has effectively approved the site for the use without any consultation with the community.	In accordance with the purpose of the Crown Reserve located at Lot 43, Council as Trustee prepared a draft lease for the Applicant, subject to conditions which included obtaining all relevant development permits. This must occur in order for the application to be considered properly made and is undertaken separately to the development assessment.
Can council validate there is no wrong doings here regarding the lease and correct planning and due process has been followed?	The draft lease and owners' consent have allowed the Applicant to lodge a Properly Made Development Application which has been determined as an Impact Assessable Material Change of Use.
We noticed there has been no Cultural Heritage Plan submitted, please advise how the local Gooreng Gooreng, Byellee, Gurang and Taribelang Bunda Peoples have been consulted regarding this land use.	Upon review against the provisions of the ILUA confirmed the proposed use is considered as Low Impact Infrastructure under Schedule 7, thus compliant with the ILUA in place for the region.
Community Purpose	
This area is proposed to be developed in the community facility zone. As per the code, the land is to be used for higher order community facilities generally in the Gladstone urban area. Community facilities may include the provision of municipal services, government installations, hospitals and schools and community infrastructure of an artistic,	The Utility Installation component of the Development Application is considered as a suitable use within the Community Facility Zone Code. The zone however has not envisaged a Renewable Energy Facility, resulting in the

social or cultural nature. The purpose of the zone code clearly provides for the development of facilities and municipal serves that meet the need of the local Gladstone Community.	the Development Application being triggered as Impact Assessable. The introduction of the proposed development within the lease provides a new facility to the Gladstone Region that aligns with the Strategic Framework; Council, State and National Strategies for Hydrogen. The HyP Gladstone facility will assist in progressing decarbonisation targets set out in the strategies by creating green hydrogen and injecting the renewable energy product into the existing gas transmission network up to a 10% blend. This small scale proposal will also create new linkages with the energy sector, and educational and technology sectors in the region. The proposed relationships may assist in progressing Hydrogen as a Renewable Energy source in Queensland to achieve the set targets outlined in the strategies. This will ultimately advance the purpose of the *Planning Act 2016* which aims to *establish an efficient, effective, transparent, integrated, coordinated, and accountable system of land use planning, development assessment and related matters that facilitates the achievement of ecological sustainability*. With regard to the current operation of the site, the proposed development does not remove or impact existing community uses. The proposal has demonstrated the emission, traffic and amenity impacts which were found to be consistent with the existing operation of the Community Facility Zone site. Furthermore, the proposed development does not sterilise the balance of the subject site from potential future uses such as complimentary educational and training uses which have been
With child care facilities in town overloaded, elderly respite centre stretched, and minimal aged care facilities, surely Community land should be used to benefit the whole of the Gladstone community in a sustainable way suppling services to the greater community for the betterment of those living in the Gladstone region. This project reaches only estimated 770 users of domestic gas, not a large benefit to the community of 35 thousand people in the Gladstone district. This does not benefit the greater community based on the claim of 10% injection to existing gas customers.	
780 residents in Gladstone are on domestic gas service, so it is not a community benefit. Even if council depot had strategic plan to convert to hydrogen fuel source for their entire fleet, this sill doesn't meet criteria of a higher order community facility.	
The purpose of the zone code says: *The purpose of the community facilities zone code is to:* *(a)provide for community related activities and facilities whether under public or private ownership;* *(b)ensure all communities have access to a range of community services and facilities which meet local needs; and* *(c)locate higher order community facilities generally in the Gladstone urban area.* A renewable energy facility and utility installation are not community related activities or facilities. The renewable energy facility and utility installation are better suited to industrial zoned land. Object to re-zoning this community facility land for industry.	
The DA does not address P09, P10 or P11 satisfactorily regarding non-community activities or limitations to future community activities. Just because council uses it as a bulk storage yard does not mean this project classifies as a community project and can draw a comparison to current usage. The comment around the balance of site for other	

community activities is flawed when you consider the site boundary is the total block of land and not just the compound. Placing a Hydrogen Plant on this location limits the future potential for further community developments within the valuable useable land in town.	acknowledged in the State and National strategies. In summary, the proposed development is considered to align with the intent of the Community Facility Zone and broader Planning Scheme, ensures the impacts are managed and mitigated appropriately, and as such, it is recommended for approval, subject to conditions.
This land is designated for community purpose and not suitable for industrial production	
Location	
Please refer to the installation of AGIG operates in Thornsley SA. It is built in a dedicated industry and innovation zone. Which is an appropriate area and not 90m from a nearest resident or 200m from a school or major connection road.	While the Applicant acknowledged other alternative sites were reviewed, this does not form part of the statutory assessment. The Development Application has been prepared and lodged over Lot 43 Derby Street. As such, the legislation requires the Planning Scheme to determine if the proposed development aligns with the Statutory assessment document. Upon assessment of the Strategic Framework, the proposed development was determined to align with the intent of the Planning Scheme by introducing new industry, providing new business and industry opportunities, not sterilising the subject site for future development nor surrounding uses, and co-locating with the current stockpiling and storing operations onsite. Therefore, the proposed HyP Gladstone facility is considered to be of a suitable scale and operation at the location of Lot 43 Derby Street.
Propose that it be built at a location away from all residents living which includes south Gladstone primary school, sports fields used by children at the TAFE grounds.	
There is other land available such as the Aldoga industrial estate.	
Saddens me to think that the Council would approve application by AGN to build this in a peaceful residential area and close to a large school. I repeat close to a large school.	
If you go back some years – the powers that be resumed a large area in Targinnie/Aldoga area that was believed for industrial purposes – this is where the proposed facility should be located.	
The recent announcement of hydrogen injection into the gas supply at Rio Tinto Yawun raises the question – why isn't a single facility at Yarwun installed for the whole of Gladstone.	
Great idea – wrong site	
The site adjoins residential uses. The surrounding area is predominately residential uses, with the TAFE college (CQ Uni Campus) and South Gladstone Primary School located nearby. The primary school was established in 1989 and has 350 students. The health and safety of these children, the teachers and the staff need to be consideration in Council's assessment of the proposed industrial use.	
Prioritise the community, value the people. Accepting a plant to be built in such proximity to	

schools and homes when QAL and Rio Tinto have a occupational building proposal to move all their employees out of a blast zone running, is money thinking.	
Object to its location next to medium density, well established housing and next to a major primary school.	
For years you have been trying to force industry out of town. Now you want to allow the building of this plant within 100m of high quality homes.	
With the other Hydrogen projects announced at Aldoga, the main transition line to town can be charged with Hydrogen and supplied to the domestic customers and industry. We don't need AGN to supply blended gas if the other large projects can do so in the longer term. Upgrade the existing city gate valve station at a better location than Breslin Street and let the Hydrogen come Aldoga.	
Perhaps AGN should invest in Gladstone by purchasing industrial zoned land and paying rates. Much of the funding for this project is coming from state government	
I do not want industry nearby	
Safety	
Due to the plant containing the most flammable gas on the planet – hydrogen – the site must be secure. People should not be able to access the plant in any way – need to be kept away from being able to damage the plant or cause leakage or explosion (e.g. throw a rock over the fence)	As part of the Development Application and in response to submissions, the Applicant prepared a Quantitative Risk Assessment (QRA). The purpose of the QRA was to model hazardous inventories that present a credible risk to determine the level of risk to populations in the area surrounding the development. An independent peer review was further conducted by a RPEQ of the submitted QRA regarding the risk assessment and methodologies. The findings outlined that the HyP Gladstone proposal, noting the multiple layers of automated controls include flame detectors, pressure safety valves and a fail-safe independent emergency shut down and blowdown system; has reduced
Rocks and derby should be removed from around the facility due to the high risk nature of the development	
Safety of residents. In the event of an explosion or fire there is not sufficient buffer to protect people or buildings from potential harm. Has a thorough risk analysis been carried out?	
Proposed to store up to 10kg of hydrogen gas in a 4000L storage vessel – this implies an operating pressure of up to 3300 kPa with a hazard level B according to AS4343 – 2005. As this storage vessel is intended to cater for daily fluctuations in demand and generation, it's service conditions will have high cyclic fatigue component, potentially increasing risk	

of failure compared to static vessel	the likelihood of risk onsite and noted if there were to be a catastrophic event, the risk exposure would not extend and impact the adjoining educational and residential uses. As such, the supporting RPEQ QRA and independent review of the QRA have been included as supporting approved documentation for the development. Additionally, conditions have been included to align the proposed scale, design and ongoing operation.
It is not clear that a proper safety assessment on the installation has been carried out, and whether the cost of the project will be increased by compliance with good safety practice. An application such as this should show evidence of HAZOP studies, detailed quantitative risk assessment, and sign-off by RPEQ	
The proposal to dispense compressed hydrogen by road increases the risk to road users from interaction with more heavy vehicle activity. Large compressed hydrogen should be by rail or ship	
The proposed plant uses evaporative cooling from the town water supply to control the temperature of the electrolyser. As Gladstone's water supply is currently at risk from droughts this method of cooling seems to be irresponsible for the long term. Why was dry cooling not employed? Why was process heat not used to distil effluent brine to produce water for the process?	
Serious safety concern.	
Hydrogen is highly explosive gas – it has an explosive range of 4%-74% in air, compared to natural gas/methane of 5-15%. Hydrogen also requires very low ignition energy compared to natural gas. The production of hydrogen in any quantity presents potential explosion hazard. A hydrogen explosion of the facility would have two outcomes – blast pressure wave which could shatter windows and burst eardrums – second could be metal projectiles from failed equipment being launched towards populated areas. Even the slightest event of these occurring should deem the proposal unsafe to operate in the proposed area	
AGN claims to have completed fire and dispersion modelling for the proposed plan but no detail or summary of this work as been presented. At minimum the following should have been conducted and released to the public – HAZOP, Fire and explosion modelling and a Quantitative Risk Analysis	
It is impossible to guarantee zero risk of explosion and consequential damage from the proposed plant, the only logical solution is to locate any hydrogen production facility, regardless of size, at Aldoga Industrial Estate, away from people and surrounded by an exclusion zone	
Unacceptable explosion risk to residents in the area	

and also the south Gladstone state school	
Hydrogen used in fuel cells is a very flammable has and can cause fire explosions, yet a bushfire management plan has not been included. The site adjoins bushland off coon street. If there was a fire or explosion at the site it could spread to this bushland and the homes that adjoin it	
No firefighting equipment in it	
AGN show no commitment to community safety or transparency on the issues of environment impacts	
You will argue that all the safety measures will be put in place to prevent those same safety measures would have been in place for Chernobyl and now here we are with it 35 years on the nuclear reactor still smouldering away in the tomb built around it just waiting to explode again. Yes Chernobyl was a nuclear plant but the potential is still there with hydrogen to cause a large explosion and fire with absolutely no protection to the residents around the area	
Derby Street is a very popular street for kids commuting to and from school – their safety should not be jeopardized	
Is there a Fire management plan in place for the facility, generally this would be covered in the Facility Safety Case, but as mentioned above, it has not be submitted. This also brings to question whether there is a bushfire management plan, conscious that our local Fire Station will be managing community emergencies and this plant should not rely on local resources that rate payers should have priority for.	
In fact, according to Western Australia Environment Protection website, the required buffer distance for Gasworks (premises on which coal, coke and oil (mixtures or derivatives of) are processed to produce combustible gas) is 1000-2000 meters, depending on raw materials used, odorising process used & size. Most likely similar laws exist in Queensland, and at minimum the mentioned buffer distance can be considered an Industrial best practice.	
Road Network	
Current application does not include sealing the access driveway. The nearby residents should not be	The revised proposed plans following on from the submissions received now

impacted by airborne dust particles generated from accessing the facility	include a sealed internal driveway and associated parking area as required by the Development Design Code of the Planning Scheme. The Development Application sought only the establishment of the Renewable Energy Facility and Utility Installation. The references to the potential of refuelling and exporting Hydrogen from the plant have been further confirmed by the Applicant and do not form part of the subject application. As such, the expected traffic generation from the site will remain minimal given the unmanned nature of the facility. A condition has been recommended to ensure the development cannot not alter the operation to include refuelling or exporting Hydrogen from the site without further assessment processes. To facilitate a pedestrian connection within the existing network, a condition has been recommended that the Applicant install a pedestrian footpath between the Lyons Street link and Ann Street. This will provide the missing pedestrian link within the Derby Street network.
Increased traffic flow in a school zone and residential area	
Additional and regular activity at this site adds increased risk to commuters that use Derby St, particularly at the intersection and Ann and Adelaide St. During construction and commissioning there will be a large increase in traffic competing with school traffic at peak times. Important to also consider traffic disturbance with pending install of power across Derby Street and integration into sewage network in Ann Street.	
Gladstone rate payers, along with State Government, have funded a recent bypass road to take trucking out of residential areas. This location does not take advantage of this initiative. Explain how increased trucking is a positive move in this location. How does this location make use of the bypass road imitative	
Will a pedestrian crossing be put in to cater for foot traffic currently (school kids and parents) walking to and from South school on Derby Street adjacent to proposed installation	
Visual Amenity	
The plant does not fit into the nearby residential buildings, school or TAFE oval. The plans show the development will be hidden behind trees and completely secure behind what looks like a prison fence	The proposed developments interface will reflect the existing vegetation screening of Council's stockpiling and laydown area. To provide further screening of the compound area, the revised plan now includes additional landscaping treatments and fencing. These requirements to further reduce visual impacts have been included in the condition package.
If the development proceeds, improvement on the aesthetics of the laydown area could be done	
Odour	
What will the air/odour emission impacts be?	The proposed development will not result in odour emissions. However, to ensure the development complies with the *Environmental Protection (Air) Policy 2019*, a condition has been recommended to that effect.

Noise	
The noise study says traffic will drown out plant noise. However, no background noise measurements have been completed yet as per the report; instead assumptions have been made for modelling. Equipment in the water treatment plant of the facility showing 89Db at full load. What happens in the evening to 10pm when there is not a lot of traffic?	As part of the Revised Noise Report, the Applicant has included the additional equipment components to undertake a preliminary assessment of the facility and associated noise impacts. From the assumption and recommendations, the proposed facility has achieved the minimum noise requirements in accordance with the *Environmental Protection (Noise) Policy 2019*. This development will be further regulated via a requested Noise Report once operational and additional conditions pertaining to construction management plan and ongoing operation to comply with the policy at all times.
The noise report submitted is not clear on how the proposal will satisfy noise generation	
More concerning than the increase in background noise – is intermittent noise from machinery operation and venting of gas at all hours. This area is already subject to heavy vehicle traffic on derby street and vehicle and machinery alarm noise from Council depot in Lyson Street. A further increase in noise either background or intermitted, in this largely residential area will be unacceptable	
Will be an increase in noise levels, background and intermittent	
Spurious Alarms – Experience with gas detection systems is that spurious alarms are common due to moonlight reflection into sensors or sunlight reflection into sensors (usually from valve and instrument tags). They will need to assess and provide mitigation around how spurious audible alarms will be managed to avoid nuisance noise and shift workers that live in the area	
Operation	
Plant will be unmanned (operated remotely) and will have the capacity to vent the full inventory of stored hydrogen in the event of equipment malfunction – therefore slow technician response time to any operational issues may arise	The proposed HyP facility has been designed in accordance with the relevant Australian Standards. The Applicant has noted within the common material the several mechanisms that can appropriately detect and disarm the facility if required. A condition has been recommended to ensure the design and operation of the facility complies with the Australian Standards at all times.
Water consumption	
As a rate payer – I need to know how the increased water consumption will impacts on residents. Residents in the regions close by have seen a higher increase in rates to cover desalination plant,	The expected water consumption rate aligns with the current capacity of the water network and the anticipated demand assumed for the subject site. As

something often associated with hydrogen production plants	such, no additional upgrades or new infrastructure is required for the water service.
Application Submission	
The common material gives the impression of minimum cost exercise – no proposed access sealing, no formal stormwater plan, sourcing components from China. The common philosophy 'build it cheap and fix the defects alter' is not acceptable	Within the common material, the design and operation of the facility are regulated via several Australian Standards. As such, a condition has been recommended that the development complies at all times to ensure the facility is compliant.
Land Impacts	
How will this project with unknown technology in terms of impacts affect house and land values in the area	The Development Application process assesses the proposal against the planning scheme. The Applicant has indicated local expertise may be used for the maintenance of the facility. This will be upon the Applicant to consider as part of the ongoing operation of the HyP Gladstone facility.
AGIG provides no confidence or indication as to whether there will be sustainable jobs for Gladstone residents on this project, during and/or post construction.	
Submission	**Officers Response**
Suggestions	
Why is the by-product oxygen that is vented from the plant not being collected for use in the industry? The purpose of this plant is for carbon abatement, and this opportunity to substitute for energy-intensive air separation seem to be ignored	The proposed suggestions were noted by the Applicant and can be considered as part of the detailed operational design or later opportunities to retrofit.
Justification for this facility is abatement of atmospheric pollution by carbon dioxide and yet overlooks opportunities to further abatement by reducing water consumption and reducing energy consumption in producing industrial or medical oxygen	
General Support	
Not opposed in principle to the supplementation or replacement of existing fossil-based gas supplies with renewable powered hydrogen.	The opportunity to introduce Hydrogen as a renewable energy source and facilitate a blend up to 10% into the existing gas transmission line has demonstrated synergies with not only the Planning Scheme but Council, State and National Strategies too. As such, the proposed development has been recommended for approval, subject to conditions.
I'm in support in general and am confident that the design and construction will be safe. I'm in favour as this is a big part of our move to renewable based energy system and I work with hydrogen on a regular basis.	

Matters prescribed by a regulation:

1. The *State Planning Policy July 2017 – Part E*;
2. The *Our Place Our Plan Gladstone Regional Council Planning Scheme, Version 2*

Conditions of Approval:

The following provides the Conditions of Approval under Section 63 of the *Planning Act 2016*:

Approved Documentation

1. Development is to be carried out generally in accordance with the submitted application including the following plans and supporting documentation except where amendments are required to satisfy the conditions of this approval:

Drawing Number	Revision	Description	Author	Date
GLA-C-001-01	A1	Bulk Earthworks & Overall Civil Foundation Plan	Australian Gas Networks (AGN) Pty Ltd	27/10/2021
GLA-G-005-01	3	Combined Utilities & Services Plan	Australian Gas Networks (AGN) Pty Ltd	27/04/2021
GLA-M-010-01	2	Overall Site General Arrangement	Australian Gas Networks (AGN) Pty Ltd	31/05/2021
GLA-M-100-01	2	Hydrogen Storage Vessel Injection and Blending Site General Layout	Australian Gas Networks (AGN) Pty Ltd	28/05/2021
GLA-M-101-01	1	Storage Vessel, Injection and Blending Skid Piping	Australian Gas Networks (AGN) Pty Ltd	29/04/2021
GLA-M-101-02	1	Storage Vessel, Injection and Blending Skid Piping	Australian Gas Networks (AGN) Pty Ltd	29/04/2021
GLA-M-200-01	2	Hydrogen Generator & Utilities	Australian Gas Networks (AGN) Pty Ltd	1/06/2021
GLA-M-200-02	2	Hydrogen Generator & Utilities	Australian Gas Networks (AGN) Pty Ltd	1/06/2021
GLA-M-300-01	2	GC Shelter & Control Room	Australian Gas Networks (AGN) Pty	30/05/2021

			Ltd	
GLA-M-301-01	1	GC Shelter & Control Room	Australian Gas Networks (AGN) Pty Ltd	29/04/2021
GLA-M-400-01	2	Gladstone Gate Station	Australian Gas Networks (AGN) Pty Ltd	2/06/2021
AGI-001-APP-PLN-001	-	Site Analysis & Landscape Plan	Attexo Group Pty Ltd	21/10/2021

And supporting documents

Document Number	Revision	Description	Author	Date
J20611086	1	HyP Gladstone Wastewater Pipe Sizing	Sustech Engineering	3/08/2021
M7328_001-REP-001-1	1	Stormwater Management Plan	Energy Water Management	29/07/2021
J20611065	B	Determination of Pipe Size for HyP Water Feeder	Sustech Engineering	29/07/2021
AE21016-R001	1	Gladstone Hydrogen Park Quantitative Risk Assessment	Thorton Tomasetti	28/01/2022
GLA-Z-REP-009-01	1	HyP Gladstone Environmental Noise Modelling	Asset Integrity Consultants	16/11/2021
411012-00430	0	Review of QRA Study	Advisian Worley Group	28/01/2022

Special Conditions

2. Prior the lodgement of the first Operational Works application and the Notice of Decommissioning to the Petroleum and Gas Inspectors, the Applicant must prepare and submit to Council the following for the Breslin Street City Gate:

    a. A Decommission and Rehabilitation report
    b. A Demolition Management Plan that includes key dates, necessary permits and associated timelines

3. At all times, the Renewable Energy Facility must not:

    a. Exceed 10kg of Hydrogen storage onsite;

b. Install an Electrolyser larger than 175kW onsite; and
c. Inject a blend greater than 10% Hydrogen via the Utility Installation Facility (City Gate)

4. This approval is only for the Renewable Energy Facility and Utility Installation as referenced in the approved plan package. The approval does not include the provision of:

   a. collection or distribution of Hydrogen via trailer export
   b. refuelling of any vehicles

5. In addition to the reporting obligations under the *Petroleum and Gas (Production and Safety) Act 2004*, the Applicant must prepare and submit to Petroleum and Gas Inspectorates a quarterly facility report for the first 24 months post the commencement of the facility.

6. As part of the lodgement for the first Operational Works application, the Applicant must submit a copy of the endorsed Fire and Emergency Management Plan that includes the appropriate response to emergency events (fire, explosion, gas leak, medical emergency and security threats).

7. As part of the lodgement for the first Operational Works application, the Applicant must submit for review and approval, an Operational Management Plan for the HyP Gladstone facility at the subject site.

8. The Applicant must lodge with Council at least six (6) months before the lease expiry date, a Decommission and Rehabilitation Plan. The Plan is to outline the project timeline and measures proposed to regenerate the site to an environmentally sustainable state after the removal of all structures and associated services.

9. The design, construction and operation of the development must achieve compliance with the necessary Australian Standards and *Petroleum and Gas (Production and Safety) Act 2004* at all times.

Operational Works

10. A Development Permit for Operational Works must be obtained from Council prior to the commencement of construction. The Development Application for Operational Works is to include the following:

    a. Earthworks (including retaining walls);
    b. Road works (including signage and footpaths);
    c. Water Infrastructure;
    d. Sewer Infrastructure;
    e. Stormwater Management (quantity and drainage control);
    f. Lighting, electrical and telecommunications; and
    g. Landscaping, environmental protection and associated works.

11. As part of the lodgement for the first Operational Works application, the Applicant is to submit for approval an Engineering Design and Drawing(s) for the proposed extension of sewer network assets for the proposed lot connection.

12. Development Applications for Operational Works shall be designed and constructed in accordance with Australian Standards, the Engineering Design Planning Scheme Policy under the Our Place Our Plan Gladstone Regional Council Planning Scheme or any other applicable standards at the time of lodgement. Prior to the commencement of the use, all Operational Works conditioned by this approval must be accepted "on maintenance" by Council.

    Advisory Note: The Capricorn Municipal Development Guidelines within the Engineering Design Planning Scheme Policy is the current document for preparing any Development Application for Operational Works which is found at http://www.cmdg.com.au/index.htm.

13. As part of the lodgement for the first Operational Works application, the Applicant must submit for approval a detailed Construction Management Plan, which addressed, but is not limited to, the following matters:

    a. Water quality and drainage;
    b. Erosion and silt/sediment management;
    c. Top soil management;
    d. Interim drainage plan during construction;
    e. Construction programme;
    f. Geotechnical issues;
    g. Emergency vehicle access;
    h. Construction and Maintenance Noise Management Plan;
    i. Dust suppression; and
    j. Waste management.

14. At all times, the Applicant must comply with the approved Construction Management Plan for the development works.

15. All construction materials, waste, waste skips, machinery and contractors' vehicles must be located and stored or parked wholly within the site. No storage of materials, parking of construction machinery or contractors' vehicles will be permitted in Derby Street or Lyons Street.

16. All Development Permits for Operational Works must be obtained prior to the issue of a Development Permit for Plumbing and Drainage Works and Building Works.

Noise and Air Quality

17. Within 3 months of the commencement of the use, the Applicant must conduct a new Noise Assessment test to demonstrate the proposed facility remains compliant with the relevant standards for adjoining sensitive land use receptors. The Noise Assessment Report must be submitted to Council for review and approval.

18. At all times, the Applicant must adhere to the recommendations and restrictions within the approved Noise Report.

19. At all times, the development must achieve the noise generation levels set out in the Environmental *Protection (Noise) Policy 2019*, as amended.

20. At all times, the development must achieve the air quality design objectives set out in the *Environmental Protection (Air) Policy 2019*, as amended.

Building, Plumbing and Drainage Works

21. As part of Building Works, construction of a security fence around the facility compound to all boundaries must be completed in accordance with the approved documentation.

22. The Applicant is required to obtain a Development Permit and Building Final for Building Works in accordance with the *Planning Act 2016*. Construction is to comply with the *Building Act 1975*, the National Construction Code and the requirements of other relevant authorities.

23. The Applicant is required to obtain a Development Permit for Plumbing and Drainage Works and Plumbing and Drainage Final in accordance with the *Planning Act 2016*. Construction is to comply with the *Plumbing and Drainage Act 2018* and the requirements of other relevant authorities.

24. Prior to the commencement of the use, all plant and equipment (including air conditioners, exhaust fans and the like) are to be housed, screened and located so that these do not cause environmental nuisance or harm to residential uses in the surrounding area.

25. As part of Building Works, all outdoor lighting is to comply with Australian Standard AS4282 – Control of the Obtrusive Effects of Outdoor Lighting.

26. Prior to the commencement of the use, all lighting at ground level and associated with illuminating ground level areas must be focused downwards and be provided with hoods, shades or other permanent devices to direct illumination downwards and not allow upward lighting to adversely affect the residential uses on this site and the adjoining the sites.

27. As part of Building Works, sealed and raised bunding is to be constructed around all areas that may result in potential chemical contamination for overland flow.

Water Infrastructure

28. Prior to the commencement of the use, a maximum 40mm diameter water service connection is to be provided from Council's water supply infrastructure to the front property boundary. The location of the water service (and any associated fire service) is to be determined in consultation with Council.

29. Prior to the commencement of the use, connections to Council's live water reticulation network must be carried out by Council. The cost of these works is to be borne by the Applicant.

    Advisory Note: Council's Application for Water Service is found at http://www.gladstone.qld.gov.au/forms.

Sewerage Infrastructure

30. Prior to the commencement of the use, all sanitary drainage is to drain into a new 1050mm diameter privately owned maintenance hole within the development site, before connection to Council's sewerage infrastructure. The location and size of the sewer service is to be determined in consultation with Council.

31. Prior to the commencement of the use, connections to Council's live sewerage network must be carried out by Council. The cost of these works is to be borne by the Applicant.

    Advisory Note: Council's Application for Sewer is found at http://www.gladstone.qld.gov.au/forms.

32. Prior to the commencement of the use, the Applicant is required to obtain a Trade Waste Permit to discharge trade waste to the Sewer in accordance with Councils Trade Waste Approval Process prior to Plumbing Final being issued.

    Advisory Note: Applications for Trade Waste Discharge can be found at http://www.gladstone.qld.gov.au/trade-waste-approval-process.

Stormwater Infrastructure

33. As part of the Development Application for Operational Works, the Applicant is to submit for approval by Council an amended Site Based Stormwater Management Plan following detailed design. The Site Based Stormwater Management Plan must address both stormwater quantity and quality and be in accordance with the Engineering Design Planning Scheme Policy under the *Our Place Our Plan Our Place Our Plan Gladstone Regional Council Planning Scheme* and the *State Planning Policy – July 2017*. The Site Based Stormwater Management Plan must be certified by a Registered Professional Engineer of Queensland experienced in this type of work.

Transportation Services

34. As part of Operational Works, the Applicant is to seal the internal access and parking areas within the leased portion of the subject site as per the approved plans.

35. Upon commencement of the use, the Applicant must ensure at all times that no more than four (4) vehicles associated with ancillary tours/demonstrations are to be onsite.

36. As part of Operational Works, a total of four (4) car parking spaces are to be constructed on site generally in accordance with the approved plans, including designated disabled car parking spaces. These spaces and all vehicle movement areas are to be constructed, sealed, line marked, provided with wheel stops and maintained in accordance with the Engineering Design Planning Scheme Policy under the Our Place Our Plan Gladstone Regional Council Planning Scheme and AS2890.1.

37. As part of Operational Works, a Commercial Driveway is to be constructed in accordance with Council's Standard Drawing Urban Commercial/Industrial Driveway.

Advisory Note: Council's standard drawing is located within the Capricorn Municipal Development Guidelines - Drawings and Specifications at http://www.cmdg.com.au/index.htm.

38. Prior to the commencement of the use, any damage to the driveway crossing and kerb and channel shall be repaired at the owner's expense and to Council's Standard Drawing Urban Commercial/Industrial Driveway.

    Advisory Note: Council's standard drawing is located within the Capricorn Municipal Development Guidelines - Drawings and Specifications at http://www.cmdg.com.au/index.htm.

39. Prior to the commencement of the use, all grassed footpath areas disturbed by the development are to be top dressed and turfed following completion of construction activity.

40. As part of Operational Works, construction of a 2 metre wide concrete footpath from the existing Lyons Street pedestrian link to Ann Street within the southern portion of the Derby Street road reserve must be completed in accordance with Council's Standard Drawing Concrete Pathway/Bikeway Details.

    Advisory Note: Council's standard drawing is located within the Capricorn Municipal Development Guidelines - Drawings and Specifications at http://www.cmdg.com.au/index.htm.

41. As part of Operational Works, provision of shade street trees along the pedestrian footpath required in Condition 40 in accordance with Table 9.3.5.3.2 - Plant Species List of the Landscaping Code of the Our Place Our Plan Gladstone Regional Council Planning Scheme and the Capricorn Municipal Development Guidelines - Landscaping C273 Construction Specification.

    Advisory Note: Council's construction specification is located Capricorn Municipal Development Guidelines - Drawings and Specifications at http://www.cmdg.com.au/index.htm.

Landscaping

42. As part of Operational Works, the Applicant is to install turf within the balance of the lease area (excluding sealed driveway, parking areas and compound area). This is to be reflected in the submitted Landscaping Plan.

43. As part of the first Development Application for Operational Works, a full Landscaping Plan is to be provided in accordance with Table 9.3.5.3.2 - Plant Species List of the Landscaping Code of the Our Place Our Plan Gladstone Regional Council Planning Scheme and the Capricorn Municipal Development Guidelines - Landscaping C273 Construction Specification. The full Landscaping Plan is to be certified by a Landscape Architect and reflect the approved plans and conditions within this package.

    Advisory Note: Council's standard drawing is located within the Capricorn Municipal Development Guidelines - Drawings and Specifications at http://www.cmdg.com.au/index.htm.

44. Prior to commencement of the use, all landscaping areas within the lease are to be constructed with an appropriate irrigation system. Details of the irrigation system are to be provided as part of the full Landscaping Plan.

45. At all times, the Applicant must ensure ongoing maintenance and replanting of the landscaped areas (if required) is maintained.

Waste Management

46. Upon commencement of the use, the Applicant must ensure domestic waste collection shall not be provided on site at all times.

Lawful Commencement

47. Prior to the commencement of this use, the Applicant is to request a Compliance Inspection be undertaken by Council to confirm that all conditions of this Development Permit are considered compliant.

48. Upon receipt of confirmation from Council that all conditions of this Development Permit are considered compliant, the Applicant is to notify Council within 20 business days that this approved use has lawfully commenced.

Advice to Applicant:

An Adopted Infrastructure Charge Notice in relation to the infrastructure charges applicable to this development has been provided separately.

Attachments:

1. Submissions Received During Public Notification
2. Correspondence from Active Working Group
3. Further Advice Notice
4. Response to Further Advice Notice
5. Correspondence from Active Working Group following Further Advice Notice Response
6. Additional Material submitted by the Applicant

Tabled Items:

Nil

Report Prepared by: Development Services

G/3.2. 68-22 SEWER RELINING AND URBAN DRAINAGE - VARIATION 3

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 19 April 2022

File Ref: PE1.1

Purpose:

The purpose of this report is to allow Council to consider a variation to contract 68-22 Sewer and Stormwater Relining (Rehabilitation), with Interflow Pty Ltd.

Officer's Recommendation:

That Council approve a variation to contract 68-22 Sewer and Stormwater Relining (Rehabilitation) with Interflow Pty Ltd for $2,397,319.10 ex GST, to include additional meters of sewer and stormwater line.

Background:

On 21 December 2021, Council resolved to award contract 68-22 to Interflow Pty Ltd for sewer and stormwater pipe rehabilitation works.

The works under this contract are expected to be completed in June 2022.

Council has identified a further 11,000m of sewer and stormwater line as part of the network to be upgraded, in addition to the current 14,000m contract.

Options, Risk and Opportunity Analysis:

These additional works were planned for 2022/23, however an opportunity to package the works and reduce delivery risks and costs has been identified.

Option 1 (preferred) – Proceed with variation

Council released a tender to the open market in October 2021. When the tender closed in November 2021 two (2) offers were received. Interflow Pty Ltd's submission scored the highest overall, with a detailed conforming tender. Interflow Pty Ltd demonstrated an excellent level of detail and planning throughout the program, project methodology and resource provisioning, along with providing quality projects of similar scale and nature.

Keeping this contractor on site to continue what is a 'mirror image' scope of works variations has significant program and financial benefits for Council due to avoiding the costs to retender and contractor demobilisation and mobilistation costs. Interflow Pty Ltd is a compliant contractor on site and Council will be able to align the new scope into the current program at a significant cost and time saving to Council. It will avoid a second tender process, mobilisation, permit process, traffic management study/analysis and the risk of not being abler to get a contractor on-boarded in a timely manner due to other Council priorities and the recent flood events down in SEQ will add pressure to the program and resources.

Option 2 – Retender for works

Should Council elect to return to the market with another tender for these works, works would not commence until the contract is executed which is estimated to be August 2022, however there is a risk that increased demand due to recent flooding events in SEQ, may result in further delays and adverse impacts to next financial year's capital expenditure.

Communication and Consultation:

The Capital Project Change Request process has been completed and the works have been approved by the project sponsor.

Legal Strategy and Policy Implications:

Interflow Pty Ltd are engaged under AS 4000 – 1997 general conditions contract. Clause 36.1 of the contract states:

The Principal, before the date of practical completion, may direct the Contractor to vary WUC ('Work Under Contract') by any one or more of the following which is nevertheless of a character and extent contemplated by, and capable of being carried out under, the provisions of the Contract:

a) increase, decrease or omit any part;
b) change the character or quality;
c) change the levels, lines, positions or dimensions;
d) carry out additional work;
e) demolish or remove material or work no longer required by the Principal.

The works proposed under this variation are the same as the works that were tendered, additional meters only therefore meeting variation contract clause 36.1 (a). The tender process and subsequent contract support the inclusion of the additional meters of sewer and stormwater pipe rehabilitation works as a variation.

Financial and Resource Implications:

The quote from Interflow Pty Ltd for these additional works is $2,397,319.10 ex GST (including provisional sum allowances), which is within the existing allocated funds for this project of $3,791,000.00 ex GST.

Summary:

Variation to this contract is in accordance with allowances in the contract and presents efficient and cost-effective management of Council's Capital Budget.

Anticipated Resolution Completion Date:

The variation will be executed in April 2022.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Manager Contracts and Procurement

G/3.3. BEFORE YOU DIG AUSTRALIA - SOLE SUPPLIER

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 19 April 2022

File Ref: PE1.1

Purpose:

This report seeks a resolution from Council to make use of the provisions in s235 of the Local Government Regulation 2012 that allows for the exceptions to the requirement for written quotes or tenders. The use of this provision is sought in relation to the provision of Dial Before You Dig services.

Officer's Recommendation:

That Council resolves, in accordance with Section 235(a) of the *Local Government Regulation 2012*, that it is satisfied Before You Dig Australia is the only supplier reasonably available to it to provide underground infrastructure location services to Council.

Background:

On 5 November 2019, Council resolved that Dial Before You Dig was the only supplier reasonably available to it to provide underground infrastructure location services to Council.

In March 2022, Dial Before You Dig ('DBYD') advised Council (as a member) that the Boards of all DBYD state entities made the strategic decision to transform into a single national entity known as Before You Dig Australia ('BYDA'). BYDA will continue to deliver the referral service that protects workers the community and prevents damage to your vital infrastructure.

BYDA will deliver centralised effectiveness and nationally consistent advocacy and coordination to drive a national focus on damage reduction. BYDA will maintain a strong local presence with teams in all states and territories, providing personal and engaged service and safe digging awareness focused on member and user needs.

Options, Risk and Opportunity Analysis:

Council utilises the DBYD service for locations across the region as there are no other providers of this service in the market available to Council. As DBYD is changing over to BYDA, a new resolution is required to allow Council to have continued access to underground infrastructure location services once DBYD is decommissioned in the coming months.

Due to the nature of this requirement, BYDA are the only supplier reasonably available to Council for this service.

Communication and Consultation:

Nil.

Legal Strategy and Policy Implications:

It is a requirement of the *Local Government Regulation 2012* section 225 to invite written quotations or tenders where the supply of goods or services with a cost greater than $15,000 ex GST.

The Regulation under section 235 (a) states the following exemption:

a) *Where Council resolves that it is satisfied that there is only one supply reasonably available to it.*

Financial and Resource Implications:

Council spends approximately $7,500 ex GST annually for underground infrastructure location services.

Summary:

Nil.

Anticipated Resolution Completion Date:

Before You Dig Australia will be added to Council's Long-Term Contracts Register in April 2022.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Manager Contracts and Procurement

G/3.4. TENDER RPQS 89-22 IT CYBER SECURITY SOFTWARE AND MANAGED SERVICES

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 19 April 2022

File Ref: PE1.1

Purpose:

This report seeks resolution from Council to enter into agreements for the provision of IT Cyber Security Software and Managed Services under a Register of Pre-Qualified Suppliers.

Officer's Recommendation:

That Council:

1. Endorse the Tender Evaluation Panel's recommendation to appoint the following four (4) service providers on RPQS 89-22 IT Cyber Security Software and Managed Services:
   - Cube Cybersecurity Pty Ltd;
   - Cultural Cybersecurity Pty Ltd;
   - RIOT Solutions Pty Ltd; and
   - Secure Internet Storage Solutions Pty Ltd.

2. Authorise the Chief Executive Officer to enter into panel arrangements for a term of two (2) years with the option to extend for a further three periods of one (1) year each, with the above service providers.

Background:

Council seeks to establish a Register of Pre-Qualified Suppliers ('RPQS') for the provision of various cyber security software and services to support its IT security stance with technologies covering the following areas:

- Endpoint Protection for servers, desktops and mobile devices;
- SIEM tools and monitoring;
- Threat protection;
- Password protection and management;
- Email protection (e.g. SPAM, Phishing);
- User security education (e.g. Phishing awareness, password security);
- 24 x 7 Monitoring;
- AI for threat detection and intrusion detection; and
- Tools to automate compliance and visibility of compliance with standards such as ISO 27001, NIST and ASCS Essential 8.

Appointment to an RPQS gives no guarantee or representation as to the volume or value of orders to be issued by Council, nor is Council limited to utilise only these contractors.

Council may refresh this contract at any time during the contract term by issuing a new Invitation to Tender based on the same evaluation criteria as this ITT, seeking offers from contractors wishing to be added to the register.

Options, Risk and Opportunity Analysis:

On 29 January 2022, Council released an Invitation to Tender ('ITT') to the open market via VendorPanel, in accordance with the tender process requirements set out in section 228 of the *Local Government Regulation 2012*.

The tender closed on 22 February 2022 with fourteen (14) conforming offers received.

The offers were evaluated by a panel of subject matter experts, and was evaluated based on the criteria disclosed in the ITT which included:

Objective Evaluation Criteria	Weighting
Nominated past projects performed meet GRC's experience requirements	35%
Offer demonstrates understanding of the scope and GRC's requirements and demonstrates capability successfully delivering the software and/or services to meet GRC's requirements.	50%
Local Content	15%

The fourteen (14) conforming offers were scored against the above evaluation criteria and the offers from Cube Cybersecurity Pty Ltd, Cultural Cybersecurity Pty Ltd, RIOT Solutions Pty Ltd and Secure Internet Storage Solutions Pty Ltd were found to meet or exceed Council's technical and commercial requirements for acceptance on this panel.

The tender evaluation panel therefore recommends appointment of Cube Cybersecurity Pty Ltd, Cultural Cybersecurity Pty Ltd, RIOT Solutions Pty Ltd and Secure Internet Storage Solutions Pty Ltd to this RPQS, on the basis of presenting the best overall value to Council.

Communication and Consultation:

Nil.

Legal Strategy and Policy Implications:

Council sought offers via VendorPanel in accordance with the Local Government Regulation 2012, Local Government Act 2009 and Council's Procurement Policy P-2018-12.

Council's endorsement of this tender award is in accordance with the Register of Delegations - Exercise of Statutory Powers and Financial Delegation Register.

The Officer's recommendation is based on the evaluation methodology and criteria in the ITT. There are risks associated with Council awarding a contract contrary to the officer's recommendation.

If Council is not satisfied with the evaluation methodology and criteria or the application thereof, Council may refer the matter back to officers for re-evaluation.

In the interests of probity, an amendment to the evaluation methodology and/or criteria may require referral back to tenderers so that they can each have the opportunity to make any changes to their offers having regard to the amended criteria prior to re-evaluation.

Financial and Resource Implications:

Appointment to an RPQS is based on a schedule of rates, it does not commit financial resources. Engagements with service providers under this arrangement will be exempt from tender or quote requirements in accordance with s232 of the L*ocal Government Regulation 2012*, however will be subject to the Sound Contracting Principles and Register of Delegations - Exercise of Statutory Powers and Financial Delegation Register.

Summary:

The offers from the four (4) service providers recommended for award, present the best value to Council and will meet Council's anticipated demand for these services.

Anticipated Resolution Completion Date:

The contracts will be awarded in April 2022.

Attachments:

1. CONFIDENTIAL RPQS 89-22 Offer Evaluation Report.

Tabled Items:

Nil.

Report Prepared by: Manager Contracts and Procurement

G/3.5. TENDER RPQS 86-22 SUPPLY OF LANDSCAPING AND HORTICULTURE MATERIAL

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 19 April 2022

File Ref: PE1.1

Purpose:

This report seeks resolution from Council to enter into agreements for the supply of landscaping and horticultural material under a Register of Pre-Qualified Suppliers.

Officer's Recommendation:

That Council:

1. Endorse the Tender Evaluation Panel's recommendation to appoint the following nine (9) suppliers on RPQS 86-22 Supply of Landscaping and Horticultural Material:

    - 906 Turf Group Pty Ltd;
    - Grycan Pty Limited as trustee for the Blomfield Family Trust trading as Blomfield Excavations;
    - Fernland Agencies Pty Ltd;
    - Eastern Signs Pty Ltd trading as Gladstone Garden & Landscaping Supplies;
    - The Hardcore Performance Trust Trading as Hardcore Sands and Pink Lily Sands;
    - Plants Direct Queensland;
    - Stillers Pty Ltd trading as Stiller's Recycling; and
    - Grant & Thurecht G.D & G.E & J.G & W.G trading as Mini Excavations.

2. Authorise the Chief Executive Officer to enter into panel arrangements for a term of three (3) years with the above suppliers.

Background:

Council seeks to establish a Register of Prequalified Suppliers ('RPQS') for the supply, or supply and delivery of various Landscaping and Horticulture materials to assist with projects and maintenance throughout the Gladstone Region.

The RPQS and will include but is not limited to the following materials:

- Topsoil;
- Softfall;
- Plants;
- Nursey Supplies;
- Mulch;
- Potting Mix;
- Top Dressing; and
- Turf.

Appointment to an RPQS gives no guarantee or representation as to the volume or value of orders to be issued by Council, nor is Council limited to utilise only these contractors.

Council may refresh this contract at any time during the contract term by issuing a new Invitation to Tender based on the same evaluation criteria as this ITT, seeking offers from contractors wishing to be added to the register.

Options, Risk and Opportunity Analysis:

On 12 February 2022, Council released an Invitation to Tender ('ITT') to the open market via VendorPanel, in accordance with the tender process requirements set out in section 228 of the *Local Government Regulation 2012.*

The tender closed on 8 March 2022 with eight (8) conforming offers received.

The offers were evaluated by a panel of subject matter experts, and was evaluated based on the criteria disclosed in the ITT which included:

Objective Evaluation Criteria	Weighting
Business Capabilities	75%
Local Content	25%

The eight (8) conforming offers were scored against the above criteria and all offers were found to meet or exceed Council's technical and commercial requirements for acceptance on this panel.

The tender evaluation panel therefore recommends appointment of the eight (8) suppliers to this RPQS, on the basis of anticipated service requirements and presentation of the best overall value offers to Council.

Communication and Consultation:

Nil.

Legal Strategy and Policy Implications:

Council sought offers via VendorPanel in accordance with the Local Government Regulation 2012, Local Government Act 2009 and Council's Procurement Policy P-2018-12.

Council's endorsement of this tender award is in accordance with the Register of Delegations - Exercise of Statutory Powers and Financial Delegation Register.

The Officer's recommendation is based on the evaluation methodology and criteria in the ITT. There are risks associated with Council awarding a contract contrary to the officer's recommendation.

If Council is not satisfied with the evaluation methodology and criteria or the application thereof, Council may refer the matter back to officers for re-evaluation.

In the interests of probity, an amendment to the evaluation methodology and/or criteria may require referral back to tenderers so that they can each have the opportunity to make any changes to their offers having regard to the amended criteria prior to re-evaluation.

Financial and Resource Implications:

Appointment to an RPQS is based on a schedule of rates, it does not commit financial resources. Engagements with service providers under this arrangement will be exempt from tender or quote requirements in accordance with s232 of the Local Government Regulation 2012, however will be subject to the Sound Contracting Principles and Register of Delegations - Exercise of Statutory Powers and Financial Delegation Register.

Summary:

The offers from the eight (8) suppliers recommended for award, present the best value to Council and will meet Council's anticipated demand for these materials.

Anticipated Resolution Completion Date:

The contracts will be awarded in April 2022.

Attachments:

1. CONFIDENTIAL RPQS 86-22 Offer Evaluation Report

Tabled Items:

Nil.

Report Prepared by: Manager Contracts and Procurement.

G/3.6. METRO COUNTS SOLE SUPPLIER

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 19 April 2022

File Ref: PE1.1

Purpose:

This report seeks a resolution from Council to make use of the provisions in s235 of the Local Government Regulation 2012 that allows for the exceptions to the requirement for written quotes or tenders. The use of this provision is sought in relation to the provision of MetroCount traffic monitoring equipment.

Officer's Recommendation:

That Council resolves, in accordance with Section 235(a) of the Local Government Regulation 2012, that it is satisfied Microcom Pty Ltd T/A MetroCount is the only supplier reasonably available to it to provide MetroCount traffic monitoring equipment to Council.

Background:

Council has been using MetroCount equipment and software to analyse patterns of traffic use, type and speed within the area since at least 1999. This information is an important tool for the business and is a requirement for traffic management plans, pavement design and planning considerations.

Council currently has 4 permanent traffic count installations at Red Rover Road, Blain Drive, Toolooa Street and Blain Drive. These installations are installed under the seal layer. Any change to the type of traffic counter would require extensive capital works to remove and replace these installations. The counters are fully weatherproof and operate extremely well through extreme temperatures, floods, and fires.

Council also has 15 devices that are used to set up temporary sites for purposes of understanding traffic numbers, type of traffic and speed patterns. There is a scheduled program for these setups over 5 years, as well as ad Hoc installations in relation to CSRs and other internal reviews as required.

From time to time, Council needs to purchase spare parts for the traffic counters. To ensure ease of analysis of data across devices, locations and years, a consistent type of equipment, software and analysis methods is a must. Support from MetroCount that is also offered (at no charge) from the technical support team based in Perth, has been exceptional with the ability to troubleshoot problem data and installation locations with a very short turnaround time.

Options, Risk and Opportunity Analysis:

Council utilises MetroCount traffic monitoring equipment throughout the region, as Microcom Pty Ltd T/A MetroCount is the Original Equipment Manufacturer of MetroCount traffic monitoring equipment, there are no other suppliers available to Council.

This resolution will remain current until such time as Council removes all existing traffic monitoring equipment from service and approaches the open market for an alternate solution.

Communication and Consultation:

Nil.

Legal Strategy and Policy Implications:

It is a requirement of the Local Government Regulation 2012 section 225 to invite written quotations or tenders where the supply of goods or services with a cost greater than $15,000 ex GST.

The Regulation under section 235 (a) states the following exemption:

Where Council resolves that it is satisfied that there is only one supply reasonably available to it.

Financial and Resource Implications:

Council spends approximately $12,000 ex GST per year with MetroCount.

Summary:

Nil.

Anticipated Resolution Completion Date:

Microcom Pty Ltd T/A MetroCount will be added to Council's Long-Term Contracts Register in April 2022.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Manager Contracts and Procurement.

G/3.7. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 MARCH 2022

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 19 April 2022

File Ref: FM15.1

Purpose:

This report seeks Council adoption of the Monthly Financial Statements for the 2021-22 year to date, for the period ended 31 March 2022.

Officer's Recommendation:

That Council adopt the Monthly Financial Statements attached to the officer's report for the 2021-22 year to date, for the period ended 31 March 2022 as required under Section 204 *Local Government Regulation 2012*.

Background:

The percentage of year passed (pro-rata rate) as at 31 March 2022 is 75.34%.

The 2021-22 budget was adopted on 15 June 2021. Council officers have undertaken a forecasting process, resulting in a forecast operating deficit of $1.8m compared to the budgeted operating deficit of $0.9m.

Major movements are as follows:

- Increase in income tax equivalents revenue from the Gladstone Area Water Board (GAWB) +$3.4m
- Increase in finance costs due to borrowing rate obtained at time of loan restructure ($1.4m)
- Increase in operating costs across salaries, materials and contractors & consultants relating to gravel pits based on no inventory production for the 2021-22 year ($1.0m)
- Decrease in Gladstone Airport Corporation (GAC) contribution to finance costs - excess over cost to Council now allocated as principal repayments ($0.9m)
- Increase in employee benefits expenditure following Enterprise Bargaining Agreement (EBA) negotiations ($0.7m)

Statement of Income and Expenditure

Income

Recurrent Revenue

Total recurrent revenue	2021-22	Actual as %
Actual	**$169.5m**	
Budget	**$199.4m**	**85.03%**
Forecast	**$199.3m**	**85.05%**

Of note:

Net rates and utility charges	2021-22	Actual as %
Actual	**$145.7m**	
Budget	**$158.0m**	**92.20%**
Forecast	**$157.6m**	**92.44%**

Council's primary source of recurrent revenue is the generation of annual rates, along with access charges for water, sewerage and waste. This generation was completed in July.

The remaining forecast revenue relates to water consumption revenue for 2021-22. This revenue will be raised upon completion of the June water meter reading cycle.

Total interest revenue	2021-22	Actual as %
Actual	**$0.9m**	
Budget	**$1.7m**	**49.14%**
Forecast	**$1.5m**	**58.28%**

Investment opportunities remain limited due to the on-going COVID-19 pandemic. Rates available to Council for investing remain lower than the cash rates available from the Queensland Treasury Corporation (QTC).

Sales revenue	2021-22	Actual as %
Actual	**$2.3m**	
Budget	**$7.5m**	**30.54%**
Forecast	**$4.2m**	**54.20%**

Recoverable works contract values were estimated at the time of budget preparation. As the year progresses these contract values have been confirmed as lower than initial estimates. Revenue relating to these contracts has been reduced by $3.5m and is offset by a reduction in operating expenditure of $3.3m.

Income tax equivalents	2021-22	Actual as %
Actual	**$0.1m**	
Budget	**$3.9m**	**2.54%**
Forecast	**$7.3m**	**1.35%**

Council has increased the income tax equivalents in the Forecast that is expected to be received from the Gladstone Area Water Board (GAWB) to $7.0m. This is due to a significantly improved position reported by GAWB over initial estimates provided during Budget preparation. This Income is expected to be received later in the year.

The remaining forecast of $0.3m relates to the Gladstone Airport Corporation competitive neutrality fees. These fees are received progressively throughout the year, and account for the year-to-date amount currently reflected in the Statement of Income and Expenditure.

Other recurrent revenue	2021-22	Actual as %
Actual	**$2.6m**	
Budget	**$2.4m**	**109.72%**
Forecast	**$2.3m**	**110.94%**

This category of revenue covers all revenue not separately accounted for. This includes events & entertainment revenue, fines & penalties, commission and rental income.

Internal plant hire reflects positively within this category, with $0.6m of costs allocated to capital projects year to date.

Grants, subsidies, contributions and donations	2021-22	Actual as %
Actual	**$5.2m**	
Budget	**$10.3m**	**50.24%**
Forecast	**$10.5m**	**48.87%**

General purpose grants (Financial Assistance Grant) make up $8.6m of the forecast, to be received in instalments. A sizable portion (50%) of this income is received at the end of the financial year resulting in timing differences.

Capital Revenue

Capital grants revenue	2021-22	Actual as %
Actual	**$5.0m**	
Budget	**$16.7m**	**30.01%**
Forecast	**$16.7m**	**30.01%**

Capital grants revenue is recognised as project milestones are met. Therefore, the revenue recognised on the Statement of Income and Expenditure does not necessarily reflect the funding received during the year. Where milestones are still to be achieved, revenue is recognised as a contract liability on the Statement of Financial Position.

Capital revenue recognised for significant projects is detailed below:

Project	Budget	Forecast	Actual
State Government Grants & Subsidies			
Gladstone Sewer Mains Renewal	$2.2m	$2.2m	-
Goondoon Street Footpath	-	-	$0.7m
Toolooa Street, Gladstone - Pavement and footpath renewal	$0.8m	$0.8m	$0.1m
Bindaree Road, Miriam Vale - Investigate and design replacement options	$0.5m	$0.5m	-
Upgrade to pump station SPS A06	-	-	$0.7m
Other State Government Funding	$1.9m	$1.9m	$0.5m
Total	**$5.4m**	**$5.4m**	**$2.0m**
Federal Government Grants & Subsidies			
A01 to Gladstone Wastewater Treatment Plant Partial Main Replacement	$2.0m	$2.0m	-
Gladstone Aquatic Centre Upgrade – Stage 2	$1.6m	$1.6m	$0.7m
Benaraby Landfill – Capping of Cell 2	$1.1m	$1.1m	-
Asphalt Overlay and Bitumen Reseals	$1.1m	$1.1m	-
Gentle Annie Road - Widen existing seal	$0.9m	$0.9m	-
Coast Road, Baffle Creek - Install shoulders & edge lines	$0.9m	$0.9m	-
Cotton Street, Gladstone - Reconstruct to high strength pavement, kerb, and channel (Design only)	$0.7m	$0.7m	-
Gorge Road, Lowmead (Baffle Creek Crossing) - Investigate appropriate repair method	$0.7m	$0.7m	$0.1m
John Clifford Way, Lowmead (Hobble Creek Bridge) - Investigate appropriate repair method	$0.7m	$0.7m	-
Gentle Annie Road, Ambrose - Install shoulder & edge lines	$0.5m	$0.5m	-
Other Federal Government Funding	$1.1m	$1.1m	$2.2m
Total	**$11.3m**	**$11.3m**	**$3.0m**

Expenditure

Year to date expenditure, although lower than pro-rata rate, is tracking in line with expectations for this time of year.

Recurrent expenditure

Total recurrent expenditure	2021-22	Actual as %
Actual	**$143.8m**	
Budget	**$200.3m**	**71.82%**
Forecast	**$201.1m**	**71.53%**

Of note:

Employee benefits	2021-22	Actual as %
Actual	**$48.9m**	
Budget	**$66.5m**	**74.46%**
Forecast	**$67.0m**	**73.10%**

Employee benefits are the largest component of Councils recurrent expenditure. The average vacancy rate for the year-to-date is 9.7%, compared to a budgeted 6.0%. This increase in vacancy rate has assisted in reducing the impact of an EBA increase (finalised in December 2021) of 2.5% which has been factored into forecast. This EBA increase is 1% above the 2021-22 budget assumption.

Contractors & consultants	2021-22	Actual as %
Actual	**$16.5m**	
Budget	**$31.3m**	**52.71%**
Forecast	**$29.3m**	**56.34%**

Spending is low compared to the pro-rata forecast in the following areas:

- Asset Management - Consultants ($1.2m)
- Sewerage – Contractors ($1.0m)
- Economic Development – Consultants ($0.4m)
- Strategic Projects – Consultants ($0.4m)
- Transformation – Consultants ($0.4m)
- Waste – Contractors ($0.3m)
- Parks – Contractors ($0.3m)

Costs are still expected to align with the forecast by year end in most cases, with the timing issue attributable to non-linear spending patterns throughout the year.

Savings of approximately $0.3m are expected to be recognised within asset management.

Donations & Sponsorships	2021-22	Actual as %
Actual	**$1.6m**	
Budget	**$2.8m**	**59.50%**
Forecast	**$2.8m**	**57.64%**

The forecast for donations includes $0.4m for the community celebration fund, with this type of support generally provided in the later part of the year.

Equipment expenses	2021-22	Actual as %
Actual	**$2.2m**	
Budget	**$2.0m**	**107.92%**
Forecast	**$2.4m**	**91.12%**

Costs relating to external hire of plant and equipment have exceeded the pro-rata forecast. Delivery of works utilising wet or dry plant hire is impacted by scheduling and internal resource availability. This can result in savings within contractor expenses that are offset by external plant hire that was not included in the forecast.

Motor vehicle expenses	2021-22	Actual as %
Actual	**$1.4m**	
Budget	**$1.1m**	**119.27%**
Forecast	**$1.4m**	**96.99%**

Motor vehicle parts and materials, outside repairs and tyres are all exceeding the pro-rata forecast. This is attributed to Councils ageing large vehicle fleet. Logistical supply issues are causing delays in renewing these assets.

Other materials and services	2021-22	Actual as %
Actual	**$5.5m**	
Budget	**$9.5m**	**58.21%**
Forecast	**$9.0m**	**61.53%**

This category of expenditure includes all costs not separately accounted for. This includes the purchase of materials and various administrative and overhead costs.

Staff and Councillor associated expenses	2021-22	Actual as %
Actual	**$1.0m**	
Budget	**$1.9m**	**52.63%**
Forecast	**$2.2m**	**47.41%**

Costs relating to recruitment and medicals have been minimal for the year-to-date with actuals of $0.1m year-to-date against a forecast of $0.4m.
Non-mandatory training and travel for staff are also below pro-rata forecast. Opportunities for attendance at face-to-face training continue to be impacted by the ongoing COVID-19 situation.

Finance Costs - QTC	2021-22	Actual as %
Actual	**$1.4m**	
Budget	**$0.5m**	**257.96%**
Forecast	**$1.9m**	**70.26%**

Budgeted interest expenses for the restructured loan portfolio were based upon quoted borrowing rates during the time of budget preparation. Actual rates accessible in June 2021 (when loan restructures took place) were less favorable, resulting in a variance. The additional interest costs in the 2021-22 year (and beyond) are offset by the reduced Early Repayment Adjustment paid in the 2020-21 year.

Council's debt portfolio includes $49.9m of borrowings relating to the 2010 upgrade of the Gladstone Airport. Contributions from GAC cover the interest costs for these loans. Where the contributions exceed the interest cost to Council, the remaining amounts are applied as principal repayments to reduce the balance of the Shareholder Loan between Council and GAC.

The forecast has been adjusted to reflect the anticipated position for the 2020-21 year. Actual results will continue to deviate from budget as the year progresses.

Statement of Financial Position

	Current Value	**Budget**	**Variance (Actual to Budget)**	**Forecast**	**Variance (Actual to Forecast)**
Year-to-date Assets	**$2.5b**	**$2.5b**	**$11.6m** Unfavourable	**$2.6b**	**$17.3m** Unfavourable
Year-to-date Liabilities	**$144.5m**	**$139.4m**	**$5.1m** Unfavourable	**$144.2m**	**$0.3m** Unfavourable

Assets

Cash balances are currently high following the rates generation and are expected to reduce by $62.4m as Council incurs operating and capital expenditure and meets its liabilities.

The forecast movement in property, plant and equipment (PPE) of $49.7m is dependent on the delivery of the capital works program as well as any revaluation movement at 30 June.

Liabilities

The forecast for liabilities reflects the expected position at 30 June 2022.

The current balance includes a $5.2m provision for the restoration of cell 2a of the Benaraby Landfill. This provision is expected to be utilised towards the end of the 2021-22 year.

The balance of total borrowings is expected to decrease by $1.2m as repayments are made during the year. Contract liabilities of $6.6m reflect funds that have been received but not utilised. As the relevant projects progress, the revenue will be recognised, and this balance will be reduced.

Capital Expenditure

	Actual	Budget	Actual as % of Budget
Year to date capital expenditure	$35.5m	$73.5m	48.35%
Commitments (open purchase orders)	$11.4m		
Total	**$46.9m**		**63.85%**

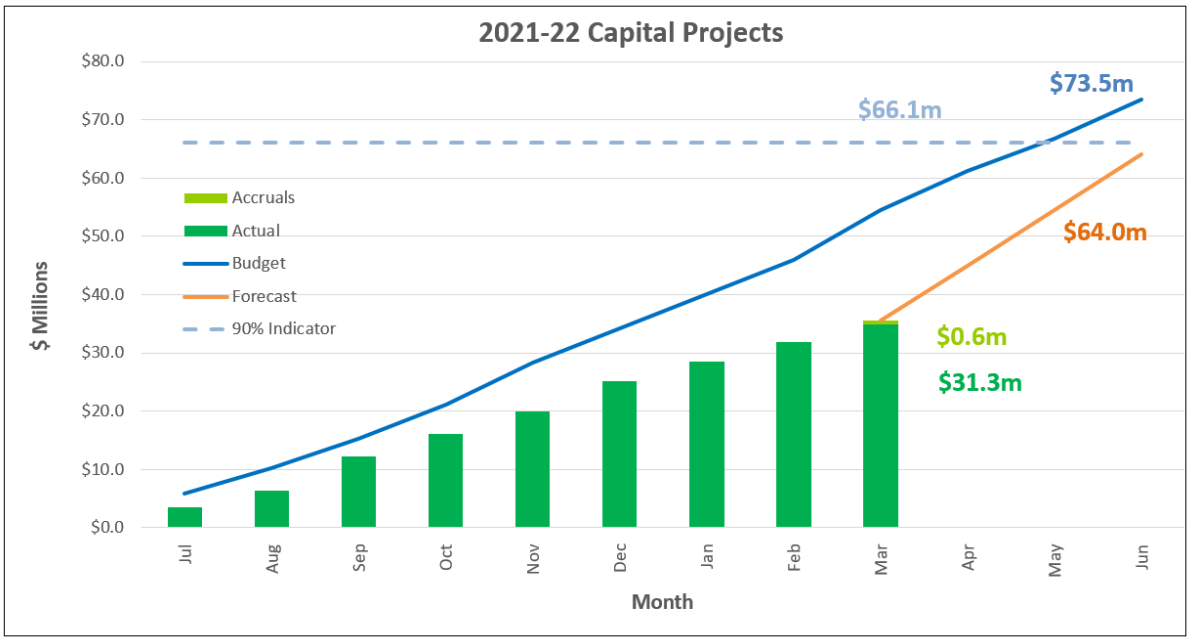
Of the $11.4m in commitments, $2.3m relates to fleet replacement, $1.8m relates to the renewal of sewer mains and $1.3m relates to the Baffle Creek crossing (Gorge Road) project.

Accrual estimates of $0.6m have been included in the actuals, to account for major claims relating to March work.

Capital expenditure against groups with significant capital expenditure budgets are shown in the table below:

Group	YTD Actual	Commitments	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Road Assets	$11.4m	$3.7m	$24.5m	47%	$24.5m	47%
Sewerage Assets	$6.2m	$3.9m	$17.2m	36%	$17.2m	36%
Asset Governance	$0.0m		$5.0m	0%	$5.0m	0%
Water Assets	$5.5m	$0.7m	$5.7m	96%	$5.7m	96%
Delivery Support and Performance	$6.5m	$2.3m	$8.0m	81%	$8.0m	81%
Waste Assets	$0.4m	$0.2m	$2.4m	17%	$2.4m	17%
Property Assets	$3.5m		$6.7m	52%	$6.7m	52%
Parks & Environment Assets	$0.1m	$0.1m	$1.1m	6%	$1.1m	6%
Community Development & Events	$0.3m		$1.1m	27%	$1.1m	27%
Other	$1.6m	$0.5m	$1.8m	92%	$1.8m	92%
Total	$35.5m	$11.4m	$73.5m	48%	$73.5m	48%

The forecast within the graph below represents projections by the Works Planning & Scheduling team.



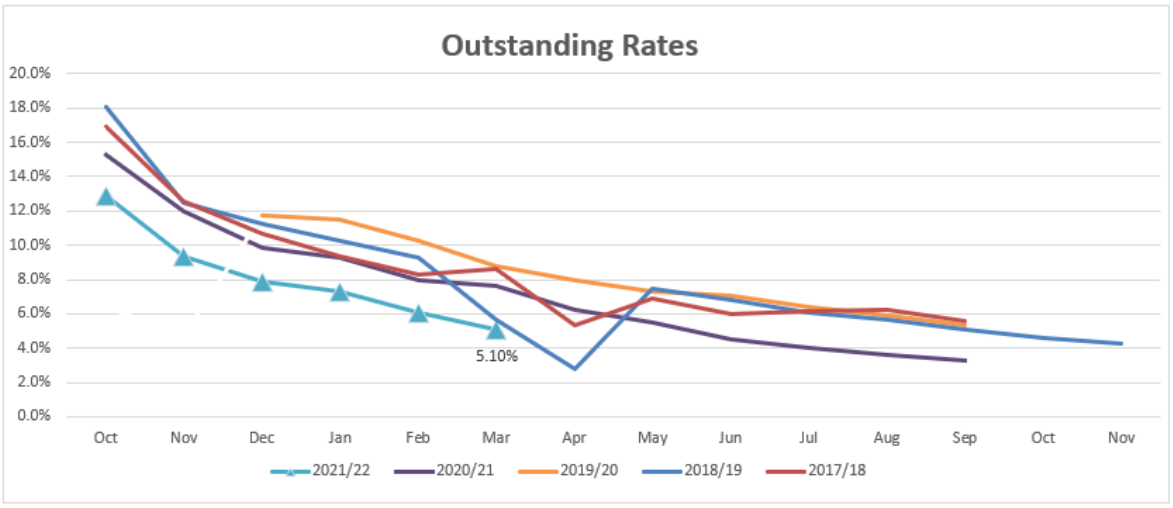
Outstanding Rates

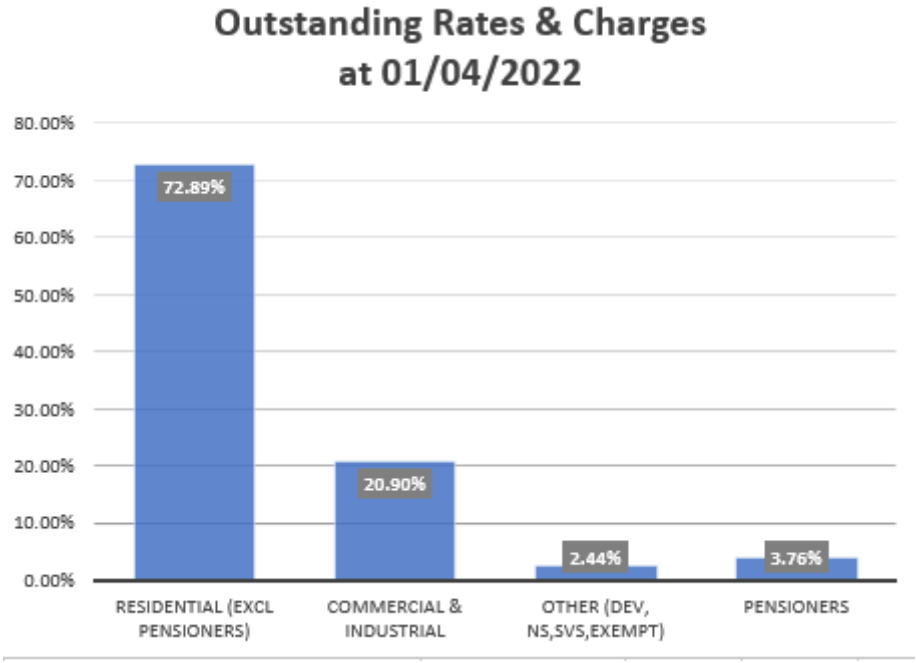
Outstanding rates, as a percentage of gross rates levied for 2021-22, and collectible, is at 5.10% at the end of March 2022, compared to 7.66% for the same period last year.

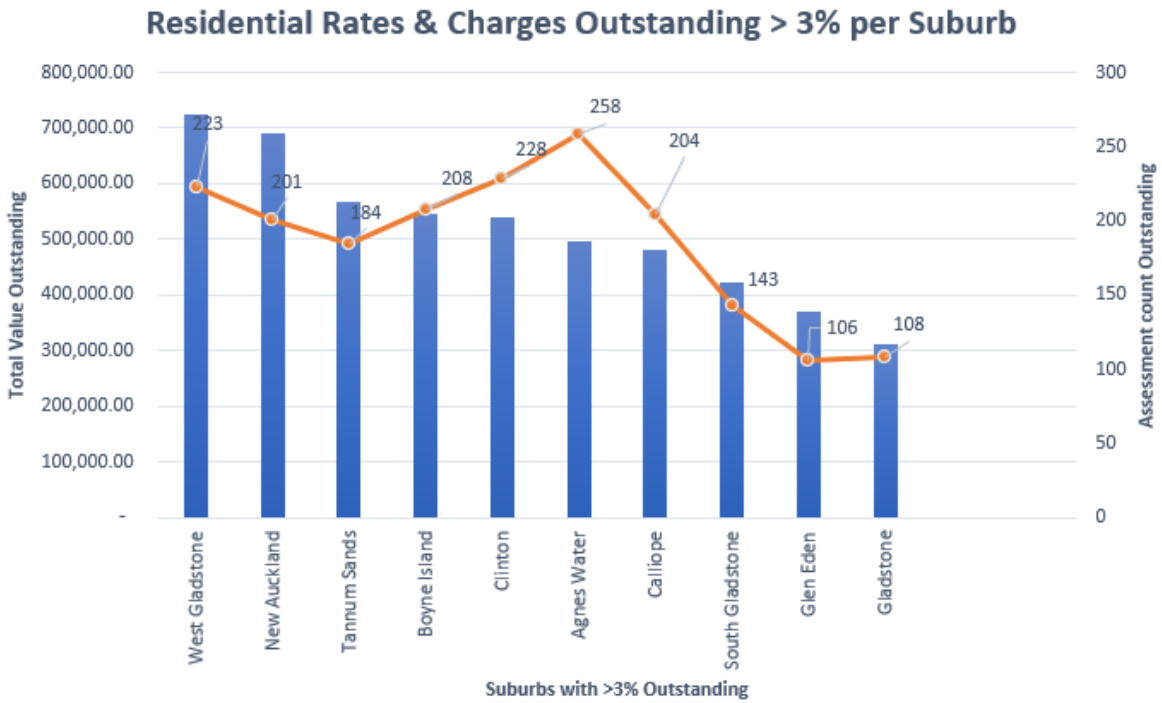
Of the $9.3m of outstanding rates 20.90% relates to commercial/industrial assessments and 79.10% represents residential assessments.

These figures include $1.8m of rates that are currently being repaid under an authorised payment plan, for which there were 41 commercial/industrial assessments and 1,701 residential assessments. A total of 1,742 assessments, which is an increase from 1,725 assessments in February 2022.

There were 5,196 ratepayers who had paid their rates in advance totalling $8.0m.







Sustainability Ratios

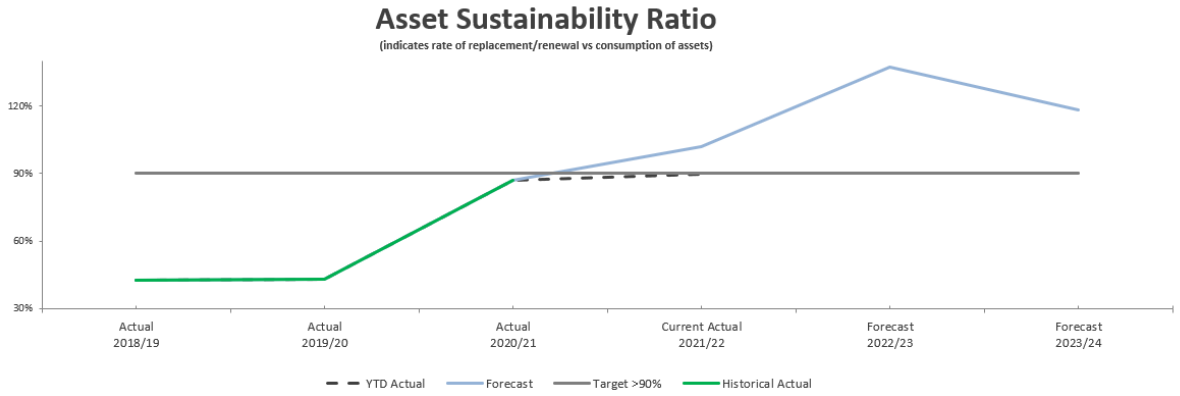
Financial ratios provide a useful snapshot of Council's financial status and emerging trends. Individual ratios do not provide enough information to form a comprehensive opinion of Council's financial position and performance, but when the right mix of ratios are considered together, they become a valuable tool in analysing Council's overall financial performance.

<u>Asset Sustainability Ratio</u>

This ratio compares Council's expenditure on capital renewal assets with the rate at which our assets are depreciating. As Council invests in the renewal of its asset base on a rolling cycle, the expected results can vary from year to year. The results for a single year are dependent on the delivery of renewal projects in the capital program.

Infrastructure renewals have accounted for 72.24% of capital expenditure with the balance on new and upgrade projects. The 2021-22 capital forecast includes a significant allocation to renewal projects and Council is expecting to exceed the target ratio.

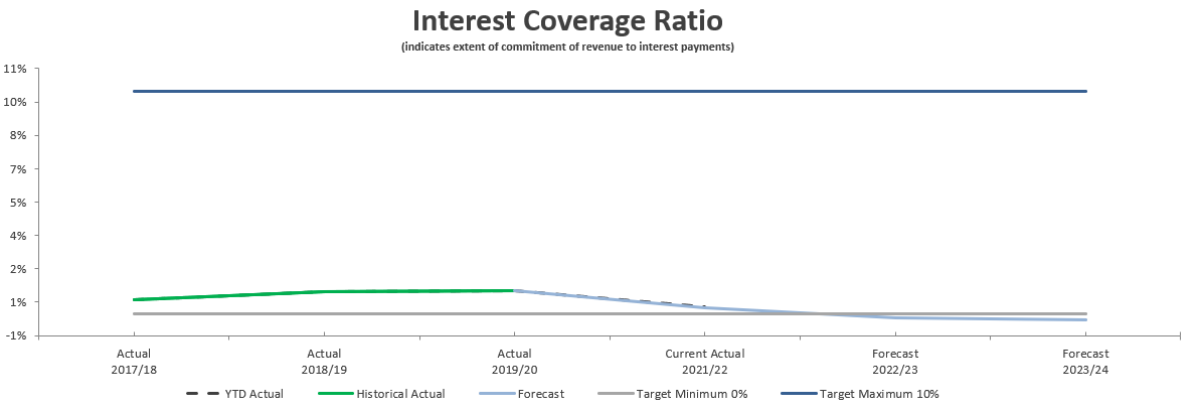
Asset Sustainability Ratio				
CURRENT YTD	**PRIOR YTD**	**BUDGET**	**FORECAST**	**TARGET**
89.57%	**34.73%**	**101.77%**	**101.77%**	**>90%**



Interest Coverage Ratio

This ratio indicates the percentage of operating revenue required to cover net interest costs. The ratio is reflecting an improvement on the prior year, as a result of reduced interest expenses following the loan restructure in June 2021.

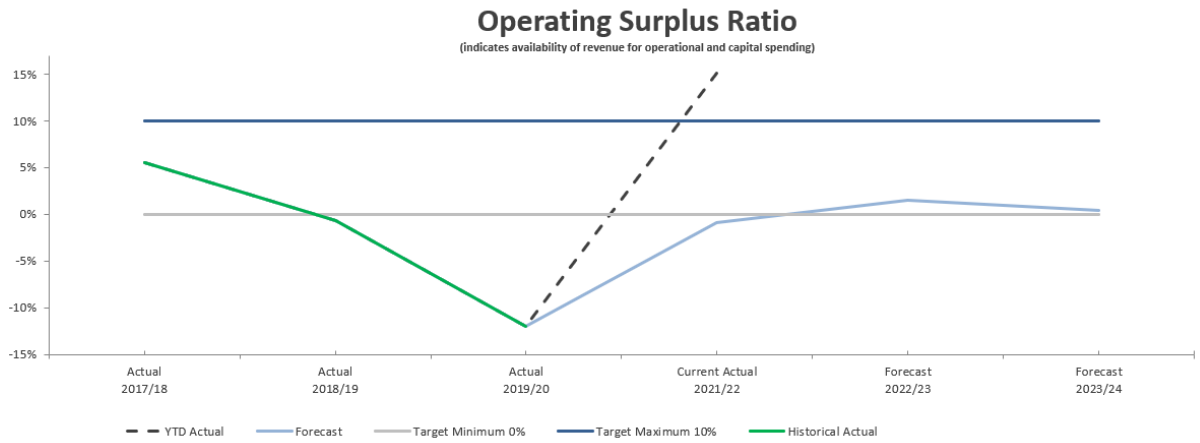
Interest Coverage Ratio				
CURRENT YTD	**PRIOR YTD**	**BUDGET**	**FORECAST**	**TARGET**
0.30%	**1.07%**	**(0.61%)**	**0.23%**	**0 - 10%**



Operating Surplus Ratio

A positive result for this ratio indicates that operating revenue can be used to fund capital expenditure, on top of the operational costs of Council. The results are currently skewed due to the generation of annual rates and other charges. This will align closer to forecast as the year progresses.

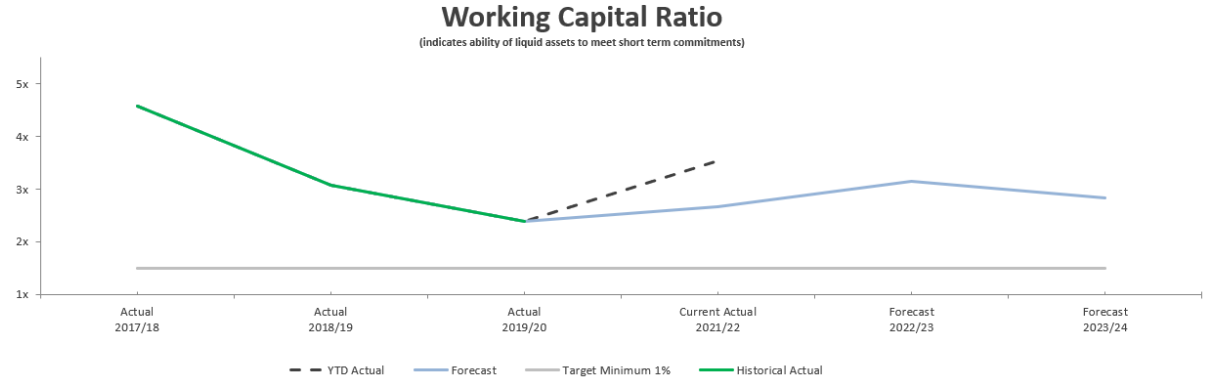
Operating Surplus Ratio				
CURRENT YTD	**PRIOR YTD**	**BUDGET**	**FORECAST**	**TARGET**
15.15%	**13.21%**	**(0.45%)**	**(0.89%)**	**0 - 10%**



Working Capital Ratio

The working capital ratio shows the ability of Councils current assets, to cover the commitments of its current liabilities. Following the rates generation, Council has a significant balance of cash, causing this ratio to reflect favorably.

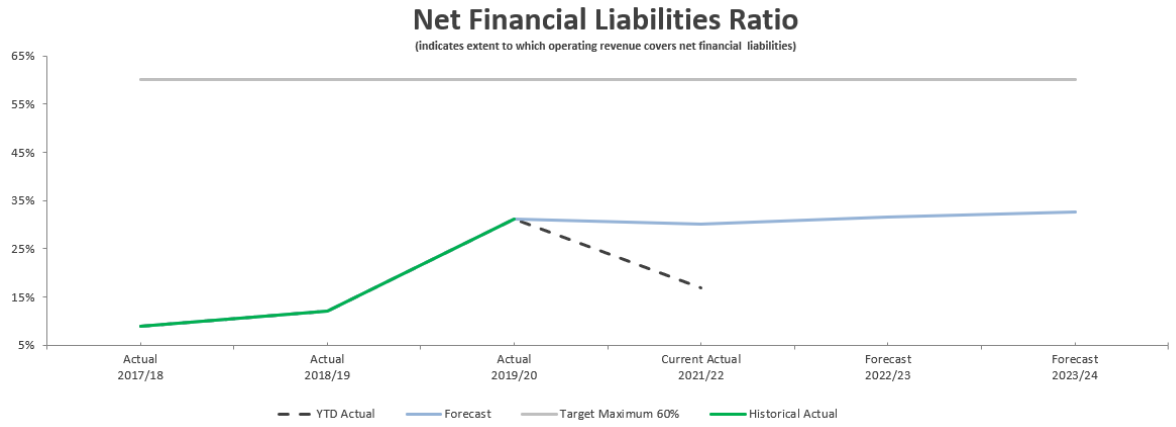
Working Capital Ratio				
CURRENT YTD	**PRIOR YTD**	**BUDGET**	**FORECAST**	**TARGET**
3.04x	**4.42x**	**3.12x**	**2.16x**	**Greater than 1:1**



Net Financial Liabilities Ratio

The ratio shows the extent to which operating revenue covers net financial liabilities. Again, the results are skewed following the rates generation which has created both high income and a high cash balance.

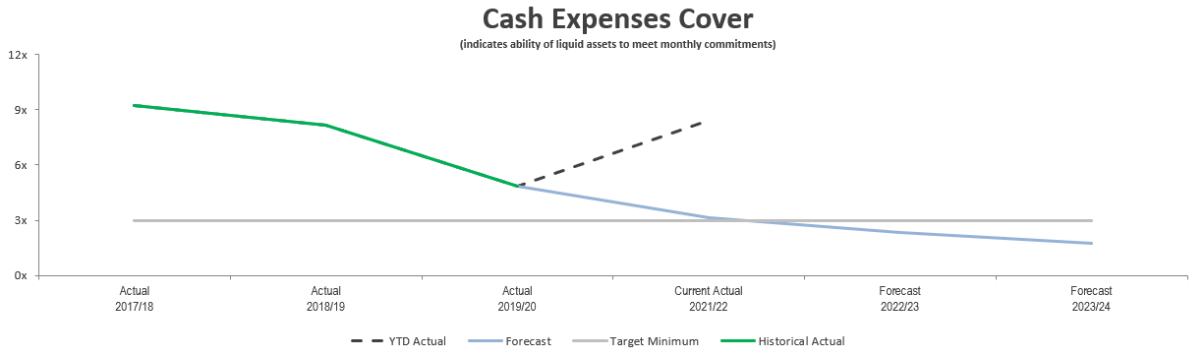
Net Financial Liabilities Ratio				
CURRENT YTD	**PRIOR YTD**	**BUDGET**	**FORECAST**	**TARGET**
16.88%	**(4.97%)**	**30.07%**	**30.16%**	**< 60%**



Cash Expenses Cover Ratio

This ratio indicates the number of months that Councils cash balance could cover its monthly cash expenses. The current result reflects a continuing strong cash position proportional to operating costs. This is due to the high cash balance following the rates due date.

Cash Expenses Cover Ratio				
CURRENT YTD	**PRIOR YTD**	**BUDGET**	**FORECAST**	**TARGET**
8.40x	**9.86x**	**3.24x**	**3.13x**	**> 3x**



Options, Risk and Opportunity Analysis:

Nil.

Communication and Consultation:

The report seeks specialist input from the following internal sources:

Budget and forecast - Systems Modelling and Metrics Specialist and Cost Analyst
Investing activity – Team Leader Financial Operations
Procurement and supply – Manager Contracts and Procurement
Recoverable works – Road Maintenance Performance Contract Team Leader
Vacancies – Recruitment, Remuneration and Benefits Business Partner
Capital expenditure - Manager Works Planning and Scheduling
Outstanding rates and prepaid rates - Manager Revenue Services.

Legal Strategy and Policy Implications:

Council is required to receive an update at least monthly relative to its financial position, *Section 204 Local Government Regulation 2012.*

Financial and Resource Implications:

Nil.

Summary:

Nil.

Anticipated Resolution Completion Date:

19 April 2022

Attachments:

1. Monthly Financial Statements for the period ending 31 March 2022
2. Operating Statements for month end March

Tabled Items:

Nil.

Report Prepared by: Systems and Reporting Accountant

G/3.8. LEASE TO DREAMTILT

Responsible Officer: General Manager Strategic Asset Performance

Council Meeting Date: 19 April 2022

File Ref: CM8.2

Purpose:

The purpose of this report is to allow Council to consider leasing freehold land for telecommunications purposes.

Officer's Recommendation:

That Council:

1. Resolves that s236(1)(c)(vi) of the *Local Government Regulation 2012* applies to the proposed lease of part of Lot 2 on SP266708 to Dreamtilt Pty Ltd; and

2. Delegates authority to the Chief Executive Officer to negotiate a lease with Dreamtilt Pty Ltd for telecommunication purposes over part of Lot 2 on SP266708 for a period of up to 20 years.

Background:

Council is the registered owner of a 5199m2 parcel of freehold land at 128 Leferink Road, Benaraby otherwise described as Lot 2 on SP266708 ("Lot 2"). Lot 2 is illustrated in Image 1: Lot 2 – Site Location.

Image 1: Lot 2 – Site Location

Lot 2 is vacant land zoned as Rural under the current planning scheme. Council has identified Lot 8 as a potential site for a future reservoir including water, access and underground telecommunications and power supply easement (Tannum/ Boyne/ Benaraby/ Wurdong Water Supply Scheme Strategic Plan 16

March 2010). There is no proposed date for construction on the site. The Strategic Land Review for this parcel has identified the most appropriate use as Council Infrastructure.

Council has received a request from Dreamtilt Pty Ltd ("Dreamtilt") to lease part of Lot 8 for the purposes of providing land tenure for the construction of a telecommunication tower. Dreamtilt have described the proposed tower as a 35m self-raising, self-ballasted pole tower, communications shelter and associated telecommunications equipment.

The site is proposed to form part of the establishment of a new high-speed broadband fixed wireless data network for the purpose of high-speed wireless broadband services deployed by Dreamtilt who have advised that the proposed tower will improve the broadband services in the Benaraby area and provide fixed wireless coverage to business and residential customers as well as potential tourism and community organisations such as the Benaraby Speedway Association.

Dreamtilt advise that the tower will provide coverage to a geographic area of around 8 kilometres and also provide a means of extending the coverage of Dreamtilt further into the rural areas by means of backhaul through the base tower to potential future sites in other underserviced areas.

Dreamtilt are a licensed carriage service provider and operate in accordance with the *Telecommunications Act 1997* and Telecommunications Code of Practice 1997. Dreamtilt have received funding from the Federal Government under the Regional Connectivity Program. The program seeks to target telecommunications infrastructure investment that will provide economic opportunities and improve participation in the digital economy for regional communities and businesses.

Options, Risk and Opportunity Analysis:

It is the Officer's recommendation that Council resolve to delegate authority to the Chief Executive Officer to negotiate a lease with Dreamtilt over part of Lot 2.

It is proposed that, subject to negotiations with Dreamtilt, the lease will be on the following terms:

- Lease Area: Part of Lot 2 (determined by Council to ensure that there is provision for the future construction of Council's infrastructure).
- Term: Up to 20 years
- Rent: At a market value to be determined by a registered valuer
- Outgoings: The responsibility of the Lessee
- Maintenance: The responsibility of the Lessee
- Conditions: Conditions typical of a telecommunication lease
- Special Conditions: Dreamtilt to allow provision for a reservation for Council telecommunication equipment on the tower (to be utilised at Council's discretion).

The opportunities associated with granting a lease are:

- Improved options for telecommunications for the community within the service range of the proposed tower, particularly at the Benaraby Motorsport Complex;
- Potential for Council to install communication equipment on the proposed tower; and
- Potential revenue source for Council (rates and rental income).

The risks associated with granting a lease are:

- There has been no tender process for this site therefore other telecommunication providers have not had an opportunity to consider this site – though Council has received no other enquiries for Lot 2.

Council may alternatively decide against granting a lease to Dreamtilt.

Communication and Consultation:

In reviewing Dreamtilt's proposal the following internal stakeholders were consulted:

- Asset Planning;
- Development Services;
- Environment and Conservation; and
- Strategic ICT.

The feedback provided by internal stakeholders has informed the Officer's Recommendation and will be used to develop appropriate lease conditions if Council were to resolve in favor of granting a lease.

Legal Strategy and Policy Implications:

The Officer's recommendation is consistent with Council's policies.

Under s227 of the *Local Government Regulation 2012* ("LGR"), Council cannot enter into a valuable non-current asset contract (a contract for the lease or sale of freehold land) unless it first invites written tenders or offers the non-current asset for sale by auction. In this instance there is one applicable exception to s227 of the LGR:

> s236(1)(c)(vi): where *the disposal is for the purpose of a lease for a telecommunication tower*.

s236(3) of the LGR provides that the lease must be for market rent.

Financial and Resource Implications:

There is not expected to be any costs associated with the Officer's Recommendation. The lease will result in a small amount of rental and rates revenue. The appropriate rent will be at market rate determined by a registered valuer. The lease will be negotiated and finalised using internal resources.

Summary:

Council is asked to consider granting a lease to Dreamtilt for telecommunications purposes.

Anticipated Resolution Completion Date:

It is anticipated that the lease would be finalised by 30 June 2022.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Manager Governance

G/3.9. LEAVE OF ABSENCE - MAYOR BURNETT

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 19 April 2022

File Ref: CM7.2

Purpose:

To report a request for leave of absence as required under 6.1.2 of Council's *P-2020-19 Council Meetings Procedures Policy*.

Officer's Recommendation:

That Council approve Mayor Burnett's request for a leave of absence from 18 April 2022 to 21 May 2022.

Background:

Mayor Burnett has requested a leave of absence from his duties as Mayor from 18 April 2022 to 21 May 2022. This period coincides with the 2022 Federal Election Campaign in which Mayor Burnett is a candidate.

The following General Meetings are scheduled during Mayor Burnett's proposed leave of absence:

- 19 April 2022
- 3 May 2022
- 17 May 2022

Options, Risk and Opportunity Analysis:

Section 6.1.2 of Council's *P-2020-19 Council Meeting Procedures Policy* provides that councillors must seek a leave of absence from a Council Meeting where a councillor cannot attend for private reasons. An application does not need to be made in person.

Mayor Burnett has advised that during his proposed leave of absence, he will surrender all Council-provided facilities with the exception of his mobile phone. With regards to Mayor Burnett's retention of his mobile phone, Mayor Burnett will make full payment for the cost during his leave of absence. During the leave of absence, Mayor Burnett will not be entitled to any of the facilities provided to councillors under Council's P2021-18 *Councillor Expenses Reimbursement & Provision of Facilities Policy*.

A leave of absence is granted at Council's discretion. If Council were not to grant Mayor Burnett's leave of absence and Mayor Burnett failed to attend 2 or more consecutive meetings over a period of at least 2 months, by virtue of s162 of the *Local Government Act 2009* ("LGA"), the Mayor's office would become vacant.

There is no stipulation in the LGA that requires Mayor Burnett to take a leave of absence during the campaign. The proposed leave of absence will ensure that mayoral duties can be undertaken by the Deputy Mayor, in the role of Acting Mayor in accordance with s165 of the LGA providing continuity for Council and the community.

Communication and Consultation:

N/A

Legal Strategy and Policy Implications:

Under the *Human Rights Act 2019*, all people have the right to participate in democratic decision-making and run in local and state government elections if they are eligible.

Section 6.1.2 of Council's *P-2020-19 Council Meeting Procedures Policy,* established in accordance with s150G of the LGA provides that councillors must seek a leave of absence from a Council Meeting where a councillor cannot attend for private reasons. Under that policy, if the Mayor is absent or unavailable to preside on Council Meetings, the Deputy Mayor will preside.

Council's P2021-18 *Councillor Expenses Reimbursement & Provision of Facilities Policy* is a policy to ensure accountability and transparency in the reimbursement of expenses and the provision of facilities provided or incurred by Councillors in the conduct of Council business. As Mayor Burnett will not be conducting Council business during his proposed leave of absence he will not be entitled to any of the reimbursements of provision of facilities provided in accordance with the policy.

Section 162 of the LGA provides that a councillor's office will become vacant if the Councillor misses 2 consecutive meetings over a 2 month period unless the leave of absence is taken with the leave of Council (s162(e)(ii) of the LGA). By Council approving Mayor Burnett's leave of absence, the mayor's office will not become vacant during the Mayor's leave of absence (if that leave of absence was extended to a period up to 2 months.

Section 165 of the LGA provides that the deputy mayor acts for the mayor if the mayor is absent or otherwise unable to perform his duties. Should the deputy mayor be unable to perform the role of mayor due to absence or incapacity, the remaining councillors are required to appoint an acting mayor via resolution from the remaining councillors.

Financial and Resource Implications:

There is no requirement in the *Local Government Act 2009* for the Mayor to take leave without pay. It is not anticipated that there will be any significant financial or resource implications as a result of Mayor Burnett's leave of absence.

Summary:

Nil.

Anticipated Resolution Completion Date:

19 April 2022

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Manager Governance & Risk

G/4. DEPUTATIONS

G/5. COUNCILLORS REPORT

G/6. URGENT BUSINESS

G/7. NOTICE OF MOTION

G/8. CONFIDENTIAL ITEMS