



GENERAL MEETING MINUTES

**HELD AT THE COUNCIL CHAMBERS - CIVIC CENTRE
101 GOONDOON STREET, GLADSTONE**

On Tuesday 15 November 2022

Commencing at 9.00am

**Carly Quinn
CHIEF EXECUTIVE OFFICER, Acting**

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GENERAL MEETING MINUTES 15 NOVEMBER 2022

Elected Members

Councillor - Mayor M J Burnett
Councillor G G Churchill
Councillor K Goodluck
Councillor D V O'Grady
Councillor C A Trevor
Councillor N Muszkat
Councillor C Cameron
Councillor D Branthwaite

Officers

Ms C Quinn (Chief Executive Officer, Acting)
Mrs R Millett (Executive Secretary)
Mrs T Whalley (Manager Governance and Risk) (via teams)
Ms S Hunter (General Manager Strategy and Transformation, Acting)
Ms K Lee (General Manager Community Development and Events)
Mr J Tumbers (General Manager Operations)
Mr M Francis (General Manager Strategic Asset Performance) (via teams)
Mr R Huth (General Manager Customer Experience)
Ms E Landmand (Manager Revenue Services)
Ms J Rossow (Systems Modelling and Metrics Specialist, Acting)
Ms E Costello (Community Development Specialist)
Ms K Dimou (Manager Strategy and Improvement, Acting)
Mr M Harris (Media Advisor)
Ms T Bolton (Senior Revenue Officer)
Ms L Cattermole (Community Investment Officer)

G/0.3.2. APOLOGIES AND LEAVE OF ABSENCE

GM/22/4868 Council Resolution:

Moved Cr O'Grady
Seconded Cr Branthwaite

That an apology for Councillor Hansen be received.

CARRIED

G/0.3.3. MESSAGES OF CONDOLENCE

Nil

G/0.3.4. DECLARATION OF INTERESTS

Cr Muszkat

Councillor Natalia Muszkat declared a declarable conflict of interest in Item G/4.4. COMMUNITY INVESTMENT PROGRAM - SIGNATURE EVENTS FUNDING RECOMMENDATION as she is the President of the Queensland Country Women's Association Tannum Sands Branch who is anticipating receipt of a donation from the Boyne Tannum HookUp Association who are recommended to receive funding.

Cr Muszkat advised that as a result of her conflict of interest, she will leave the meeting room while the matter is considered and voted on.

Mayor Burnett

Mayor Matthew Burnett advised that he believes that it may be perceived that he has a conflict of interest in the Inland Rail Project as a result of federal funding that he secured for the project while he was a Labor Party candidate for Flynn in the recent Federal Election. In anticipation of Council, at a future point having to make a decision in relation to the Inland Rail Project, he declared a declarable conflict of interest in the matter.

Mayor Burnett advised that although he has a declarable conflict of interest, he believes that it would be in the public interest for him to participate in the decision, that is decisions relating to the Inland Rail Project for the following reasons:

- he is confident of his ability to make an unbiased decision that is in the public's interest;
- Council's advocacy for the Inland Rail Project extending from either Toowoomba or Goondiwindi to Gladstone commenced prior to him securing the federal funding;
- any decision relating to the Inland Rail Project will not impact him personally or a related party to any extent greater than any other member of the community;
- his knowledge of the Inland Rail Project will assist Council to make the best decision in the public interest;
- his participation in decisions relating to the Inland Rail Project differs significantly from the Boyne Tannum Aquatic Recreation Centre Project, where in that instance, Council is the sole proponent, planning authority and landowner. In contrast, Council's role in the Inland Rail Project is primarily as an advocate for a project, and potentially as a future infrastructure provider. There are many other local governments and agencies that are involved in that project; and
- he no longer has any influence over the allocation of federal funding.

Mayor Burnett advised that notwithstanding this, he will respect any decision of his fellow councillors in relation to his future participation in this matter.

GM/22/4869 Council Resolution:

Moved Cr Goodluck
Seconded Cr Branthwaite

That notwithstanding the Mayor's declarable conflict of interest with respect to the Inland Rail Project, it is in the public interest for the Mayor to participate in the decision without restriction.

CARRIED

GENERAL MEETING MINUTES 15 NOVEMBER 2022

Mayor Matthew Burnett advised that he believes that it may be perceived that he has a conflict of interest in the Gladstone Basketball Association Inc proposed construction of a new facility within their current lease area as a result of federal funding that he secured for the project while he was a Labor Party candidate for Flynn in the recent Federal Election. In anticipation of Council, as Lessor and planning authority, at a future point having to make a decision in relation to Gladstone Basketball Association Inc's proposed new facility, he declared a declarable conflict of interest in the matter.

Mayor Burnett advised that although he has a declarable conflict of interest, he believes that it would be in the public interest for him to participate in the decision, that is decisions relating to Gladstone Basketball Association Inc's proposed new facility for the following reasons:

- he is confident of his ability to make an unbiased decision that is in the public's interest;
- any decision relating to the proposed new facility will not impact him personally or a related party to any extent greater than any other member of the community;
- his knowledge of the community will assist Council to make the best decision in the public interest;
- his participation in decisions relating to Gladstone Basketball Association Inc's proposed new facility differs from the Boyne Tannum Aquatic Recreation Centre Project, where in that instance, Council is the sole proponent, planning authority and landowner. In contrast, Gladstone Basketball Association Inc's is the proponent for their new facility and Council's role is limited to Lessor and planning authority;
- he no longer has any influence over the allocation of federal funding.

Mayor Burnett advised that notwithstanding this, he will respect any decision of his fellow councillors in relation to his future participation in this matter.

GM/22/4870 Council Resolution:

Moved Cr Branthwaite
Seconded Cr O'Grady

That notwithstanding the Mayor's declarable conflict of interest with respect to the Gladstone Basketball Association Inc's Proposed New Facility, it is in the public interest for the Mayor to participate in the decision without restriction.

CARRIED

G/1. MAYORAL STATEMENT OF CURRENT ISSUES

Firstly I would like to start by mentioning the 2022 National Local Roads and Transport Congress held recently in Hobart, which I attended. The board meeting was held the day before on 1 November, which was our Council meeting day which I unfortunately was unable to attend, Councillor Glenn Churchill was with me at the Congress and was able to zoom in. It was a very good program and I know that Cr Churchill has something to add in General Business about the agenda (if not this one the next one). Basically, speaking around important issues for local government in terms of local roads and transport.

On the 11 November 2022 Remembrance Day services were held across the region and right across the country and I thank Councillors for attending, I believe we were able to attend all the services in the region. Very important Remembrance Day for Australia.

Congratulations to the team for organising the Beer and Cider Festival on the weekend. Thanks Cr Branthwaite for being a good sport and being involved, it's a great community event and well done to the team of volunteers that put that event on every year.

Yesterday we welcomed back our first cruise ship since before COVID and the first cruise ship to dock at our new cruise terminal at East Shores, very exciting. And I know that the team at Gladstone Area Promotion and Development Limited (GAPDL) and our local visitor ambassadors did an amazing job welcoming our cruise ship visitors to the Gladstone Region. The MS Noordam thank you for dropping into Gladstone and we hope to see many more cruise ships over the next few years.

Coming up in the Gladstone Region we have the Rotary Charity Markets at Tondoon Botanic Gardens, this Sunday 20 November 2022, from 7am until 12pm. The Santos GLNG Mayor's Carols on Friday 2 December 2022, there are a number of carols happening right across the region as well. The Philip Street Communities and Families Precinct, great project, is celebrating its first birthday from 9am until 12pm on Saturday 3 December, live entertainment, cultural performances, lawn games, free sausage sizzle and of course a birthday cake. And then in the Main Street on Sunday 4 December 2022 we have the Christmas Street Party where we will turn on the Christmas tree and welcome Santa and I'm sure everyone will enjoy the markets there as well. And then to keep the kids entertained, tickets are now on sale for the Festival of Summer, which starts on Monday 9 January 2023 until Friday 13 January 2023. Just when the kids are getting bored, time to get them involved in Festival of Summer.

G/2. CONFIRMATION OF MINUTES

G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 1 NOVEMBER 2022

Responsible Officer: Chief Executive Officer

Council Meeting Date: 15 November 2022

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 1 November 2022.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 1 November 2022 be confirmed.

GM/22/4871 Council Resolution:

Moved Cr Churchill
Seconded Cr Trevor

That the Officer's Recommendation be adopted.

CARRIED

G/3. DEPUTATIONS

G/3.1. CENTRAL QUEENSLAND RURAL HEALTH

Responsible Officer: Chief Executive Officer

Council Meeting Date: 15 November 2022

File Ref: CM7.6

Purpose:

Central Queensland Rural Health will present an overview of the Gladstone Primary Healthcare Project.

Officer's Recommendation:

That the deputation from Central Queensland Rural Health be received.

GM/22/4872 Council Resolution:

Moved Cr Churchill

Seconded Cr Cameron

That the Officer's Recommendation be adopted.

CARRIED

G/4. OFFICERS' REPORTS

G/4.2. ANNUAL REPORT 2021/22

Responsible Officer: General Manager Strategy and Transformation

Council Meeting Date: 15 November 2022

File Ref: CM18.1

General Manager Strategy and Transformation tabled the 2021/22 Gladstone Regional Council Annual Report (Addendum 1).

Purpose:

The purpose of this report is to seek Council endorsement of the Gladstone Regional Council 2021/22 Annual Report.

Officer's Recommendation:

That Council adopt the 2021/22 Gladstone Regional Council Annual Report provided as an Addendum 1.

GM/22/4873 Council Resolution:

Moved Cr Goodluck
Seconded Cr Branthwaite

That the Officer's Recommendation be adopted.

CARRIED

G/4.3. 2022/23 OPERATIONAL PLAN QUARTER ONE REPORT

Responsible Officer: General Manager Strategy and Transformation

Council Meeting Date: 15 November 2022

File Ref: CM14.2

Purpose:

To present Council with the first quarterly performance report for the 2022-2023 Operational Plan.

Officer's Recommendation:

That Council endorse the 2022-2023 Operational Plan Quarter One Report.

GM/22/4874 Council Resolution:

Moved Cr O'Grady
Seconded Cr Cameron

That the Officer's Recommendation be adopted.

CARRIED

The meeting was adjourned for morning tea at 10:26 am and reconvened at 10:51 am.

G/4.4. COMMUNITY INVESTMENT PROGRAM - SIGNATURE EVENTS FUNDING RECOMMENDATION

Responsible Officer: General Manager Community Development and Events

Council Meeting Date: 15 November 2022

File Ref: GS 3.1

Councillor Kahn Goodluck advised that he has a declarable conflict of interest in Item G/4.4 COMMUNITY INVESTMENT PROGRAM - SIGNATURE EVENTS FUNDING RECOMMENDATION as he has previously been engaged as a musician to perform at the B2G Village and previously declared a conflict of interest in relation to a decision regarding the B2G Village. Cr Goodluck mentioned that the B2G Village may be promoted by the Queensland Cruising Yacht Club Inc. Cr Goodluck advised that he is not currently engaged to perform at the 2023 B2G Village.

Cr Goodluck sought approval from Council to remain in the room and participate in the decision.

GM/22/4875 Council Resolution:

Moved Cr Churchill
Seconded Cr Branthwaite

That notwithstanding Cr Goodluck's declarable conflict of interest with respect to the Queensland Cruising Yacht Club Inc, GPC 75th Brisbane to Gladstone Yacht Race 2023, it is in the public interest for Cr Goodluck to participate in the decision without restriction.

CARRIED

GM/22/4876 Procedural Motion:

Moved Mayor Burnett
Seconded Cr Goodluck

That for Agenda Item G/4.4 COMMUNITY INVESTMENT PROGRAM – SIGNATURE EVENTS FUNDING RECOMMENDATION, the applications for Boyne Tannum HookUp Association and Queensland Cruising Yacht Club Inc be considered separately.

CARRIED

Purpose:

To consider the recommendation of the Community Investment Panel on applications received under the Community Celebration Fund - Signature Events.

Officer's Recommendation:

That Council:

1. Adopt the Community Investment Panel recommendation of funding for the applications received under the categories of funding tabled below:

Application ID	Applicant	Project	Recommended Funded Amount
SIG00001	Boyne Tannum HookUp Association	Boyne Tannum HookUp 2023	\$50,000
SIG00003	Queensland Cruising Yacht Club Inc	GPC 75 th Brisbane to Gladstone Yacht Race 2023	\$66,000
Total Funding Requested			\$116,000

and

2. Authorise the Chief Executive Officer or delegate to finalise and execute funding agreements with the successful applicants detailing relevant entitlements and conditions.

GM/22/4877 Council Resolution:

Moved Cr O'Grady
Seconded Cr Branthwaite

That Council:

1. Adopt the Community Investment Panel recommendation of funding for the applications received under the categories of funding tabled below:

Application ID	Applicant	Project	Recommended Funded Amount
SIG00003	Queensland Cruising Yacht Club Inc	GPC 75 th Brisbane to Gladstone Yacht Race 2023	\$66,000

and

2. Authorise the Chief Executive Officer or delegate to finalise and execute funding agreements with the successful applicants detailing relevant entitlements and conditions.

CARRIED

In favour of the motion: Cr Goodluck, Cr Branthwaite, Cr Trevor, Cr O'Grady, Cr Cameron, Cr Muszkat, Cr Churchill, Mayor Burnett

Against the motion: Nil

Not eligible: Nil

Absent: Cr Hansen

Cr Muszkat (declared Conflict of Interest)

left the room for Agenda Item G/4.4. consideration of Boyne Tannum HookUp Association application and did not participate in the decision

(refer G/0.3.4. Disclosure of Interest section of the minutes - page 4)

GM/22/4878 Council Resolution:

Moved Cr Churchill
Seconded Cr Cameron

That Council:

1. Adopt the Community Investment Panel recommendation of funding for the applications received under the categories of funding tabled below:

Application ID	Applicant	Project	Recommended Funded Amount
SIG00001	Boyne Tannum HookUp Association	Boyne Tannum HookUp 2023	\$50,000

and

2. Authorise the Chief Executive Officer or delegate to finalise and execute funding agreements with the successful applicants detailing relevant entitlements and conditions.

CARRIED

In favour of the motion: Cr Goodluck, Cr Branthwaite, Cr Trevor, Cr Churchill, Mayor Burnett

Against the motion: Cr O'Grady, Cr Cameron

Not eligible: Cr Muszkat

Absent: Cr Hansen

G/4.1. GLADSTONE REGION ECONOMIC TRANSITION ROADMAP

Responsible Officer: General Manager Strategy and Transformation

Council Meeting Date: 15 November 2022

File Ref: CM31.09

Mayor Burnett tabled the Gladstone Region Economic Transition Roadmap 2022-2032 Report (Addendum 2) and Summary Report (Addendum 3)

Purpose:

The purpose of this report is to seek Council endorsement of the Gladstone Region Economic Transition Roadmap 2022-2032.

Officer's Recommendation:

That Council endorse the Gladstone Region Economic Transition Roadmap 2022-2032.

GM/22/4879 Council Resolution:

Moved Mayor Burnett
Seconded Cr Goodluck

That the Officer's Recommendation be adopted.

CARRIED UNANIMOUSLY

G/4.5. AMENDMENT OF FEES AND CHARGES - CAT/DOG TRAP HIRE

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 15 November 2022

File Ref: FM7.1

Purpose:

The purpose of this report is to seek an amendment to the fee listed in the 2022/2023 Register of Fees and Charges – Hire of cat/dog trap from a “no charge per 5-day hire” to “no charge per 14-day hire”.

Officer's Recommendation:

That Council endorse the amendment of the 2022/2023 Register of Fees and Charges to reflect the Hire of cat/dog trap to a “no charge per 14-day hire”.

GM/22/4880 Council Resolution:

Moved Cr Muszkat
Seconded Cr Goodluck

That the Officer's Recommendation be adopted.

CARRIED

G/4.6. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 OCTOBER 2022

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 15 November 2022

File Ref: FM15.1

Purpose:

This report seeks Council adoption of the Monthly Financial Statements for the 2022-23 year to date, for the period ended 31 October 2022.

Officer's Recommendation:

That Council adopt the Monthly Financial Statements attached to the officer's report for the 2022-23 year to date, for the period ended 31 October 2022 as required under Section 204 Local Government Regulation 2012.

GM/22/4881 Council Resolution:

Moved Cr Cameron
Seconded Cr Muszkat

That the Officer's Recommendation be adopted.

CARRIED

G/5. COUNCILLORS REPORT

Councillor Glenn Churchill mentioned the 2022 National Local Roads and Transport Congress that was held in Tasmania recently and thanked Council for sending one of Council's officers, Neels Kloppers, Manager Asset Performance and Monitoring as roads, footpaths, bridges and safe travel in our region is one of Council's core businesses. Cr Churchill mentioned that there will be a report provided at a future Council meeting. Cr Churchill mentioned that the decision to attend the congress also involved advocating for the congress to be held in the Gladstone region in the coming years and noted that despite his endeavours to advocate for this, the Australian Local Government Association (ALGA) board held a meeting prior to the congress where a decision was made to hold future National Local Roads and Transport Congress' in Canberra. Cr Churchill mentioned the benefits of holding the Congress in regional areas such as going out on familiarisation's to see, hear, smell, talk to the locals and get an understanding of what's happening in their areas. Mayor Burnett advised that the board resolved to hold the next National Local Roads and Transport Congress in Canberra and then review the success of the event which will determine if the congress is rotated back into the areas. Mayor Burnett noted that feedback from some council's was that the cost of attending the congress in the smaller communities was prohibitive for them to attend and further requests were received that the Congress is held during a parliamentary sitting week to provide council's the opportunity to speak with parliamentarians.

Mayor Burnett mentioned that the expressions of interest are open for the 2023 Gladstone Region Youth Council. Mayor Burnett noted that it is for residents aged between 15 to 24 interested in being part of the 2023 Gladstone Region Youth Council and that nominations close on Sunday 4 December 2022. Mayor Burnett encouraged anyone interested to get their nominations in before Sunday 4 December 2022.

G/6. URGENT BUSINESS

G/7. NOTICE OF MOTION

G/8. CONFIDENTIAL ITEMS

There being no further business the Mayor formally closed the meeting.

THE MEETING CLOSED AT 11:45am

ATTACHMENTS

Addendum 1



2021/22 Annual Report

Collective Delivery





OUR FRONT COVER

On 16 August 2021, the Philip Street Communities and Families Precinct opened to the public. Designed to strengthen Gladstone's social service system, the Precinct brings together community groups and service providers to work with our community in a friendly parkland setting. The Precinct also offers meeting spaces and office space which are available to local community organisations to deliver their services to the community while benefiting from opportunities to collaborate. See page 37 for more information on this story.

GET IN TOUCH

Call us: (07) 4970 0700

For hearing and speech difficulties contact Council through the National Relay Service:

Speak and Listen: 1300 555 727

Type and Listen: 133 677

Internet Relay users: www.relayservice.gov.au

Email us: info@gladstone.qld.gov.au

Visit our website:

www.gladstone.qld.gov.au

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Send us mail:

Gladstone Regional Council
PO Box 29
Gladstone QLD 4680

VISIT US

Agnes Water Rural Transaction Centre

71 Springs Road, Agnes Water Qld 4677

Ph: (07) 4902 1515

Open Monday to Friday - 9am to 4.30pm
(cashiers close at 4.30pm daily)

Boyne Tannum Community Centre

Cnr Wyndham & Hayes Avenues,

Boyne Island Qld 4680

Ph: (07) 4971 9700

Open Monday to Friday - 9am to 5.30pm
(cashiers close at 4.45pm daily)

(Library and Lilley's Beach permits available
Saturday 9am to 3.30pm)

Calliope Library and Transaction Centre

3 Don Cameron Drive, Calliope Qld 4680

Ph: (07) 4975 8105

Open Monday to Friday - 8.30am to 5pm
(cashiers close at 4.45pm daily)

(Library available Saturday 9am to 12pm)

Gladstone Office

101 Goondoon Street, Gladstone Qld 4680

Ph: (07) 4970 0700

Open Monday to Friday - 8.30am to 5pm
(cashiers close at 4.45pm daily)

Miriam Vale Office

41 Blomfield Street, Miriam Vale Qld 4677

Ph: (07) 4970 0700

Open Monday to Friday - 8.30am to 5pm
(cashiers close at 4.45pm daily)

Mount Larcom Rural Transaction Centre

47 Raglan Street, Mount Larcom Qld 4695

Ph: (07) 4975 1205

Open Monday to Friday - 9am to 1pm and
2pm to 5pm

WE'RE LISTENING

We want to hear your thoughts about this Annual Report.

Have we produced a report that reflects what you want to know?

Help us improve by getting in touch with your feedback.

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ACKNOWLEDGEMENT OF COUNTRY

Gladstone Regional Council would like to acknowledge the traditional custodians of this land, the Bailai, the Gurang, the Gooreng Gooreng and the Taribelang Bunda people.

We pay respect to their Elders past, present and emerging.

Gladstone Regional Council is committed to cultivating a culture of inclusion and connectedness, acknowledging that our communities are richer when diversity is embraced.

ACKNOWLEDGEMENT OF A WELCOMING CITY

Gladstone Regional Council is actively aligning with best practice multiculturalism as identified in the National Welcoming Cities Standards and declares itself a welcoming community. We embrace diversity, foster social cohesion and are focused on building economic success.

Council endeavours to use a whole of community approach to not only embrace diversity, but also harness its strength and identify opportunities to enhance our multicultural focus. As a Council, we will benchmark cultural diversity and inclusion policies and practices across the organisation and continue to identify how further efforts can be directed.

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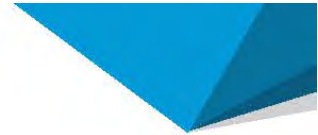
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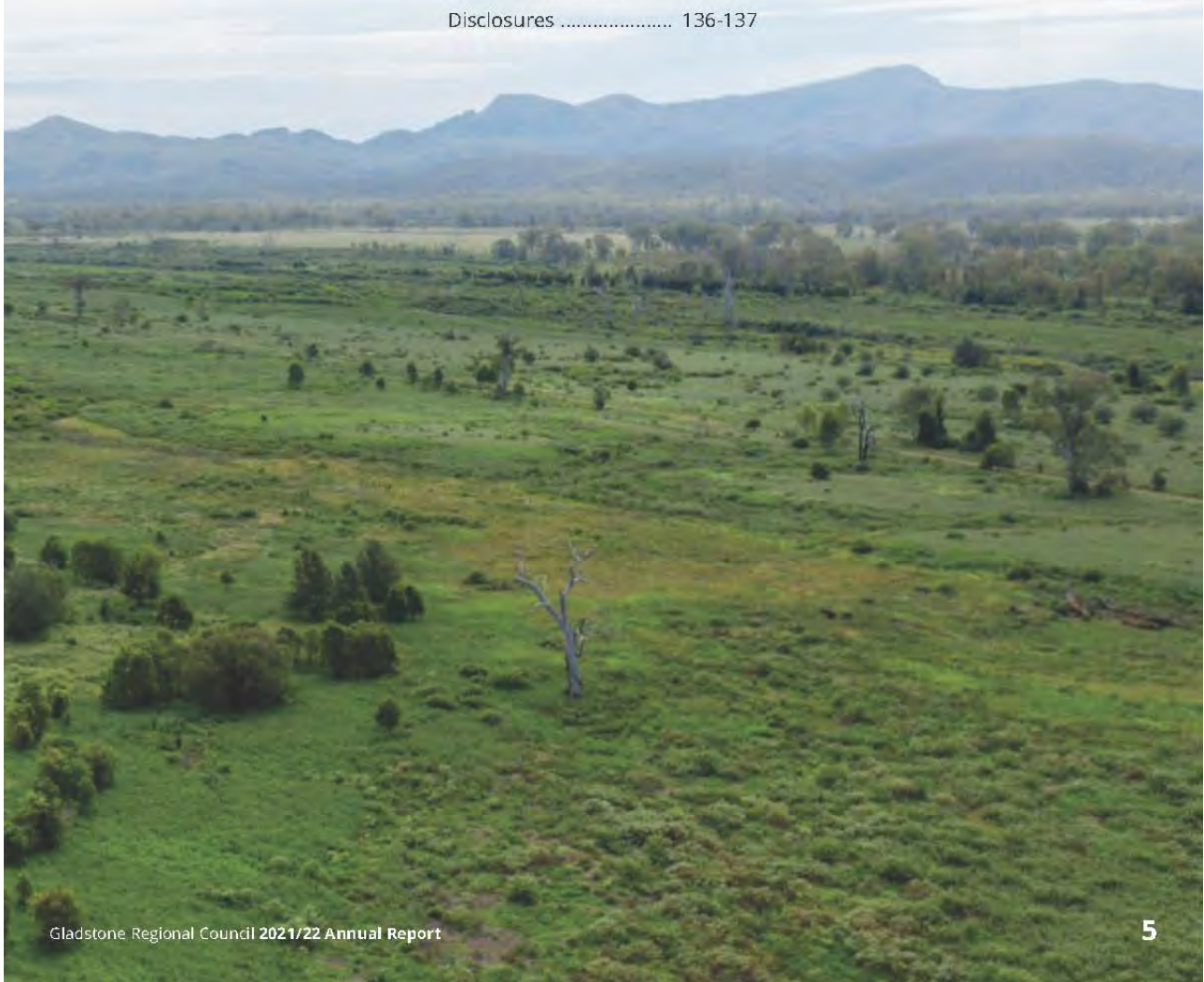
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INTRODUCTION AND HIGHLIGHTS 01

MESSAGE FROM OUR MAYOR



The 2021/22 financial year was a year that helped position our region for the challenges and opportunities of the future.

This was evident as early as 1 July 2021, when Council launched its 2021 - 2026 Corporate Plan, with that document

setting a refreshed set of goals not apparent prior to the COVID-19 pandemic.

The following month, Council endorsed a new Economic Development Strategy through to 2025 that closely aligned to the updated Corporate Plan and our continued vision to 'Connect. Innovate. Diversify'.

The theme of 'Collective Delivery' was one that flowed through many significant announcements during the 2021/22 financial year.

There's no better example of collective delivery than what has been achieved at the Philip Street Communities and Families Precinct since it opened to the public in August 2021.

The road to opening the Precinct was a long but rewarding journey that saw Council work closely with other levels of government and organisations including Department of Communities, Housing and Digital Economy, The Salvation Army and Gladstone Area Promotion and Development Ltd.

Working collaboratively with organisations continued into 2021/22 when in December Council signed a Memorandum Of Understanding (MOU) with Gladstone Central Committee on the Ageing (GCCOTA) to investigate over 55s independent living and accommodation options at the Philip Street Communities and Families Precinct.

This was another exciting announcement and one I look forward seeing come to fruition.

I am always happy to hear about announcements regarding investment in our region and there was no lack of them during 2021/22.

From hydrogen pilot plants, the world's largest hydrogen-equipment manufacturing facility, a high-purity alumina plant and pumped hydropower, to funding commitments for the Boyne Tannum Aquatic Recreation Centre and the upgrade of the Drynan Drive intersection at Calliope.

Inland Rail also became a step closer to reality with the Federal Government committing to undertake a business case into extending the line to the Port of Gladstone.

Collective Delivery was also evident across the Central Queensland Regional Organisation of Councils (CQROC) as we strengthened our ties by working collaboratively with neighbouring councils to deliver positive outcomes for Central Queensland.

Council engaged the services of The Next Economy to gather feedback from community, government, industry and other stakeholder

groups in order to guide us on what is required to adapt to a changing energy sector and to support our region over the next ten years.

2021/22 was another year full of high-quality, award-winning events such as Luminous, PopCon, Council's New Year's Eve party, Easter in Gladstone and Ecofest, just to name a few.

Other 2021/22 highlights included the lifting of water restrictions at Miriam Vale after more than two years, announcing more than \$100,000 being raised at the Mayor's Charity Ball, the annual Our Priceless Past initiative using video technology to connect generations, Australia Day Awards and the adoption of a Budget surplus to help us meet future financial challenges.

I want to take this opportunity to thank Deputy Mayor Kahn Goodluck for stepping up to the position of Acting Mayor while I took a leave of absence during the 2022 Federal Election campaign.

I also want to thank my fellow Councillors, Chief Executive Officer Leisa Dowling, and the Executive Leadership team for their leadership during this time.

I am thoroughly looking forward to what Council can achieve over the next 12 months, based off the hard work, dedication and collective delivery on display during 2021/22.

Mayor Matt Burnett
Gladstone Regional Council

“
Collective Delivery is working together as a team, to deliver for the community.”



MESSAGE FROM OUR CEO



When I reflect on the 2021/22 financial year, it's humbling to see the many ways in which our organisation's collective effort demonstrated resilience and continued delivering for our region.

After months of planning and developing, it was wonderful to begin the financial year by celebrating the opening and operationalisation of the Philip Street Communities and Families Precinct. I am incredibly proud of our people and how together, their efforts have strengthened our community and social services system while delivering an award-winning, purpose-built facility.

I was also pleased to see the completion of Council's Lessee Service Model, an initiative to make it easier for our lessees to access the services they need to effectively manage their facilities. Through customer feedback we were able to make informed, practical changes to our processes to ensure we are continuing to meet the expectations of our lessees, as well as support Council in managing its current and future leases.

This year saw Council deliver the first year of our refreshed 2021-26 Corporate Plan, following an opportunity for an early review of our 2018-23 Corporate Plan. Our refreshed plan is considerate of our region's current economic climate and impacts of the global pandemic, while guiding us in enhancing our connections, providing value for money and meeting community expectations in the way we serve.

For our people, our Corporate Plan clearly defines our strategic direction and highlights the outcomes and objectives we're committed to delivering to reach our corporate goals in

addition to our standard business operations. Refreshing our plan strengthened our Strategic Planning Framework and keeps us accountable and aligned to our vision to 'Connect. Innovate. Diversify.'

At the heart of our organisation is our people and we remain strongly committed to creating a place where our people are proud to work. One of the actions we have taken to learn more about our people and better understand our collective personality was through the undertaking of Council's first culture survey.

These results were used to develop a Culture Action Plan which will be outworked over the next two years. Although it will have its challenges, I am confident in our people and our ability to work alongside one another and be involved in shaping the culture we're trying to achieve.

“ We focus on pragmatic delivery that is based on collective effort and makes it easier. ”

While I am always proud to see our organisation delivering on its commitments to our community, it's the little things that I'm perhaps most proud of. It's hearing about an employee being acknowledged for the work they do in our community by their local coffee shop or having a team's camaraderie and work ethic acknowledged by a visitor to our region. It's knowing the little things we do make a difference in the communities in which we operate.

Leisa Dowling
Chief Executive Officer, Gladstone Regional Council

1 INTRODUCTION AND HIGHLIGHTS

This section introduces the Gladstone Region, where it is, who lives and works here and how history has forged its identity.

It provides insight into Gladstone Regional Council (GRC) as a local government authority serving a dynamic part of Queensland.

This section also includes a summary of our finances, performance and operations. Highlights from our successes and challenges are shared as we reflect on the year gone by and what we look forward to in 2022/23.





INTRODUCTION AND HIGHLIGHTS 01

THEME AND HOW TO READ THIS REPORT

The theme for this year's Annual Report is 'Collective Delivery'.

Collective delivery is about working together to meet our community's needs, create efficiencies and improve service delivery. There has also been a strong focus on building community capacity and supporting the economic development and growth of the Gladstone Region. It is about working collectively internally, but also with our communities,

industries and other agencies to reach the best outcomes for our community.

This report is a legislative requirement under the *Local Government Act 2009*. It is a key tool used to inform our community and stakeholders about Council's performance, achievements and challenges during the 2021/22 financial year. These areas are measured against objectives set out in the Operational Plan and Budget.





MAJOR SECTIONS OF THIS REPORT



1. INTRODUCTION AND HIGHLIGHTS

This section introduces the Gladstone Region, where it is, who lives and works here and how history has forged its identity. It provides insight into Gladstone Regional Council (GRC) as a local government authority serving a dynamic part of Queensland.



2. OUR COUNCIL

This section introduces our organisation. It details the role and contributions of our Mayor, Councillors, Youth Council and advisory committees. This section also introduces our CEO and Executive Leaders and provides summaries of achievements for each of our business units for 2021/22. This is followed by an overview of our people, including highlights about our apprentices, trainees and volunteers.



3. OUR PERFORMANCE OUTCOMES

This section details Council's performance in delivering the 2021/22 Operational Plan. This is the first annual Operational Plan outworked from Council's 2021-26 Corporate Plan and details the initiatives and core services to deliver to meet our goals and our vision to Connect. Innovate. Diversify.



4. STATUTORY REPORTING

This section details the annual statutory reporting requirements that have not already been included elsewhere in the Annual Report. It includes information about how we respond to complaints and requests for information, details our investment into our community, and discloses key information about our business operations.



5. OUR FINANCIAL PERFORMANCE

This section highlights our financial performance in our Community Financial Report, which provides an overview of our key financial outcomes. This section also includes our consolidated financial statements.



6. REFERENCES

This section provides context to the terminology used throughout the report with a glossary of terms and a list of acronyms and abbreviations. This section also includes a legislative index to guide readers to key facts throughout the report.

OUR REGION



Southernmost coral cay of the Great Barrier Reef



Pristine coasts and islands



Beautiful parklands and forests



Diverse habitats ready to explore



OUR REGION

From Kroombit Tops in the west to the coral lagoons of the Southern Great Barrier Reef, the Gladstone Region's landscape is as varied as its capacity for economic development.

The region has a population of about 63,000 people and covers 10,500 square kilometres.

It has a strong record of job creation and investment opportunities, with relaxed living, recreational and tourism options enhancing its liveability and potential for future growth.

In recent decades, the economy has been built around heavy industry with access to a deep-water harbour for import and export trade.

The region has two of the world's largest alumina refineries, an aluminium smelter and the Liquefied Natural Gas (LNG) industry on nearby Curtis Island.

After a period of economic slowdown and the world-wide pandemic, it is now looking to recover and revive its communities for a brighter future.

Industry, along with an engaged community, will be at the centre of this revival. Several renewable energy projects embracing hydrogen, biofuels, solar energy and new waste management practices have been proposed for the Gladstone State Development Area.

Their go-ahead would position the city of Gladstone as a renewable energy hub, taking the economy in an exciting, new direction.

Away from industry, the Gladstone Region features plenty of green open space, including the nationally recognised Gladstone Tondoon Botanic Gardens, award-winning playgrounds, and other coastal locations where sailing and boating activities are popular.

Residents and visitors can see historical sites, go bush walking, mountain climbing or snorkel the reef to experience the outdoor environment.

The region's strength is a great sense of community with a 'can do' attitude. This, combined with well-developed infrastructure and services, supports our local communities to thrive.

OUR REGION

The traditional custodians of the lands that make up the Gladstone Region are the Bailai, the Gurang, the Gooreng Gooreng and the Taribelang Bunda people, dating back 60,000 years.

OUR REGION

1802

- In **1802**, English navigator Captain Matthew Flinders recorded the first European sighting of Gladstone Harbour. The settlement was named after the British Chancellor of the Exchequer, William Ewart Gladstone, when it became a municipality in **1863**.

1863

- Miriam Vale was the administrative centre of the former Miriam Vale Shire and was named after a pastoral leasehold first occupied in **1854** by Arthur Chauvel. He named the property after his sister, Miriam Sally Emily.

1854

1873

- Calliope started as Queensland's first officially proclaimed goldfield in **1863**.
- Agnes Water was named after a coastal schooner, the Agnes, lost at sea in **1873**.

1896

- For more than a century, the city of Gladstone has grown and prospered around different industries. These included the early meatworks in **1896**, the Port Curtis Dairy Cooperative in **1906**, the first coal exports in **1961** and the establishment of Queensland Alumina Limited's (QAL) alumina refinery on the old meatworks' site in **1963**.

1906

1961



1963 1970'S 1976 1980'S 2008 2010 2017

- The deepwater port facilities' expansion through the **1970's** and **1980's** launched an era of industrial development and economic prosperity. This involved a range of exports, including coal and aluminium, and from **2010** onwards, the development of the Liquid Natural Gas (LNG) industry.
 - The Gladstone Region Local Government Area (LGA) includes the city of Gladstone (proclaimed in **1976**), nearby rural townships of Calliope, Mount Larcom and Miriam Vale, and the coastal locations of the twin towns of Boyne Island and Tannum Sands and the surf locations at Agnes Water and Seventeen Seventy. The diverse region also extends inland to the Boyne Valley area and includes the localities of Nagoorin, Ubobo, Builyan and Many Peaks. The LGA is also gateway to the famous Heron Island, Lady Musgrave Island, Lady Elliot Island and
- has residents on Curtis and Facing Islands. There are also many smaller localities including Ambrose, Baffle Creek, Benaraby, Bororen, Lowmead, Raglan, Rosedale, Rules Beach, Targinnie, Turkey Beach and Yarwun.
- In **2008**, three Local Government Areas – Gladstone City, Calliope Shire and Miriam Vale Shire – amalgamated to form Gladstone Regional Council.
 - In November **2017**, the Federal Court of Australia recognised the area's Traditional Owners as the true custodians of over 420,594 hectares of lands and waters in the Gladstone and Bundaberg regions, through the Native Title Consent Determination.
 - In 2017 GRC entered into an Indigenous Land Use Agreement (ILUA) and our first Reconciliation Action Plan in May 2018.



OUR POPULATION



63,515

residents, 2.5% of Regional QLD's total population



36.8 years

median resident age



13.3%

people born overseas



6.21%

Aboriginal and/or Torres Strait Islander population



5.8%

population requiring daily assistance due to disability



0.06

persons per hectare (density)



806

births to Gladstone families



41.7%

of families are couples with children



84%

of dwellings accessing the internet



OUR ECONOMY HIGHLIGHTS



\$5.5B
in Gross Regional Product
(GRP)



27,834
regional jobs



21.4%
of workforce are technicians
or trades workers



16.2%
residents volunteer



12.1%
residents aged over 65



3,661
businesses in Gladstone

OUR REGION IS HOME TO



863
native animal species



427
native bird species



68
rare or threatened animal species



14,599
domestic pets
(2,684 cats and 11,915 dogs)

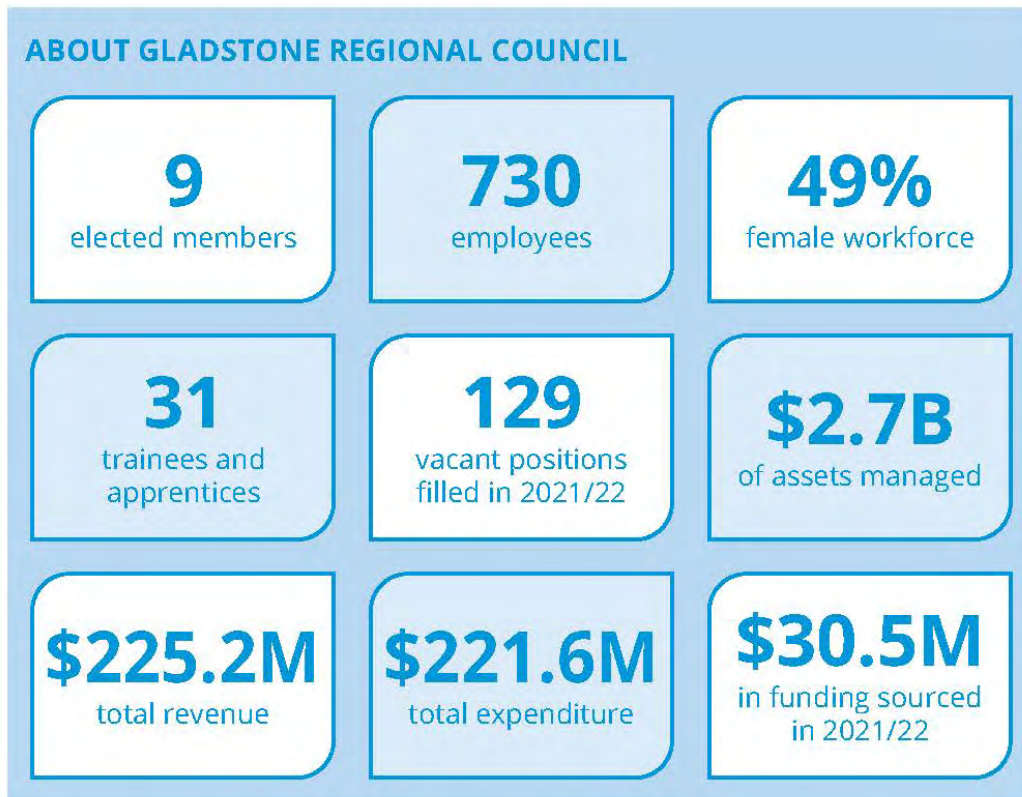


2954
native plant species



13
conservation parks

INTRODUCTION AND HIGHLIGHTS 01





SERVICE DELIVERY SNAPSHOTS



341,906
items loaned from libraries
(hard copies and digital loans)



215,961
visitors to our
regional libraries



31
exhibitions showed at
GRAGM in 2021/22



171
lost animals reunited
with families



4605
mega litres of
sewerage processed



20,009
tonnes of waste
collected kerbside



99,534
customer interactions by
phone and in person



239,000
cyber security
threats blocked



2611km
of roads maintained
in the region



150
parks and open
spaces maintained



95,000
Conversations
engagement site visits



778
signs repaired
or maintained



917,461
GRC website visits



203,725
landfill and transfer
station visits



1000
potholes repaired

OUR VISION AND VALUES



VISION

Connect. Innovate. Diversify.

VALUES

Safe

We are uncompromising in our commitment to safety, which is reflected in our attitude, our decisions and our actions.

Ethical

We operate with transparency, openness and accountability at the fore.

Responsive

We respond by being present, proactive and solutions-focused, and we deliver on our commitments.

Visionary

We plan as future-thinkers and opportunity-seekers and we have the courage to shape a better future for our community.

Inclusive

We create and value diversity and we actively demonstrate our commitment to equality and inclusivity.

Community

We care about each other and our environment and we recognise that community is the core of our business.

Efficient

We deliver; we challenge the status quo and we continually find better ways to reduce cost and improve services.



COUNCIL PLANS



Corporate Plan

The 2021-26 Corporate Plan sets out Council's medium-term commitment to a proud and resilient future built on our vision to connect, innovate and diversify. It serves as the primary strategic planning document to guide Council in achieving realistic outcomes for our community, customers and people.



Operational Plan

The 2021/22 Operational Plan is a 12-month action plan that progresses the 2021-26 Corporate Plan. It details Council's core services and presents 14 key initiatives that enable the organisation to deliver our Corporate Plan and is set against the landscape of our vision.

Detailed performance on these plans can be found from page 96.

In July 2021, Council released the 2021-26 Corporate plan which replaced our 2018-23 Corporate Plan to meet the evolving needs of the business and community following the onset of the COVID-19 pandemic. The refreshed plan includes refined goals, ensuring our efforts are channelled toward building success. Council's vision and values remain a constant and continue to underpin everything we do for our community.

INTRODUCTION AND HIGHLIGHTS 01

OUR FINANCIAL SUMMARY

Summary of key financial information for 2021/22.

Detailed financial information can be found in the Community Financial Report from page 138-145 and financial statements on pages 146-223.



Council is committed to the responsible use of funds to meet community needs and maintain and enhance the region now and in to the future.

Looking forward to 2022/23

Council continues to review and actively manage costs to minimise the impact on ratepayers in the current challenging inflationary environment.

Our existing stable financial position has allowed us to respond to community needs through a \$260.4M Budget.



PERFORMANCE HIGHLIGHTS

Delivered
\$50.5M
capital works program

69%
of the target for
financial completion

4 out of 6
sustainability targets met
Please refer to page 140 for
further details

Where the money was spent
Total Expenditure in 2021/22 was **\$221.6M**. This included **\$69.7M** in employee benefits – predominately wages and superannuation costs, **\$92.8M** in material and services for our operational and maintenance works, **\$3.4M** in finance costs and **\$49.7M** for depreciation and amortisation. **\$50.5M** was also expended on our Capital Works Program.

Where the money came from
Total revenue in 2021/22 was **\$225.2M** with **\$154.8M** generated from rates and charges, **\$23.9M** received in fees and charges, **\$26.9M** from Federal and State Government grants and subsidies, **\$8.6M** from State Government entity income tax equivalents and **\$10.9M** from other sources.

MAJOR PROJECTS AND PROGRAMS IN 2021/22



\$7.1M
fleet replacement



\$3.4M
Gladstone Aquatic
Centre upgrade



\$1.4M
Gladstone Tondoon
Botanic Gardens external
lighting upgrade



\$1.7M
Toolooa Street
footpath renewal



\$1.4M
Goondoon Street
footpath



\$1.8M
relining South Trees
treatment ponds



\$1.2M
upgrade to sewerage
pump station A06



\$1M
Radar Hill
Reservoir renewal

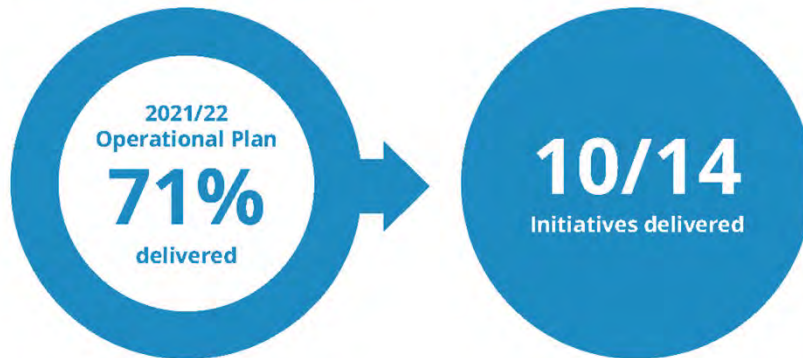


\$1.5M
asphalt overlays and
bitumen reseals across
the region

INTRODUCTION AND HIGHLIGHTS 01

OUR PERFORMANCE OVERVIEW

2021/22 PERFORMANCE SUMMARY



Each year the delivery of our Operational Plan moves us closer to achieving the goals set out in our Corporate Plan. The 2021/22 year delivered the first Operational Plan outworked from our 2021-26 Corporate Plan and included 14 initiatives.

The below table summarises our performance for 2021/22. Detailed performance outcomes can be found on pages 96-131.

GOAL	INITIATIVE	Progress	Status
Connecting Communities	1. Community Profiling	60%	●
	2. Residential Water Security	100%	●
Delivering Value	3. Website Security	100%	●
	4. Trade Waste Management Plan	100%	●
	5. BackflowID App and Tag System	70%	●
	6. Works Delivery	100%	●
	7. Waste Management and Resource Recovery Business Case	80%	●
	8. Lessee Service Model	100%	●
Resilient Economy	9. Hydrogen Ecosystem	100%	●
	10. Transport Strategy	100%	●
	11. Transition Economy	95%	●
Our People	12. Performance Plans	100%	●
	13. Leadership Capability Framework	100%	●
	14. Injury Risk Mitigations	100%	●
Accountable Council	No initiatives were assigned to this goal		

● Achieved ● Not achieved

At 30 June 2022, four initiatives remained incomplete. Although not achieved, these four initiatives are ongoing and will continue to be reported on quarterly until completed.



TRENDS

This year saw pressure on teams and resource availability, as the ongoing COVID-19 pandemic, industry-wide high turnover rates, challenges in sourcing goods, and an uncertain economic climate impacted our business and our people. Despite these challenges, our people demonstrated great resilience, progressing our Operational Plan by 71 per cent and delivering a \$50.5M capital works program. The successes and learnings from this year are setting Council up for success for future years and enabling us to deliver more for our community.

LOOKING FORWARD

Budget

The challenges with economic uncertainty and inflation being presented to our region, and country, made the 2022/23 Budget one of the most challenging to deliver. Despite these challenges, Council is proud to deliver a surplus budget that places the Gladstone Region in a strong financial position. The 2022/23 Budget of \$260.4M enables Council to manage \$2.5B worth of assets and is backed by a \$51.4M Capital Works Program, supported by \$14.2M in grant funding and will see Council continue to deliver for the region.

Proudly GRC

The theme for 2022/23 is 'Proudly GRC'. This theme sets a purposeful focus on supporting our people to deliver quality services for the Gladstone Region and making Council a place that our people enjoy walking into every day; where we can be proud of what we do. At the core of our business is community and each day we strive to deliver the best outcomes for our region.

Financial Sustainability

Enabling Future Financial Sustainability is a key initiative in the 2022/23 Operational Plan. This initiative aims to support Council to have a well-understood financial position and through identifying opportunities to reduce costs, increase efficiencies and understand opportunities for ongoing sustainable delivery of Council services. As custodians of public funds, we understand the importance of providing good stewardship built on a foundation of trust. This initiative will support Council in continuing to embed good financial practices into decision-making and improve our long-term financial outlook to ensure we meet our community's needs now and into the future.





OUR RECONCILIATION JOURNEY

Gladstone Regional Council supports an inclusive community and delivers programs to enhance connectivity and partnerships. Council's journey on building relationships and fostering respect began in 2015 and gained momentum early in 2016. The symbolic flags representing First Nations people of Australia continue to be raised every operating business day.

Reconciliation Action Plans

In 2018, Gladstone Regional Council developed its first Reconciliation Action Plan (RAP) *Reflect* which was proudly launched at the elders Morning Tea as part of NAIDOC Week 2018. The plan reinforced Council's commitment to building stronger relationships with the First Nations community and converting good intentions into actions.

In 2021, Council endorsed our second RAP *Innovate* which spans until January 2023 and will ensure we continue the learning journey of our shared history, reconciliation, strengthen our relationships and redevelop and pilot strategies that embrace and empower First Nations people of this region.

In addition to our RAP, Council facilitates a Reconciliation Action Plan Reference Group which consists of elected members, community members and a Council First Nations employee. We also have several Council RAP Champions throughout the organisation who support the First Nations Liaison Officer to promote and champion Council's RAP.

As part of Council's 2022/23 Operational Plan, Council will develop our next RAP which will span a two-year period. This next RAP will build on our established approach towards advancing reconciliation internally and embedding First Nations considerations into the way we work. Our Councillors, executive Leadership Team, RAP Reference Group and RAP Champions will also play a vital role in shaping our next RAP. You can find out more about our RAPs at www.gladstone.qld.gov.au/reconciliation-action-plan

National Reconciliation Week

Held 27 May to 3 June, the 2022 National Reconciliation Week's theme was *Be Brave. Make Change* which encouraged all Australians to be brave and tackle the unfinished businesses of reconciliation and make change for the benefit of all Australians.

As part of the week, Council hosted three Strong Steps to Reconciliation Workshops, a celebration Reconciliation Bush Tucker Lunch for staff and several yarning circle discussions including symbols and traditions of Australia Day and its impact on First Nations people, losing my country; a discussion on the arrival and movement of the non-First Nations people and benefits; a discussion on when and how benefits are awarded specifically to First Nations people.

National Reconciliation Week saw more than 70 people attend the various events, engage in brave conversations and commit to bold actions.



NAIDOC Week

Council's annual NAIDOC Week ran from 4-11 July in 2021 with events held across the region to celebrate the history, culture and achievements of First Nations people. NAIDOC Week provides an opportunity for all Australians to learn about First Nations culture and history and participate in celebrations of the oldest, continuous living cultures on earth.

The 2021 theme of *Heal Country!* provided a call for everyone to seek increased protection for land, water and sacred sites as part of Australia's national heritage.

Events and celebrations included the NAIDOC Exhibition at Gladstone Regional Art Gallery and Museum which profiled art, heritage works and local voices, memories, images and culture connection. Council also hosted story time and craft at libraries across the region.

Uluru Statement from the Heart

At the 20 July 2021 General Meeting Council endorsed the Uluru Statement from the Heart, continuing our commitment to advancing reconciliation and supporting First Nations people.

The Uluru Statement from the Heart is an invitation to the Australian people, from First Nation Australians. It asks us to support a First Nations voice in the Constitution and begin our journey to a better Australia.

Council remains committed to walking together and advancing reconciliation and is proud to do our part in enabling a First Nations voice to be heard. Please visit www.ulurustatement.org to read the Uluru Statement from the Heart.

Adopting the Uluru Statement from the Heart is a proud moment in Council's reconciliation journey and aligns with the pillars of our Reconciliation Action Plan first launched in May 2018.

First Nations Fire Officer

In May 2021 applications opened for Council's newly created First Nations Fire Officer role to support our commitment to bushfire mitigation and land management utilising First Nations techniques.

This role was made possible through funding from the Australian Government's Black Summer Bushfire Recovery Grants Program which supports the employments of a First Nations Fire Officer and implementation of a cultural burn and land management program.

This unique role will establish cultural burning practises throughout the region to ensure improved environment and cultural outcomes.



INTRODUCTION AND HIGHLIGHTS

ENGAGING WITH OUR COMMUNITIES

The 2021/22 financial year saw Council gain 40 per cent of new members and retain 62 per cent of the existing members on Conversations, Councils online engagement platform. Conversations was viewed more than 59,000 times in the year and had more than 2,400 contributions. The highest engaged project was Don't Waste our Waste with 468 contributions, while the top five visited project pages (with more than 3000 views) were Virtual Neighbourhood Centre, Philip Street Communities and Families Precinct, Boyne Burnett Inland Rail Trail, Agnes Water Beach Visitor Carpark and Boyne Tannum Aquatic Recreation Centre. Council also continued to have a broader engagement presence across the region for various projects, including the following projects:

Don't Waste our Waste

Understanding our communities' waste management practices and preferences to help develop alternatives for Food Organics and Garden Organics (FOGO) in our region. During Phase 1 Council attended all 13 transfer stations to promote the online survey on Conversations and provided paper copies through pop-up consultations. During Phase 2 consultation, Council hosted a pop-up stall at Stockland Gladstone Shopping Centre to compliment the online survey on Conversations.

Recreational Vehicle Project

Engaging with the community regarding Council's Recreational Vehicle Strategy and clarifying roles and responsibilities for Council and regional tourism operators to deliver outcomes defined in the strategy. Council held a stall at the Stockland Gladstone Shopping Centre for one week, as well as door knocking at Agnes Water, Seventeen Seventy, Boyne Island, Tannum Sands, Gladstone and the Boyne Valley Community Discovery Centre.

Energising the Gladstone Region Future Economy

An inclusive planning process to design a roadmap that will guide our region over the next 10 years as we navigate the changes in the energy sector that directly impact our local economy. Council hosted online workshops, online surveys, and engagement sessions in partnership with The Next Economy. Face-to-face sessions were held in Agnes Water and Gladstone, along with key stakeholder sessions with First Nations peoples and industry representatives and workers.

Gladstone Region Bridges Replacement

Several bridges across the region have been identified for replacement due to age and poor condition. The community of Lowmead had two bridges identified for replacement and Council engaged with the community using several methods. The online engagement platform, Conversations, was used to provide weekly updates to the community and a portal for any questions.



Boyne Burnett Inland Rail Trail (BBIRT)

Council consulted with the community on a strategic project, the Boyne Burnett Inland Rail Trail. The Conversations platform was used to share concept designs, with 76 per cent of those surveyed supportive to see continued development of this valuable tourism asset.

Our Coast. Our Future – Boyne Island Tannum Sand Shoreline Erosion Management Plan (BITS SEMP)

One of the short-term actions from the Our Coast. Our Future. Coastal Hazard Adaptation Strategy was to develop a management plan for the Boyne Island and Tannum Sands shoreline from Lilley's Beach to Bangalee. To inform this management plan, the community were consulted using several methods including the Conversations platform and community drop-in sessions.

Agnes Water Skate Park

Council is investigating a potential redesign/upgrade of the Agnes Water Skate Park to gauge the possibilities of increasing recreational experiences for residents, skate park users and visitors to the region. Council hosted many in-person events including pop-up stalls, a community information session, a drop-in session, a community workshop and STEM programs, along with online surveys.

How we engage

Council follows the International Association for Public Participation (IAP2) engagement framework which promotes the integration of community engagement in decision-making.

We engage through various methods, by informing, consulting, involving, collaborating with and empowering the community. This includes through direct mail, social media, interviews, workshops, surveys, committees and so much more.

Visit Council's website for more information or view our Community Development Strategy.

LOOKING AHEAD

In the next 12 months Council will be working with the community on several projects, including:

- Our Coast. Our Future - Seventeen Seventy Shoreline Erosion Management Plan is an action from the Coastal Hazard Adaption Strategy.
- Gladstone Region Bridges Replacement will continue to engage with the community about the identified and required bridge replacements.

INTRODUCTION AND HIGHLIGHTS 01

COLLECTIVE DELIVERY



GRC joins other councils to assist SEQ recovery efforts

When South East Queensland was heavily impacted by devastating floods in February 2022, Council staff were ready to lend assistance.

GRC's Disaster Response Specialist spent several weeks relieving Ipswich City Council staff who had been working non-stop since the disaster began.

Three Calliope-based Operators volunteered to spend two weeks assisting Brisbane City Council's recovery efforts.

The team also brought two tippers and an excavator to assist with kerbside rubbish and debris removal in several impacted suburbs.

Having received similar assistance when the Gladstone Region experienced bushfires and flooding, we were more than happy to return the favour.

Queenslanders are no strangers to disasters, but it's the resilience and unity we show when times are tough that gets us through to the other side, together.





First electric vehicle added to Council's fleet

Council has taken its first step towards a greener fleet with the purchase of its first '100 per cent electric' vehicle (EV).

This trial was the result of the Operations Team identifying benefits of new vehicle technology and saving efficiencies.

The EV will be used by Gladstone Regional Libraries to travel between their six locations across the region.

The combination of lower maintenance costs, higher resale value and zero ongoing fuel cost will mean savings for ratepayers.

The data collected during the trial will provide insights into the ability for EVs to meet Council's future operational needs.

Council has also progressed to purchasing five electric forklifts which will replace five aging, diesel forklifts.



INTRODUCTION AND HIGHLIGHTS 01

Regional collaboration - waste opportunities across Central Queensland Councils



In 2021/22, six Central Queensland councils formalised the establishment of the CQROC Waste

Working Group. The group is made up of a Councillor and Council Officer from the six CQROC councils, with the purpose to work collaboratively to identify and deliver improved waste management practices and services across the combined CQ Region from Banana Shire Council, Central Highlands Regional Council, Gladstone Regional Council, Livingstone Shire Council, Rockhampton Regional Council and Woorabinda Aboriginal Shire Council.

A Regional Waste and Infrastructure Management Plan was identified as a key step towards these goals and is progressing via funding received from the State Government, through the Department of Environment and Science. This regional plan is currently under initial development and on track to be delivered in early 2023. Actions from the regional plan will assist to direct regional specific actions, initiatives, efficiencies and subsequent improvements in waste management within the Gladstone Region.

Disciplined investments lead to robust results



During 2021/22, Council embedded an Investment Decision Framework (IDF) to provide a structured approach for

the business to consider and select investment opportunities and manage the process through from inception to completion.

The IDF supports us to make disciplined and well considered investments that are in the best interests of the community, with a strong link to our Corporate Goal 5. Accountable Council – we are providing good stewardship built on a foundation of trust. Developing and embedding the IDF enables Council to identify, select and manage investments in a fit for purpose manner so resources are operated effectively and efficiently.

Investments include capital investments such as acquiring, constructing, or upgrading assets or operational investments such as improving delivery or introducing a new service and allow us to secure a more financially sustainability future for our business, communities, and ratepayers.

At the recent Institute of Public Works Engineering Australasia awards, Council's Manager of Asset Planning won best paper award for her presentation on Robust Decisions Delivering Fit for Purpose Investments.

Diversified income



Council was successful in securing an additional \$30,491,681 worth of external funding in the 2021/22 year.

Having improved processes and funding principles, we can now connect with all areas across the business allowing Council to best access funding opportunities and business needs. This is demonstrated in the effectiveness of Council's strategy to seek specific funding from both state and federal government grants, for continual improvement in our region through external funding and not ratepayer dollars.

Council's aim is to secure funding to deliver local projects that will support local jobs, a resilient economy and enhance our region's liveability. With a commitment to continue sourcing the right external funding at the right time to deliver the right services, infrastructure, events and future opportunities for our communities.

A few highlights of Council's 2021/22 funding projects:

- \$3.9M State and Federal Government contribution for bridge replacements along Bindaree Road, Gorge Road, Charnwood Road and Stockbridge Road – all located in the southern area of our region
- \$2.6M State Government contribution for sewer main renewals
- \$2.4M State Government contribution to Stage 3 of the Gladstone Aquatic Centre upgrade to be delivered over multiple years
- \$1M Federal Government contribution for the capping of Cell 2 at Benaraby Landfill

- Funding for an Enhanced Resilience Project Officer and Illegal Dumping Compliance and Education Officer.

Collectively investing in our region's future



Council is committed to connecting with the next generation through programs and initiatives to

educate, involve and celebrate young people.

Gladstone Region Youth Council gave young people in our community a voice while providing young leaders a platform to advise Council and lead programs for their demographic. The 2022 Mayor's Youth Breakfast gave us all a chance to celebrate the many achievements of our region's youth;

whether academic, athletic or within the community.

Through Council's Apprentice and Trainee Program, we provided dozens of young people with expert training, hands-on experience and mentorship to jumpstart their career. We've also been fortunate to have several high school students join a variety of our teams for work experience.

Council has facilitated school education programs for students in our region focussed on waste management, environmental conservation and responsible pet ownership. We also hosted school tours at a variety of our facilities with several Councillors eagerly involved.

Each of these initiatives is part of a collective effort across our organisation to invest in our region's future through our youth.



SUCCESSES AND CHALLENGES

CHALLENGE: ENSURING FINANCIAL SUSTAINABILITY



Council has not been immune to the economic impacts and challenges of recent times, with 60 per cent of Queensland local governments ranked by the Queensland Auditors Offices as 'not financially sustainable'. Additionally, Council has experienced a budget deficit for four of the past five years. This year, Council has increased its focus on delivering the best we can with what we have, with financial sustainability, reducing waste and improving efficiencies being a priority.

Looking forward, one of the ways Council is proactively responding to this challenge is by identifying the *Enabling Future Financial Sustainability* initiative within our 2022/23 Operational Plan. This initiative aims to identify opportunities for cost efficiencies across Council, with the objective to deliver a surplus budget for the 2023/24 year.

We remain committed to the long-term future financial sustainability of our Council, to ensure that we can deliver and provide the services our community need.

CHALLENGE: COVID-19 and economic environment impacts our business



Council has experienced impacts to team and resource availability, similarly to which has been felt by businesses globally over the past financial year.

The continuing COVID-19 pandemic led to staff availability fluctuating as team members took COVID leave when isolation was required.

Higher than anticipated turnover and vacancy rates which have been seen industry-wide have put additional strain on the progress of initiatives across the organisation.

While it is important to us that we deliver what we promise, when we've promised it, we will continue to strive for the best value outcomes for our community and be transparent in our journey getting there.

We are proud of our successful completion of 10 of the 14 initiatives which will each enable Council to move forward to deliver more for our community.

We will continue to put focus on training our people to deliver in a safe, efficient and sustainable way for our community.



CHALLENGE: Proposed beach carpark development faced appeal



In December 2020, Council approved a development application for material change of use to be able to use Council's land at 5 Agnes Street, Agnes Water for a public carpark to provide increased parking, improved beach access and to improve safety and environmental outcomes for the site.

The approved concept design proposed 73 permanent parking spaces, in an area which had for some time been used by the community for parking and incorporated environmental and stormwater management processes including buffers.

Following the development approval, two submitters (one of whom later withdrew) lodged an appeal in the Planning and Environmental Court seeking the approval be set aside and the Court refuse the development application.

On 31 March 2022, a few days before the scheduled court hearing, Council and the Appellant reached a settlement and on 4 April 2022 obtained consent judgement from the Court to allow the development permit for material change of use without any changes to the proposed carpark footprint. The consent judgement conditions brought forward conditions which would normally be included in the operational works permit and added further clauses around ecology and engineering to provide certainty to the community.

Council remains committed to working with the community to ensure that future infrastructure provides benefits for residents and visitors to the region.

SUCCESS: Improving cyber security and remote connectivity



A key focus for our Strategic Information Communication and Technology (ICT) team has been improving system and information security by implementing controls around network monitoring and design.

While the effects of COVID-19 continues to impact staffing levels, we've increased our remote working capacity along with improved connectivity between offices to make collaboration easier.

An education and awareness program was introduced to boost staff knowledge so they can better identify and avoid potential cyber risks.

A cyber improvement plan has been put in place to ensure that Council's processes continue to align with industry best practises.

In collaboration with Queensland Police Service, Council's CCTV systems have been consolidated and upgraded to ensure assets protection and appropriate access to CCTV footage when needed.

SUCCESS: Free events shatter attendance records



The past year saw Council's established events continue to grow and become major drawcards to the region for residents and visitors alike.

The lights of Luminous shattered expectations by attracting 29,000 people over three nights while the B2G Village gave 8000 attendees plenty of ways to celebrate Easter in Gladstone.

A combined 14,000 people capped off 2021 with food, fireworks and fun at the annual Christmas Street Party and New Years Eve Party.

Our specialised events proved to have something for everyone with Ecofest and Gladstone PopCon attracting more than 6000 attendees each.

Delivering these major events for our region is a way for Council to engage our communities to build connections, promote happiness and wellbeing and support the region as a place to work, live, play and stay.

2021/22 Major Event Attendance

- Luminous – 29,000
- Easter in Gladstone – B2G Village – 8000
- Christmas Street Party – 7000
- New Years Eve Party – 7000
- Gladstone PopCon – 6000
- Ecofest – 6500

SUCCESS: 25th Anniversary of Sister City relationship



The Gladstone Region and Japan's Saiki City celebrated the 25th anniversary of the signing of the declaration of friendship which reaffirmed the longstanding relationship between the sister cities.

The occasion was marked with the unveiling of the Saiki Shorebirds artwork which was installed at the Gladstone Regional Council Civic Centre at 101 Goondoon Street, Gladstone.

Created by artists, Margaret Worthington and Clive Rouse, the piece depicts three local shorebird species – a bar-tailed godwit, far eastern curlew and grey-tailed tattler – as they set off on their annual 11,000km migration flight.

The Saiki Shorebirds artwork symbolised our connection with Japan, through nature, and highlights a direct link which will continue to tie the sister cities together for years to come.

SUCCESS: Community precinct opens to much praise



The Philip Street Communities and Families Precinct saw its highly anticipated opening to the public in August 2021.

After construction was completed in July 2021, organisations such as Council's Engagement and Partnerships, Gladstone Neighbourhood Centre (funded by the Department of Communities, Housing and Digital Economy), The Salvation Army and GAPDL Communities for Children began moving into the \$17.5M purpose-built community facility.

The Precinct also offers meeting spaces and office space which are available to local community organisations to deliver their services to the community while benefiting from opportunities to collaborate.

The facility itself quickly garnered praise for its innovative design, receiving both the Community Facility of the Year Award from Parks and Leisure Australia and the Regional Achievement Award at the AILA Landscape Architecture Awards.

Events such as the Community Fun Day in October 2021 filled the facility and gave the community one of their first opportunities to explore the public spaces and learn more about the services it would deliver.

The Philip Street Communities and Families Precinct has been designed to strengthen Gladstone's community and social service system by the clustering of community facilities to improve and enhance service delivery and community outcomes.

SUCCESS: Preserving Indigenous heritage at Lions Park



In November 2021, Council completed a delicate operation to relocate two scar trees to a new, permanent home.

With assistance from Port Curtis Coral Coast Trust's Cultural Heritage Officer, these important artefacts were moved from Benaraby to Lions Park, Gladstone.

Scarred trees resulted from First Nations people removing bark for various purposes, such as building tools, canoes or temporary shelter.

Due to the perishable nature of this material, very few of these artefacts remain today which only emphasises these tree's importance as a link between Traditional Owners and their country.

Council is committed to preserving and showcasing the cultural heritage of our region and Lions Park will provide an idyllic space for visitors to appreciate and learn about our shared culture.

SUCCESS: Council can boast being a good host



This year, Council was proud to host several large business events at the Gladstone Entertainment Convention Centre (GECC).

Events such as the Institute of Public Works Engineering Australasia, Queensland (IPWEAQ), CQ Branch Conference included GRC Officers as invited speakers while the Parks Leisure Australia Queensland Regional Conference led to awards celebrating Council facilities (see page 43).

Not only do these events help us to play a part in our region's success by linking to our *Corporate Plan Goal 3 - Resilient Economy* but it also provides opportunities to showcase the GECC's facilities and talented event and technical staff.

Our ability to attract these premier events and exceed expectations on their delivery is highlighted by the array of conferences already scheduled for the years ahead.

A focus on exceptional customer experience and service delivery, coupled with a focus on operational excellence, has positioned GECC as a popular choice for conventions and concerts which in turn provides arts and culture experiences for our community and tourism and economic benefits for the region.

INTRODUCTION AND HIGHLIGHTS 01

COUNCIL IN THE NEWS

Following a massive shake-up to the regional media landscape in 2020, the 2021/22 financial year offered up challenges and opportunities for Gladstone Regional Council to disseminate its announcements, events and achievements through news organisations.

The loss of a daily newspaper (*The Observer*) during the previous financial year was softened somewhat by the introduction of *Gladstone Today*, with its first edition launching on 9 July 2021.

This, however, was only a weekly newspaper, meaning Council had to strategically time when media releases were issued as to best accommodate *Gladstone Today's* weekly deadline.

Not all media releases could be issued within this small timeframe due to operational reasons, meaning social media was used to fill that gap.

This gap also led to an opportunity for Council, and on 9 September 2021, Council started its endeavour to fill this gap with the inaugural edition of *Connect* launching.

Connect is a one-page, fortnightly advertorial that features in *Gladstone Today* and *Gladstone News* covering Council news and initiatives.

Connect is proudly produced in-house by Council's Brand and Communications team.



2021 GLNG Mayor's Charity Ball beneficiaries to share in over \$100,000 thanks to attendee generosity

In what was described as another great success, the 2021 Santos GLNG Mayor's Charity Ball raised a whopping \$101,564.60 for four local beneficiaries. The funds raised at the event will be split evenly between Gladstone Mindcare, Nhulundu Health Service, Roseberry Qld and The Zonta Club of Gladstone.

Published: 7 July 2021, The Courier Mail (The Observer).



Gladstone teenager's legacy set to live on in a New Auckland skate park

The legacy of Cassy Jones has grown even stronger following the recent completion of the Cassy Lives Skate Park upgrade. Minor works including landscaping, seating, bins and signage have now been completed through the Queensland Government's COVID Works for Queensland program in association with Gladstone Regional Council. Council undertook extensive community consultation prior to redesigning the skate park and offered the community a chance to vote on their favourite design.

Published: 21 July 2021, 7NEWS Central Queensland.



Splash Zone has reopened with bigger rides and activities

Gladstone children have been without their beloved Splash Zone for most of the year, but now the dry spell has ended. The area has reopened with bigger rides and activities, ensuring everyone will cop a drenching.

Published: 3 September 2021, 7NEWS Central Queensland.



Christmas comes early (for Miriam Vale residents)

Gladstone Regional Council is pleased to advise that water restrictions have lifted for Miriam Vale residents. Recent rainfall has led to an increase in the surface water level of Miriam Vale's primary water source, Baffle Creek. Gladstone Region Mayor Matt Burnett said Miriam Vale residents excelled in saving water with the town quickly responding by recording low levels of usage, while weekly water meter readings kept everyone informed on their progress.

Published: 9 December 2021, Gladstone Today.



Gladstone Regional Council have signed a Memorandum of Understanding regarding the Philip Street retirement village
Elderly housing is set to receive a boost following a Memorandum of Understanding being signed between Gladstone Regional Council (GRC) and Gladstone Central Committee on the Ageing (GCCOTA). The objective of the MOU is to investigate over 55s independent living and accommodation options at the Philip Street Communities and Families Precinct.

Published: 14 December 2021, The Courier Mail (The Observer).



Youth council meet Mayor

Members of the 2022 Gladstone Region Youth Council gathered at Council Chambers to meet the Mayor, Councillors, CEO, General Managers and other Council employees for the first time. Gladstone Region Mayor Matt Burnett said all attending Youth Council members introduced themselves and shared their passion for wanting to join the committee.

Published: 24 February 2022, Gladstone Today.



Gladstone Regional Council partners with The Next Economy to discuss Central Queensland's energy future

Gladstone Regional Council, in partnership with The Next Economy, hosted forums to engage with key stakeholders and the community to guide future energy policy decisions. The forums explored ongoing energy security, stability and affordability; supporting local industry and workers; new infrastructure; maintaining the region's industrial heritage; protecting land and water resources; and protecting the community.

Published: 19 March 2022, The Courier Mail (The Observer).



Mayor on leave for Federal Election campaign

Cr Burnett told his fellow councillors during a council meeting that he would be taking leave from April 18, he said he would continue to work together with them in the region's best interests. "...I've never taken our community for granted and I never will," he said

Published: 7 April 2022, Gladstone Today.



Local Hairdresser Completes 'Hairdressers with Hearts' Course

Naturally SAS' Simone Stark is the region's first hairdresser to complete the course, which aims to help hairdressers notice signs of domestic violence and elder abuse in their clients. "We first heard about the course through social media, and we were approached by council to take part in the course. The Gladstone Regional Council funded the course for local hairdressers and barbers," Simone said.

Published: 5 May 2022, Gladstone News.



Stage two of Gladstone Aquatic Centre Rejuvenation Project wrap up

Stage two refurbishments of the Gladstone Aquatic Centre are wrapping up as arrangements for the final phase of developments prepare to get underway. The project, which began in August 2020, has since spanned over consecutive years to avoid closure of the pool and minimise disruption to swimmers. Recent upgrades of the Aquatic Centre include a revamp of the main entrance, improved roofing structures and better public amenity facilities provided for families and disability patrons.

Published: 17 May 2022, The Courier Mail (The Observer).

INTRODUCTION AND HIGHLIGHTS 01

SIGNIFICANT EVENTS 2021/22

1 July

Gladstone Regional Council launches new Corporate Plan

4 - 11 July

NAIDOC Week was celebrated across GRC facilities

7 July

2021 Santos GLNG Mayor's Charity Ball raises more than \$100,000

16-17 July

Luminous Heritage Trail held along Goondoon Street and Luminous held at Tondoon Botanic Gardens

20 July

Cassy Lives Skate Park upgrade completed



20 July

Council endorsed the Uluru Statement from the Heart

1 August

Residents plant 250 plants on National Tree Day at Cashin Park, Tannum Sands



2 August

Boyne Burnett Inland Rail Trail draft Master Plan released



16 August

Philip Street Communities and Families Precinct opens to the public

27 August

Queensland Symphony Orchestra's Under the Stars concert held in Gladstone

27 August

Economic Development Strategy 2021-25 released

28-29 August

Tondoon Botanic Gardens Bonsai Weekend

29 August

Queensland Museum's World Science Festival Gladstone Community Day held at GECC

1 September

Gladstone Aquatic Centre upgraded playpark opens

16 September

Council commits to three-year fox control program to protect vulnerable turtles

17 September - 2 October

School Holiday Program Term 3

22 September

Council welcomes 111 new citizens



1-31 October

Seniors Month celebrated throughout the region

5 October

Eight innovative arts projects receive RADF funding

7-21 October

Community Investment Program roadshow held across the region

10 October

Mayor welcomes major hydrogen equipment manufacturing facility



16 October

The 46th Rio Tinto & QAL Martin Hanson Memorial Art Awards held at GRAM



30 October

Gladstone PopCon 2021 held at GECC



2 November

Council releases its 2020/21 Annual Report

8 November

Luminous won the Tourism, Attractions & Events category at the GCCI 2021 Best in Business Awards

10 November

Community Fun Day celebrates inclusivity and diversity at Philip Street Communities and Families Precinct

30 November

GRC's summer Biosecurity Surveillance Program commences

5 December

Council's Christmas Street Party held at the Goondoon Street Entertainment Precinct

10 December - 23 January

School Holiday Program Term 4



13 December

Memorandum of Understanding signed between GRC and GCCOTA



10 January

Turtle Tank tourism fund launched



15 January

Our Priceless Past travelling exhibition hits the road



19 January

GRC welcomes funding commitment for Boyne Tannum Aquatic Recreation Centre

26 January

Australia Day Celebrations, Australia Day Awards and Citizenship Ceremony held across the region

7 February

24 apprentices and trainees commenced for the 2022 intake

19 February

On the Move Family Fun Day launches the exhibition at GRAGM

23 February

10 members appointed for 2022 Gladstone Region Youth Council

6 March

Clean Up Australia Day

5-13 March

Park Week 2022 celebrated across the region



12-20 March

Combined School Musical: Charlie and the Chocolate Factory the Musical at the GECC



17 March

25th anniversary of friendship celebrated between Gladstone Region and Saiki City, Japan

19-20 March

Energising the Future Economy of the Gladstone Region launched

27 March

Neighbour Day is celebrated with the Neighbourhood Centre

12 April

Community engagement commences for Agnes Water Skate Park



14-17 April

Easter in Gladstone



4 May

2021 Our Priceless Past Short Film Series premier at GECC



16-22 May

National Volunteer Week is celebrated throughout the region



27 May - 3 June

National Reconciliation Week is celebrated across the region



5 June

Ecofest at Tondoon Botanic Gardens



INTRODUCTION AND HIGHLIGHTS 01

AWARDS AND COMMENDATIONS



Best in Business – Tourism, Attractions & Events, The Gladstone Chamber of Commerce & Industry (GCCCI)

Date awarded: 6 November 2021

The region's light spectacular Luminous and its accompanying Luminous – Heritage Trail event saw 26,000 people through the gates of Tondoon Botanic Gardens across two magical nights.

This year saw the addition of the Luminous Heritage Trail and launch event which projects light artworks on heritage buildings throughout Gladstone's historic Goondoon Street.

The judges noted the event's attendance figures, collaboration with local organisations, individuals and contractors, the opportunity provided for local artists and musicians to display their talents, and an almost doubling of attendance (97.96 per cent) satisfaction survey as reasons for the award.

Gold level recognition – Mental Health First Aid (MHFA) Skilled Workplace Program

Date received: 10 November 2021

Council received GOLD level recognition for embedding a sustainable and effective program which developed Mental Health First Aid skills in our people.

Our business has improved health literacy, reduced stigma and encouraged more open conversations about mental health.

Approximately 7 per cent of our workforce are trained in Mental Health First Aid and ready to offer support to their peers, friends and community.



CQ22 Best Paper – Institute of Public Works Engineering Australasia, Queensland

Date Awarded: 17 March 2022

Manager Asset Planning Celisa Faulkner was awarded the #CQ22 Best Paper at the IPWEA CQ Branch Conference.

Her paper, Robust Decisions Delivering Fit for Purpose Investments, covering the implementation of Council's new Investment Decision Framework was voted as the winner by the 130-plus delegates in attendance.

Silver Award – Australasian Reporting Awards

Date awards: 13 May 2022



Council's Annual Report 2020/21 achieved a Silver Award in the 2021 Australasian Reporting Awards after receiving a Bronze in the previous year.

The improved result was attributed to a revamped reporting style and design with a new focus of better communicating Council's performance to the community.

The ARA Awards are open to all private sector, public sector and not-for-profit organisations in Australia, New Zealand and countries in the Asia-Pacific region and beyond.



Community Facility of the Year Award, Parks & Leisure Australia (PLA) Queensland 2022 Regional Awards of Excellence.

Date awarded: 18 May 2022

The newly opened Philip Street Communities and Families Precinct was honoured to be named the 2022 Community Facility of the Year Award in the Queensland division.

The award recognised the facility's innovative design, development and operating model with the goal of strengthening our community and social service system by working together to enhance and improve community outcomes.

The Philip Street Precinct has progressed into the national finals, to be announced in October 2022.

Regional Achievement Award, Australia Institute of Landscape Architects (AILA) Qld Landscape Architecture Award

Date awarded: 22 June 2022

The Philip Street Communities and Families Precinct received a second prestigious award this financial year, the Regional Achievement Award at the AILA Qld Landscape Architecture Award.

The jury chose to recognise the use of landscape architecture to make a significant difference to improving the healthy communities of regional Australia.

Council was honoured to see the Precinct's benefit to the community acknowledged early in its life and we look forward to seeing it contribute to the community into the future.

2 OUR COUNCIL

This section introduces our organisation. It details the role and contributions of our Mayor, Councillors, Youth Council and advisory committees. This section also introduces our CEO and Executive Leaders and provides summaries of achievements for each of our business units for 2021/22. This is followed by an overview of our people, including highlights about our apprentices, trainees and volunteers.



OUR COUNCIL 02

COUNCILLOR PROFILES



The Gladstone Region is served by nine elected members who represent the entire region, without division. They are responsible for the stewardship and democratic governance of the organisation. Councillors were elected for a four-year term following the election on 28 March 2020.

Mayor Matt Burnett took a leave of absence between 18 April and 25 May 2022 to campaign in the 2022 Federal Election. Following the conclusion of the campaign, Cr Burnett returned to his position as Gladstone Region Mayor.





MAYOR AND COUNCILLORS



CR MATT BURNETT
MAYOR

**First elected: 2000,
Mayor 2016 – present**

Mayor Matt Burnett was born and raised in the Gladstone Region with his family's connection to the region extending five generations. He is a former small business operator and qualified journalist, having started his own newspaper, The Port Curtis Post, at the age of 19.

He has served in Local Government since 2000, including five years as Deputy Mayor prior to his election as Mayor. During his time in Local Government, Cr Burnett served as Chairman of Technical Services with Gladstone City Council and as portfolio representative in Technical Services, Infrastructure Services and Town Planning with Gladstone Regional Council after amalgamation in 2008.

Cr Burnett has always had the best interests of the community at heart and, as Mayor, he draws upon the experience he has gathered over his years in Council to ensure those interests remain a key consideration even as the region continues to grow and develop.

Cr Burnett brings an inclusive style of leadership to Council, making sure the thoughts and views of his fellow Councillors, Council officers, business and industry leaders, community groups and organisations, and members of the community are all heard and taken into consideration.

Cr Burnett represents Central Queensland on the Local Government Association of Queensland (LGAQ) Policy Executive, is a Director on the LGAQ Board and is Vice President of Australian Local Government Association.

Boards, Committees, Groups

- Australian Local Government Association (ALGA) Director & Vice President
- Local Government Association of Queensland (LGAQ) Director & Policy Executive Member
- Central Queensland Regional Organisation of Councils (CQROC) Director
- Local Disaster Management Group – Chairman
- Gladstone Foundation Board of Advice – Member

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✉ mayor@gladstone.qld.gov.au

OUR COUNCIL 02



CR KAHN GOODLUCK
DEPUTY MAYOR

First elected: 2016

Acting Mayor:
18 April - 25 May 2022

Councillor Kahn Goodluck lives in Boyne Island and has three young children. He is a

boilermaker by trade and has worked in local industry as well as performing as a musician at events and venues around the region.

Having lived in both a city and growing up in Kilkivan, a small country town, he believes the Gladstone Region is the perfect combination of both. It offers the services of a city with the benefits of a country lifestyle – like a safe community and the opportunity to enjoy the great outdoors – and is the perfect place to provide a great lifestyle and opportunities for his children.

Cr Goodluck has been a union delegate and health and safety representative in construction, and through this work, has honed the valuable art of negotiation and compromise to reach positive outcomes. He believes his working-class background brings a different and valuable perspective to Council.

Cr Goodluck is motivated to engage with people throughout the region and ensure everyone gets a fair go. He is passionate about government policy and the impact it has on people's lives. He is outgoing, determined with a positive attitude and strong work ethic that will serve him well on Council.

Boards, Committees, Groups

- Audit Risk and Improvement Committee
- Gladstone Regional Roads and Transport Group
- Central Queensland Regional Organisation of Councils (CQROC)
- Capricorn Pest Management Group
- Inland Queensland Roads Action Project (IQRAP) Working Group
- Local Disaster Management Group

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✉ Kahn.Goodluck@gladstone.qld.gov.au



CR CHRIS CAMERON

First elected: 2020

Councillor Chris Cameron moved to Gladstone from Mackay in 1999 to take charge of a joint venture housing development. He has three grown children and eight grandchildren. His partner, Lenore, is a Gladstone resident of more than 40 years.

Cr Cameron's background is building and property development. He was involved in substantial construction work for mining companies, Blair Athol Coal and Oaky Creek Coal in the Central Highlands. Cr Cameron is a Queensland Master Builder member for more than 40 years and a member of the Australian Institute of Building, Queensland Chapter (MAIB) for more than 40 years.

Since semi-retirement, he has continued to work in the building industry carrying out project management roles, building consultancy work and dispute resolution. Before joining the Councillor team, he supported the building industry as a volunteer judge for the annual Queensland Master Builders Housing and Construction Awards.

Cr Cameron is a proud Rotarian of 27 years, having served as President, Secretary and on various board positions. He was awarded a Paul Harris Fellowship (PHF) for services to Rotary and the Gladstone community. Further to his Rotary service, he has been involved in Rotary Australia World Community Service (RAWCS) projects overseas, travelling to the Solomon Islands to participate in a humanitarian effort. In his earlier days, he was a past Lions President and a member of Apex.

Cr Cameron has always been highly active and supportive of his local community. Since being elected, he has enjoyed his role as Councillor in the Gladstone Regional Council and being part of the decision-making team to help shape the Gladstone Region into the future.

Boards, Committees, Groups

- Education Queensland Industry Partnership
- Port Welfare Committee
- Capricorn Pest Management Group

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✉ Chris.Cameron@gladstone.qld.gov.au



CR CHRIS TREVOR

First elected: 2016
Councillor Chris Trevor (CT) has lived in the Gladstone Region for more than 50 years.

He was educated at Central State School and later Rockhampton Grammar School before completing his secondary education at Gladstone State High School.

Cr Trevor is a solicitor of the Supreme Court of Queensland and the High Court of Australia, as well as a Justice of the Peace and Senior Counsellor of the Queensland Law Society.

He is a former Gladstone City Councillor, former Deputy Mayor and was the first ever Federal Member for Flynn in the Australian House of Representatives.

Cr Trevor has dedicated his life to family, the law, public service and both charitable and sporting pursuits throughout Central Queensland.

Boards, Committees, Groups

- Gladstone Regional Council SES Management Group
- Gladstone Regional Council Rural Fire Brigades Advisory Group
- Gladstone & District Sports Foundation Trust

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✉ Chris.Trevor@gladstone.qld.gov.au



CR DARRYL BRANTHWAITE

First elected: 2020
Councillor Darryl Branthwaite is originally from Invercargill in the deep south of the South Island in New Zealand. He arrived in Tannum Sands in 1982 where he worked as a process technician at Boyne Smelters until 1988.

Then, along with family, he purchased the lease of what is now known as Caltex Boyne River at Benaraby. For 22 years, Cr Branthwaite and wife Jenny operated this very successful business, becoming influential within the community through the Boyne Tannum and Benaraby Chamber of Commerce, along with many other community groups.

He was also a founding member of the Boyne Tannum HookUp (1995) which has gone on to become Australia's largest family fishing event. After leaving the business he went into real estate, selling residential and commercial properties for a further five years within the Gladstone Region.

Cr Branthwaite was also a director on the Gladstone Area Promotion and Development Ltd (GAPDL) Board for more than 20 years before accepting the role of CEO in September 2015. GAPDL was successful in turning the region's tourism around with double-digit growth and more than 30 cruise liners visiting under his leadership.

In June 2019, Cr Branthwaite and Jenny started the tour business Gladstone Region Tours. In 2020, on Australia Day, Cr Branthwaite was awarded Gladstone Region Citizen of the Year.

Boards, Committees, Groups

- Audit Risk and Improvement Committee
- Gladstone Regional Roads and Transport Group
- Gladstone Local Marine Advisory Committee
- Gladstone LNG Regional Community Consultative Committee
- Gladstone Healthy Harbour Partnership
- Inland Queensland Roads Action Project (IQRAP) Working Group

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OUR COUNCIL 02



CR DESLEY O'GRADY

First elected: 2016

Councillor Desley O'Grady has lived in the Gladstone Region for more than 30 years and her family history in the region dates back five generations.

Cr O'Grady has been instrumental in getting the Boyne Burnett Inland Rail Trail up and running to create economic growth for the small communities of the Boyne Valley, tourism visitation to the region and a great place that people will want to live, stay and play.

Cr O'Grady was also part of the Calliope Rodeo Association team that raised \$80,000 for the Boyne Valley community through the 2013 Bulls and Bands Flood Appeal, and a committee member for the Gladstone Region 20-year Vision panel.

Since being on Council, she has attended numerous community functions, meetings and has been very passionate about Council's vision to Connect. Innovate. Diversify.

Cr O'Grady loves the Gladstone Region's versatility, from the hinterland to the Southern Great Barrier Reef, and is dedicated to playing a part in its continued growth and prosperity as an elected member. She has been contributing to the strategic direction of Council and working as a team member with energy and enthusiasm, as well as being a strong and passionate voice for the community.

Boards, Committees, Groups

- Audit Risk and Improvement Committee
- Saiki Sister City Advisory Committee
- Reconciliation Action Plan Advisory Group
- Rail Trail Australia
- Philip Street Communities and Families Precinct Advisory Committee
- Transport Environment Advisory Group

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CR GLENN CHURCHILL

FIML, MAICD, MBWA

First elected: 2016

Councillor Glenn Churchill has been an active resident of the greater Gladstone Region and Central Queensland for more than 30 years. He has gained extensive experience,

knowledge, education and wisdom in his 18 years in Local Government as both a Mayor and Councillor.

Together with his wife Sue and family, Cr Churchill has served the business, sporting, tourism and community interests of the region through many different avenues in public life.

He is the current long-time Chairman of the Gladstone Police Citizens Youth Club (PCYC) Management Committee, Diamond Life member of the Queensland Police-Citizens Youth Welfare Association (QPCYWA) and, more recently, spent seven years advocating for the region as CEO of Gladstone Area Promotion and Development Ltd (GAPDL) and an additional seven years as an honorary Board member.

Cr Churchill is the current Chair of the Gladstone Regional Arts Development Fund Board (RADF), appointed Chair of 2019 Bush Fire Recovery Committee (Infrastructure), member of the Sister City Committee International Friendship, earlier Chair of the region's Planning and Development Committee, past Director of the Gladstone Airport Corporation Board and Member of the LGAQ Executive.

Cr Churchill is also a life member and volunteer of various other local community organisations. He previously served 11 years as Mayor/ Councillor at Banana Shire Council and protected the community for 27 years as a Queensland Police Officer. He is currently honorary President of the Gladstone Region Queensland Retired Police Association and a qualified teaching/ performing percussionist with the International Percussion Society.

Cr Churchill strongly believes in working together in harmony to help foster a culture of civic pride in the region and its communities, valuing the contribution of our various industries, community groups and rural producers, and recognising the very vital work Council does for the benefit of the region and communities.

Boards, Committees, Groups

- Saiki Sister City Advisory Committee
- Gladstone PCYC Management Committee
- Gladstone Safe Night Precinct Public Consultative Committee
- Regional Arts Development Fund Committee

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CR NATALIA MUSZKAT

First elected: 2018

Councillor Natalia Muszkat is an experienced manager, facilitator and community development professional. She moved to the Gladstone Region in 2007 and lives

in Tannum Sands with her partner and two teenage sons.

Cr Muszkat has a great passion for community and social and human services, and in her years in the Gladstone Region she has been instrumental in delivering a wide range of projects including traineeships for disadvantaged job seekers, domestic and family violence prevention programs, literacy initiatives, schools' bursaries, parenting programs and art and culture projects.

She is a proud co-founder of not-for-profit social enterprise, Strong Communities Ltd, to promote wellness for children, parents, families and organisations in regional and remote communities. Cr Muszkat believes in continued grassroots community engagement, is currently the President of the QCWA Tannum Sands branch and contributed to the creation of the Gladstone University of the Third Age.

Cr Muszkat has a Bachelor in Workplace Health and Safety (with Distinction), a Diploma in Business Governance and is a Fellow of the Institute of Community Directors Australia. Cr Muszkat's diverse cultural and professional experience has taught her to always conduct herself with empathy, compassion and respect for all people's ideas and experiences.

Boards, Committees, Groups

- Audit Risk and Improvement Committee
- Coastal Council Adaptation Taskforce (C-CAT) Executive Committee
- Reef Guardian Council Steering Committee
- Gladstone Local Marine Advisory Committee
- Reconciliation Action Plan (RAP) Reference Group
- Philip Street Communities and Families Precinct Advisory Committee

☎ 0436 646 201

✉ Natalia.Muszkat@gladstone.qld.gov.au



CR RICK HANSEN

First elected: 2006

Councillor Rick Hansen has lived in Gladstone with his wife Lyndal and family for more than 40 years. Cr Hansen is extremely proud of the region with its blend

of industry, opportunity and environmental commitment.

He believes that we have it all in the Gladstone Region, from the beautiful beaches of Agnes Water/Seventeen Seventy and Tannum Sands to the scenic views of the valleys, mountains and the islands, coupled by the existence and potential of our great harbour. The region has enormous community pride and spirit.

Cr Hansen has been involved in the community extensively, worked in major industry for 19 years and owned and managed a small business for more than 20 years and has extensive knowledge of the small business sector. He has had a range of experience in administration and coaching in both rugby league and basketball. He has represented the community in Council since being first elected in 2006.

Cr Hansen has had various portfolio roles ranging from Infrastructure to Finance and Governance and was a past member of the Audit, Risk and Improvement Committee. He understands the business of Council from strategy and planning to community and finance and has a particular interest in the governance of the organisation.

He is Council's representative on the board of Gladstone Airport Corporation, Traffic Environment Advisory Group, Gladstone Area Promotion and Development Ltd (GAPDL) and other committees. He is the patron of the Gladstone Tennis and Squash Association, patron/life member of the Gladstone Amateur Basketball Association and is a member of the Gladstone Sunrise Rotary Club.

Boards, Committees, Groups

- Gladstone Area Promotion and Development Limited (GAPDL)
- Gladstone Airport Corporation
- Transport Environment Advisory Group
- Local Authority Waste Management Advisory Committee (LAWMAC) Committee Member
- CQROC Waste Management Committee Member

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✉ Rick.Hansen@gladstone.qld.gov.au

OUR COUNCIL 02

COUNCILLOR GOVERNANCE

Gladstone Regional Council, comprising of the Mayor and eight councillors, is the elected body responsible for the good rule and governing of the Gladstone Region.

The primary role for Councillors, as representatives of the overall public interest of the Gladstone Region, is to focus on policy development and strategic delivery of services. Councillors are responsible for planning and developing corporate plans and strategies to deliver outcomes to the community and provide strategic vision and leadership.

Council is constituted in accordance with the *Local Government Act 2009* (the Act) and the *Local Government Regulation 2012* (the Regulation) (collectively the Local Government Legislation) and operates in accordance with the five local government principles established in s4(2) of the Act:

1. Transparent and effective processes, and decision-making in the public interest
2. Sustainable development and management of assets and infrastructure, and delivery of effective services
3. Democratic representation, social inclusion and meaningful community engagement
4. Good governance of and by, local government
5. Ethical and legal behaviour of councillors, local government employees and councillor advisors.

Council conducts its business during General Meetings which are held on the first and third Tuesday of each month. On occasion, Special Meetings are held to make decisions on necessary matters such as the adoption of the Annual Budget (15 June 2021 and 25 July 2022).

The Local Government Legislation together with the Councillors Code of Conduct establishes principles and standards of behaviour expected of our Mayor and Councillors when carrying out their roles, responsibilities and obligations.

General Meetings are advertised and opened to the general public however COVID-19 saw some General Meetings closed to the public due to health and safety reasons associated with COVID-19 in accordance with s277E of the Regulation. While meetings were closed to the public, General Meetings were livestreamed via Council's website and Facebook page. Due to the increased engagement Council received from the meeting livestreams, the decision was made to continue livestreaming all Council General Meetings once reopened to the public. General Meetings proceed in accordance with our Council Meetings Procedures Policy with meeting agendas and minutes available on Council's website.

COUNCILLOR COMMITTEES

Council has also appointed and supports three formal Advisory Committees which are responsible for reporting to Council on specific matters. A summary of these committees is provided below:

Table: Advisory Committees

NAME	PURPOSE	FREQUENCY OF MEETINGS
Sister City Advisory Committee	To provide Council with strategic advice and support on ways to enhance the sister city program and relationship.	Once a month from February – November (10 times per year)
Gladstone Region Youth Council	To provide Council with advice on youth related matters within the region.	Once a month from March – December (9 times per year)
Philip Street Communities and Families Precinct Advisory Committee	To provide Council with advice on strategic planning, management and service delivery for the Precinct.	Once a month for a minimum of six times per year.



Council has also established the below groups to support the implementation of the local government legislation or Council policies:

- Gladstone Regional Council State Emergency Service Management Group
- Gladstone Regional Council Rural Fire Finance Committee
- Gladstone Regional Council Audit, Risk and Improvement Committee.

COUNCIL MEETINGS

The *Local Government Act 2009* establishes a number of councillor responsibilities, one of which is a responsibility to participate in Council meetings. Section 186(c) of the Act requires Council to disclose the number of government meetings that each Councillor attended during the financial year.

There were 24 General and Special Meetings held during 2021/22. Individual Councillor attendance at General and Special Meetings of Council are detailed below:

Table: 2021/22 Council Meetings

COUNCILLORS	TOTAL
Branthwaite, Darryl	23
Burnett, Matt (Mayor)	21
Cameron, Chris	24
Churchill, Glenn	24
Goodluck, Kahn (Deputy Mayor)	24
Hansen, Rick	24
Muszkat, Natalia	21
O'Grady, Desley	22
Trevor, Chris	24

COUNCILLOR REMUNERATION

The Local Government Remuneration and Discipline Tribunal established under the *Local Government Act 2009* is responsible for determining the maximum remuneration payable to the Mayor, Deputy Mayor and Councillors. The total remuneration paid to Councillors for the full year in 2021/22 is detailed below.

Table: Councillor remuneration 2021/22

COUNCILLOR	DESCRIPTION	SALARY	SUPERANNUATION	TOTAL
Branthwaite, Darryl	Councillor	\$95,092.92	\$11,411.28	\$106,504.20
Burnett, Matt	Mayor	\$165,040.16	\$19,710.27	\$184,750.43
Cameron, Chris	Councillor	\$95,092.92	\$11,411.28	\$106,504.20
Churchill, Glenn	Councillor	\$95,092.92	\$11,411.28	\$106,504.20
Goodluck Kahn	Deputy Mayor	\$108,061.29	\$10,786.20	\$118,847.49
Hansen, Rick	Councillor	\$95,092.92	\$11,411.28	\$106,504.20
Muszkat, Natalia	Councillor	\$95,092.92	\$11,411.28	\$106,504.20
O'Grady, Desley	Councillor	\$95,092.92	\$11,411.28	\$106,504.20
Trevor, Chris	Councillor	\$95,092.92	\$11,411.28	\$106,504.20

OUR COUNCIL 02

COUNCILLOR OVERSEAS TRAVEL

Council's Corporate Plan identifies a strong desire to actively promote and support the region and enable its growth and prosperity. Council is required to disclose information about overseas travel of employees or Councillors during 2021/22.

Table: Councillor overseas travel 2021/22

COUNCILLOR	DESTINATION	PURPOSE	COST
Cr Natalia Muszkat	United States of America	Welcoming Interactive Conference	\$849.73

COUNCILLOR EXPENSE AND PROVISION OF FACILITIES

A review was undertaken on Council's Councillor Expenses Reimbursement and Provision of Facilities Policy and a new policy was adopted on 2 November 2021. The policy affirms Council's commitment to ensuring that Councillors have Council business expenses paid or reimbursed and are provided with facilities to enable them to perform their duties.

Under the policy, payment or reimbursement of expenses and provision of facilities for Councillors is:

- (a) to occur in accordance with statutory requirements;
- (b) to be open, transparent, prudent and responsible;
- (c) based on ensuring economy and efficiency; and
- (d) subject to budget provisions.

In adopting the policy, it was resolved that Council:

1. Repeal P-2018-31 Councillor Expenses Reimbursement and Provision of Facilities Policy; and
2. Adopt P-2021-18 – Councillor Expenses Reimbursement and Provision of Facilities Policy as Addendum 2.

Total expenses incurred by, and facilities provided to, Councillors in 2021/22 was \$209,476.14.

Table: Councillor 2021/22 expenses

COUNCILLOR	TRAVEL & ACCOMMODATION	HOSPITALITY	SEMINARS & CONFERENCES	ICT	VEHICLE	PHONE	UNIFORM	TOTAL
Branthwaite, Darryl	\$1,042.91	\$82.61	\$113.64	\$0	\$17,394.52	\$625.99	\$0	\$19,259.67
Burnett, Matt (Mayor)	\$4,748.86	\$2,447.19	\$266.36	\$0	\$20,358.33	\$626.75	\$0	\$28,447.49
Cameron, Chris	\$720.00	\$159.27	\$2,935.46	\$0	\$16,383.05	\$625.99	\$0	\$20,823.77
Churchill, Glenn	\$1,413.14	\$530.92	\$749.19	\$0	\$18,325.01	\$648.65	\$0	\$21,666.91
Goodluck, Kahn (Deputy Mayor)	\$2,712.39	\$798.07	\$3,903.64	\$0	\$18,911.58	\$625.51	\$0	\$26,951.19
Hansen, Rick	\$4,146.22	\$190.82	\$1,934.55	\$0	\$15,820.06	\$625.79	\$0	\$22,717.44
Muszkat, Natalia	\$1,450.18	\$446.92	\$159.09	\$0	\$21,761.00	\$634.04	\$0	\$24,451.23
O'Grady, Desley	\$2,345.21	\$433.79	\$3,202.98	\$0	\$20,069.01	\$625.61	\$0	\$26,676.6
Trevor, Chris	\$0	\$0	\$0	\$0	\$17,856.16	\$625.68	\$0	\$18,481.84



OUR COUNCIL 02

OUR YOUTH COUNCIL



Ten young and enthusiastic community members were endorsed as the 2022 Gladstone Region Youth Council on 1 February 2022 and so began their journey as official representatives of young people in the Gladstone Region.

The Youth Council members were selected based on their diverse strengths and experiences, knowledge of youth issues and willingness to bring about positive change in our community now, and into the future.

As a Youth Councillor, they will be provided with local government exposure and personal development opportunities related to public governance to help strengthen youth leadership in the region. This has included regular interactions with the GRC Councillors at formal Youth Council Advisory meetings held monthly as well as community events.

The 2022 Gladstone Region Youth Council is made up of 10 members, including two returning members. Ages of Youth Council members range from 15 to 20 years old, with seven of the 10 members still attending school.

Words from Rommiel Malig, Gladstone Region Youth Councillor

The Gladstone Region Youth Council is comprised of 10 like-minded members from the ages 15-24.

This Council acts as an advisory board for the youth, meeting twice a month to provide their opinions and ideas on matters around the region.

The Youth Council also helps out in the community through volunteering and attending events. So far this year, members have attended community events such as Ecofest, Luminous and Clean-up Australia Day.

Along with volunteering at these events, the Youth Council has also participated in the Mayor's Youth Breakfast, where the Chair and Vice-Chair of the committee co-hosted the event.

Several youth councillors have also attended functions such as QGC Shell Community Engagement, Santos GLNG Community Consultative and Asset Based Community Development Workshop.

The Youth Council of 2022 are proud to be ambassadors of the Gladstone Region!





MEET OUR YOUTH COUNCILLORS



**Alex Hill,
Gladstone Region Youth
Council Chairperson**

Alex joined to make a change in the community, be a part of something greater than an individual and voice the suggestions, ideas and concerns of others to make their lives better. Alex believes that everyone should have the same opportunities no matter where they come from, who they are, or if they have something in their life that challenges them.



**Rommiel Malig,
Gladstone Region Youth
Council Vice-Chairperson**

Rommiel is passionate about advocating for a greener future and serving the community in the Gladstone Region. Rommiel looks forward to what is to come for Youth Council having returned to Youth Council again this year after loving the role in 2021 and the impact made by Youth Council through collaboration and teamwork.



**Aaron Yea,
Gladstone Region Youth
Council member**

Aaron joined the Youth Council again for 2022 to further learn about the local history and politics of the Gladstone Region and continue volunteering for the community. Aaron was the honoured recipient of the Youth Citizen of the Year Award.



**Chloe Sydes,
Gladstone Region Youth
Council member**

Chloe is passionate about supporting this community and including all members. Chloe is excited to be a youth council member because she loves to organise and participate in different events, especially tourism and hospitality in the Gladstone Region. Chloe is passionate about creating long-lasting positive changes in the community.



**Emma Roulston,
Gladstone Region Youth
Council member**

Emma joined the Youth Council because she loves volunteering and believes it is an essential part of a community. Emma also wants to have a say for the youth of Tannum Sands and to hear the thoughts and ideas of other youth around the region.



**Jessica Toms,
Gladstone Region Youth
Council member**

Jessica is passionate about this community and aims to contribute for many areas. Assistance for the elderly and people with disabilities are particular focus for Jessica, due to having unique understanding of people with speech impairments and special needs.



**Jie xi Zang (Jessi),
Gladstone Region Youth
Council member**

Jessi has a passion for volunteering and would love to work with others who are creative, share ideas, and bring them to life with the Youth Council. As a Youth Councillor, Jessi will focus on spreading awareness on social issues such as mental health.



**Michael Vardy,
Gladstone Region Youth
Council member**

Michael loves the natural environment of the Gladstone Region and is passionate about maintaining and protecting our local environment. Michael became a Youth Councillor to assist his generation in becoming reinvested in the Council's work for them.



**Stefani Seumanu,
Gladstone Region Youth
Council member**

Stefani joined the Youth Council to ensure our region's youth can have their say and would like to become a role model to inspire young people to speak up against injustices. Stefani wants to share the message that it isn't weak to speak up against issues that could potentially impact themselves and the greater good of the community.



**Tayla Bullen,
Gladstone Region Youth
Council member**

Tayla became a Youth Councillor to help make Gladstone a place where our youth thrive and work with people willing to make that happen. Tayla would like to become a strong voice for our youth and encourage the younger generation to be more involved within their community.

OUR COUNCIL 02

OUR ORGANISATION STRUCTURE

Councils are made up of elected members (our Mayor and Councillors) and administration (our CEO, Executive and employees). Our responsibility to our community is outlined in Section 12 and Section 13 of the *Local Government Act 2009*. Our Mayor and Councillors are responsible for representing the current and future interests of our region's residents and our CEO, Executive and employees are responsible for delivering services to our community.



OUR ORGANISATION

Grounded in our vision to Connect, Innovate and Diversify the structure of our organisation supports value-for-money service delivery to meet the changing needs of our community.

This is reflected through the structure comprised of seven business units, outlined below.



OUR COUNCIL 02

EXECUTIVE LEADERSHIP TEAM



LEISA DOWLING
Chief Executive Officer

Leisa's Local Government career commenced with Gladstone Regional Council in September 2010 as Director Environment and Recreation. Prior to joining Council, Leisa had a lengthy career in State Government, including senior roles in the Department of Local Government. Leisa held the position of General Manager Strategy and Transformation before being appointed Chief Executive Officer (CEO) in November 2018.

Business responsibilities include:

The CEO is ultimately responsible for the strategic management of the organisation.

Qualifications and memberships:

- Graduate Certificate in Public Sector Management
- Bachelor of Leisure Studies (Sports Management)
- Member - Local Government Managers Australia
- Graduate - Australian Institute of Company Directors



KYLIE LEE
General Manager Community Development and Events

Kylie has more than 20 years' experience in community relations, communications, community engagement, events and investment. Prior to joining Council in February 2018, Kylie held leadership roles in a range of industries including ports, construction, mining, entertainment and Local Government, including eight years at the former Calliope Shire Council.

Qualifications and memberships:

- Graduate Diploma (Public Relations)
- Graduate Certificate Leadership (Progressing)
- Member - Local Government Managers Australia



ROB HUTH
General Manager Customer Experience

Rob has more than 35 years of Local Government experience, commencing his career at the former Calliope Shire Council as a qualified carpenter and then holding various positions from Civil Supervisory to Project Management roles. In 2008 the greater Gladstone Regional Council was formed at which time Rob was appointed as Manager Construction Projects. Soon after his portfolio widened to include both construction and operational responsibilities of Council's transport infrastructure as Manager Roads Program Delivery. Rob was appointed General Manager Customer Experience in April 2021.

Qualifications and memberships:

- Advanced Diploma (Civil Construction)
- Diploma of Project Management
- Carpentry
- Agile Project Management Practitioner



MARK HOLMES
General Manager Finance,
Governance and Risk

Mark has served Local Government for more than 25 years, commencing with a traineeship at Dalrymple Shire Council. Mark worked at the former Calliope Shire Council for eight years, serving in the role of Manager of Finance and Director of Corporate and Community Services. Mark was appointed General Manager Finance, Governance and Risk in January 2018.

Qualifications and memberships:

- Certified Practising Accountant
- Graduate Diploma (Accounting)
- Graduate Diploma (Local Government Management)
- Bachelor of Business (Accounting)



JOHN TUMBERS
General Manager Operations

John joined Council in March 2019. John has a career background in operations and maintenance in power generation, resource and ports sectors in New South Wales, South Australia, Western Australia and Queensland. Prior to joining Council John was the Chief Operating Officer for the Gladstone Area Water Board which provides bulk water to Gladstone’s industry and Council.

Qualifications and memberships:

- Graduate Diploma (Maintenance Management)
- Member – Australian Institute of Company Directors



THEUNIS MIENIE
General Manager People,
Culture and Safety

Theunis was appointed in November 2019. He has executive human resources experience across multi-sectors: mining, logistics, engineering, utilities and Local Government. Prior to this, he held the role as Chief People Officer for Wyndham City Council. His passion and strength are in working collaboratively with the Executive Team to develop and implement people and safety strategies, building constructive organisational culture and capability to safely deliver services to our community.

Qualifications and memberships:

- Master of Science (Human Resources)
- Bachelor of Labour Relations Management
- Bachelor of Human Resources Management
- Certificate IV Workplace Health and Safety

OUR COUNCIL 02

EXECUTIVE LEADERSHIP TEAM



MARK FRANCIS
General Manager Strategic
Asset Performance

Mark moved to the region and joined council in 2018. Mark has more than 20 years' experience in customer and community focussed leadership in financial services in Victoria and Local Government and telecoms sectors in the United Kingdom. He is passionate about making a positive contribution to the community, understanding their needs and delivering services they value. Mark was General Manager Customer Experience before being appointed General Manager Strategic Asset Performance in September 2020.

Qualifications and memberships:

- Master of Arts (Honours)
- Post Graduate Diploma (Business Admin)
- Member – Local Government Managers Australia



CARLY QUINN
General Manager Strategy
and Transformation

Carly has a multidisciplinary background across government, commercial and not-for-profit sectors, with a focus on strategy, change, marketing, events and community development. Her strength is in collaborating with multi-functional teams to find pragmatic solutions to complex business problems. Her passion is in building the capability of our people to better deliver services for our community. Carly was appointed General Manager Strategy and Transformation in September 2018.

Qualifications and memberships:

- Graduate Diploma of Strategic Leadership
- Advanced Diploma of Government
- Member – Local Government Managers Australia



HELEN ROBERTSON - Acting General Manager Customer Experience

Helen has more than 20 years of Local Government experience as a Town Planning specialist. Since joining Council in 1998, Helen has held various key leadership roles to deliver community outcomes in strategic and statutory planning and development assessment. Helen was appointed Acting General Manager Customer Experience from March – May 2022.

Qualifications and memberships:

- Bachelor of Urban & Regional Planning
- Masters of Business Administration (MiniMBA)
- Registered Planner - Planning Institute of Australia



SENIOR MANAGEMENT REMUNERATION

Senior management (Council's CEO and General Managers) are engaged under fixed-term, performance-based contracts. The following remuneration was payable for Council's senior management in 2021/22:

Table: Senior management remuneration

REMUNERATION BAND	NUMBER OF SENIOR EXECUTIVES
\$350,000 - \$399,999	1
\$250,000 - \$299,999	7

EXECUTIVE LEADERSHIP TEAM OVERSEAS TRAVEL

Council's Corporate Plan identifies a strong desire to actively promote and support the region and enable its growth and prosperity.

Council is required to disclose information about overseas travel for employees during 2021/22.

In 2022, the opportunity arose for Council's General Manager Community Development and Events and Councillor Natalia Muszkat to participate in the Welcoming Cities Rural Exchange program and attend the Welcoming Interactive Conference in North Carolina, USA.

Welcoming Australia, which exists to cultivate a culture of welcome and create a future where people of all backgrounds have equal opportunity to belong, contribute and thrive, recommended Gladstone Regional Council participate in the Welcoming Cities Rural Exchange to present Council's Rural Welcoming Strategies, alongside the Country of Gunnison in Colorado. The exchange is part of the Welcoming International coalition that shares tools, resources, and technical expertise to contribute to advancing local inclusion.

EMPLOYEE AND POSITION	DESTINATION	PURPOSE	COST
Kylie Lee, General Manager Community Development and Events	North Carolina, USA	Welcoming Interactive Conference	\$849.73 *registration, travel and accommodation was paid for by Welcoming America

COMMUNITY DEVELOPMENT AND EVENTS



KYLIE LEE, GENERAL MANAGER

- Arts and Entertainment
- Brand and Communications
- Community Facility Maintenance
- Engagement and Partnerships
- Regional Libraries
- Tondoon Botanic Gardens

SERVICES DELIVERED

- Worked together, using a range of skills to expertly service brand and communications needs based on understanding the audience and the broader Gladstone Region. The Brand and Communications Team is a mix of experienced marketers, writers, graphic designers, and communicators and offer a range of services to Council and our facilities.
- Delivered major events on behalf of Gladstone Regional Council designed to promote community pride and inclusion, grow the economy, and increase the region's destination profile.
- Ensured Council's community facilities are kept at a high standard through aligned maintenance and improvement programs to provide safe engaging spaces for the community.
- Worked alongside the community and Council employees, to create the conditions for community-led development, resilience, and capacity, providing opportunities for the people in our region to be actively engaged.
- Conserved, documented and displayed the region's social history and decorative and fine arts collections. GRAGM provided opportunity for cultural growth, education, and capacity building of our region's artists.
- Engaged with our community through the delivery of welcoming and dynamic spaces, programs, and collections.
- Ensured the Tondoon Botanic Gardens are efficiently and effectively managed. Promoted sustainable horticultural practices, provides quality visitor services, learning for life opportunities and contributes to the Gladstone Region's sustained prosperity.
- Managed the operations of GECC. Provided a strong and vibrant calendar of events, stimulating economic development through business events and tourism and contributes to artistic and cultural development in the community.

BUSINESS UNIT HIGHLIGHTS IN 2021/22

Surveys of entire Tondoon living collection complete

Surveying of the entire Tondoon Living Plant Collection were completed after starting this project in 2014. A total of 14,282 plants were surveyed forming part of the three Living Collections in the Tondoon Botanic Gardens and approximately 3000 different plant species call Tondoon home. The plants are also entered into the Gladstone Regional Council's Geographic Information System which will help the future management of the gardens significantly, while also adding to our visitor's experience and education as it will be available for viewing.

A face-to-face approach offered positive outcomes for an elderly resident

As part of sewerage line rehabilitation work in Gladstone, contractors identified a 97-year-old who lived alone on a property adjacent to the works. The Project Manager and Communications Officer took the extra time to meet face-to-face with the resident to ensure they understood the work that would take place near their property and their family also had access to the right information. As the resident had mobility issues, our team also provided before and after photos to put them at ease.

Easter in Gladstone

Easter in Gladstone has well and truly been cemented as Gladstone's destination event with data showing an increase in visitation, year on year. With close to a dozen events across four days, the Village attendance for 2022 totalled 8840 people, an uplift from 3000 in 2019. Tourism and Events Queensland, the state's marketing, tourism and major events agency, also commented on the impressive growth of this event in such a short period of time.

OTHER HIGHLIGHTS FOR 2021/22

- The Engagement and Partnerships team and Gladstone Regional Libraries team launched Playtime at the Precinct as a fortnightly program for children under the age of five at Philip Street Communities and Families Precinct.
- Produced a new website for the Gladstone Entertainment Convention Centre to ensure customers data remains secure and provides a positive user experience.
- Developed Gladstone Entertainment Convention Centre's first Brand Strategy, which includes a comprehensive marketing audit and competitor analysis to ensure we are pitching the venue accurately to various audiences and positioning the venue as the best in Central Queensland.
- Created Council's first liveability campaign using in-house creatives to deliver a video series and an investment prospectus, in consultation with various stakeholders, to promote the Gladstone Region as a place to invest and live. By using in-house creatives this also provides a cost saving to ratepayers.
- Co-location of the Brand and Communications team saw an increase in efficiencies and support to the wider organisation.
- The Miriam Vale Library Garden was successfully upgraded.
- Calliope Library received irrigation and turf upgrades.
- Continuing to work on the Gladstone Aquatic Centre upgrades.
- Cultural Awareness presentation for the Philip Street Precinct stakeholders held in October 2021 – delivered by Gurang Elder Uncle Shayne Blackman and Port Curtis Coral Coast Trust's General Manager Daniel Reeves.
- The Philip Street Precinct successfully hosted the Philip Street Family Fun Day with an estimated 1000 people in attendance.
- The successful launch of domestic violence campaign "Get Comfortable Talking About It" with multiple codesign partners from local community centres and groups.
- Council joined forces with Hairdressers with Hearts to train 80 local hairdressers and barbers to be able to recognise the signs of abuse with clients that walk through their doors.
- Made 150 COVID-19 Family Packs available for our community from funding received from the State Government Department of Communities, Housing and Digital Economy. These packs include a range of helpful items to proudly support a family impacted by COVID-19.
- The Philip Street Precinct won multiple awards over the year (see page 43) and was an award finalist for the Local Government Managers Australia 2022 Awards for Excellence in the Collaboration category.
- There were more than 215,000 physical visits to our libraries.
- Our libraries provided more than 14,000 hours of computer access to community members, providing a much-needed resource for our region.
- Library volunteers clocked a total of 4520 hours, empowering our community to enhance our social landscape.
- Tondoon Botanic Gardens successfully propagated over 300 Macadamia Jansenii plants, as part of a long-term research and conservation project with Sunshine Coast University and the Macadamia Trust. These plants will be distributed to seven botanic gardens, from Bundaberg to Canberra, next year.



Easter in Gladstone Yachtman's Long Lunch



Miriam Vale Library's upgraded outdoor area



Get Comfortable Talking About It campaign

COMMUNITY DEVELOPMENT AND EVENTS CONTINUED

OTHER HIGHLIGHTS FOR 2021/22

- Tondoon Botanic Gardens created plant packages for environmentally conscious schools in the region as part of National Tree Day.
- Tondoon Botanic Gardens propagated 1594 Port Curtis plants in biodegradable pots for Ecofest 2021 plant sales for the first time, to step away from plastics and a more sustainable outcome for all. A total of 1330 plants were sold - the highest number ever at Ecofest.
- Tondoon Botanic Gardens joined the Climate Change Alliance of Botanic Gardens which includes more than 400 botanic gardens across the globe.
- Community Events Volunteers were highly engaged through the 'Volly Squad' program – a incentive-based program that has been co-designed with volunteers to create a genuine culture of care and gratitude for the support volunteers provide. The program has had a significant uptake, with 47 current active volunteers.
- Designed and implemented a COVID-19 recovery initiative to attract entrepreneurs and fund initiatives that would contribute to tourism recovery. In its first year the initiative attracted 16 applications and funding of \$60,000.
- Re-engagement of Gladstone Regional Art Gallery & Museum volunteers post COVID-19 with 782.5 volunteer hours recorded from January – June 2022.
- Visitation at Gladstone Regional Art Gallery & Museum has consistently doubled, year on year. The growth is attributed to a program of exhibitions, based on community feedback and demographics. A significant uplift in public programs and engagement activities has also contributed to this success.
- Gladstone Regional Council was selected to represent Australia at the Welcoming Interactive Summit in Charlotte, North Carolina, to share our regional inclusion strategies.

LOOKING AHEAD

- Delivering our Easter in Gladstone campaign including celebrations for the 75th annual Brisbane to Gladstone (B2G) Yacht Race.
- Implementing a bookings management system that will make community hirer's booking processes of GRC parks and halls easier.
- Delivering an exciting program of new and well-loved exhibitions, programs, shows and events.
- Document the Gladstone Region's public art assets to support tourism opportunities and public records.
- See the outcomes of the first round of 'Turtle Tank Tourism Innovation' funding.
- Gladstone Region's first ever Youth Summit Launch.
- Continuation of the Strong Steps Capacity Building initiatives.
- Developing Community Leaders workshops and forum.
- Launch a new webpage dedicated to improve marketing the liveability of the Gladstone Region and work with regional stakeholders to support skills attraction and retention.
- Connecting Council with Curriculum aims to continue to work with our region's schools to provide diverse range of learning programs, educational experiences and support for students and teachers.
- Develop community profiles for nine regional locations to inform Council's future programs, services and infrastructure investment.



OUR COUNCIL 02

CUSTOMER EXPERIENCE



ROB HUTH, GENERAL MANAGER

- Biosecurity and Environmental Health
- Customer Solutions
- Development Services
- Local Law Compliance

SERVICES DELIVERED

- Provided education and regulation for the community to encourage responsible pet ownership and, where appropriate, enforce animal management legislation.
- Responded to customer demand, improved customer experience, managed correspondence and emails while also offering choice in communication, such as online transactions, to support customer access to Council.
- Provided advice and regulated development under several legislative frameworks and statutory assessment frameworks. This team is made up of five areas of subject matter experts – Town Planning, Operational Works, Building, Plumbing and Compliance.
- Educated and regulated the community to preserve the amenity, appearance and enjoyment of the region and the lifestyles it provides.
- Provided education, awareness, compliance and enforcement of all relevant legislation for the community, with respect to Biosecurity and Environmental Health, including developing and delivering programs at events, in schools, field days and upon request.

BUSINESS UNIT HIGHLIGHTS IN 2021/22

Invasive plant species removed across the region

Council's Biosecurity team identified more than 100 African tulip trees across the region that required removal. The African tulip tree (*Spathodea campanulata*) is a Category 3 restricted invasive plant under the Biosecurity Act 2014 and listed as a 'containment' species under Council's Biosecurity Plan 2021-25. The decision to remove these trees was prompted by community feedback, as community engagement conducted for the development of Council's new biosecurity plan identified that African tulip trees were of a concern for residents. Additionally, the trees are a serious environmental weed in coastal Queensland, where they are highly invasive and form dense stands in gullies and along streams, crowding out native vegetation.

Customer interactions and service levels

Council's Customer Solutions team managed an excess of 123,667 incoming interactions and raised a total of 20,354 requests of which 72 per cent were completed within 10 days.

- Phone interactions – 51,189
- Face to face counter interactions – 46,626
- Email interactions – 11,223
- Chat interactions – 1804
- Application associated interactions – 9836
- Change of address requests – 2989

Council's Customer Solutions Knowledge Library is continually improving to allow informative and accurate information to be provided to our customers at first point of contact. Within the past 12 months, 83 per cent of all interactions were resolved at first point. The team are also looking for new business improvements and initiatives to support the employees on the frontline to provide quality information to our customers. More than 93 per cent of customers surveyed on the phone said they received the help that they needed.



OTHER HIGHLIGHTS FOR 2021/22

- Developed educational videos to provide advice for property owners on effective herbicide and management options for treating Giant Rat's Tail grass infestations on their property.
- A total number of 2960 vaccinations were administered to the community and school aged children through various immunisation programs.
- Promoted awareness and education on a range of topics including illegal dumping, environment, health and biosecurity matters at various community events such as Ecofest.
- 328 routine inspections were carried out for licenced food businesses.
- 25 new food business licences approved in 2021/22.
- 26 new applications have been approved to participate in 1080 Baiting campaigns this year to control invasive pest animals such as wild dogs and feral pigs on properties within the Gladstone Region.
- Alerts have been added to Council's biosecurity website page to raise awareness of current hot topics, diseases or to share information and knowledge with the community.
- Additional Development Services information and knowledge has been added to Council's Knowledge Library to provide to customers information at their first point of contact, including email packages which include all relevant information associated with a building or plumbing application.
- Customer Solutions team undertook training to view and have access to road defects, accomplishments and planned works to provide immediate outcomes to customers should Council already be aware of the issue.
- Council's Local Laws team have worked to improving animal registration efficiencies.

- Development Services received and managed 1757 enquiries and approved a total of 1211 Development applications including:
 - 152 Operational Works
 - 402 Planning related applications
 - 294 Plumbing applications
 - 363 Building applications
- Development Services undertook 1349 inspections.

LOOKING AHEAD

- Improvement initiatives are being implemented for 1080 Baiting campaigns to transition to online lodgements to save our customer's time.
- Council's park mowing schedule planned to be made available to our Customer Solutions Team to provide quick and accurate information to customers at their first point of contact with us.
- Implementing an email option for Animal Registration Renewal Notices to save customers time.
- Commence an assessment of Council's Planning Scheme to determine if amendments are required, in preparation for implementing any necessary amendments in 2024/25.
- Strategy for the purpose of identifying initiatives to further improve our customer's experience.
- Further improve Customer Solutions knowledge library to increase our first point resolution providing immediate outcomes for our customers.



African tulip tree removal program



Customer Solutions team member



Giant Rat's Tail grass field day

OUR COUNCIL 02

FINANCE, GOVERNANCE AND RISK



MARK HOLMES, GENERAL MANAGER

- Contracts and Procurement
- Disaster Management
- Ethics Integrity and Audit
- Financial Operations
- Governance
- Legal Services
- Revenue Services
- Systems Modelling and Metrics

SERVICES DELIVERED

- Provided regional disaster management coordination including prevention, preparation, response and recovery.
- Nurtured an ethical and principle led corporate culture which supports and values our employees and community.
- Challenged the status quo and is committed to engaging and collaborating with the business to improve processes, systems and outcomes. Ensures Council achieves its objectives and drives business improvements ethically, responsibly and in accordance with statutory requirements
- Empowered Council to make informed decisions, minimise risk and improve legal compliance by
 - providing a full spectrum of legal services to Council, the Executive Leadership Team and all Business Units including: providing professional and timely legal advice, reviewing and drafting legal documents, managing court matters and legal claims and assisting with management of legal risks and statutory compliance.
 - Responsible for monitoring and maximising all revenue which is payable to Council. Collaborates with leaders to ensure all fees and charges are legally compliant and financially sustainable. Identifies strategic funding opportunities and leverages maximum benefit for the delivery of priority initiatives.
- Coordinated forecasts, budgets, cashflow monitoring and the long-term financial plan. Creates reports and provides training in Council's financial system to all users within the organisation. Develops and implements enhancements to Council's financial systems.
- Supported safe, efficient, sustainable and timely delivery of Council's operational program of work through effective procurement management in accordance with legislative obligations.
- Provided efficient and effective accounting support to the organisation in a manner which supports and enhances the business performance of Council.

BUSINESS UNIT HIGHLIGHTS IN 2021/22

Successful implementation of the Searches Improvement Project

In June 2022 Council launched our Property Searches Improvement Project, with property and business-related search requests now available via online services on Council's website. Our customers can now conveniently lodge and pay for their search requests, from anywhere at any time, with easy access via a single online location, that hosts all Council related searches. Not only has this improvement made obtaining Council searches easier than ever before, it also allows for our customers to track the progress of their request in real time.

Educating future generations on disaster planning and preparedness

The Gladstone Region is a beautiful place to live but there is a serious side to weather events with potential for natural disasters such as cyclones, bushfires and flooding. Council is committed to educating our community about these natural dangers and focuses on enhancing skills and knowledge of our children and teaching disaster planning and preparedness. Council delivered Disaster Management Preparedness education to 540 students across 11 schools in 2021/22.

Council continues its safety, risk and compliance journey

Council launched Beakon, an integrated software solution which captures and manages our incident, risk, and compliance activities in 2020. The 2021/22 year saw system development continuing including moving our environmental incidents into the software solution.

OTHER HIGHLIGHTS FOR 2021/22

- Continued disaster preparedness and capacity building for the community, including expanding the program to include Person Centred Emergency Preparedness and Bushfire Planning workshops, as well as a school-based education program.
- Collaborative exercise incorporating key Local Disaster Management Group (LDMG) agencies and critical Council staff to exercise both LDMG and Council Business Continuity Plans concurrently.
- Through the Queensland Disaster Management Arrangements, assistance offered to Queensland Health by multiple Council business units to assist with the COVID-19 pandemic, particularly regarding the establishment and set up of Fever Clinics and Vaccination Hubs throughout the region.
- Ethics, Integrity and Audit completed five internal audit reviews, four management requests and provided ad-hoc advice to managers on a range of issues. Ethics, Integrity and Audit continued to raise awareness on the Code of Conduct through training initiatives.
- Configured and implemented Council's corporate credit card system to be compliant with the Payment Card Industry technical and operational standards. This rollout has guaranteed that we are receiving secure and protected corporate credit card data.
- Successful implementation of the Searched Improvement Project enabling our customers to submit property and business-related search requests via Online Services.
- Council continuous improvement in debt recovery has resulted in our outstanding rates balance being the lowest in the last seven years at 3.51 per cent at year end.
- Improved our processes for insourcing maintenance work to help us better understand when and why we need

contractors to support our service delivery, so that we can make informed and sustainable decisions about our maintenance work.

- Transitioned the evaluation of tenders and quotes to an online platform to increase probity in our procurement process.
- Established several Registers of Pre-Qualified Suppliers (RPQS) to make it easier for our organisation to access regularly purchased goods and services.

LOOKING AHEAD

- Extension of the Enhanced Resilience Project Officer State funded position will enable to Disaster Management unit to continue extending the disaster management education campaigns undertaken throughout the region, as well as, continuing to strengthen Council and LDMG Disaster preparedness, planning and response.
- Continue to improve and implement a new system process to enable increased visibility over the payment of invoices.
- Configure and implement an improved receipting system to reduce the amount of labour required to complete this task.
- Improving our service delivery to our customers, Council is looking forward to roll-out eNotices in the last quarter of 2022, this will allow ratepayers the option to opt-in to have their rates, water & animal notices emailed instead of posted.
- Implementation of the United Nations Standard Products and Services Code (UNSPSC) classification system for goods and services to improve the quality of data and to support more detailed analysis on specific products to allow targeting of potential savings, more detailed reporting and strategic procurement decisions.



Window display for Get Ready Week



Search Improvement Project a success for online services



Disaster Recover and Education trailer activates during and following disaster events

OUR COUNCIL 02

OPERATIONS



JOHN TUMBERS, GENERAL MANAGER

- Operations Support Services
- Parks Program Delivery
- Roads Program Delivery
- Waste Program Delivery
- Water Program Delivery
- Works Planning and Scheduling

SERVICES DELIVERED

- Provided and maintained burial and cremation services to the region.
- Maintained the parks, reserves and open spaces across the region to provide safe recreational areas.
- Provided the required quantity of gravel material for road construction and maintenance purposes.
- Built and maintained our road transport infrastructure to a safe standard.
- Managed the processes, reporting and control related to Council stock movement and storage, Council facilities maintenance, repair and compliance, service contract control and fleet management.
- Collected and disposed of solid and liquid wastes, operated waste transfer facilities and landfills, recycling and materials recovery, and conducted community education programs.
- Built, operated, and maintained our sewerage infrastructure to meet environmental standards.
- Built, operated, and maintained our water infrastructure to deliver safe drinking water.
- Ensured our works are delivered efficiently to meet our customer service levels.

BUSINESS UNIT HIGHLIGHTS IN 2021/22

Don't Waste Our Waste – Understanding options to manage green and organic waste

In 2021/22 Council commenced a project to look at viable collection and processing options to turn the region's Food Organics and Organic Waste (FOGO) into a resource and divert this waste from landfill. There were two rounds of community engagement to assist Council to understand the region's current management practices and what options may be possible. This work is aligned with the State Government's waste targets to divert waste from landfills and develop beneficial reuse and circular economy for resources contained in our waste. When completed the project will provide Council with a business case to guide future decisions regarding waste services.

Road improvements on Toolooa Street

Council's Roads Program Delivery team undertook improvement and repair works on a 415m section of Toolooa Street, between Walsh and Short Streets, as part of the Toolooa Street Pavement and Footpath Renewal Project. Nearby root growth added to the expected deterioration of this asset requiring works to remedy pedestrian trip hazards. Works included the demolition and replacement of footpaths and kerbs, excavation and replacement of top layers of road pavement, demolition and replacement of the stormwater infrastructure and installing cross street conduits to support future underground services without the need for future excavation. Critical works were conducted over a long weekend to reduce impacts to local businesses, nearby schools and motorists. Works were completed on Section One of the project, Short/Young to Pier Streets by the end of 2021 and Section Two works, Pier to Walsh Streets, being completed by March 2022. Toolooa Street is an important local road within Gladstone and works for this project were made possible by funding from the State Government's Transport Infrastructure and Development Funding.



OTHER HIGHLIGHTS FOR 2021/22

- In 2021 Council completed a tender process to award the next kerbside waste collection contract. A shorter contract period was entered into to allow Council to complete several projects, including Don't Waste Our Waste and the CQROC Regional Waste Management and Infrastructure Plan, that will allow any changes or improvements to service to be captured in the subsequent long-term contract from 2026.
- A variety of native tree and grass seed including varieties of Eucalyptus, Corymbia, Acacia, Qld Bluegrass and Kangaroo Grass, were used for seeding rehabilitation works around the region.
- Council's Parks team, supported by the Tondoon Botanic Garden and Gladstone Entertainment Convention Centre teams, welcomed the Parks and Leisure Australia Conference in Gladstone in May 2022.
- The Water Program Delivery team, supported by the Business Improvement team, implemented and made continuous improvements to the Permit to Work processes in relation to the operation and maintenance of the biogas plant at the Gladstone Waste Water Treatment Plant.
- Gladstone Aquatic Centre rejuvenation works continued including building renovations with new roof structures over main amenities, new awning to the existing kiosk and front entrance upgrade. The facility also saw the addition of two new Disability Discrimination Act (DDA) accessible facilities and three new family change rooms.
- Tondoon Botanic Gardens Capital Works: Several pieces of work were undertaken at the Tondoon Botanic Gardens throughout 2021/22. The entirety of the asphalt entry, carpark and store yard were successfully resurfaced. These works were undertaken as night works, to allow for minimal disruption to the day-to-day operation and users of the facility. Installation of external light poles and a substantial electrical upgrade were also undertaken. While there are still some works to occur, the installation of this infrastructure assisted in the smooth operation of both Ecofest and Luminous with minimal above ground cabling required.
- Hobble Creek and Baffle Creek Bridge Replacements: Officers across several teams, including Works Planning and Scheduling, Community Engagement and Brand and Communications rallied together to undertake significant community engagement to provide regular updates with the stakeholders and interested community members. Throughout this process, it was identified that through the closure of John Clifford Way, while the Hobble Creek bridge was being replaced, the town's cardiac defibrillator would be inaccessible to many residents. In consultation with many residents and emergency services, Council provided a safe contingency plan and supplied an additional defibrillator to ensure safety for residents who would be affected by this closure.
- The Water Program Delivery Team worked alongside the Asset Performance and Monitoring, Works Planning and Scheduling and Works Delivery teams to implement a preventative maintenance schedule for the biogas plant at the Gladstone Waste Water Treatment Plant. The more structured approach to asset health provided higher maintenance completion compliance, capturing asset defects, higher team engagement and more efficient work completed safely.



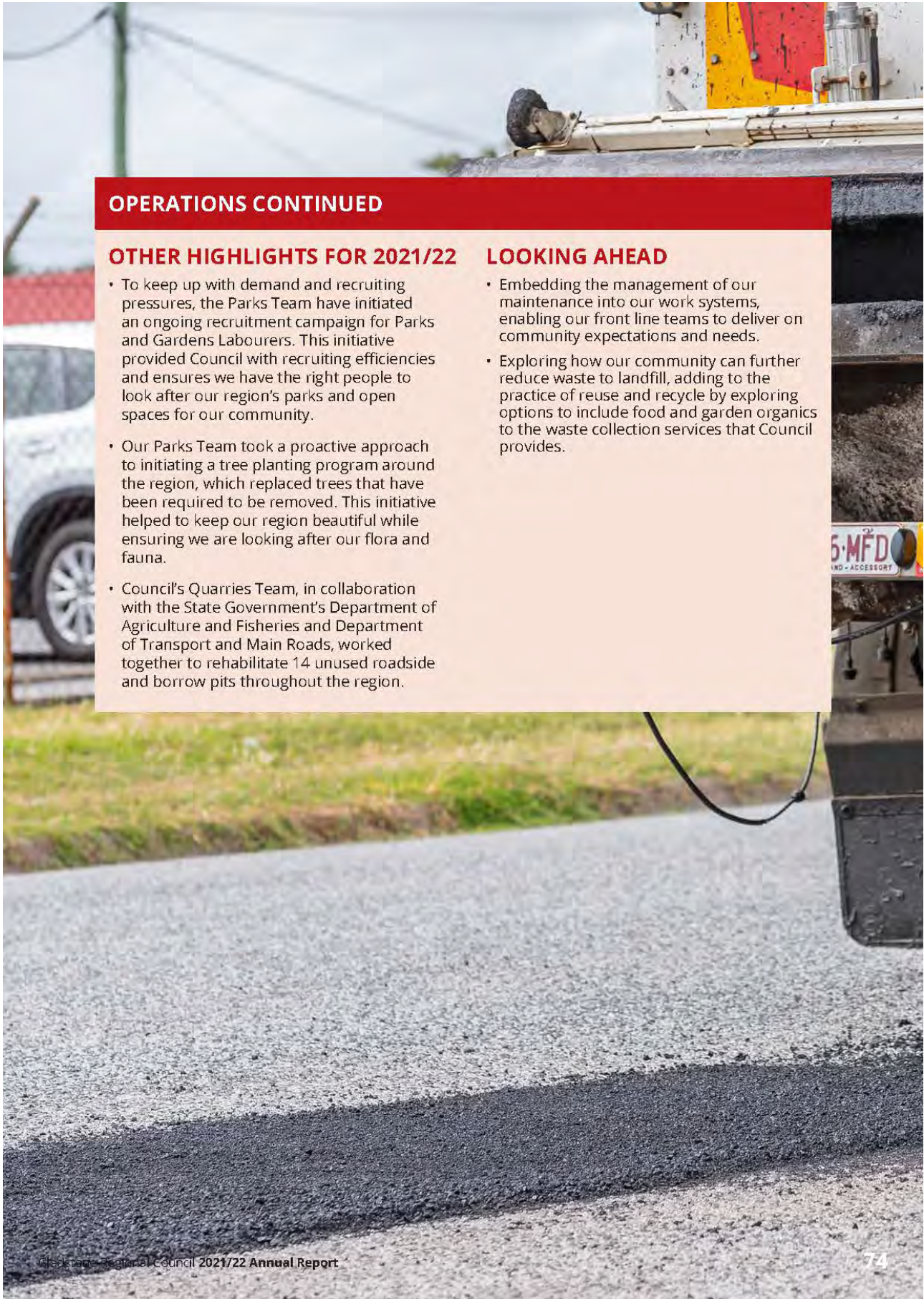
Bridge replacement John Clifford Way, Hobble Creek



Upgraded playground equipment at Air Sea Rescue Park, Seventeen Seventy



GECC welcomed the Parks and Leisure Australia Conference in May



OPERATIONS CONTINUED

OTHER HIGHLIGHTS FOR 2021/22

- To keep up with demand and recruiting pressures, the Parks Team have initiated an ongoing recruitment campaign for Parks and Gardens Labourers. This initiative provided Council with recruiting efficiencies and ensures we have the right people to look after our region's parks and open spaces for our community.
- Our Parks Team took a proactive approach to initiating a tree planting program around the region, which replaced trees that have been required to be removed. This initiative helped to keep our region beautiful while ensuring we are looking after our flora and fauna.
- Council's Quarries Team, in collaboration with the State Government's Department of Agriculture and Fisheries and Department of Transport and Main Roads, worked together to rehabilitate 14 unused roadside and borrow pits throughout the region.

LOOKING AHEAD

- Embedding the management of our maintenance into our work systems, enabling our front line teams to deliver on community expectations and needs.
- Exploring how our community can further reduce waste to landfill, adding to the practice of reuse and recycle by exploring options to include food and garden organics to the waste collection services that Council provides.



OUR COUNCIL 02

PEOPLE CULTURE AND SAFETY



THEUNIS MIENIE, GENERAL MANAGER

- Culture and Capability
- Health, Safety and Wellbeing
- Payroll Services
- People Services

SERVICES DELIVERED

- Partnered with our people to understand their needs and provide the tools that develop skills, knowledge and healthy culture.
- Created a constructive safety culture to keep our employees and the community safe.
- Delivered payroll services, advice and assistance to our people.
- Delivered human resource services and support in partnership with our customers.
- Partnered with the organisation to provide a workplace culture and environment that values, enhanced and protected the health and wellbeing of our people.
- Partnered with the organisation to develop recruitment strategies, an employer brand and employee value proposition to attract the right talent.

BUSINESS UNIT HIGHLIGHTS IN 2021/22

Taking Safety Seriously

Council participated in an external Occupational Health and Safety Management System Audit as part of our Local Government Workcare Self Insurance obligations. Council exceeded the Queensland Government's Office of Industrial Relations (OIR) benchmark requirements. Council will continue to work with our workforce to develop and implement continuous improvement to our systems of work, to further improve our safety performance and protect the health and wellbeing of our people.

Certified Agreement supported and endorsed

Through excellent teamwork, Council's People Services, Payroll and the rest of the Collective Agreement negotiating team successfully negotiated our new Certified Agreement. The agreement, negotiated with Unions in Quarter 1 and Quarter 2 of 2021, was supported by our Councillors, Executive Leadership Team and employees. Seventy-three per cent of staff participated in the online voting for the 'Certified Agreement In Principle' agreement with 98 per cent voting in favor. Read more about the agreement on page 85.



OTHER HIGHLIGHTS FOR 2021/22

- Continued roll out of Beakon safety, risk and compliance software to capture and manage data.
- Reviewed and made improvements to Council's Working in Isolation Procedure to keep our people safe.
- Created a business wide Culture Steering Group to lead the strategic planning and evaluation for Council's culture journey.
- Orientated, supported and led 24 new Apprentices and Trainees within the business.
- Provided 21 work experience student placements in Diesel Fitting, Tourism, Legal, and more.
- Collaborated with Queensland Minerals and Energy Academy (QMEA) to share Council's exciting career opportunities to 100 local grade 10 students in the Science, Technology, Engineering and Mathematics (STEM) Stepping workshop.
- Showcased exciting Council career opportunities to more than 1000 Grade 11 and 12 students in the Gladstone Region at the Education Queensland and Industry Partnership (EQIP) Careers Expo.
- Developed and introduced a new Leadership Capability Framework to the business to create a shared vision and clear identity of what a great leader looks like at Council.
- 185 employees trained in First Aid (mandatory and non-mandatory).
- 3194 hours of online training across the business.
- 12,534 hours of face-to-face training for the business.

- Rolled out several areas of new training to the business including Side by Side Emotional Intelligence, Resilience, Conversations, Project Management, Maintenance planning and scheduling, and National Heavy Vehicle.

LOOKING AHEAD

- Secondment process refinement and improvements.
- Develop a roadmap to transition Councils Work Health & Safety Management System from AS/NZS 4801 to ISO 45001.
- Review of Council's hazardous chemical management.
- Creation of a Strategic Workforce Plan to guide the shape of our Workforce of the Future.
- Support our Waste Water team by completing and delivering a comprehensive suite of training in biogas.
- Continue the roll-out the Leadership Capability Framework to business with links to recruitment, performance and career paths.
- Develop a self-service training program for new managers and team leaders to enhance their knowledge of Council tools and process and improve performance.
- Develop and embed a model within Council for the business partner roles to improve role clarity, enhanced function and achievement.
- Continue to embed constructive culture practices in Council related to the Culture Action Plan.



CEO Leisa Dowling welcoming the 2022 Apprentices and Trainees



Emily had work experience placement in the Brand and Communications team



Entire organisation encouraged to celebrate RUOK? Day

OUR COUNCIL 02

STRATEGIC ASSET PERFORMANCE



MARK FRANCIS, GENERAL MANAGER

- Asset Designs
- Asset Governance
- Asset Performance and Monitoring
- Asset Planning
- Engineering Asset Solutions
- Environment and Conservation
- Strategic Property Management

SERVICES DELIVERED

- Supported the creation of a strong asset management culture in Council with responsibility for asset register, geo spatial representation, internal project plan, asset accounting and asset management system governance.
- Ensured asset design standards remain current and provide designs that contribute to safe, cost-effective and pragmatic solutions for the region.
- Analysed asset operational data from maintenance schedules, condition assessment programs and asset renewal programs to improve efficiencies and performance while reducing costs and outages.
- Understanding the region's infrastructure needs, risks and opportunities to allow Council to sustainability provide community services.
- Ensured safe and effective management of the water and sewerage networks and compliance monitoring of safe drinking water.
- Solved engineering challenges by developing fit for purpose and innovative solutions to support organisational strategic and operational requirements.
- Property dealings, including provision for cultural heritage and Native Title advice.

BUSINESS UNIT HIGHLIGHTS IN 2021/22

Optimising our works delivery

A review of Council's pipeline of infrastructure projects was undertaken to better understand the work we need to do in accordance with Council's Investment Decision Framework. A total of 520 projects were reviewed with 43 per cent marked as no longer required reducing unnecessary effort and investment. The Asset Information project was established outlining the need for data standards, workflows and information handover points required in our business.

Transport Strategy

The Transport Strategy initiative from the 2021/22 Operational Plan was completed with the *Gladstone Regional Council Transport Strategy* being endorsed by Council. The strategy identifies and sets the goals, roles and objectives for Council as the local road authority to support the region's community, resilience, economic and safety needs.

Residential water security

The Residential Water Security initiative from the 2021/22 Operational Plan was undertaken to investigate and give Council clear insight into the water security needs of the Bororen and Miriam Vale communities. The *Miriam Vale and Bororen Alternative Water Source Investigation* report was endorsed by the Asset Management Steering Group which enables Council to invest in justified and sustainable solutions to ensure the water security of these communities is maintained now and into the future.

OTHER HIGHLIGHTS FOR 2021/22

- New online community leasing resources and improved internal processes will ensure an improved and more efficient relationship between Council and its current and prospective lessees.
- Implemented the EnviroSys software for drinking water quality, wastewater monitoring and environmental monitoring and data management.
- Council managed 1193 properties including Council freehold land and Crown (State) Trust land.
- 173 property related negotiations (lease dealings; Permit to Occupy, Management Agreements; Expression of Interest for land and premises; easements; lease inspections; property disposal).
- Leases and Management Agreements on behalf of community and sporting organisations, telecommunication and government entities; residential and commercial properties:
 - 112 premise leases are approaching renewal timelines
 - 61 leases are currently under review
 - 39 leases are in an advanced stage of renewal negotiation.
- Completed the Our Coast Our Future Strategy Implementation Plan in 2021. With 2021/22 seeing 19 of 39 actions in progress or complete, with several requiring ongoing activity throughout the duration of the strategy.
- Developing asset criticality framework across all asset classes.
- delivery and plan assets required to ensure delivery of the best value waste management service into the future.
- The Enabling Future Industries with our Infrastructure initiative will streamline early engagement with industry proponents to provide clear asset requirements that are environmentally, financially and socially sustainable for our community.
- Undertake Boyne River flood modelling and report to understand the impacts of flooding upstream and downstream of Lake Awoonga.
- Condition assessment utilising Road Asset Condition Assessment System (RACAS) for sealed roads, unsealed roads and footpaths.
- Review of the next stage of the critical assessment of the pipeline of infrastructure projects to ensure assets are renewed and upgraded at the right time to enable services to be delivered to the community and to continue to mature capital projects to inform Council's capital portfolio.
- Update Asset Data Handover processes and consolidate Asset Register into TechOne, Council's source of asset data.
- Establish and deliver First Nations Fire Officer and cultural land management program.
- Establish a Regional Flying Fox Management Plan.
- Contribute to Cleaner Road Run-off project with Local Government Association of Queensland (LGAQ) and Great Barrier Reef Trust.

LOOKING AHEAD

Strategic Asset Performance is responsible for two of the initiatives from the 2022/23 Operational Plan:

- The Understanding Future Waste Needs for our Region initiative will inform service



Continued actions on Our Coast Our Future Strategy Implementation Plan



Council's Transport Strategy endorsed



Asset Information Project established

OUR COUNCIL 02

STRATEGY AND TRANSFORMATION



CARLY QUINN, GENERAL MANAGER

- Economic Development
- Information, Communication and Technology
- Strategy and Improvement
- Strategic Projects
- Transformation

SERVICES DELIVERED

- Partnered with Council to continuously improve the way we deliver value, reduce waste and increase efficiency.
- Supported Council in achieving its strategic outcomes by enabling our people to utilise fit for purpose technology and information systems to deliver our services safely and more efficiently, and to make it easier for our community to access services and information as required.
- Partnered with Council to set and monitor its direction by providing services in corporate planning and performance reporting.
- Led the delivery of Council's prioritised transformational projects, with a focus on improving Council's service delivery.
- Facilitated sustainable, financially and environmentally responsible initiatives to advance economic development in the Gladstone Region.
- Investigated, planned and developed strategic project initiatives to enhance the prosperity and liveability of the Gladstone Region.

BUSINESS UNIT HIGHLIGHTS IN 2021/22

Improving Business Improvement capability

This year, we renewed our focus to plan and deliver business improvements across Council. Part of the renewed approach saw 25 employees trained in Business Process Management to improve their capability to consistently plan and deliver business improvements. Investing time in building capability in our people empowers them to reduce waste, increase efficiencies and deliver value for our business.

Economic Development and the future of Hydrogen in the Gladstone Region

In 2021, Council endorsed the Economic Development Strategy 2021-2025, driven by an internal working group, in collaboration with the community as well as business and industry groups. The strategy supports the vibrancy, diversity, resilience and sustainability of the Gladstone Region. This includes a focus on supporting and growing existing industries while exploring opportunities in emerging industries such as the development of the Hydrogen Ecosystem. With our region's exceptional port and abundance of clean energy potential, Gladstone is well positioned to be Australia's leading hydrogen exporter by 2030.

Boyne Tannum Aquatic Recreation Centre (BTARC)

Access to a public swimming pool has been identified as potential social infrastructure for the growing Boyne Island and Tannum Sands community. Throughout the year, the Strategic Projects team worked collectively with key stakeholders to develop a concept design for BTARC at Lot 900, Coronation Drive, Tannum Sands which was adopted by Council on 15 March 2022. The design includes a 50-meter heated pool, twin waterslides, all abilities access, pool shading and more. Delivering a year-round, multi-use facility will service a diverse group of users, attract economic opportunities and enhance the health and fitness, recreational, tourism and visitor experiences in the region. Looking forward, detailed designs will be developed to support statutory approvals before proceeding to the final investment decision.



OTHER HIGHLIGHTS FOR 2021/22

- Council's Transformation Program has worked with the business to document and better understand how we maintain Council's \$2.5B worth of assets and align maintenance workflows with our Maintenance Management Framework.
- Successfully acquitted multi-million-dollar capital funding received under the Australian Government Regional Jobs and Investment Package (RJIP) for the construction of the Philip Street Communities and Families Precinct.
- Entered into a Memorandum of Understanding and funding agreement with Gladstone Central Committee on the Ageing to investigate the feasibility of an over 55s independent living rental accommodation at Philip Street.
- Successfully acquitted funding received under the Queensland Government Building our Regions program for the development of the Harvey Road Sports and Events Precinct Business Case.
- Led cross-functional teams in strategic projects and regional priorities planning and development that are aligned to delivering our Corporate Goals.
- The Gladstone Region Economic Development Strategy 2021-2025 was endorsed by Council and the priority opportunities for action were activated across priority areas.
- Council was successful in securing Federal Government funding under the Building Better Regions Fund to partner with the Next Economy to develop a Transition Economy Strategy for the Gladstone Region as it moves to a less carbon-based future.
- Transition Economy Inception Workshops conducted and the Energising The Gladstone Region Future Economy Roadmap – community and stakeholder engagement commenced across the region.
- Successfully partnered with the CQH2 Alliance Members to have the Gladstone Region recognised as Queensland's Hydrogen Hub under the Federal Government National Hydrogen Hub Funding Program. Council is a partner in the \$140M program to develop the Gladstone Region Hydrogen Hub and advance the development of Hydrogen Ecosystem in Central Queensland.
- Strategic priorities reviewed and ongoing advocacy focussed on delivery of regionally significant supply chain infrastructure, major social infrastructure projects, ageing in place strategy and maintaining Gladstone's industrial heritage as a technical skills and manufacturing powerhouse in the transitioning economy.
- Major advocacy efforts to have the Inland Rail extended to the Port of Gladstone resulted in a \$10M commitment from the State and Federal Governments to develop a business case for the extension. Council is a key member of the technical working group.
- Collaborated with a diverse range of regional stakeholders to deliver programs and advocacy for the \$400M Queensland Beef Corridors program, the CQ Defence Capacity and Capability Review to highlight Central Queensland's role in enabling Australia's Defence Forces into the future, the CQ Agribusiness Supply Chain study to better shape local supply chains, The CQ Transit Study to map and identify heavy vehicle network development opportunities and Gladstone Connects to advance regional entrepreneurship innovation.
- Developed a Cyber Security Plan and implemented additional controls to improve our ability to protect our systems and information and to identify, respond and recover from cyber incidents.
- Partnered with the Australian Cyber Security Centre to ensure our security processes are aligned with best practice.



Location for proposed Harvey Road Sports and Events Precinct



Council endorsed the Economic Development Strategy 2021-2025



Council adopted a Concept Design in March for an aquatic recreation facility for Boyne/Tannum community

STRATEGY AND TRANSFORMATION CONTINUED

OTHER HIGHLIGHTS FOR 2021/22

- Developed strategic plans for key ICT infrastructure and software to ensure we maximise the return on our investment and reduce total cost of ownership.
- Improved communications to remote offices, reducing operating costs and improving speed.
- Consolidated key CCTV systems and established a standard platform, reducing operating costs and making it simpler to retrieve footage and monitor systems.
- Improved management and reporting of key strategic documents to encourage collective focus on business priorities.
- Developed the 2021/22 Operational Plan with a balance of key initiatives that progress delivery of the five goals from our 2021-2026 Corporate Plan.
- Documented 206 business processes.
- Partnered with the business to deliver Operational Plan initiatives, projects and continuous improvements.
- Development of a three-year plan for improvements across our Works Delivery activities.

LOOKING AHEAD

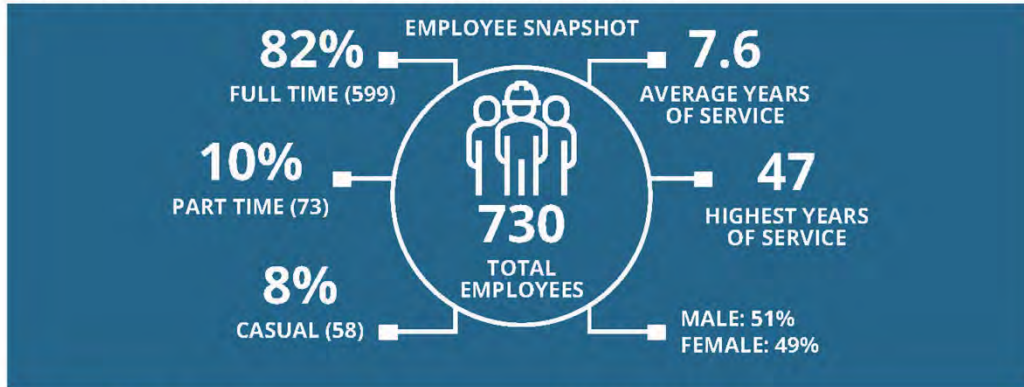
- Improving mobility and efficiency in the field through deployment of mobile apps, laptops, tablets and other mobile devices and connectivity.
- Improving our disaster recovery and business continuity ability.
- Continuing to improve our online systems to make it more secure, convenient and simpler for our customers.
- The Gladstone Region is acknowledged as the natural hydrogen hub and centre for green energy production and manufacturing for Queensland through the delivery of the Gladstone Hydrogen Hub program.
- Activating the Gladstone Region Transition Economy Strategy to maintain Gladstone's industrial heritage.
- Confirming the business case for the inland rail extension to the Port of Gladstone is essential for regional, state and national supply chain efficiency.
- Continue working toward the consolidation of Council's asset information. Having the right information about our assets at the right time will guide our asset management decision-making.
- Implementation of the Maintenance Management Framework within the business to optimise delivery of Council's maintenance activities.
- Creation of the 2022/23 Operational Plan.
- Continuous improvement in how we report and monitor Council's key strategic plans and documents to provide visibility to leadership and our community.
- Continued development of tools and building capability in continuous improvement and project management.
- Prioritising support for high risk activity in the business and community.
- Continuing to progress the development application and detailed designs for the Boyne Tannum Aquatic Recreation Centre.



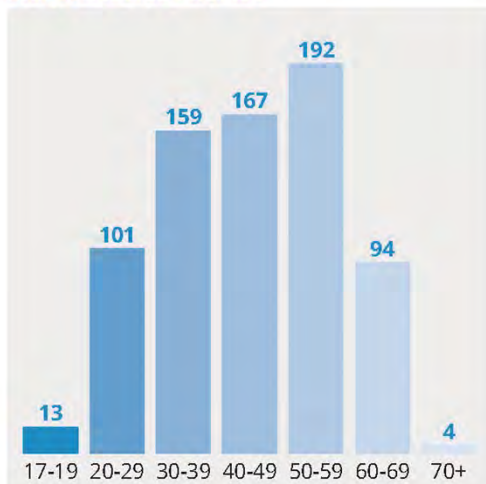
OUR COUNCIL 02

OUR PEOPLE

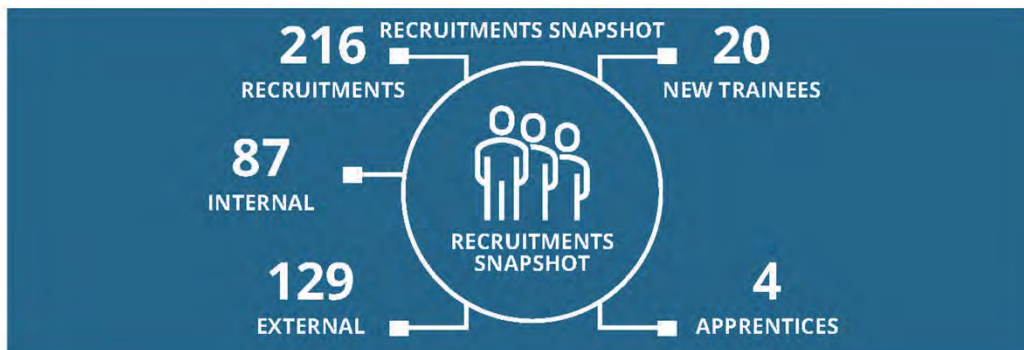
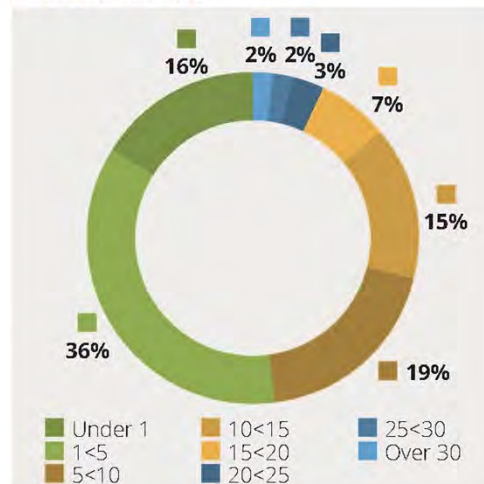
Our success is built on a foundation of safe, engaged, high performing talent and teams. This ensures we have a safety culture underpinning how we operate our organisation. We aim to have visible and accessible leaders that provide clear direction and purpose, with community engagement at the forefront. We aim to be accountable, inclusive and collaborative, with established programs for learning and development, succession planning for critical positions, mentoring, talent identification and utilisation, recognition, and meaningful performance planning.



EMPLOYEE AGE PROFILE



YEARS OF SERVICE





CERTIFIED AGREEMENT 2021 NEGOTIATION AND IMPLEMENTATION

Throughout quarter one and quarter two, Council undertook extensive negotiations with Unions to develop the Certified Agreement. In Principle agreement was reached in late November 2021 and, with the looming Christmas break, the Bargaining Unit made the progressive decision to utilise online voting (mobile or email) to yield a result quickly for employees. The result shows that, of the votes cast, 98 per cent were in favour of the proposed Gladstone Regional Council Certified Agreement 2021. The Certified Agreement was endorsed on 5 April 2022 with key changes including:

- The Agreement has a three year duration through to the 8 November 2024
- The Agreement provides for three increases during it's operation
- 2.5 per cent effective from the dated of certification of this Agreement to be backdated to the first full pay period after 1 November 2021;

- 2.5 per cent effective from the first full pay period after 1 November 2022; and
- 2.75 per cent effective from the first full pay period after 1 November 2023.

The other key deliverables from the negotiation process were:

- The contemporary measure to include employee access to Paid Parental Leave of seven weeks for the birth parent or primary care giver, and two weeks for the non-primary caregiver
- Increased Flexible Work Arrangements to support current workplace expectations post covid
- Classification review of trade licenced or certified roles in line with the trade review coordinated through MISTAS (Manufacturing Industry Skills Training and Apprenticeship Services).

Council worked collaboratively with our unions to provide agreement outcomes that resulted in improved conditions and opportunities for workers.

OUR COUNCIL 02

HEALTH AND WELLBEING

There was a focus on improving Council's first response capacity and numerous employees were trained as Mental Health First Aiders. Council has been recognised by Mental Health First Aid (MHFA) Australia as being a Gold Level skilled workplace. This recognition acknowledges Council's significant investment in developing Mental Health First Aid skills in our people and well as our commitment to building a mentally healthy workplace and improving the wellbeing of our people.

LOST TIME INJURY FREQUENCY RATE



CULTURE AND CAPABILITY

This financial year, we rolled out our culture survey and subsequent results. Council is committed to its culture journey and has implemented an ongoing Culture Action Plan with input from employees and Culture Champions. We also delivered 68 face-to-face Culture result debriefs to the business and created the Culture Steering group to lead the strategic planning and evaluation for the organisations culture journey.

LEARNING AND DEVELOPMENT

Learning and Development provides strategic guidance to the business, understanding the needs of employees and providing the tools to develop skills, knowledge and a healthy culture.

We ensure our workforce has the necessary skills and qualifications to perform their roles confidently and competently, meeting all Workplace Health and Safety practices and legislative requirements.

SERVICE AWARDS

Our 12-month Service Award program wrapped up with 269 total nominations resulting in 32 winning individual employees and four teams who demonstrated exceptional cross functional collaboration.

In May 2022, Service Award winners from the preceding six month were invited for a celebratory Harbour Cruise. The 26 employees, members of our Executive Leadership Team and Councillors attended to enjoy a cruise and luncheon around Gladstone Harbour.

MANDATORY TRAINING

In 2021/22 we continued to deliver comprehensive mandatory training programs including three new modules:

- National Heavy Vehicle Training
- Side by side training
- Maintenance planning and scheduling.

Other mandatory training for 2021/22 included:

- Internal Complaints Management
- Workplace Health and Safety Induction
- Fire Safety
- Environmental Awareness
- Hazardous Chemicals
- Manual Tasks
- Workplace Bullying and Harassment
- Hand Hygiene
- Infection Control
- Compliance to Mandatory Training Modules.




OUR APPRENTICE AND TRAINEES PROGRAM

Council views apprenticeships and traineeships as a vital component of our recruitment strategy. We are proud to help facilitate the upskilling of our region. The recruitment, induction and placement processes are a collaboration between the People Services, Recruitment, Culture and Capability and Payroll teams. There are a variety of vocations which provide on-the-job training and develop employability skills, knowledge and experience. Our training opportunities consist of a mix of hands-on practical work, learning from experienced leaders, and classroom education in the vocational area to develop theoretical knowledge.

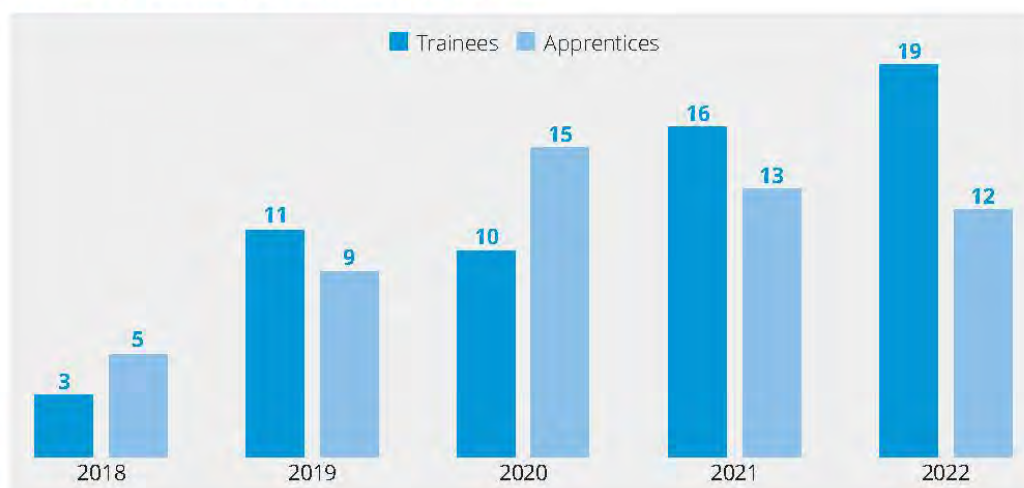
The Apprentice and Traineeship Program is continued with ongoing support and valuable

funding from the First Start Program under the Skilling Queenslanders for Work initiative. The program offers opportunities to young people and disadvantaged job seekers to gain nationally recognised qualifications and experience to enter and stay in the workforce.

Council takes pride in helping facilitate the upskilling of the hard-working people in our region across a diverse range of roles at a variety of locations. In the 2021/22 financial year, many GRC trainees successfully completed and received a Nationally Recognised Qualification in their chosen vocation. Employees who were actively looking for work were successful at Council or gained work with other employers.

 Apprentices and Trainees Intake 2022

NUMBER OF COUNCIL APPRENTICES AND TRAINEES



OUR COUNCIL 02

OUR VOLUNTEERS

Volunteers play an important part in our region's culture, while helping develop skills, strengthens networks and provides a sense of belonging and connection.

Thanks to the efforts of hundreds of volunteers, Council was able to deliver exceptional events and programs at community events, Gladstone Tondoon Botanic Gardens, Gladstone Entertainment Convention Centre, Gladstone Regional Art Gallery and Museum, Gladstone Regional Libraries and the Philip Street Communities and Families Precinct.

Council is grateful to everyone who contributed their valuable time and skills across many different areas of the organisation. With their help, we continue to deliver exciting programs and events to the Gladstone Region community.

These overviews provide insight into how our volunteers are involved in delivering for our community.

COMMUNITY EVENTS



With a schedule filled with massive events throughout the year, we rely on the help of volunteers to ensure the safety and enjoyment of our community when attending community events. In 2022 we introduced the GRC Community Events 'Vollie Squad' - a rewards program designed to thank the volunteers who work consistently with our Community Events Team.

In 2021/22, our volunteers contributed 344.5 hours, across four events. 47 amazing volunteers are currently a part of the program.

GLADSTONE ENTERTAINMENT CONVENTION CENTRE



GECC's Friends of the Theatre (FOTT), an incorporated association, has been supporting the GECC by way of ushering, greeting, merchandise selling, raffle tickets and many other functions for many years.

FOTT work closely with the GECC team and are an invaluable resource to the venue. For our visitors and guests, they are the friendly faces greeting our patrons at theatre shows, conferences and events.

Friends of the Theatre volunteered 2460 hours in the 2021/22 financial year and currently have around 50 active members.

GLADSTONE REGIONAL LIBRARIES



As we move away from distancing restrictions in community spaces, Gladstone Regional Libraries welcomed back our volunteers with increased numbers and hours. Volunteers contributed a combined 4500 hours in 2021/22, with a majority of those volunteers found at Gladstone City Library.

The volunteer organised Book Sale in August 2021 was a success with the volunteers raising \$1514.10 with proceeds going toward the purchase of Cricut machine accessories. Our volunteers assisted with many tasks including shelving, organising donated stock for the Book Sales, working within the Library spaces to create craft resources and tending to the community garden.



GLADSTONE REGIONAL ART GALLERY & MUSEUM



It was a pleasure to re-launch the GRAGM Volunteer program, welcoming new and existing volunteers to the Gallery and Museum. Our volunteers are the heart of our facility, providing immeasurable knowledge, support and passion.

A total of 802 volunteer hours were recorded in 2021/22 and our volunteer army increased active volunteers to 37.

GRAGM redesigned two of their roles as Visitor and Volunteer Engagement Officers who are responsible for the recruitment, training, engagement and support to our wonderful volunteers. With the introduction of these roles, we also introduced volunteer inductions, recognition events, recruitment drives and training packs and we look forward to continuing the growth of the GRAGM volunteer program.

TONDOON BOTANIC GARDENS



Tondoon's various volunteer groups were busy with activities over 2021/22 financial year.

The Herbarium volunteers played an integral part in Council's in-house Tondoon mapping project which, thanks to their help, is near completion. They were also responsible for classifying 10,000 individual plants in the TBG Living Collection Database and Herbarium Database.

The Conservation volunteers planted more than 3660 plants at revegetation projects across nine sites in the Gladstone Region while the Friends of Bonsai volunteers created beautiful displays for Parks Week, Ecofest and the Gladstone Multicultural Festival.

Beyond being friendly faces at events, the Visitor Services volunteers also assisted with educational school visits to the gardens, school holiday program delivery and lead Seniors Month tours.

NATIONAL VOLUNTEERS WEEK



Community volunteers from across the Gladstone Region were recognised for their contributions during a series of Volunteer recognition celebrations held across the region during National Volunteers Week held from 16-22 May 2022.

Community members and organisations were invited to nominate volunteers who they would like to see recognised for their commitment to their community. All nominees were invited to a celebration event that provided the opportunity for connection and celebration of the valuable contribution made by volunteers from across the region.

PHILIP STREET COMMUNITIES AND FAMILIES PRECINCT ADVISORY COMMITTEE



The Philip Street Communities and Families Precinct Advisory Committee is a dedicated formal advisory group that help with the operation and management of the precinct.

The committee, representing different sectors in our community, offered feedback and advice to Council on strategic planning, management, and service delivery to ensure services, programs and activities are responsive to the community's needs.

By bringing different perspectives and ideas to the table, the advisory group ensures that the precinct continues to deliver for our community, enable access to resources and services.

CORPORATE GOVERNANCE

Good governance is essential for Council to achieve its objectives legally, ethically and responsibly and to drive business improvement. Council has made a commitment to create a culture that minimises risk and maintains compliance by strengthening governance, risk management and compliance awareness processes, reporting and accountability.

Accountable Council

Our Corporate Plan 2021-26 sets the goal of being an Accountable Council – providing good stewardship built on a foundation of trust. By 2026 Council seeks to have embedded risk management, transparency and accountability into what we do and establishes five objectives to deliver that outcome:

1. Provide comprehensive risk management strategies for all identified risks
2. Improve decision making based on our risk assessments
3. Ensure we have a framework of policies and standards that continue to raise the bar
4. Ensure we comply with all legislative requirements to maintain community confidence
5. Improve access and visibility of our governance tools to the business.

The Audit Committee:

Gladstone Regional Council's Audit Risk and Improvement Committee is established under section 105(2) of the *Local Government Act 2009*.

In accordance with the *Local Government Regulation 2012* the Audit Risk and Improvement Committee for 2021/22 included three independent members and two Councillors (and two alternate Councillor members).

Audit Committee Members

For the period 1 July 2021 to 30 June 2022:

- Kerry Phillips, Chair (External member and Financial Expert)
- Stephen Coates (External Member)
- Sandra Collins (External Member)
- Councillor Kahn Goodluck (Councillor Representative to December 2021)
- Councillor Desley O'Grady (Councillor Representative)
- Councillor Darryl Branthwaite (Alternate member)
- Councillor Natalia Muszkat (Councillor Representative from January 2022)

The primary objective of the Audit Risk and Improvement Committee is to assist Council in fulfilling its oversight responsibilities relating to accounting, auditing and reporting.

ARIC supports Council by:

- Reviewing the financial statements and public accountability performance reporting;
- Reviewing effectiveness of governance, risk management and control;
- Promoting economy, efficiency, effectiveness and ethical culture;
- Reviewing reliability of management information;
- Monitoring and evaluating internal audit performance;
- Reviewing effectiveness of fraud control measures; and
- Monitoring compliance with laws, regulations, standards and good practice.

ARIC reports to Council and has the authority to make recommendations with respect to matters within its scope of responsibility.

Internal audit

Internal audit is a key component of the Council's corporate governance. It provides independent assurance that Council's policies, operations, systems and procedures meet appropriate standards of effectiveness, efficiency, propriety, regulatory requirements and good business practice, while adequately recognising and managing risk and complying with internal policies.

The Ethics Integrity and Audit function operates in accordance with the Ethics Integrity and Audit Policy and Charter, which is reviewed and endorsed by the Audit Risk and Improvement Committee every three years. The policy authorises appropriate access to all functions, records, property and personnel within the Council as well as direct access to the chair and independent members of the Audit Risk and Improvement Committee.

All members of Ethics Integrity and Audit are obliged to apply and uphold the principles of integrity, objectivity, confidentiality and competency under the Institute of Internal Auditors' formal Code of Ethics. Ethics Integrity and Audit provides a broad range of functions, in line with international standards for the Professional Practice of Internal Auditing and best practice, including:

- Operational reviews
- Compliance reviews
- Special investigations
- Real-time assurance.

Ethics Integrity and Audit applies a risk management approach to strategic and project planning, fieldwork and reporting and works closely with the corporate risk management



function to ensure appropriate coverage across the Council.

Ethics Integrity and Audit operates independently from the core activities of the Council, has a quality improvement program and is accountable to the CEO for its efficient, effective and economical operation. Ethics Integrity and Audit also coordinates its activities with the external auditors to obtain satisfactory audit coverage and minimise duplication of effort.

During 2021/22, the Ethics Integrity and Audit function completed five internal audit reviews, four management requests and provided ad-hoc advice to managers on a range of issues.

List of Registers

Council maintains the following registers:

- Register of Roads
- Register of Assets
- Register of Preferred Supplier Arrangements, Pre-Qualified Suppliers, Long Term Contracts and sole/specialised suppliers
- Register of Offers (medium and large size procurements and successful awards)
- Register of Non-conformance
- Register of Contract Variations
- Register of Cost Recovery Fees
- Register of Local Laws (available on Council's website)
- Register of Contact with lobbyists
- Register of Delegations of Authority – Council to CEO and CEO to officers and/or contractors
- Register of Financial Delegations
- Register of Interests for CEO and Senior Executive Employees
- Register of Interests for Councillors (available on Council's website)
- Register of Councillors related persons
- Register of Councillor Complaints (available on Council's website)
- Register of Council Owned/Managed Land
- Register of Leases
- Register of Development Assessment Applications, Approvals and Permits (available on Council's website)
- Register of Infrastructure Charges
- Register of Legal Documents
- Register of Backflow Prevention Devices
- Register of Onsite Sewerage
- Register of Trade Waste
- Register of Licensing
- Register of Stock impoundment

- Register of Licences Under the *Food Act 2006*
- Register of Licences Under the *Public Health (Infection Control and Personal Appearance Services) Act 2003*
- Register of Biosecurity Invasive Plants
- Register of Animal Impoundment
- Register of Cats and Dogs
- Register of Abandoned Vehicle Impoundment
- Register of Impounded Animals
- Register of Overgrown and Unightly
- Register of Parking Permit
- Register of Local Law Proactive Patrols.

Risk Management

Council has established a Risk Management Framework through which Council endeavours to lower the likelihood of negative risks materialising, realise opportunities, improve performance, encourage innovation and support the achievement of Council's objectives, adding value for the entire community.

The Framework, consisting of Council's Risk Management Policy and supporting corporate standards, procedures and tools, is based on AS ISO31000:2018 and provides a consistent approach to the identification, assessment and treatment of corporate, operational, project and unforeseen risks across Council.

During 2021/22, Council focused on maturing our operational risk register. Workshops were held with each team to facilitate the identification of new risks and review existing risks. All operational risks have now been added to Beakon, Council's risk management software, and are being managed and monitored in accordance with Council Risk Management Framework. Council's corporate risks were also reviewed as part of Council's Annual Corporate Risk Workshop.

Strategically, risk management is considered in the development of Council's Corporate Plan, Operational Plan and Budget and is a key consideration in Council's Investment Decision Framework. Council's risk profile is reported to the Executive Leadership Team on a monthly basis and Council's Audit Risk and Improvement Committee on a quarterly basis.

Business Continuity

With the continuing impacts of COVID-19 and natural disasters, business continuity was again front of mind for Council during 2021/22 and council continued its commitment to managing disruption related risk and implementing business continuity management practices within the business. Through Council's Business

OUR COUNCIL 02

Continuity Policy and Business Continuity Plan, Council aims to:

Maintain the integrity and continuity for functions and services provided by the Council;

Safeguard the Council's assets, including people, property and financial resources;

Ensure the uninterrupted availability of resources so that Council can continue to perform the Critical Business Functions/Services that support its critical objectives;

Ensure that Council can appropriately deal with business disruption events;

Demonstrate responsible Business Continuity Management processes that align with applicable Australian Standards, accepted best practice standards and methods; and

Ensure the accurate and timely provision of information to Councillors, our people, the community, stakeholders and other relevant levels of Government during a business disruption event.

Complaints Management

Each year Council has thousands of interactions with the community and during 2021/22 our Customer Solutions Team managed in excess of 123,667 incoming customer interactions. Customers that are dissatisfied with an act, inaction or decision of Council, can access Council's Complaints Management Process. Council receives various complaints including administrative action complaints, statutory reviews, complaints regarding the conduct of an employee, public interest disclosures, human rights complaints, petitions, competitive neutrality complaints and complaints regarding the CEO and Councillors and each complaint is managed in accordance with the Complaints Management Process.

Administrative Action Complaints

An Administrative Action Complaint (AAC) is defined in the *Local Government Act 2009* as a complaint that is about an administrative action of a local government and is made by an "Affected Person", that is, a person who is apparently directly affected by an





administrative action of a local government or as defined in s43 of the Act with respect to competitive neutrality.

AACs are managed in accordance with Council's Complaint Management Policy. Council views the complaints handling process as a valuable tool to identify avenues for continuous improvement and is committed to dealing with AACs in a fair and transparent manner.

In accordance with Council's Complaints Management Policy and procedures, when received an AAC is recorded in Council's Complaint Management System and assigned a Case Manager. The Case Manager will work with the relevant subject matter expert to determine an appropriate outcome and response. Where a customer is unsatisfied with an AAC outcome, the AAC will be referred to a Complaint Review Panel and ultimately can be escalated to the Queensland Ombudsman.

From the thousands of customer interactions during 2021/22, Council received 218 AACs and resolved 206 AACs. At 30 June 2022, Council had 24 unresolved AACs each of which were

received during 2021/22. Council was able to resolve 87.6 per cent of AACs received during 2021/22 with an average of 40 days to completion (range of 0 – 230 days for completion).

Human Rights Complaints

Human Rights Complaints (HRC) are complaints that refer to an act or decision made in a way that is not compatible with human rights or when making a decision, Council fails to give proper consideration to the human right relevant to the decision. Council did not receive any HRCs during 2021/22.

Competitive Neutrality Complaints

Competitive Neutrality refers to the process of identifying and, where appropriate removing any advantages (and disadvantages) that may accrue to a local government business by virtue of its Local Government ownership so that the business competes on the same basis as its competitors.

No Competitive Neutrality Complaints were received in 2021/22.



OUR COUNCIL 02

SMART ASSET MANAGEMENT

Council provides a variety of services to our community over a large area (10,489km²). Many of our services are provided through infrastructure assets such as roads, water, sewerage, parks, buildings, waste and land. The total replacement cost of Council's infrastructure assets is valued at \$3.5B.

ASSET VALUATIONS

Council is required to undertake asset valuation activities on a regular basis as per Australian Accounting Standards and Local Government Regulations. An annual assessment is undertaken either by desktop (high level assessment) or comprehensively (detailed assessment).

In 2021/22, Council reviewed all infrastructure asset classes via desktop method and sought independent third-party Shepherd Services Pty Ltd to support the roads, drainage, transport and infrastructure (RDTI) class.

Refer to financial statements for further information.

FUTURE COMMITMENT

Council is committed to continuing smart asset management. In our Corporate Plan, one of the five goals is Delivering Value. An intended outcome is to ensure asset management is smart, effective and efficient.

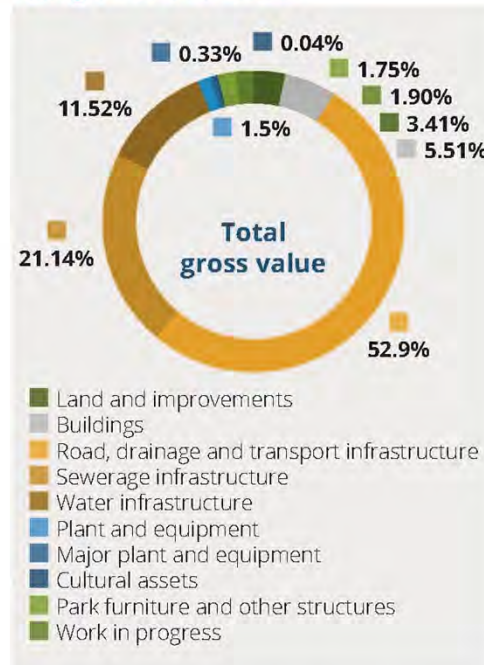
IMPROVED ASSET MANAGEMENT ACTIVITIES

Strategic Asset Performance (SAP) has continued working to ensure that Council can continue to provide essential services to our community, now and into the future. Understanding the capacity, quality and need for infrastructure in the region allows Council to make informed decisions and projections about the future of our assets.

The Asset Management Steering Group was established to provide direction and make recommendations to the Executive Leadership Team and Council on matters at the strategic asset and service management level.

The Capital Portfolio Working Group was formed with the purpose to provide a collaborative forum for the continual review and management of the Capital Portfolio (all capital projects identified for delivery over a rolling three-year period) and to inform the annual capital budget.

Total gross value of assets



Activities undertaken this year include:

- Asset Planning**
 - Completed the Gladstone Region Cemetery Plan which sets the vision and high-level strategy for the operation and management of cemeteries in the region to ensure Council provides a fundamental service to the community in a sustainable, efficient and affordable manner to meet demand across the region.
 - SCADA System Architecture and User Interface Access Review was completed to assess the current state of performance of the SCADA network and recommend cost effective solutions to ensure reliability and cyber security. The final report is completed and pending approval.
- Asset Performance and Monitoring**
 - Council's 10-year replacement program for park playground equipment has been completed.



- Development of a disaster management recovery process has been completed and approved by Executive Leadership Team.
- There are 19 Level 2 inspections for water and sewer pipelines and support structures completed. Following the review of these reports, this information will support future work developing maintenance and capital programs.
- Level 3 inspections and load assessments for bridges and culverts on major heavy vehicle routes were completed as well as completion of 95 Level 2 bridges and culverts inspections with final reports received. Following the review of these reports, this information will support future work developing maintenance and capital programs.
- Asset criticality assessment for water treatment plants, wastewater treatment plants, water reservoirs and sewerage pump stations, with a target completion date of December 2022.
- The final report for the completion of condition assessments and maintenance schedules for the high voltage system on Curtis Island has been received.
- The Drinking Water Quality Management Plan has received approval from the Department of Regional Development, Manufacturing and Water.
- The first phase of condition assessment of 15 sewage pump station was completed.



3 OUR PERFORMANCE OUTCOMES

This section details Council's performance in delivering the 2021/22 Operational Plan. This is the first annual Operational Plan outworked from Council's 2021-26 Corporate Plan and details the initiatives and core services to deliver to meet our goals and our vision to Connect. Innovate. Diversify.

1. Connecting Communities

2. Delivering Value

3. Resilient Economy

4. Our People

5. Accountable Council



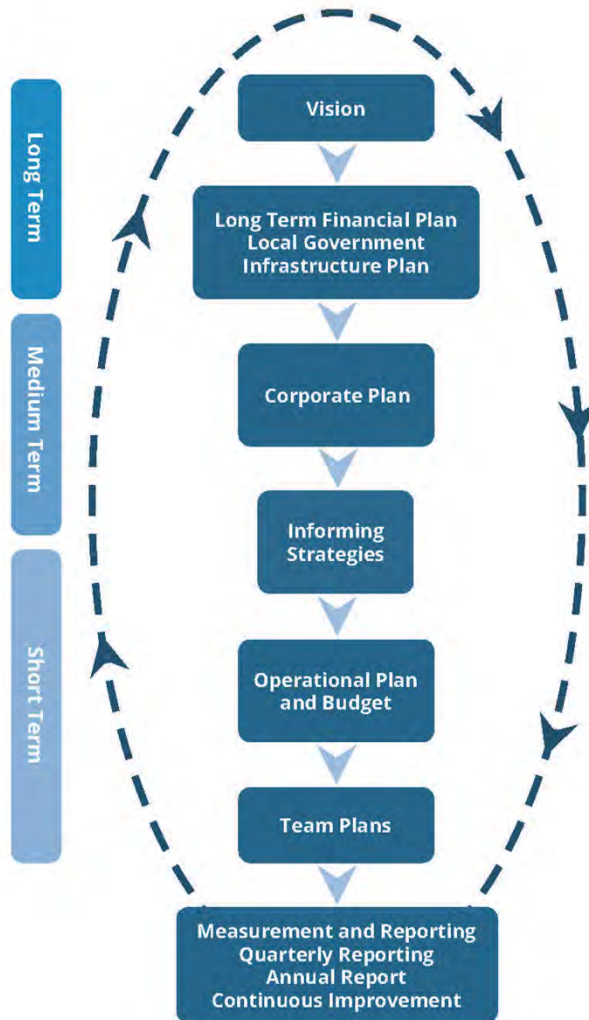
OUR PERFORMANCE OUTCOMES

Strategic Planning Framework

Our Strategic Planning Framework presents a systematic and continuous process for supporting Council's strategic direction. It plays an important part in delivering transparent and effective corporate governance and ensures that strategies and financial resources are aligned to achieve Council's corporate vision to **'Connect. Innovate. Diversify.'**

This vision is the element that guides all the work we do. The framework also includes long, medium and short-term plans which set direction for what we do and what we aim to achieve.

The below illustration demonstrates how our five-year Corporate Plan and annual Operational Plan align to the vision and other key strategic planning documents. Each year, we strive to complete initiatives within our annual Operational Plan to progress our Corporate Plan and vision.





Our Overall Performance

Our vision is woven throughout our goals and commitments to create a strong fabric of community connection, an organisation whose culture is proudly defined by innovation and a region that celebrates the diversification of opportunities and lifestyle.

Demonstrated Performance

Council has committed to delivering our vision in our 2021-26 Corporate Plan. This includes five goals that filter through to our annual Operational Plan.

This year, our Operational Plan was led with the theme of ‘Collective Delivery’.

Progress made over the year in delivering our initiatives supports us to progress our goals and moves us forward to deliver more for our

community. The pressure of low team and resource availability, as a result of COVID-19 and industry-wide high turnover rates, presented challenges in delivering this year’s Operational Plan.

Our progress in achieving the commitments made in the 2021/22 Operational Plan is detailed on the following pages. Outcomes are broken down by each goal from our Corporate Plan, with our achievement status highlighted as below:

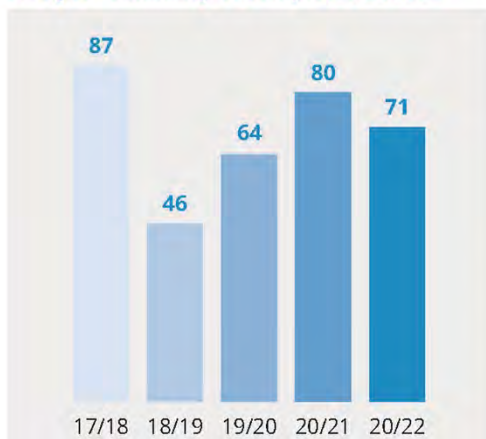
● **Complete** – Indicates that the initiative has been 100 per cent delivered

● **Incomplete** – Indicated that the initiative has not been 100 per cent delivered

Initiatives not delivered in 21/22 will continue in the 22/23 period until completed.



Five year summary of completed actions



INITIATIVE	Progress	Status
1. Community Profiling	60%	●
2. Residential Water Security	100%	●
3. Website Security	100%	●
4. Trade Waste Management Plan	100%	●
5. BackflowID App and Tag System	70%	●
6. Works Delivery	100%	●
7. Waste Management and Resource Recovery Business Case	80%	●
8. Lessee Service Model	100%	●
9. Hydrogen Ecosystem	100%	●
10. Transport Strategy	100%	●
11. Transition Economy	95%	●
12. Performance Plans	100%	●
13. Leadership Capability Framework	100%	●
14. Injury Risk Mitigations	100%	●

Reporting on our progress toward implementing our five-year Corporate Plan and annual Operational Plan fulfils our responsibilities under Section 190 of the *Local Government Regulation 2012*, while providing a transparent view of how we are delivering for our community.



CONNECTING COMMUNITIES

We work with you and for you, supporting the success of our communities.



SCORECARD OVERVIEW

1/2
INITIATIVES
ACHIEVED

Our 2021-26 Corporate Plan includes two outcomes that progress our goal of connecting communities.

1.1 Communities are well understood with programs and services designed to strengthen our region.

1.2 Communities can influence and actively participate in Council decision-making.

GOAL 1 CONNECTING COMMUNITIES

COMMUNITY PROFILING

Develop community snapshots to strengthen the way we deliver our services.



2021/22 INITIATIVES PROGRESS

Initiative	Progress	Status
Community Profiling	<p>Community snapshots are being developed in the form of profiles, capturing information about key geographical areas to help inform Council decision-making. Community profiles are being developed for the following suburbs: Boyne Island Tannum Sands, Gladstone, Agnes Water and Seventeen Seventy.</p> <p>Council data on community sentiment, Customer Service Requests (CSRs) and rate arrears has been collected, collated and analysed. This is in addition to over 20 data sets from the 2011 Census and 2016 Census sourced from the Australian Bureau of Statistics (ABS), along with new data from the 2021 Census. Community Profile documents have been drafted, with the above-noted information to be included once finalised.</p> <p>In June 2022, the ABS released the first round of 2021 Census data. At this time, it was agreed to delay the completion of this initiative to allow time to capture, collate and analyse this new data. It is expected that this new data, will strengthen the community profiles and provide a richer picture of trends for our communities over the most recent 10-year period. This initiative is expected to be completed by 31 December 2022.</p>	60% Achieved

GOAL 1 CONNECTING COMMUNITIES

**RESIDENTIAL
WATER SECURITY**

Investigate an alternate water source for Miriam Vale and Bororen to ensure effective water security.



2021/22 INITIATIVES PROGRESS

Initiative	Progress	Status
<p>Residential Water Security</p>	<p>Council has explored the security of water sources for our Bororen and Miriam Vale communities to ensure we make the right investments in the future to protect the water security of vulnerable communities within our region</p> <p>It was found that Bororen has a sufficient water supply from the existing source now and for the foreseeable future (up to 80 years based on projections). To ensure the community's water security remains protected, Council plans to implement controls that would trigger investigations should there be any early signs of risk to the water supply.</p> <p>It was found that Miriam Vale does not have a sufficient water supply from the existing source and so, alternative sources were investigated. Using rigorous analysis, four preferred water source options have been identified that offer sustainable solutions for Miriam Vale's water security. These options will be further explored in the next phase of this project.</p>	<p>100% Achieved</p>



In 2021/22, Council delivered a range of services in pursuit of Connecting Communities:

- Brand and Communications
- Community Events
- Community Facility Management
- Engagement and Partnerships
- Gladstone Entertainment Convention Centre (GECC)
- Gladstone Regional Art Gallery & Museum (GRAGM)
- Regional Libraries
- Tondoon Botanic Gardens.

Strong Steps Workshops

In 2022, Council’s Engagement and Partnership team launched the Strong Steps workshop series designed to strengthen the skills and knowledge of individuals and local organisations.

The workshops offered community members a range of opportunities such as capacity building, relationship development, reconciliation and positive health outcomes.

Many of these workshops featured expert speakers sharing their knowledge including speakers from the Department of Tourism, Innovation and Sports, Jedar Institute and Gladstone MindCare.

Litter Prevention in our Region’s Schools

Ten Gladstone Region schools made leaps and bounds in litter prevention with the conclusion of Council’s Litter Education and Awareness Project (LEAP).

In 2021, Council installed 28 heavy-duty litter capture devices in storm drains within and surrounding the schools which collected a staggering 12,315 pieces of human-generated debris.

Joined by program collaborators Cleanwater Group and Tangaroa Blue, Council led sorting sessions at each school so students could learn first-hand what kinds of waste would normally wash down the drain and into our region’s waterways.

Data collected through the program will support ongoing litter monitoring and reduction programs as well as bring uploaded to the Australia Marine Debris Database to assist with research.





Operational and Core Service Performance Outcomes 03



Delivering Value



DELIVERING VALUE

We work efficiently to deliver value for rates.



SCORECARD OVERVIEW

4/6
INITIATIVES
ACHIEVED

Our 2021-26 Corporate Plan includes four outcomes that progress our goal of delivering value.

- 2.1 Asset Management is smart, effective and efficient.
- 2.2 Capital and maintenance programs are consistently delivered.
- 2.3 We are easier to work with.
- 2.4 The way we do business is continuously improving.

GOAL 2 DELIVERING VALUE

WEBSITE SECURITY

Improve the cyber security of Council's multiple websites by migrating them into a single platform to ensure our customer's data remains secure.



2021/22 INITIATIVES PROGRESS

Initiative	Progress	Status
Website Security	<p>The Gladstone Entertainment Convention Centre (GECC) website has been redeveloped and is now hosted by the same provider as Council's main website. Delivered on time and on budget, this change improves cyber security of Council's multiple websites by migrating them into Council's existing website platform (Jadu).</p> <p>Delivery of this initiative was a collective effort of members from our Information, Communications and Technology (ICT), Governance, and Brand and Communications teams, together with our digital contractors from Local Government Association Queensland (LGAQ).</p> <p>The new GECC website was launched in June 2022 for our community to access www.gladstoneentertainment.com</p> <p>Customers visiting the new GECC website can expect an improved experience in finding information and making bookings, while having improved data security and enhanced accessibility.</p>	100% Achieved

GOAL 2 DELIVERING VALUE

TRADE WASTE MANAGEMENT PLAN

Review the Trade Waste Management Plan and implement enhanced permit and monitoring of the discharge of waste to improve protection of our region against environmental pollution.



2021/22 INITIATIVES PROGRESS

Initiative	Progress	Status
Trade Waste Management Plan	<p>Our new Trade Waste Management Plan was developed this year to support Council in protecting our environment against pollution and enhance how we permit and monitor the discharge of trade waste. Consultation with key stakeholders, support from a Trade Waste Management expert and benchmarking standards against other similar Councils has enabled Council to develop a meaningful plan that meets the needs of our business, community and external regulators.</p> <p>Improved processes developed as part of this initiative mean that some categories of customers will now also find a reduced administrative burden in dealing with Council and our people will have better experiences managing trade waste processes.</p> <p>Our people will continue to work with impacted customers through the annual renewal process as we implement the new plan.</p>	100% Achieved

GOAL 2 DELIVERING VALUE

BACKFLOWID APP AND TAG SYSTEM

Implement a solution for improving Water Network compliance so that we keep our drinking water safe.



2021/22 INITIATIVES PROGRESS

Initiative	Progress	Status
<p>BackflowID App and Tag System</p>	<p>In early 2022, the project team identified integration issues between our current system and the new BackflowID App and Tag System, these issues compounded by staff turnover have delayed completion of this initiative. Expected extended completion is by 31 December 2022.</p> <p>Despite these challenges, the project team successfully delivered several milestones over the year and implemented efficiencies and refined processes including:</p> <ul style="list-style-type: none"> • Undertook process mapping to identify bottlenecks in the existing processes • Reviewed licence lodgement triggers to capture device details within Council's system • Updated Council's website with new and improved information on backflow prevention for our community • Reviewed and refined data from our existing system • Undertook data mapping to identify and support the integration of relevant data from Backflow Tags to Council's record keeping system, Pathway, using ION software. • Set up the integration between Pathway and ION • Provided tags and training for internal Council devices for Council's plumbing staff • Engaged with local businesses and plumbing contractors to keep them informed about pending changes. <p>These achievements are expected to support a seamless implementation of the new processes for our people and our community.</p> <p>Once completed, testable backflow prevention devices within the Gladstone Region will have interactive Backflow Tags which simplifies registering and testing requirements, automating parts of these once manual and time consuming tasks. Having efficient and reliable data ensures registering, maintaining and testing is carried out as needed to ensure water safety and compliance with legislative requirements.</p> <p>Providing uncontaminated safe potable (drinking) water for our community is of the utmost importance to Council and this initiative has, and will continue to, support preventing the reverse flow of wastewater from a potentially polluted source into our region's potable water supply.</p>	<p>70% Achieved</p>

GOAL 2 DELIVERING VALUE

WORKS DELIVERY

Enable our front-line teams to deliver achievable and affordable works programs to meet our community needs.



2021/22 INITIATIVES PROGRESS

Initiative	Progress	Status
Works Delivery	<p>Works Delivery is a multi-year initiative to improve Council's asset maintenance. The Works Delivery initiative has facilitated three key projects in 2021/22:</p> <ul style="list-style-type: none"> • Applying Council's Investment Decision Framework, a review of our proposed 2022/23 capital works projects was completed as part of the Internal Project Plan (IPP) project • We developed Asset Data Standards as the foundation for improving the asset information in our Asset Register • Working across all teams delivering maintenance, we have documented how we currently do things to better understand the opportunities to align processes with our Maintenance Management Framework. The Asset Maintenance project also supported delivery of several improvements to make it easier for our front-line staff to do their work. <p>The initiative has also developed a multi-year plan to define future improvement activities, with the focus for 2022/23 being:</p> <ol style="list-style-type: none"> 1. We use the right information at the right time to effectively prioritise, plan and deliver our maintenance works. 2. We can easily access what we need to get the work done. 3. We consistently deliver affordable and effective maintenance works program. 4. We know exactly how much our maintenance work costs. <p>This initiative progresses Goal 2 of the Corporate Plan.</p>	100% Achieved

GOAL 2 DELIVERING VALUE

WASTE MANAGEMENT AND RESOURCE RECOVERY BUSINESS CASE

Develop a Waste Management and Resource Recovery business case and implementation plan to improve and inform our approach to the recovery and reuse of recyclable, food and garden organic materials within the region.



2021/22 INITIATIVES PROGRESS

Initiative	Progress	Status
<p>Waste Management and Resource Recovery Business Case</p>	<p>Over the past 12 months, this initiative identified viable options available regarding food organics and green organics (FOGO) collection and disposal, recycling services and delivery of waste education.</p> <p>Through the 'Don't Waste our Waste' community engagements we worked to understand how our local communities are disposing of their waste and sought guidance in developing an approach to the recovery and reuse of recyclable, food and garden organic materials.</p> <p>In response to the rapidly evolving waste industry, in early 2022 the initiative reviewed the approach to the work being undertaken to ensure we remained on track to deliver value for our community. This critical review delayed the second round of community engagement and, therefore, meeting of the 30 June deadline. Although the team worked to get the initiative back on track, it was agreed that comprehensive engagement and consultation with the community could not be compromised. This initiative remains in progress and is now expected to be complete by 30 September 2022.</p>	<p>80% Achieved</p>

GOAL 2 DELIVERING VALUE

LESSEE SERVICE MODEL

Provide easy access to services our lessees need to effectively manage their facilities.



2021/22 INITIATIVES PROGRESS

Initiative	Progress	Status
<p>Lessee Service Model</p>	<p>We have made it easier for community organisations to understand their lease obligations and liaise with Council with improvements to our website and internal process.</p> <p>Our community can now access information about new leases (eligibility, how to obtain a lease) as well as information for current lessees (obtaining, maintaining, renewing, or terminating a lease) on our website anytime www.gladstone.qld.gov.au/community-leasing</p> <p>Improved processes mean that more enquiries can be resolved at first point, resulting in a better experience for our community and creating efficiencies for our teams.</p>	<p>100% Achieved</p>



In 2021/22, Council delivered a range of services focused on Delivering Value:

- Asset Designs
- Asset Governance
- Asset Performance and Monitoring
- Asset Planning
- Business Improvement
- Cemeteries and Crematorium
- Engineering Asset Solutions
- Information, Communication and Technology
- Parks Program
- Quarries
- Roads Program
- Stores, Facilities and Fleet Management
- Strategic Business Planning
- Transformation
- Waste and Resource Management
- Waste Water Program
- Water Program
- Works Planning and Scheduling.

Development fact sheets

Council receives a high volume of calls regarding development-related questions from residents who are looking to make home improvements.

A series of development fact sheets were implemented to minimise calls by providing residents with easy-to-find and easy-to-follow guides.

These fact sheets were produced to assist residents when navigating their way around Gladstone Regional Council's compliance policies and help guide you through renovating and upgrading your home and property.

They also help residents to get started on home improvements, additions, extensions or renovations and a step-by-step guide and make sure your project is compliant with building, plumbing and development regulations.

Animal inspection yearly program

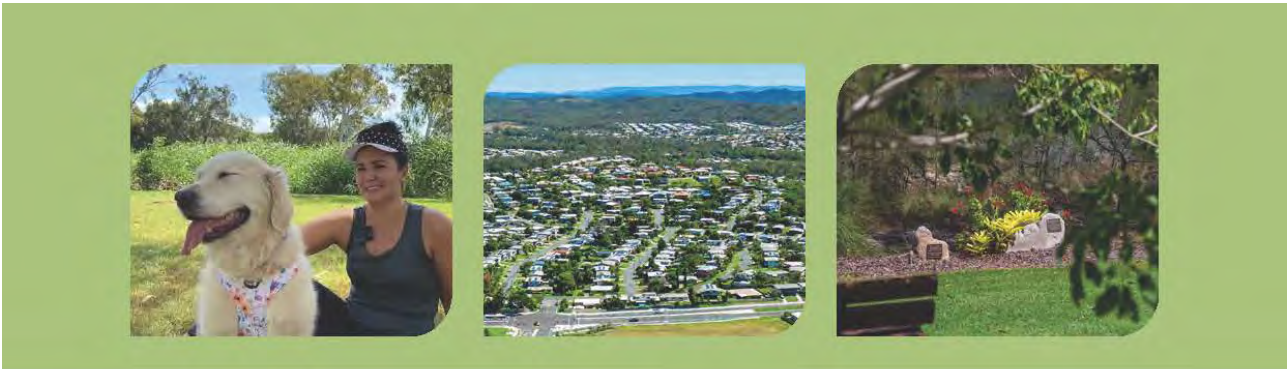
The 2021/22 Animal Inspection Program was run by Council's Local Laws team from February to July.

The program identified premises of owners that had registered animals but had not made registration renewals in the current year.

Our continued priority was to inform and educate people to be responsible for their pets however enforcement actions, such as the inspection program, are necessary to ensure owners are meeting their obligations.

Of the 14,328 dogs and cats registered with Council approximately 97 per cent were microchipped.





Operational and Core Service Performance Outcomes 03



RESILIENT ECONOMY

We play our part in supporting the success of our region.



SCORECARD OVERVIEW

2/3
INITIATIVES
ACHIEVED

Our 2021-26 Corporate Plan includes two outcomes that progress our goal of resilient economy.

3.1 Support for the region's transition and role as a driver of economic growth.

3.2 Increased liveability and visitation to the region.

GOAL 3 RESILIENT ECONOMY

HYDROGEN ECOSYSTEM

Support the Front-End Engineering Design (FEED) for the Gladstone Region hydrogen ecosystem to contribute to the development of a world-class hydrogen production and export hub.



2021/22 INITIATIVES PROGRESS

Initiative	Progress	Status
Hydrogen Ecosystem	<p>This initiative has been completed on time and on budget, setting up the Gladstone Region as a world-class hydrogen production and export hub. Initially, the key deliverable for this initiative was to support the development of a Front-End Engineering Design (FEED). However, midway through the financial year, the initiative had to adjust as the emerging industry sector evolved, resulting in supporting the development of a master plan as the key deliverable.</p> <p>To progress this initiative, Council partnered with, and has been an active member in, the Central Queensland Hydrogen (CQH2) Alliance and CQH2 Technology Cluster, supporting the development of a Hydrogen Ecosystem in the Gladstone Region. Over the past 12 months, the initiative has secured funding to establish Gladstone as a national hydrogen hub as part of the Federal Government's \$140M Hydrogen Hub Funding. Looking forward, Council is expected to be an in-kind funding partner through the provision of enabling infrastructure (roads, common user infrastructure) valued at \$3.5M.</p> <p>Alliance funding partners have supported formalising agreements with the Federal Government, with activation of the program expected in early 2023. Comprehensive community and stakeholder engagement have been undertaken throughout the year, with ongoing work planned for memorandum of understanding (MOU) partners and CQH2 Alliance to continue developing the scope for an ecosystem master plan. The CQH2 Technology Cluster and the CQH2 Alliance will continue to develop supporting materials to better promote and position the hydrogen ecosystem.</p> <p>This is a long-term initiative, with the development of a hydrogen ecosystem in the Gladstone Region continuing beyond the end of this reporting period. The Gladstone Region and Council continue to be recognised as leaders in the development of the regional hydrogen ecosystem.</p>	<p>100% Achieved</p>

GOAL 3 RESILIENT ECONOMY

TRANSITION ECONOMY

Develop a regional transition plan to secure a more diversified economy.



2021/22 INITIATIVES PROGRESS

Initiative	Progress	Status
<p>Transition Economy</p>	<p>The development of the Gladstone Region Transition Economy Plan to strengthen and secure a more diversified economy remains in progress. Early in the year, Council successfully sourced 50 per cent funding to develop the Transition Plan from the Federal Government’s Building Better Regions Funding Program. As part of the funding agreement, work on the project could not begin until November 2021. As a result, it was forecast that the initiative would be completed by 31 October 2022, which is now the newly endorsed completion date.</p> <p>In partnership with The Next Economy (TNE), significant consultation and engagement with the community, key stakeholders and industry groups via workshops, forums and surveys have occurred. Outcomes from these engagements have informed and guided the development of a draft roadmap and will continue to support the region as it navigates changes in the energy sector.</p> <p>This initiative has enabled Council to progress Objective 3.1.1 of our Corporate Plan by supporting a diverse economy of existing and emerging industries, that includes advanced manufacturing and a low-carbon industrial hub.</p> <p>Looking forward, TNE will continue to finalise the draft roadmap and the final version will be presented to a Council General Meeting later in 2022 for adoption. Plans are in place for ongoing work to ensure the Gladstone Region continues to engage local communities and proactively plan for the transition to a less carbon-intensive industry base and the new industrial economy.</p>	<p>90% Achieved</p>

GOAL 3 RESILIENT ECONOMY

TRANSPORT STRATEGY

Deliver a strategy for our Regional Road Network (including freight, active transport and safety) to ensure strategic network development and consistent and effective asset lifecycle planning.



2021/22 INITIATIVES PROGRESS

Initiative	Progress	Status
<p>Transport Strategy</p>	<p>This initiative has been completed on time and on budget, with the Gladstone Regional Council Transport Strategy being endorsed by Council at the Council Meeting on 28 June 2022. The Transport Strategy identifies and sets the goals, roles and objectives for Council as the local road authority to support the region's community, resilience, economic and safety needs. Endorsement of the strategy is vital to the future of our regional road network.</p> <p>Comprehensive stakeholder engagement was undertaken to ensure the needs of our communities and stakeholders, including local industries and road authorities, were thoroughly considered and accounted for.</p> <p>The Transport Strategy will support our region's growth and productivity, outlining a series of short-term, and medium to long-term actions to prioritise and manage the region's road network. The delivery of this initiative supports Council in progressing Objective 3.1.2 of our Corporate Plan, to encourage investment in, and delivery of, infrastructure and catalyst project opportunities including transport and logistics.</p>	<p>100% Achieved</p>



In 2021/22, Council delivered a range of services focused on a Resilient Economy:

- Economic Development
- Gladstone Entertainment Convention Centre
- Strategic Grants
- Strategic Projects.

Boyne Burnett Inland Rail Trail (BBIRT)

The Boyne Burnett Inland Rail Trail (BBIRT) is a unique recreational and visitor economic opportunity spanning across two regional council areas, Gladstone Regional Council and North Burnett Regional Council. Once complete, the combined trails will be the longest rail trail in Australia at 270 kilometres.

After securing 100 per cent funding through the Queensland Department of Transport and Main Roads' Rail Trail Local Government Grants Program, Council engaged consultancy group JFP to prepare concept designs for three distinct sections of the rail corridor located between the hinterland townships of Calliope and Gayndah, known as:

- Awoonga Lake Rail Trail
- Kalpowar Tunnels Rail Trail; and
- Burnett River Bridges Rail Trail.

On 15 March 2022, Council at its General Meeting received the Concept Design Report for the BBIRT and handed over the designs to the key stakeholders to continue the development of the trail, including Boyne Burnett Inland Rail Trail Incorporated (BBIRT Inc.), the Gladstone Area Water Board (GAWB) and North Burnett Regional Council (NBRC).

The delivery of concept designs to key stakeholders will assist them in delivering improvements included within the designs and provide a key reference document for ongoing funding applications.

Council will continue to promote the BBIRT as it is proud to support this community-led initiative.

In September 2021, BBIRT Inc. officially opened the first section of the trail, the Kalpowar Tunnels Rail Trail which runs from Golembil to Barrimoon and includes six heritage tunnels located in the Dawes Ranges.





Operational and Core Service Performance Outcomes 03



OUR PEOPLE

We look after our people,
so they look after you.



SCORECARD OVERVIEW



Our 2021-26 Corporate Plan includes two outcomes that progress our goals of our people.

- 4.1 Our people return home safely.
- 4.2 Our people are proud to work for Council.

GOAL 4 OUR PEOPLE

PERFORMANCE PLANS

Enhance performance and development plans so that there is a clearer understanding of how individuals and teams contribute to the delivery of services.



2021/22 INITIATIVES PROGRESS

Initiative	Progress	Status
<p>Performance Plans</p>	<p>This initiative was completed on time and on budget, with the finalisation of Performance and Development Plans for Executive and Management. Tools and resources developed as part of this initiative have been implemented to enable a clearer understanding of how our people and teams contribute to the delivery of services. While performance plans are expected to support our leaders, outcomes from these plans will also be reviewed to support identification of training opportunities for the business as a whole.</p> <p>A continuous cycle for performance reviews will be implemented in 2022/23 to ensure this work continues as a part of normal operations and provides ongoing value for our people. Delivery of this initiative and its ongoing actions progress Objective 4.2.3 of our Corporate Plan, to ensure our leaders have clarity on their roles and are supported to successfully deliver on those expectations to ensure the ongoing quality and reliable delivery of services to our community.</p>	<p>100% Achieved</p>

GOAL 4 OUR PEOPLE

LEADERSHIP CAPABILITY FRAMEWORK

Implement the newly developed leadership capability framework so that our leaders are better equipped with the skills they need to support our people and perform their roles effectively.



2021/22 INITIATIVES PROGRESS

Initiative	Progress	Status
<p>Leadership Capability Framework</p>	<p>This initiative has been completed on time and on budget, with the release of the tested and tried Leadership Capability Framework (LCF) to business leaders. The LCF provides a common language of what a strong leader looks like at Council and enables leaders to perform their roles effectively through five defined competencies. The LCF also supports Council's intentions for a constructive culture, and it is expected to set our people up for success at an individual and organisation level. Completion of this initiative progresses Objective 4.2.2 of our Corporate Plan which commits to building leadership capability to define competencies and development pathways.</p> <p>Early stages of the initiative included internal engagement with impacted leaders, testing, re-shaping and embedding of the framework. Documenting the framework and creating resources and training materials was a greater focus toward the end of the project. The framework was introduced to business leaders in April and May 2022, with training made available to Manager, Specialist, Team Leader and Business Partner roles in June 2022. This training was delivered in three modules; Leading Conversations, Emotional Intelligence and Resilience. Positive feedback from leaders was received following the training, which will be regularly offered for all employees moving forward.</p> <p>In 2022/23, the LCF will continue to be embedded across the business, as well as into recruitment practices, performance and development conversations and career pathways. The framework enables leaders to support our people, so we are able to effectively deliver our core services and value to the community.</p>	<p>100% Achieved</p>

GOAL 4 OUR PEOPLE

INJURY RISK MITIGATIONS

Develop agreed mitigation controls for the main causes of injury to our people so that we continue to have a safe, secure and well managed workplace.



2021/22 INITIATIVES PROGRESS

Initiative	Progress	Status
Injury Risk Mitigations	<p>This initiative has been completed on time and on budget, with agreed mitigation controls for the main causes of injury to our people being developed and agreed upon. Early stages of the initiative focused on understanding the main causes of injury through data analysis and identifying and prioritising teams that undertake high-risk activities. Following comprehensive engagement with our people, through 12 workshops, numerous opportunities were identified to mitigate safety hazards. By 30 June 2022, all identified health, safety and wellbeing actions had been tasked into our safety system, Beakon, for tracking.</p> <p>Some actions will require capital expenditure and resourcing and a plan has been put in place to ensure that work continues. This initiative supports improvement of Council's safety management system and visible leadership to ensure risks and efficiencies in day to day operations are identified and actioned providing a safer workplace for employees so they return home safely, whilst continuing to provide valuable services to our community, progressing Objective 4.1.1 of our Corporate Plan.</p>	100% Achieved



In 2021/22, Council delivered a range of services focused on Our People:

- Culture and Capability
- Health and Safety
- Payroll Services
- People Services
- Recruitment, Remuneration and Benefits
- Rehabilitation Health and Wellbeing.

Apprentices and trainees hit the ground running

Council welcomed 24 apprentices and trainees for their 2022 intake at an induction ceremony held at the Boyne Tannum Community Centre. The eager recruits filled a variety of roles across several business units at locations across the Gladstone Region. The People Services and Culture and Capability Teams took a new approach this year by strategically aligning the recruitment period with other key businesses and industries in our region, allowing us to reach a more competitive pool of applicants.





Accountable Council

ACCOUNTABLE COUNCIL

We are providing good stewardship built on a foundation of trust.



SCORECARD OVERVIEW

**NO INITIATIVES
WERE ASSIGNED
TO THIS GOAL IN
2021/22**

- 5.1 Council has embedded risk management, transparency and accountability into what we do.
- 5.2 Finances are managed to ensure sustainability.
- 5.3 The environment is front of mind in what we do.

GOAL 5 ACCOUNTABLE COUNCIL

2021/22 INITIATIVES PROGRESS

No initiatives were assigned to this goal in 2021/22. Council has continued to work towards delivering on this goal through core services in the 2021/22 year and in future Operational Plans outworked from the 2021-26 Corporate Plan.





In 2021/22, Council delivered a range of services in pursuit of being an Accountable Council:

- Biosecurity and Environmental Health
- Contracts and Procurement
- Environment and Conservation
- Ethics, Integrity and Audit
- Financial Operations
- Governance
- Legal Services
- Revenue Services
- Systems Modelling and Metrics.

Updating our insourcing process

As part of ongoing improvements to Council’s procurement process, this year saw the Contracts and Procurement team implement an Insourcing Questionnaire to make it easier for our people to know their responsibilities when it comes to sourcing an engaging labour.

The new mandatory step captured critical data regarding why we were or were not insourcing work to ensure our employees were being fully utilised, helped the team understand the pain points across the business and recognise further opportunities for improvements.

As a result, we can now access improved accuracy in data, better record-keeping practices, improved collaboration, improved insight into how our teams are working and identify further opportunities to improve how we source work.

Council adopts External Grants Policy

Council adopted a new External Grants Policy on 1 February 2022 to provide the organisation with guidance on the criteria and decision making applied when applying for external grant funding.

This policy, which Council did not previously have in place, also provides transparency for our community so they can understand how Council is prioritising its application effects to provide the best opportunity to achieve its corporate goals.

A supporting corporate standard will follow which will provide the administrative guidance needed to give the external grants policy effect.

Animal Inspection Program

Council ran a successful 2022 Animal Inspection Program, utilising Council’s water meter readers to undertake inspections across the region. With this initiative, Council was able to streamline the process and enlist officers to focus on the program without impacting community services and completion of requests.

As a result of the program, more animals within the Gladstone Region were registered, both new and existing animals, which effectively reduced the number of animals being impounded. By being a responsible pet owner and having your animal registered, Council is able to reunite and return pets home safe and sound.



4 STATUTORY REPORTING

This section details the annual statutory reporting requirements that have not already been included elsewhere in the Annual Report.

It includes information about how we respond to complaints and requests for information, details our investment into our community, and discloses key information about our business operations.



GOVERNANCE AND DISCLOSURES 04

GOVERNANCE

RIGHT TO INFORMATION/INFORMATION PRIVACY

Council is committed to providing the community with open and transparent access to information about Council services, activities and business operations.

In 2021/22 Council received the following requests for information under the *Right to Information Act 2009* (RTI Act) and the *Information Privacy Act 2009* (IP Act):

Table: 2021/22 Requests for Information

APPLICATION TYPE	RECEIVED	WITHDRAWN	FINALISED
Access under the <i>RTI Act</i>	5	4	4
Access under the <i>IP Act</i>	1	0	1

Council works closely with the Office of the Information Commissioner Queensland and adheres to all statutory timeframes with respect to the above applications.

EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS

Section 189 of the *Local Government Regulation 2012* requires Council to provide a summary of the expenditure on grants to community organisations and expenditure from Council's discretionary funds.

COUNCILLORS DISCRETIONARY FUND - \$189

Discretionary funds are allocated for use by Councillors only in accordance with Council's Community Investment Policy. The Prescribed Amount for Gladstone Regional Council for the 2021/22 financial year was \$89,477 (equivalent to 0.1 per cent of Council's revenue from general rates for the previous financial year).

Council's discretionary fund budget for the 2021/22 financial year was \$100,000 for allocation by Mayor for other community purposes.

Table: 2021/22 Councillor's Discretionary Fund allocations

APPLICANT	PURPOSE OF FUNDING	MONTH	AMOUNT
Queensland Country Women's Association Gladstone Branch	Annual Conference	July	\$6,500
Koolyangarra Kindergarten	Umbrella Shade	July	\$500
Captain Creek Community Sport and Recreation Club	Community Engagements in line with clubs 10-year strategic plan	August	\$2,500
Gladstone Multicultural Association	2021 Gladstone Multicultural Festival	August	\$2,000
Agnes Water Triathlon Inc.	Purchase of AED for Annual Triathlon	August	\$500
Gotcha4Life	The Barefoot Dutchman	August	\$104
Cancer Council QLD	Ponytail Project	August	\$104
Central Queensland Hospital Foundation	Seed Funding	September	\$5,000
Not For Profit House HQ	Outside Broadcast	September	\$2,000
Gladstone Amateur Basketball	2021 Season Launch	October	\$5,000
Curtis Coast Trail Riders Club Inc.	Track Marking Shipping Container	November	\$4,144
Creative Gladstone Region Inc.	Increase Digital Capability	November	\$500
Quota Club of Gladstone	Easter Festival Week Competition	November	\$500



Tingira Australia Association	JRTS HMAS Cerberus 1963-65 Book Launch	December	\$200
Gladstone Thistle Band	Facility, uniforms, and instruments - Maintenance and enhancements	December	\$6,000
Gladstone PAWS Incorporated	Adoption line - funding of new phone	December	\$549
Central QLD Capras	Coaching & Development Program	February	\$5,000
Variety - The Childrens Charity of QLD	Variety Adventure 4X4 2022	February	\$500

DONATIONS

In 2021/22, a total of \$1,834,364 was donated to the community as outlined in the below table:

Table: 2021/22 Community donations

CATEGORY	AMOUNT
Surf Life Saving	\$385,184
Sporting Body Water Subsidies	\$651,885
Rural Fire Brigade	\$235,626
Port to Park Fun Run	\$10,888
Community Services Obligations	\$36,847
Capricorn Helicopter Rescue	\$25,000
Regional Arts Development Fund	\$167,949
Gladstone Harbour Festival	\$69,053
Turtle Tank Fund	\$60,000
Martin Hanson Awards	\$36,773
Gladstone Region Rise Up Funding	\$2,500
Animal Desexing Program & Pound Upgrade	\$25,000
Sister City Relationship/ Projects	\$10,634
Capras Rugby League Game Sponsorship	\$34,400
Skateboarding Festival	\$7,200
Slouch Hat Museum Gladstone Bowls Club	\$7,500
Yachtsman Longest Lunch Promotion	\$17,730
Mayor's Youth Breakfast and Youth Planning Summit	\$9,055
Other Donations & Sponsorships	\$41,140

COMMUNITY INVESTMENT

In 2021/22, a total of \$949,970 was granted to the community in accordance with Council's Community Investment Policy as outlined below:

COMMUNITY INVESTMENT PROGRAMS

Table: Community Investment Programs

CATEGORY	AMOUNT
Grassroots Fund	\$117,724
Elevator Fund	\$159,382
Community Hall Subsidy	\$45,308
Gladstone & District Sports Foundation Trust	\$6,000
Charity Waste Fund	\$14,558
Bursary and Scholarship Fund	\$24,680

GOVERNANCE AND DISCLOSURES 04

REGIONAL ENHANCEMENT FUND

Table: Regional Enhancement Fund

CATEGORY	AMOUNT
Sport & Active Recreation - Strategic Projects	\$49,792
Sport & Active Recreation - Community Projects	\$11,303

TOGETHER GLADSTONE FUND

Table: Together Gladstone Fund

CATEGORY	AMOUNT
Together Gladstone Initiatives	\$84,400

COMMUNITY CELEBRATION FUND

Table: Community Celebration Fund

CATEGORY	AMOUNT
Ignite Event - Funds up to \$10,000 (0-2,500 people)	\$103,433
Impact Event - Funds up to \$25,000 (2,500 - 5,000 people)	\$78,900
Destination Event - Funds up to \$50,000 (over 5,000 people)	\$134,784
Signature Event	\$108,181
Community Event	\$11,525

CONCESSIONS FOR RATES AND CHARGES

In 2021/22, Council granted concessions for rates and charges in the following categories:

Table: Concessions for Rates and Charges

CATEGORY	AMOUNT
General Rates Discounts	\$8,501,053
Pensioner Remissions	\$949,968
Concealed Water Leak Concessions (under policy)	\$64,442
Water/Sewer Concessions	\$571,580
Out of Policy Concessions	\$-

DISCLOSURES

SIGNIFICANT BUSINESS ACTIVITIES

A Significant Business Activity (SBA) is a business activity of a local government that:

- is conducted in competition or potential competition with the private sector (excluding a building certifying activity, a roads activity or an activity related to the provision of library services); and
- meets the threshold prescribed under a regulation.

During 2021/22 Council undertook the following SBAs to which the code of competitive conduct was applied:

- Water
- Sewerage
- Waste Management
- Plant Operations.

No new SBAs were undertaken in 2021/22.

PUBLIC BENEFIT - S 46(1)

As there were no new Significant Business Activities, Council did not undertake any public benefit assessments during 2021/22.

COMMERCIAL BUSINESS UNITS - S 190(1)

A Commercial Business Unit is defined in the *Local Government Act 2009* as a business unit that conducts business in accordance with the key principles of commercialisation including clarity of objectives, management autonomy and authority, accountability for performance, and competitive neutrality.

No commercial business units were undertaken by Council in 2021/22.

JOINT GOVERNMENT ACTIVITY - S 109(1)(D)

Council is required to disclose details of any joint local government activities, that is, action

taken for, and expenditure on a service, facility or activity:

- Supplied by another local government under an agreement for conducting a joint government activity; and
- For which the local government levied special rates or charges for the financial year.

Council did not undertake any joint local government activities in 2021/22.

BENEFICIAL ENTERPRISES - S41

A beneficial enterprise is an enterprise conducted by Council that Council considers is directed to benefiting, and can reasonably be expected to benefit, the whole or part of the local government area. Gladstone Area Promotion and Development Limited (GAPDL) was the only beneficial enterprise conducted by Council in 2021/22.

INVITATION TO CHANGE TENDERS

In 2021/22 Gladstone Regional Council required changes to tender specifications after the closing date of the tender in accordance with s228(8) of the Local Government Regulation 2012 four occasions:

- 223-21 Wastewater Operation & Maintenance Services (Alf Larson/Lions Park WWTP & Aldoga Water Recycling Water Treatment Plant)
- RPQS 80-22 Supply of Delivery of Radmaking Material
- RPQS 86-22 Supply of Landscaping and Horticultural Material

- RPQS 100-22 Supply of Tablets, Mobile Phones and Accessories

ORDERS AND RECOMMENDATIONS

Councillor conduct is governed by the provisions of the *Local Government Act 2009* and *Local Government Regulation 2012* and Council's Councillor Code of Conduct Policy adopted by Council on 19 January 2021 (viz resolution GM/20/4420). The Councillor Code of Conduct Policy confirms Council's commitment to adhere to the standards of behaviour outlined in the Code of Conduct for Councillors in Queensland. The Act establishes a range of consequences for failing to comply with the Code of Conduct. In 2021/22 there were no decisions, orders or recommendations made under ss150I(2), 150AH(1) or 150AR(1) of the Act against a Councillor.

COUNCILLOR COMPLAINTS AND MISCONDUCT

The Office of the Independent Assessor (OIA) is responsible for the assessment and investigation of complaints of inappropriate conduct or misconduct of councillors.

In 2021/22 seven complaints against councillors were assessed by the OIA. Six of the seven complaints were dismissed as not raising a reasonable suspicion of inappropriate conduct or misconduct with not further action being taken with respect to the remaining complaints.

Councillor Complaints are detailed in Council's Councillor Conduct Register available to the public on Council's website.



5 OUR FINANCIAL PERFORMANCE

This section highlights our financial performance in our Community Financial Report, which provides an overview of our key financial outcomes. This section also includes our consolidated financial statements.





COMMUNITY FINANCIAL REPORT

This report provides a summary of the financial position and performance of Council and its controlled entities (consolidated results) for the 2021/22 financial year. It is designed to be easily understood by readers who do not have a financial background. The following will present Council's:



Financial Sustainability

evaluation of ratios providing evidence of Council's ability to provide services and to continue operating long term.

Financial Overview

key financial results, income and expenditure breakdowns, cash flows, refinancing of borrowings and asset review.

Annual Summary

2021/22 highlights and the year in review.

Measures of sustainability

Council aims to operate in a manner that ensures financial sustainability in the short and long term. Council uses a series of sustainability ratios that collectively act as a guide to understand the health of the organisation.

Ratios are presented monthly to Council to ensure Council is fully informed and in a position to identify any corrective action necessary.

Individually, ratios may not provide enough information to form a full opinion on Council's financial position and performance, however when considered in combination, these ratios combined with financial results form an important tool to analyse annual results and to compare performance to other Councils. This contributes to good decision making and sustainable use of resources now and into the future.

Council made an operating deficit of \$5.6M in 2021/22. This result is a deficit decrease of \$53.2M from the previous financial year and is predominantly due to an adjustment of \$34.3M as recognition of a financial guarantee to Council's bulk water provider and an early repayment adjustment of \$17.0M as result of loan refinancing, both in 2020/21. The operating surplus ratio result is negative 2.7 per cent. Although this is outside the target range, Councils operating deficit is projected to return to surplus from the 2022/23 financial year.

Expenditure on asset replacement is expected to decrease in the 2022/23 year, with an increased focus on new and upgrade works.

The results of the asset sustainability ratio are expected to return to current levels by the 2023/24 year. The 2021/22 result of 88.7 per cent has increased from 87.2 per cent in 2020/21. When considering the renewal of Council's asset base, it is expected that there will be periods of heavier investment. It is important to consider the long-term trends when looking at this indicator as Council's infrastructure assets have lives up to, and in some cases, exceeding 100 years.

Council uses the net financial liabilities ratio to monitor the extent to which financial liabilities can be serviced by its operating revenue. A positive value less than 60 per cent indicates that Council has the capacity to fund its liabilities and increase its loan borrowings. The 2021/22 position of 33.7 per cent is within target levels and reflects an ability to service further debt, if necessary.

With a working capital ratio of 2.3 per cent Council is well positioned to continue to fund its short-term obligations. If the value is greater than one, it means Council is in good financial health. These results are strengthened by a healthy cash balance.

Council has currently committed 0.8 per cent of operating revenue to cover interest expenses. This result is within the target range of 0-10 per cent and has significantly reduced in line with interest expenditure as a result of refinancing under lower interest rates in the 2020/21 year.

At 6.9 per cent Council is currently well above the target for its debt service coverage ratio, indicating Council is able to service its current debt obligations from its operating result



before depreciation. Council's income is utilised to meet debt obligations associated with the borrowings for long term assets such as sewerage treatment plants, trunk water infrastructure and airport infrastructure. No increases in borrowings were incurred during

this financial year and are not planned during the forecast period.

Overall, Council remains in a sound position to service our community, support its growth and respond to any significant emergent financial impacts.

Table: Sustainability Ratios

RATIO	DESCRIPTION	TARGET	STATUS	2021/22 ACTUAL*	2022/23 FORECAST	2023/24 FORECAST
Operating Surplus Ratio	The operating surplus ratio measures the percentage by which our operating revenue varies from our operating expenses. It indicates our financial capacity and ability to fund ongoing operations.	Between 0 - 10%	●	-2.7%	1.1%	0.6%
Asset Sustainability Ratio	This ratio indicates whether we are renewing or replacing existing non-financial assets at the same rate that the assets are wearing out.	Greater than 90%	●	88.7%	62.6%	88.7%
Net Financial Liabilities Ratio	The net financial liabilities ratio measures Council's ability to pay its obligations by comparing its debt to its assets. It shows our ability to pay off the net amount with operational income if we were called to do so.	Below 60%	●	33.7%	28.8%	25.1%
Working Capital Ratio	The working capital ratio measures the ability of Council to meet its short term debt obligations. If the value is greater than one, it means the short term obligations are fully covered. A ratio greater than one also shows Council is in good financial health and is less likely fall into financial difficulties.	Greater than 1	●	2.3	2.7	2.6
Net Interest Coverage Ratio	This ratio provides the share of operating revenue that is committed to covering the gap between interest earned and interest paid. It is an indicator of our ability to meet our interest payments. For this ratio a low result is desirable.	Between 0% - 10%	●	0.8%	1.1%	0.9%
Debt Service Coverage	This ratio measures the ability of Council to use its operating cash flows to repay its debt obligations.	Greater than 2	●	6.9	5.9	5.8

*This table presents consolidated group results

● Achieved ● Not achieved but improved from last financial year ● Not achieved

FINANCIAL PERFORMANCE 05

FINANCIAL OVERVIEW

Below is Council's key financial performance highlights based on consolidated financial results.

Table: Consolidated financial results at a glance

AT A GLANCE	ACTUALS		
	2021/22	2020/21	2019/20
Operating revenue	\$210.0M	\$199.4M	\$199.0M
Capital revenue	\$15.2M	\$32.6M	\$12.9M
Total Income	\$225.2M	\$232.0M	\$211.9M
Operating expenditure	\$215.5M	\$258.2M	\$201.7M
Other expenditure	\$6.0M	\$12.6M	\$34.0M
Total Expenditure	\$221.6M	\$270.8M	\$235.7M
Operating Result	(\$5.6M)	(\$58.8M)	(\$2.7M)
Net Result	\$3.6M	(\$38.8M)	(\$23.8M)

Comparative figures for the 2020/21 year have been restated based on adjustments to the Financial Statements.

See page 146 for more details.

WHAT WERE THE MAJOR SOURCES OF CASH IN AND CASH OUT?

The movement of money in and out of Council is presented in the Statement of Cash Flows. The statement excludes non cash movements like accruals and depreciation of assets. See page 151 for further information.

This year, Council started with a cash balance of \$83.7M and ended with \$105.6M, with a significant increase in cash from operations, as well as reduced borrowing expenses and expenditure on plant and equipment from 2020/21.

The table below compares the main sources of cash receipts and cash payments during the financial years 2019/20, 2020/21, 2021/22.

Table: Three-year comparison of main sources of cash receipts and cash payments

Main sources of cash in and out	2021/22 \$ millions	2020/21 \$ millions	2019/20 \$ millions
Net cash received from operations (includes rates, fees and charges offset by employee costs and materials and services)	\$56.0M	\$37.0M	\$49.0M
Purchase and construction of Council assets	\$52.0M	\$70.6M	\$44.7M
Interest received from our investments	\$1.3M	\$1.9M	\$3.0M
Non capital grants and contributions	\$21.2M	\$5.3M	\$12.4M
Income tax equivalents	\$8.6M	\$2.2M	\$2.2M
Capital grants, subsidies and contributions	\$15.2M	\$25.5M	\$7.3M
Finance costs (interest and charges on our loans held with Queensland Treasury Corporation)	\$3.3M	\$6.4M	\$6.8M
Principal repayments made on loans	\$6.0M	\$2.1M	\$10.0M
Early repayment adjustment (cost to refinance Council loans held with Queensland Treasury Corporation)	\$0M	\$17.0M	\$0M



Figure: Income

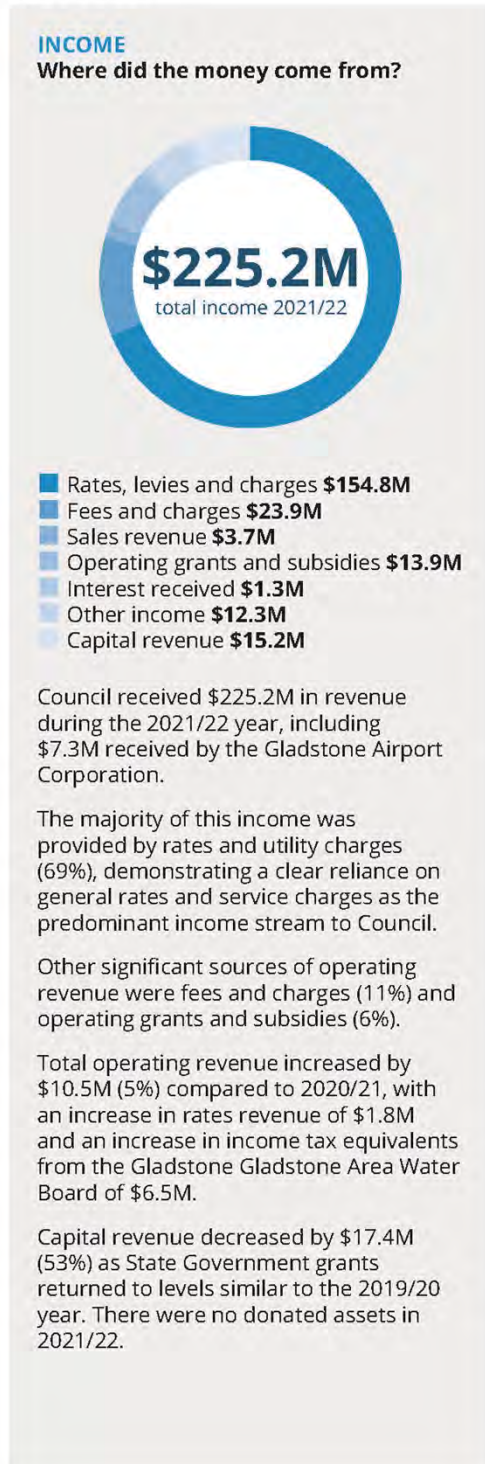
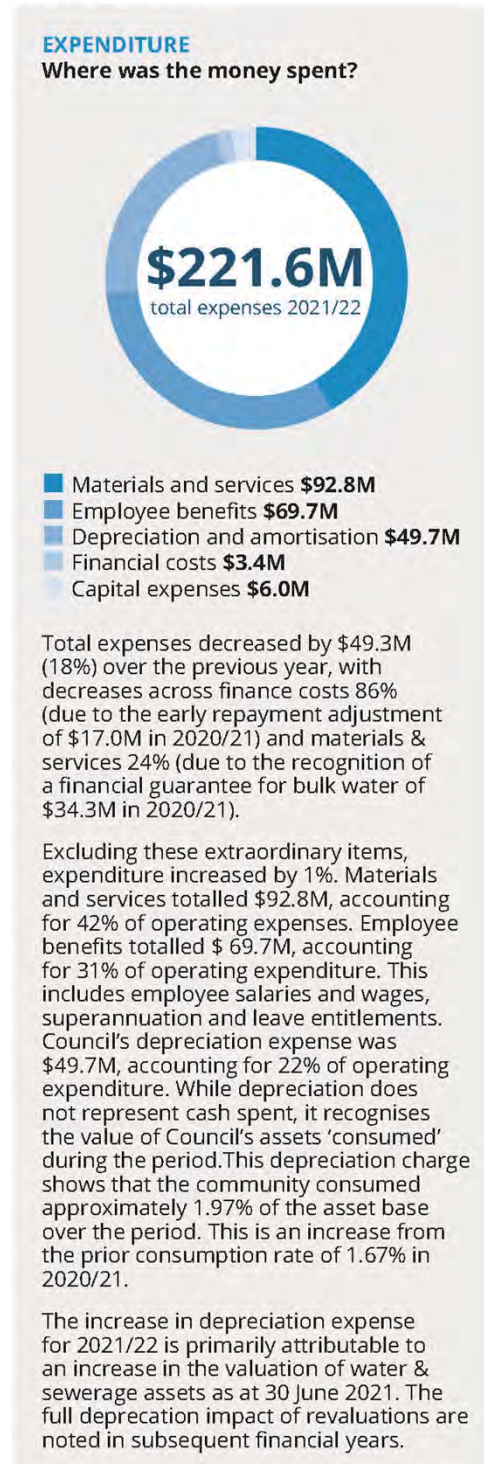


Figure: Expenditure



FINANCIAL PERFORMANCE 05

Figure: Assets

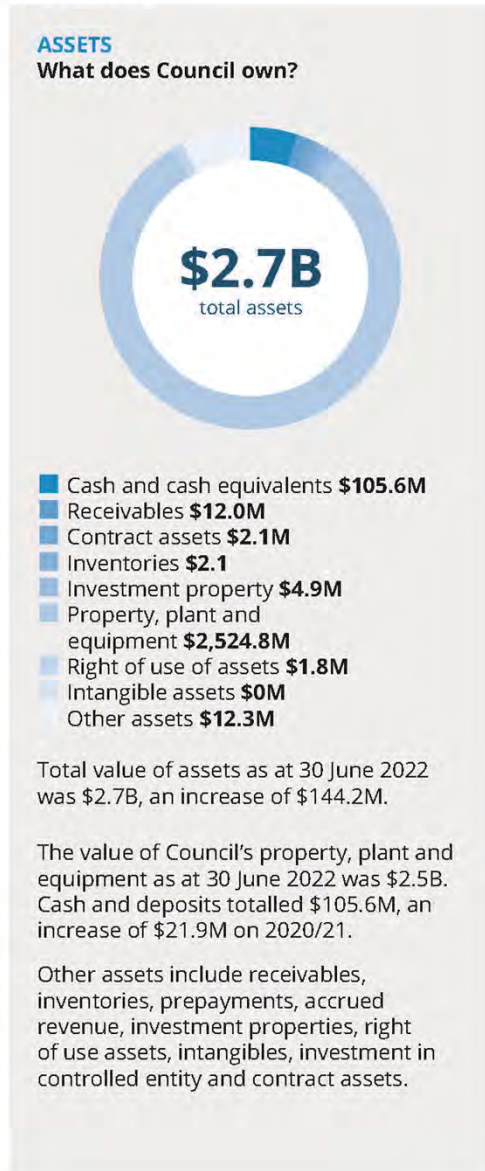


Figure: Total Property, Plant and Equipment

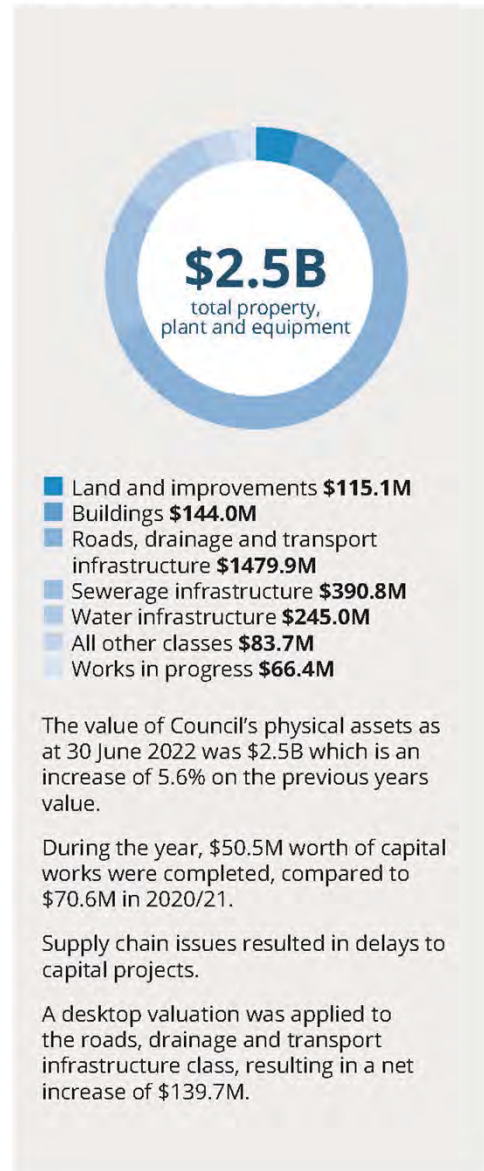
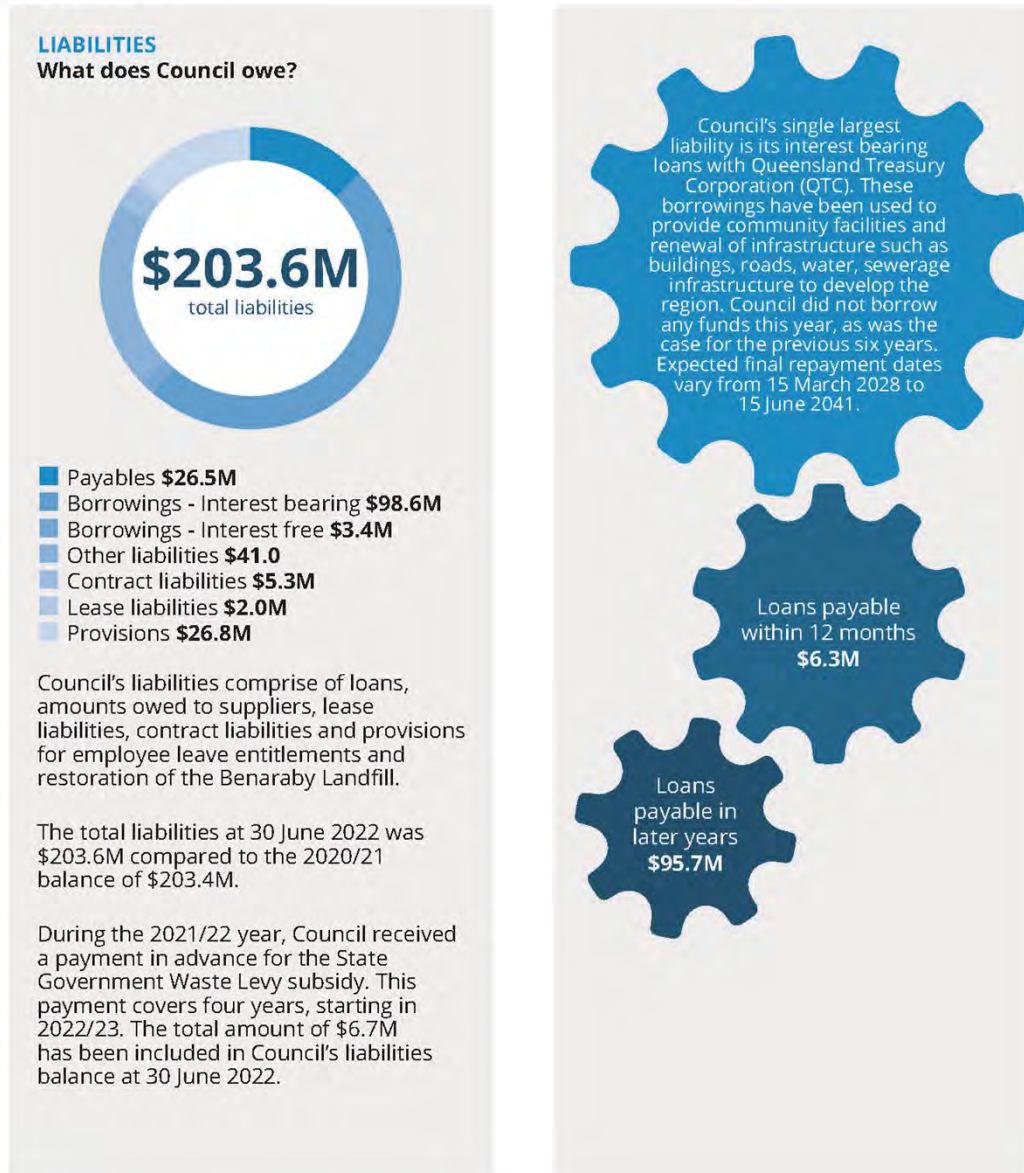




Figure: Liabilities



Community Future Vision and Summary

Council is committed to maintaining a secure financial position to support long-term financial sustainability. Our financial outlook is stable, which ensures that we are in a sound position to deal with any significant emergent financial impacts. Council continuously reviews its financial position, and adapts to changes in the economic environment. Council is well equipped to manage the current inflationary challenges.

CONSOLIDATED FINANCIAL STATEMENT

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STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2022

	Notes	Consolidated		Council	
		2022	2021 Restated	2022	2021 Restated
		\$'000	\$'000	\$'000	\$'000
Income					
Revenue					
Recurrent revenue					
Rates, levies and charges	3a	154,829	153,033	154,920	153,124
Fees and charges	3b	23,932	21,520	17,620	16,660
Sales revenue	3c	3,712	6,916	3,771	6,965
Grants, subsidies, contributions and donations	3d	13,889	10,816	13,889	10,816
Total recurrent revenue		196,362	192,285	190,200	187,565
Capital revenue					
Grants, subsidies, contributions and donations	3d	15,194	30,701	15,194	29,948
Total capital revenue		15,194	30,701	15,194	29,948
Other income					
Rental income	18	1,901	1,694	786	703
Interest received	4a	1,266	1,858	1,191	1,764
Other income	4b	10,428	3,579	10,494	3,573
Capital income	5	-	1,926	-	1,926
Total other income		13,595	9,057	12,471	7,966
Total income		225,151	232,043	217,865	225,479
Expenses					
Recurrent expenses					
Employee benefits	6	69,687	72,248	67,857	70,373
Materials and services	7	92,806	122,198	90,306	120,111
Finance costs	8	3,385	23,819	1,938	21,681
Depreciation and amortisation:					
- Property, plant and equipment	16	49,557	39,837	48,532	38,870
- Intangible assets		-	14	-	14
- Right of use assets	18	110	104	88	55
Total recurrent expenses		215,545	258,220	208,721	251,104
Other expenses					
Capital expenses	9	6,023	12,627	5,337	12,627
Total other expenses		6,023	12,627	5,337	12,627
Total expenses		221,568	270,847	214,058	263,731
Operating result		(5,588)	(58,804)	(6,050)	(57,499)
Net result		3,583	(38,804)	3,807	(38,252)
Other comprehensive income					
Items that will not be reclassified to net result					
Increase in asset revaluation surplus	16	140,692	29,442	139,747	29,841
Decrease in asset revaluation surplus (change in landfill restoration provision)		(278)	-	(278)	-
Total other comprehensive income for the year		140,414	29,442	139,469	29,841
Total comprehensive income for the year		143,997	(9,362)	143,276	(8,411)

The above statements should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

FINANCIAL PERFORMANCE 05

STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

	Notes	Consolidated		Council	
		2022	2021 Restated	2022	2021 Restated
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	10	105,589	83,690	93,153	71,403
Receivables	11	10,692	14,728	9,800	13,477
Inventories	12	2,119	2,935	2,119	2,935
Contract assets	17	2,068	6,262	2,068	6,262
Other assets	13	12,298	13,863	12,193	13,706
Total current assets		132,766	121,478	119,333	107,783
Non-current assets					
Receivables	11	1,320	1,485	32,617	35,201
Interests in other entities	14	-	-	17,666	16,658
Investment property	15	4,942	4,928	4,942	4,928
Property, plant and equipment	16	2,524,793	2,391,604	2,488,218	2,356,852
Right of use assets	18	1,848	1,991	1,848	1,946
Intangible assets	10	35	35	10	35
Total non-current assets		2,532,913	2,400,043	2,545,301	2,415,620
TOTAL ASSETS		2,665,679	2,521,521	2,664,634	2,523,403
LIABILITIES					
Current liabilities					
Payables	19	26,454	29,250	24,544	28,884
Contract liabilities	17	5,343	2,895	4,318	2,571
Borrowings	20	6,275	5,983	6,275	5,983
Lease liabilities	18	40	86	40	38
Provisions	21	17,793	19,758	17,608	19,575
Other liabilities	22	1,877	-	1,877	-
Total current liabilities		57,782	57,972	54,662	57,051
Non-current liabilities					
Borrowings	20	95,687	101,844	95,687	101,844
Lease liabilities	18	1,921	1,970	1,921	1,970
Provisions	21	9,040	7,308	9,005	7,280
Other liabilities	22	39,166	34,341	39,166	34,341
Total non-current liabilities		145,814	145,463	145,779	145,435
TOTAL LIABILITIES		203,596	203,435	200,441	202,486
Net community assets		2,462,083	2,318,086	2,464,193	2,320,917
COMMUNITY EQUITY					
Asset revaluation surplus	20	988,860	848,446	1,052,309	912,841
Retained surplus/(deficiency)		1,392,302	1,384,676	1,330,963	1,323,112
Reserves	20	80,921	84,964	80,921	84,964
Total community equity		2,462,083	2,318,086	2,464,193	2,320,917

The above statements should be read in conjunction with the accompanying Notes and Significant Accounting Policies.



STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022

Consolidated	Notes	Asset revaluation surplus \$'000	Retained surplus \$'000	Other reserves \$'000	Total equity \$'000
2022					
Balance as at 1 July 2021 (restated)		848,446	1,384,676	84,964	2,318,086
Correction of prior period reclassification		-	3,307	(3,307)	-
Restated balance as at 1 July 2021		848,446	1,387,983	81,657	2,318,086
Net result		-	3,583	-	3,583
Other comprehensive income for the year					
- Increase/(decrease) in asset revaluation surplus	16	140,692	-	-	140,692
- Decrease in asset revaluations surplus (change in landfill restoration provision)		(278)	-	-	(278)
Other comprehensive income		140,414	-	-	140,414
Total comprehensive income for the year		140,414	3,583	-	143,997
Transfers to reserves					
		-	(11,492)	11,492	-
Transfers from reserves					
		-	12,228	(12,228)	-
Balance as at 30 June 2022		988,860	1,392,302	80,921	2,462,083
2021					
Balance as at 1 July 2020		819,004	1,414,397	94,047	2,327,448
Net result (restated)		-	(38,804)	-	(38,804)
Other comprehensive income					
- Increase/(decrease) in asset revaluation surplus	16	29,442	-	-	29,442
Total comprehensive income for the year		29,442	(38,804)	-	(9,362)
Transfers to reserves					
		-	(10,680)	10,680	-
Transfers from reserves					
		-	19,763	(19,763)	-
Restated balance as at 30 June 2021		848,446	1,384,676	84,964	2,318,086

The above statements should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

FINANCIAL PERFORMANCE 05

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2022

Council	Notes	Asset revaluation surplus \$'000	Retained surplus \$'000	Other reserves \$'000	Total equity \$'000
2022					
Balance as at 1 July 2021 (restated)		912,841	1,323,112	84,964	2,320,917
Correction of prior period reclassification		(1)	3,308	(3,307)	-
Restated balance as at 1 July 2021		912,840	1,326,420	81,657	2,320,917
Net result		-	3,807	-	3,807
Other comprehensive income for the year					
- Increase/(decrease) in asset revaluation surplus	16	139,747	-	-	139,747
- Decrease in asset revaluations surplus (change in landfill restoration provision)		(278)	-	-	(278)
Other comprehensive income		139,469	-	-	139,469
Total comprehensive income for the year		139,469	3,807	-	143,276
Transfers to reserves					
		-	(11,492)	11,492	-
Transfers from reserves					
		-	12,228	(12,228)	-
Balance as at 30 June 2022		1,052,309	1,330,963	80,921	2,464,193
2021					
Balance as at 1 July 2020		883,000	1,352,281	94,047	2,329,328
Net result (restated)		-	(38,252)	-	(38,252)
Other comprehensive income					
- Increase/(decrease) in asset revaluation surplus	16	29,841	-	-	29,841
Total comprehensive income for the year		29,841	(38,252)	-	(8,411)
Transfers to reserves					
		-	(10,680)	10,680	-
Transfers from reserves					
		-	19,763	(19,763)	-
Restated balance as at 30 June 2021		912,841	1,323,112	84,964	2,320,917

The above statements should be read in conjunction with the accompanying Notes and Significant Accounting Policies.



STATEMENT OF CASH FLOWS

for the year ended 30 June 2022

	Notes	Consolidated		Council	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash flows from operating activities					
Receipts from customers		189,889	184,051	184,292	179,704
Payments to suppliers and employees		(176,155)	(167,378)	(172,952)	(162,762)
		13,734	16,673	11,340	16,942
Receipts:					
Interest received		1,280	1,913	1,205	1,819
Rental income		1,979	1,864	864	773
Non capital grants and contributions		21,239	5,302	26,801	5,383
Other		17,803	11,216	10,828	11,383
Net cash - operating activities	27	56,035	36,968	51,038	36,300
Cash Flows from investing activities					
Receipts:					
Proceeds from sale of property, plant and equipment		3,573	1,388	3,516	1,388
Capital grants, subsidies, contributions and donations		15,194	25,486	15,194	24,733
Other investing activity receipts		8,572	2,226	9,424	2,226
Payments:					
Payments for investment property		(14)	-	(14)	-
Payments for property, plant and equipment		(52,013)	(70,598)	(49,387)	(69,374)
Net cash - investing activities		(24,688)	(41,498)	(21,267)	(41,027)
Cash flows from financing activities					
Receipts:					
Nil					
Payments:					
Repayment of borrowings		(6,037)	(2,138)	(6,037)	(2,138)
Repayments made on leases		(110)	(104)	(87)	(55)
Borrowing Costs		(3,301)	(23,378)	(1,897)	(21,304)
Net cash flow - financing activities		(9,448)	(25,620)	(8,021)	(23,497)
Net increase/(decrease) for the year		21,899	(30,150)	21,750	(28,224)
Plus: cash and cash equivalents - beginning		83,690	113,840	71,403	99,627
Cash and cash equivalents - closing	10	105,589	83,690	93,153	71,403

The above statements should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 1. Information about these financial statements

(1.a) Basis of preparation

The Gladstone Regional Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

These general-purpose financial statements are for the period 1 July 2021 to 30 June 2022. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and interpretations as applicable to not-for-profit entities.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment, land held for sale and investment property.

(1.b) Basis of consolidation

Council and its controlled entities together form the consolidated entity. The financial statements of controlled entities are included in the consolidated financial statements where material by size or nature, from the date when control commences until the date when control ceases.

Transactions between Council and entities controlled by Council have been eliminated when preparing consolidated accounts. In addition, the accounting policies of controlled entities have been adjusted on consolidation where necessary, to ensure the financial statements of the consolidated entity are prepared using accounting policies that are consistent with those of the Council. Information on controlled entities that have been consolidated is included in note 14.

(1.c) New and revised Accounting Standards adopted during the year

Gladstone Regional Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2021. None of the standards had a material impact on reported position, performance, and cash flows.

(1.d) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective

at 30 June 2022. These standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretations, that were issued but not yet effective at the time of compiling these statements that could be applicable to Councils.

Effective for NFP annual reporting periods beginning on or after 1 January 2022

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5 and AASB2021-7)
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (amended by AASB 2021-6)

Effective for NFP annual reporting periods beginning on or after 1 January 2023

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and associated standards (amended by AASB 2020-6)

(1.e) Estimates and judgements

Council makes a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes. The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the relevant note:

- Valuation of investment in controlled entity - Gladstone Airport Corporation - note 14
- Valuation of investment property - note 15
- Valuation and depreciation of property, plant, and equipment - note 16
- Impairment of property, plant, and equipment - note 16
- Provisions - note 21

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 1. Information about these financial statements (continued)

- Contingent liabilities - note 25
- Financial instruments and financial liabilities - note 29
- Revenue recognition - note 3

(1.f) Rounding and comparatives

The financial statements are in Australian dollars and have been rounded to the nearest \$1,000, unless otherwise stated.

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard. Comparative information is prepared on the same basis as prior year.

(1.g) Volunteer services

Council receives volunteer services from community members at multiple sites including libraries, Tondoon Botanic Gardens and the Gladstone Entertainment Convention Centre. Volunteer services are not recognised in the Statement of Comprehensive Income, as Council would not purchase these services if they were not donated.

(1.h) Taxation

Council is exempt from income tax, however Council is subject to Fringe Benefits Tax, Goods and Services Tax ('GST') and payroll tax on certain activities. The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

Council pays payroll tax to the Queensland Government in relation to the following activities:

- Cemeteries
- Water supply
- Sewerage
- Quarries

The controlled entity of Council pays an income tax equivalent to Council in accordance with the requirements of the *Local Government Act 2009*.

Where an activity of the controlled entity of Council is subject to the tax equivalents regime, the income tax expense is calculated on the operating surplus adjusted for permanent differences between taxable and accounting income. These transactions are eliminated upon consolidation.

(1.i) COVID-19

Council's operations for the year ended 30 June 2022 have continued to be impacted by the COVID-19 pandemic. The response and subsequent adaptation to operations continues to impact financial results.

Council achieved its objective and delivered a budget for the 2021-22 year with a marginal increase to rates of 1.7%. Refuse charges increased 4.9% for all premises receiving a domestic waste and recycling service. Water and sewerage charges were levied at the same rate as 2020-21.

Council continued to devote resources to support the Gladstone region through COVID-19. As part of the operational plan for 2021-22, Council enacted a COVID-19 Management Corporate Standard which includes a response plan to effectively manage the following:

- Queensland border reopening Queensland Chief Health Officer's vaccine directives
- Responsibilities of workers, and leaders
- Contractors
- COVID-19 incident team

Controlled Entity - Gladstone Airport Corporation

The Gladstone Airport Corporation (GAC) has taken steps to mitigate the impact of the pandemic and reduction in passenger numbers. An improvement in the second half of the financial year and that of the forecasted 2022/2023 suggests a turnaround for the aviation industry as well as that of the airport. GAC has actively sought government grant funding to support its continued capital expenditure and investment in the future of Gladstone and its community.

(1.j) Prior period correction and reclassification

During the year, comparatives to Council's Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Note 7 and Note 22 were restated to recognise a financial guarantee with Council's bulk water provider. Please refer to note 22 for further details.

A further prior period reclassification was made between the opening balance of Other Reserves and Retained Surplus in the Statement of Changes in Equity. Please refer to note 23 for details.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 2(a). Council functions - component descriptions

Details relating to Council's functions / activities as reported in Note 2(b) are as follows:

Strategy and Transformation

Strategy and Transformation is responsible for developing Council's business strategy, process, innovation and technology agenda. The team delivers change initiatives that enable Council to execute on plans with a clear focus, sense of shared purpose and agreed-upon priorities, and a basis for measuring progress and impact both organisationally and within the wider community. This business unit includes the Mayor, Executive Services, CEO, Elected Members, Strategy and Planning, Insights and Innovations, Strategic Information and Technology, Transformation Program Management, Economic Development and Strategic Funding and Grants.

Strategic Asset Performance

Strategic Asset Performance fulfils the Asset Manager role, through strategically managing Council's assets and level of service to optimise the life cycle costs of our assets. This team ensures that services to the community are sustainable, efficient, and affordable and that assets are appropriately planned, built, acquired, used, maintained and disposed of. This business unit includes Asset Governance, Property Acquisitions and Disposal, Asset Planning, Design and Engineering, Asset Performance and Monitoring, and Environment and Conservation.

Operations

The Operations business unit acts as a service provider to the asset owner of Council, through ensuring that the right mix of internal and external resources is consistently used to safely deliver the program of work on time, on budget and to the required quality. This business unit includes Works Planning and Scheduling, Project Delivery, Support Services, Roads, Waste and Water Teams.

Customer Experience

For Customer Experience the objective is to transform Council's customer experience, liveability and sustainable development by delivering high quality, low effort, cost effective customer, planning and regulatory services. This business unit includes Customer Solutions, Biosecurity and Environmental Health, Local Law Compliance and Development services.

Community Development and Events

For Community Development and Events the objective is to position Council as an accountable, transparent business that delivers on its promises and to develop strength in Council's brand through a variety of mediums; by creating experiences that engage and deliver outcomes for the community and Council; and by empowering our community, embracing diversity and enhancing our social landscape. This business unit includes Events and Entertainment, Brand and Communications, Community Facility Engagement and Partnerships, and Arts and Culture.

People Culture and Safety

The objective of the People Culture & Safety business unit as part of the corporate function of Council is to build a safe, healthy, high performance culture across Council that reflects the community and its spirit, our organisational values and our internal diversity. Council's success is enabled by partnering with people to continually develop their capability, talent and performance. This business unit includes People Services, Payroll Services, Health, Safety and Wellbeing, and Learning and Development

Finance Governance and Risk

The objective of the Finance Governance & Risk business unit as part of the corporate function of Council is to provide the governance, financial, compliance and risk management to build a sustainable business through reporting accurate financial and compliance results, preserving Council assets, and supporting the highest standards of integrity. This business unit includes Financial Operations, Contracts & Procurement, Disaster Management, Revenue, Systems Modelling & Metrics, Governance & Risk, Ethics, Integrity & Audit, and Legal Services.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 2(b): Council functions - analysis of results by function

Functions	Gross program income						Total income	Gross program expenses		Net Result from recurring operations \$'000	Net result \$'000	Total assets \$'000
	Recurring		Capital		Total	Recurring		Capital/impairment				
	Grants \$'000	Other \$'000	Grants \$'000	Other \$'000								
2022	48	(138)	(17)	-	(105)	(4,595)	(25)	(4,610)	(4,673)	(4,715)	21,763	
Strategy and Transformation	272	78,766	15,184	-	94,212	(132,781)	(6,094)	(138,875)	(53,763)	(44,863)	2,348,927	
Strategic Asset Performance	615	19,449	27	-	20,091	(30,906)	840	(30,066)	(10,845)	(9,978)	67,079	
Operations	140	3,640	-	-	3,780	(10,591)	(41)	(10,622)	(6,901)	(6,942)	3,688	
Customer Experience	720	562	-	-	1,282	(21,735)	-	(21,735)	(20,463)	(20,463)	68,473	
Community Developments and Events	641	103	-	-	744	(2,890)	(27)	(2,907)	(2,136)	(2,136)	29	
People Culture and Safety	11,453	86,408	-	-	97,861	(5,240)	-	(5,240)	92,621	92,621	154,645	
Finance Governance and Risk	13,889	188,782	15,164	-	217,895	(208,721)	(5,337)	(214,058)	(6,050)	3,807	2,664,634	
Total Council	-	7,286	-	-	7,286	(6,824)	(688)	(7,510)	462	(224)	1,045	
Eliminations	13,889	196,068	15,194	-	225,151	(215,545)	(6,023)	(221,568)	(5,588)	3,583	2,665,679	
Total Consolidated												
Functions	Gross program income						Total income	Gross program expenses		Net Result from recurring operations \$'000	Net result \$'000	Total assets \$'000
	Recurring		Capital		Total	Recurring		Capital/impairment				
	Grants \$'000	Other \$'000	Grants \$'000	Other \$'000								
2021	228	76	5,447	-	5,751	(5,287)	-	(5,287)	(4,963)	464	21,616	
Strategy and Transformation	363	73,165	24,389	1,926	99,853	(163,206)	(12,395)	(175,603)	(89,630)	(75,750)	2,227,742	
Strategic Asset Performance	720	21,946	52	-	22,718	(33,476)	256	(33,220)	(10,810)	(10,502)	68,842	
Operations	246	3,292	-	-	3,538	(9,887)	(3)	(9,890)	(6,349)	(6,352)	3,658	
Customer Experience	753	10	50	-	813	(21,986)	(483)	(22,469)	(21,223)	(21,656)	67,471	
Community Developments and Events	380	71	-	-	451	(1,904)	-	(1,904)	(1,443)	(1,443)	22	
People Culture and Safety	8,116	84,227	-	-	92,343	(15,356)	(2)	(15,358)	76,987	76,985	134,052	
Finance Governance and Risk	10,816	182,787	29,948	1,926	225,477	(251,104)	(12,627)	(263,731)	(57,501)	(38,254)	2,523,403	
Total Council	-	5,813	753	-	6,566	(7,116)	-	(7,116)	(1,303)	(550)	(1,882)	
Eliminations	10,816	188,600	30,701	1,926	232,043	(258,220)	(12,627)	(270,847)	(58,804)	(38,804)	2,521,521	
Total Consolidated												

Disaster Management and Contracts and Procurement cost centres moved from Operations to Finance and Governance and Risk on 4 January 2022.
Strategy and Transformation negative recurring revenue relates to internal plant hire recoveries offsetting small amounts of revenue received this year. Negative capital grant income relates to the processing of infrastructure discounts in the current year for revenue received in the prior year.

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 3. Revenue

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000

(a) Rates, levies and charges

Rates, levies and charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

General rates	91,692	89,386	91,783	89,477
Water	16,790	16,016	16,790	16,016
Water consumption, rental and sundries	16,883	20,015	16,883	20,015
Sewerage	32,606	31,930	32,606	31,930
Waste management	10,798	9,722	10,798	9,722
Total rates and utility charge revenue	168,769	167,069	168,860	167,160
Less: discounts	(12,925)	(12,426)	(12,925)	(12,426)
Less: concessions and pensioner remissions	(950)	(902)	(950)	(902)
Less: concealed water concessions	(64)	(70)	(64)	(70)
Less: COVID-19 concessions	(1)	(638)	(1)	(638)
TOTAL RATES, LEVIES AND CHARGES	154,829	153,033	154,920	153,124

(b) Fees and charges

Revenue arising from fees and charges is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods/ services being provided. The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service. There is no material obligation for Council in relation to refunds or returns.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

Airport fees and charges include runway and terminal charges. Aeronautical revenue is charged on the basis of number of arriving and departing airline passengers and maximum take-off weight of landing scheduled and chartered airline aircraft at Gladstone Airport. General aviation is charged based on the maximum take-off weight of aircraft on landings only. Recovery of the cost of Government mandated security measures in respect of passenger and baggage screening, is also included in aeronautical revenue.

Revenue from infringements is recognised on issue of infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.

Building and development fees	2,337	1,993	2,337	1,994
Infringements	300	313	300	313
Licences and registrations	817	886	817	886
Airport fees and charges	6,312	4,861	-	-
Waste management fees - tipping fees	11,932	11,799	11,932	11,799
Other fees and charges	2,234	1,668	2,234	1,668
TOTAL FEES AND CHARGES	23,932	21,520	17,620	16,660



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 3. Revenue (continued)

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000

(c) Sales revenue

Council generates sales revenue from a number of services including contracts with the Queensland State Government for road and earthworks, and operation of Council owned facilities. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for the use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in contract liabilities and is recognised as revenue in the period when the service is performed.

Sales of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the goods.

Contract and recoverable works	2,936	6,384	2,995	6,433
Other sale of goods	776	532	776	532
TOTAL SALES REVENUE	3,712	6,916	3,771	6,965

(d) Grants, subsidies, contributions and donations

Cash contributions

Developers pay infrastructure charges for trunk infrastructure, such as pumping stations, treatment works, mains, sewers, water and parks. These infrastructure charges are recognised as income when received as there is no performance obligation associated with them.

Non-cash contributions

Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds, are recognised as non-current assets. Those below the thresholds are recorded as expenses. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 3. Revenue (continued)

(d) Grants, subsidies, contributions and donations (continued)

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, revenue is recognised when control of each performance obligations is satisfied. The performance obligations are varied based on the agreement, such as hosting events, the provision of contracted services and other milestones as specified. Payment terms vary depending on the terms of the grant. Cash is received upfront for some grants and on the achievement of certain payment milestones for others. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, revenue is recognised using either costs or time incurred.

Grant income under AASB 1058

Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, related liability (or equity items) are recorded and income then is recognised for any remaining asset value at the time that the asset is received.

Capital grants

Where council receive funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred.

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
(i) Recurrent				
General purpose grants	11,198	8,116	11,198	8,116
State government subsidies and grants	1,630	2,284	1,630	2,284
Commonwealth government subsidies and grants	780	372	780	372
Donations	27	13	27	13
Contributions	116	1	116	1
Non-government subsidies and grants	138	30	138	30
TOTAL RECURRENT GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS	13,889	10,816	13,889	10,816



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 3. Revenue (continued)

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000

(d) Grants, subsidies, contributions and donations (continued)

(ii) Capital

Capital Revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.

A discount of 50% was applied to contributions that met the conditions of Council's Infrastructure Charges Rebate Scheme. The scheme was introduced in November 2019 to provide a rebate on levied charges for developments proposing a material change of use (other than those defined in the policy) which deliver economic development and growth outcomes that align with Council's Economic Development and Planning Scheme.

State government subsidies and grants	6,726	13,267	6,726	13,267
Commonwealth government subsidies and grants	6,584	8,631	6,584	7,878
Developer contributions	1,370	360	1,370	360
Donated assets at fair value	-	5,215	-	5,215
Other contributions	531	3,234	531	3,234
	<u>15,211</u>	<u>30,707</u>	<u>15,211</u>	<u>29,954</u>
Less: discount allowed developer contributions	(17)	(6)	(17)	(6)
<u>TOTAL CAPITAL GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u>	<u>15,194</u>	<u>30,701</u>	<u>15,194</u>	<u>29,948</u>

	2022		2021	
	Revenue recognised at a point in time \$'000	Revenue recognised over time \$'000	Revenue recognised at a point in time \$'000	Revenue recognised over time \$'000

(iii) Timing of revenue recognition for grants, subsidies, contributions and donations

Consolidated

Grants, subsidies, contributions & donations	<u>18,192</u>	<u>10,892</u>	<u>23,187</u>	<u>18,330</u>
	<u>18,192</u>	<u>10,892</u>	<u>23,187</u>	<u>18,330</u>

Council

Grants, subsidies, contributions & donations	<u>18,192</u>	<u>10,892</u>	<u>23,187</u>	<u>17,577</u>
	<u>18,192</u>	<u>10,892</u>	<u>23,187</u>	<u>17,577</u>

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 4. Interest and other income

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
(a) Other income				
All other revenue is recognised upon receipt, unless alternative treatment is specifically required under Australian Accounting Standards.				
Entertainment Convention Centre income	867	577	867	583
Commissions	216	209	216	209
Income tax equivalent - state government entity	8,572	2,031	8,572	2,031
Income tax equivalent - controlled entity	-	-	242	196
Other	773	762	597	554
<u>TOTAL OTHER INCOME</u>	<u>10,428</u>	<u>3,579</u>	<u>10,494</u>	<u>3,573</u>

(b) Interest received

Interest received from bank and term deposits is accrued over the term of the investment.

Other interest and investment revenue includes amounts earned from the Special Charge Agreement with the Gladstone City Plaza Body Corporate. Repayments are made annually via a special charge, generated through rates. The agreement sets out a repayment schedule over 10 years, concluding in the 2031-32 financial year. Interest on the outstanding balance is accrued at the end of each financial year and included in the special charge.

Interest received from investments	615	845	540	751
Interest from overdue rates and utility charges	605	939	605	939
Other interest and investment revenue	46	74	46	74
<u>TOTAL INTEREST RECEIVED</u>	<u>1,266</u>	<u>1,858</u>	<u>1,191</u>	<u>1,764</u>

Note 5. Capital income

	Notes	Consolidated		Council	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
(a) Revaluations					
There have been no developer contributed assets received by council or revaluation increments relating to investment property held by council as at 30 June 2022.					
Revaluation increment relating to investment property	15	-	1,926	-	1,926
<u>TOTAL CAPITAL INCOME</u>		<u>-</u>	<u>1,926</u>	<u>-</u>	<u>1,926</u>



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 6. Employee benefits

	Notes	Consolidated		Council	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Employee benefit expenses are recorded when the service has been provided by the employee.					
Wages and salaries		56,969	56,072	55,403	54,430
Councillors remuneration		1,010	1,048	1,010	1,048
Termination benefits		320	415	320	415
Superannuation	26	7,160	7,025	6,989	6,850
Employee leave entitlements		8,800	9,076	8,789	9,103
		<u>74,259</u>	<u>73,636</u>	<u>72,511</u>	<u>71,846</u>
Other employee related expenses		412	448	330	363
		<u>74,671</u>	<u>74,084</u>	<u>72,841</u>	<u>72,209</u>
Less: capitalised employee expenses		(4,984)	(1,836)	(4,984)	(1,836)
TOTAL EMPLOYEE BENEFITS		<u>69,687</u>	<u>72,248</u>	<u>67,857</u>	<u>70,373</u>

In response to COVID-19, from December 2021 Council staff were able to access up to 7 days of special, non vesting leave upon the satisfaction of criteria. This leave was made available to assist employees who needed to quarantine.

The total cost attributable to these situations was \$339,871 (\$5,885 in 2020-21) and is reflected within total staff wages and salaries above.

Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.

Full time equivalent employees and elected members at the reporting date:

Elected members	9	9	9	9
Office of the CEO	5	5	5	5
Community Developments and Events	99	93	99	93
Customer Experience	88	85	88	85
Finance Governance and Risk	56	44	56	44
Operations	316	333	316	333
People Culture and Safety	26	25	26	25
Strategic Asset Performance	56	60	56	60
Strategy and Transformation	28	32	28	32
Controlled Entity - Airport Operations	14	17	-	-
Controlled Entity Board members	6	6	-	-
Total full time equivalent employees and elected members	<u>703</u>	<u>709</u>	<u>683</u>	<u>686</u>

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 7. Materials and services

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Expenses are recorded on an accruals basis as Council receives the goods or services.				
Audit of annual financial statements by the Auditor-General of Queensland	171	275	115	216
Consultants	5,143	5,361	4,931	5,203
Contractors	22,371	21,871	21,142	20,980
Donations and sponsorships	2,825	2,722	2,825	2,722
Equipment expenses	3,414	3,606	3,350	3,510
Fuel	2,005	1,450	1,992	1,441
Insurance	2,618	2,522	2,346	2,300
Motor vehicle expenses	1,961	2,118	1,939	2,091
Property expenses	3,492	3,451	3,320	3,346
Software expenses	3,239	2,795	3,219	2,775
Staff and councillor associated expenses	1,724	1,747	1,699	1,674
Utility expenses	4,519	4,467	4,275	4,213
Waste disposal and tipping fees	9,254	8,844	9,220	8,813
Water purchases	21,437	56,199	21,437	56,199
Other materials and services	8,633	4,770	8,496	4,628
TOTAL MATERIALS AND SERVICES	92,806	122,198	90,306	120,111

Council's total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are \$161,100 (\$157,200 in 2020-21). Total consolidated audit fees estimated by the Queensland Audit Office are \$217,349 for 2021-22 (\$236,200 in 2020-21).

Note 8. Finance costs

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Finance costs charged by the Queensland Treasury Corporation	2,990	6,120	1,638	4,077
Early repayment adjustments charged by the Queensland Treasury Corporation	-	17,011	-	17,011
Bank charges	249	239	220	215
Impairment of receivables	69	55	4	(10)
Interest on leases	51	38	50	32
Unwinding of discount on provisions	(146)	4	(146)	4
Fair value adjustment	172	352	172	352
TOTAL FINANCE COSTS	3,385	23,819	1,938	21,681



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 9. Capital expenses and impairment

Notes	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
(a) Loss on disposal of non-current assets				
Proceeds from the disposal of property, plant and equipment	3,573	1,388	3,516	1,388
Less: carrying value of disposed property, plant and equipment	(9,544)	(13,966)	(8,801)	(13,966)
Loss on disposal of non-current assets	<u>(5,971)</u>	<u>(12,578)</u>	<u>(5,285)</u>	<u>(12,578)</u>

Physical assets, intangibles and other financial assets including investment in controlled entities are assessed individually and grouped as appropriate for indicators of impairment on an annual basis. If an indicator of possible impairment exists, Council determines the asset's recoverable amount as the higher of fair value less costs to dispose or value in use. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

An impairment loss is recognised as an expense in the Statements of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as an asset revaluation surplus increase.

A review of the recoverable amount of the airport cash-generating unit (CGU) was undertaken as at 30 June 2022. This assessment found that there was no indication of impairment observed in Council's investment in the Gladstone Airport Corporation (GAC) as a controlled entity.

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 9. Capital expenses and impairment (continued)

Notes	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000

The value-in-use of the airport CGU was determined to be within the range of \$36,921,509 and \$48,676,421. Council has elected to apply the mid-point of this range, and adjusted for cash and cash equivalents, borrowings and other financial liabilities to arrive at an implied equity value of \$13,057,965.

Sensitivity analysis was undertaken over the following assumptions within the valuation:

- Discount rate
- Passenger growth rate
- COVID-19 recovery into 2023
- Forecast capital expenditure
- Receipt of significant capital funding in future years

It was determined that any reasonable change in these assumptions was unlikely to lead to further impairment.

As the parent entity, Council assessed the recoverable amount of the airport CGU to include surplus cash, and therefore compared the recoverable value to Council of \$42,798,965 to the carrying amount of the CGU (inclusive of both the investment and loan receivable) to determine that there are no impairment losses in the 2021-22 year.

Council did not impair any other assets.

(b) Other capital expenses

Loss on write-off of assets	52	49	52	49
	<u>52</u>	<u>49</u>	<u>52</u>	<u>49</u>
<u>TOTAL CAPITAL EXPENSES AND IMPAIRMENT</u>	<u>(6,023)</u>	<u>(12,627)</u>	<u>(5,337)</u>	<u>(12,627)</u>



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 10. Cash, cash equivalents and financial assets

Notes	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000

Cash and cash equivalents in the Statements of Cash Flows include cash on hand, all cash and cheques received but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash, deposits at call, and term deposits are held at a variety of Australian Banks and Credit Unions and the Queensland Treasury Corporation (QTC) with credit ratings ranging from AAA to A. All Gladstone Airport Corporation investments are held in the QTC cash management account bearing variable interest rates.

Deposits with the QTC Cash Fund are capital guaranteed.

Cash and cash equivalents

Cash at bank and on hand	1,305	1,444	502	533
Deposits at call	94,284	82,246	82,651	70,870
Term deposits	10,000	-	10,000	-
<u>BALANCE PER STATEMENTS OF CASH FLOWS</u>	<u>105,589</u>	<u>83,690</u>	<u>93,153</u>	<u>71,403</u>

Restricted and internally allocated cash and cash equivalents

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

(i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:

Unspent government grants and subsidies	4,318	7,447	4,318	7,447
State government waste levy received in advance	6,702	-	6,702	-
Total externally imposed restrictions on cash assets	11,020	7,447	11,020	7,447

(ii) Internal allocations of cash at the reporting date:

Internal allocations of cash may be lifted by a Council with a resolution.

Reserves	23	80,921	84,964	80,921	81,657
Total internally allocated cash		80,921	84,964	80,921	81,657
Total unspent restricted cash		91,941	92,411	91,941	89,104

Council regularly monitors future cash forecasts and expects to meet its debts as and when due. Rates levied in August 2022 are due and payable to Council in October 2022.

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 10. Cash, cash equivalents and financial assets (continued)

Notes	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000

Trust funds

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies. Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets.

Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	462	462	462	462
Security deposits	4,076	3,367	4,076	3,367
	<u>4,538</u>	<u>3,829</u>	<u>4,538</u>	<u>3,829</u>



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 11. Receivables

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000

Receivables, loans and advances are amounts owed to Council at year end. They are recognised at the amount due at the time of sale or service delivery or advance. Settlement of receivables is required within 30 days after the invoice is issued.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair rate receivables.

Interest is charged on outstanding rates (8.03% per annum from 1 July 2022). No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

Accrued revenues (current and non-current) include amounts relating to the Special Charge Agreement with the Gladstone City Plaza Body Corporate. These amounts will be paid over a 10 year period, with repayments commencing in the 2021-22 year. See note 4 for additional details.

Current

Rateable revenue and utility charges	6,228	7,692	6,228	7,692
Other debtors	3,395	5,255	1,656	4,042
Accrued revenues				
- Interest on investments	60	74	60	74
- Other income accruals	1,224	1,892	1,205	1,775
Gladstone Airport Corporation	-	-	721	(1)
Total	10,907	14,913	9,870	13,582
less: Provision for impairment				
Other debtors	(215)	(185)	(70)	(105)
Total provision for impairment - receivables	(215)	(185)	(70)	(105)
TOTAL CURRENT RECEIVABLES	10,692	14,728	9,800	13,477

Non-current

Shareholder loan - Gladstone Airport Corporation	-	-	31,297	33,716
Other Debtors				
- Other income accruals	1,320	1,485	1,320	1,485
TOTAL NON-CURRENT RECEIVABLES	1,320	1,485	32,617	35,201

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 11. Receivables (continued)

Shareholder Loan

On 1 July 2012 Gladstone Airport Corporation (GAC) came into existence under the *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010 (repealed)*. The Statement of Corporate Intent outlines the acknowledgement of debt which Council currently holds as a QTC liability and controlled entity receivable.

On 1 July 2021 Council and GAC agreed on a debt to equity swap of \$8.34m (see Note 14). To effect this transaction, GAC agreed to take on additional debt with Council agreeing on reducing its shareholder capital in GAC of the same amount. This transaction was approved by Queensland Treasury and Trade under the *Statutory Bodies Financial Arrangements Act 1982* and subsequently via a Deed of Variation of Loan Restructure Deed between Council and GAC.

The loan is secured by a fixed and floating charge over the Gladstone Airport Corporation's assets and undertakings.

For the purposes of completing the maturity analysis, the principal component of these loans has been included in the more than five year time band.

A competitive neutrality margin of 0.58% on the outstanding loan balance is also payable by the Gladstone Airport Corporation to Council, in accordance with the requirements of the *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010 (repealed)*.

Loans to the Gladstone Airport Corporation are at a fixed rate with an interest rate of between 2.16% and 2.64%, together with an administration fee of 0.1% per annum. The facility consists of an amortising loan with a principle and interest and interest only component with the principle due upon expiry of the agreement on 30 June 2041. The facility has been extended through the Deed of Variation of Loan Restructure Deed between Council and GAC.

When determining whether to apply impairment against the Gladstone Airport Corporation (refer to Note 9 for additional detail) Council has assessed the recoverability of the loan receivable. Through cashflow modelling, Council concluded that the credit risk associated with this loan had not significantly increased since initial recognition, and therefore would only need to be impaired to the extent of 12 months' worth of expected credit losses. The cash reserves held by the Gladstone Airport Corporation are adequate to service 12 months of repayments and therefore, no impairment has been recognised against the loan.

Receivables credit risk

In the case of rate receivables, Council has the power to sell property to recover any defaulted amounts and therefore generally for rates debtors the credit risk is low.

In other cases, Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

By the nature of Council's operations, there is a geographical concentration of risk in Council's area. Because the area is largely commercial, there is also a concentration in the commercial sector.



NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 11. Receivables (continued)

Expected credit loss assessment

Council considers a variety of factors when measuring the expected credit losses of trade receivables from individual customers. These factors include amount, ageing, the existence of a contract, the existence of an approved payment plan and the historical repayment activity of the customer. Following these assessments, Council reached the conclusion that forward looking conditions indicated no foreseeable expected deviations from historically calculated rates of default, thus no forward looking adjustments were made.

Council does not require collateral in respect of trade and other receivables.

Refer also to Note 29 for further information about credit risk.

Note 12. Inventories

Stores and raw materials held for resale are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

Inventories held for distribution are:

- goods to be supplied at no or nominal, charge, and
- goods to be used for the provision of services at no or nominal, charge.

These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current asset. Proceeds from the sale of this land will be recognised as sales revenue on the

Write down of inventories to net realisable value amounted to \$65,180 (2020-21: \$601,190), including the following items:

- Cemetery crypts held for sale \$8,625. Balance of cemetery crypts for sale written down to net realisable value.
- Quarry and road materials \$14,022. Materials were adjusted to the weighted average of cost as at 30 June 2022.
- Crushed concrete \$42,533. Materials were adjusted to the weighted average cost as at 30 June 2022.

Write downs of inventory were recognised as an expense and included in materials and services in the Statements of Comprehensive Income.

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 12. Inventories (continued)

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current inventories				
(a) Inventories held for sale				
Inventories held for sale	150	147	150	147
	<u>150</u>	<u>147</u>	<u>150</u>	<u>147</u>
(b) Inventories held for distribution				
Quarry and road materials	918	1,849	918	1,849
Plant and equipment stores	859	747	859	747
	<u>1,777</u>	<u>2,596</u>	<u>1,777</u>	<u>2,596</u>
(c) Land purchased for development and sale	192	192	192	192
TOTAL CURRENT INVENTORIES	<u>2,119</u>	<u>2,935</u>	<u>2,119</u>	<u>2,935</u>

Note 13. Other assets

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current				
Water charges not yet levied	8,736	10,215	8,736	10,215
GST recoverable	1,534	2,014	1,692	2,087
Prepayments	2,028	1,634	1,765	1,404
TOTAL CURRENT OTHER ASSETS	<u>12,298</u>	<u>13,863</u>	<u>12,193</u>	<u>13,706</u>



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 14. Interests in other entities

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Gladstone Airport Corporation				
Investment at cost	-	-	71,854	71,854
Less: accumulated impairment	-	-	(55,196)	(55,196)
Movement during the year	-	-	1,008	-
TOTAL OF INTERESTS IN OTHER ENTITIES	-	-	17,666	16,658

Gladstone Airport Corporation is a Local Government owned Corporation wholly owned by Gladstone Regional Council.

Gladstone Airport Corporation became a corporatised entity on 1 July 2012 in the state of Queensland under the *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010 (repealed)* to administer the for-profit airport activities.

On 1 July 2021 Council and GAC agreed on a debt to equity swap of \$8.34m (see Note 11). When refinancing occurred, the provisions relating to AASB9 were invoked which resulted in a substantial modification to the loan resulting in a \$1.01m gain from a fair market valuation carried out by BDO Corporate Finance Ltd.

Council's consolidated financial statements incorporate the assets, liabilities and result of the Gladstone Airport Corporation in accordance with AASB 10 *Consolidated Financial Statements* and the accounting policy described in note 1(b).

Council's investment in the controlled entity, Gladstone Airport Corporation, is accounted for at cost in Council's separate financial statements as fair value cannot be reliably measured. This investment is eliminated in the financial statements of the economic entity upon consolidation.

No impairment has been recognised against the investment in the 2021-22 year. The carrying amount of the Gladstone Airport Corporation cash-generating unit exceeded the recoverable amount as determined by a value in use valuation as at 30 June 2022. Additional information regarding the valuation is provided in note 9.

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 15. Investment property

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000

Investment property is property held for the primary purpose of earning rentals and/or capital appreciation. This includes land held by Council for a currently undetermined future use. Investment property does not include community housing or other property held to provide a social service.

Investment property is initially recognised at cost (including transaction costs) and subsequently at fair value. Where investment property is acquired for significantly below fair value it is recorded at fair value on initial recognition. All investment property owned by Council has been subsequently revalued at the balance date. Gains or losses arising from changes in the fair value of investment property are included in the Statements of Comprehensive Income in the period in which they arise. Investment property is not depreciated and is not tested for impairment.

Fair value at beginning of financial year	4,928	3,002	4,928	3,002
Revaluation adjustment to the income account	-	1,926	-	1,926
Transfers from/(to) property, plant and equipment	10	14	14	-
TOTAL INVESTMENT PROPERTY	4,942	4,928	4,942	4,928

Investment property comprises commercial properties which are rented out. The income derived from these properties is shown at note 18.

These properties were valued at fair value by APV Valuers and Asset Management, an independent professionally qualified valuation firm, with a comprehensive revaluation effective as at 30 June 2021. Fair value was determined by reference to market based evidence including observable historical sales data in the relevant market for properties of similar nature and specification.

No revaluation increment has been recorded for the investment property asset sub class as at 30 June 2022.

At reporting date there was no property being constructed or developed for future use as investment property.

No contingent rentals were recognised during the current or prior reporting periods.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 16. Property, plant and equipment

Consolidated - 30 June 2022	Lease and improvements		Buildings		Plant and equipment		Major plant and equipment		Cultural assets		Park furniture and other structures		Roads, drains and transport infrastructure		Sewerage infrastructure		Water infrastructure		Works in progress		Total
	\$'000	Fair value	\$'000	Fair value	\$'000	Cost	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Cost	
Measurement basis		Methods																			
Opening gross balance	119,389		179,418		50,455		9,745		1,518		51,129		1,725,138		7,19,794		377,868		106,514		3,340,998
Correction to opening balances*	-		-		2,151		-		-		-		-		-		-		39,466		2,151
Additions - renewal	-		-		13		-		-		-		-		-		-		13,862		39,466
Additions - other	-		-		-		-		-		-		-		-		-		-		13,862
Increases to landfill provisions	(408)		(293)		(7,694)		(2,190)		-		(338)		(11,170)		(1,254)		(839)		(1,035)		(408)
Disposals	-		-		-		-		-		-		-		-		-		-		(23,058)
Write-offs	-		-		-		-		-		-		-		-		-		-		(1,093)
Revaluation increments to equity (ARS)	-		690		-		1,992		1,992		31		112,115		-		24,485		(92,161)		114,828
Work in progress transfers	-		12,340		6,946		1,992		27		10,089		17,543		-		-		(14)		-
Transfers from/to investment properties	-		-		-		-		-		-		-		-		-		-		-
Adjustments and other transfers	-		37		(37)		-		-		-		-		-		-		-		(14)
Total consolidated gross value of property, plant and equipment	118,991		192,192		52,444		11,549		1,545		61,011		1,843,746		737,178		407,515		66,374		3,486,545
Opening accumulated depreciation and impairment	3,712		46,241		28,467		2,670		-		11,438		372,439		335,943		150,384		-		949,394
Correction to opening balances*	182		2,247		4,130		729		-		1,153		23,877		10,963		8,476		-		2,151
Depreciation expense	-		(272)		(5,145)		(1,437)		-		(211)		(5,548)		(543)		(331)		-		49,557
Disposals	-		-		-		-		-		-		-		-		-		-		(13,486)
Write-offs	-		-		-		-		-		-		-		-		-		-		-
Revaluation increments to equity (ARS)	-		-		-		508		-		326		(26,698)		-		-		-		(25,864)
Adjustments and other transfers	-		(85)		85		-		-		-		-		-		-		-		-
Total consolidated accumulated depreciation and impairment property, plant and equipment	3,895		48,231		27,698		2,470		-		12,706		363,870		346,383		156,629		-		961,752
Total consolidated net book value of property, plant and equipment	115,096		143,961		24,746		9,079		1,545		48,305		1,479,876		390,815		244,886		66,374		2,524,793
Other information																					
Recognition threshold	> \$1		> \$10,000		> \$5,000		> \$350,000		Networked		> \$10,000		Networked		Networked		Networked		10-100		10-100 (not depreciated)
Range of estimated useful life (years)			10-185		2-52		7-16		Not depreciated		10-150		10-1000		15-150		10-100		10-100		Not depreciated

*C consolidation adjustments between gross value and accumulated depreciation

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 16. Property, plant and equipment (continued)

	Land and improvements		Buildings		Plant and equipment		Major deprec. and equipment		Cultural assets		Furniture and other structures		Road, drainage and transport infrastructure		Sewerage infrastructure		Water infrastructure		Work in progress		Total	
	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value		\$'000
Consolidated - 30 June 2021																						
Opening gross balance	123,446	176,595	50,015	6,915	1,468	39,756	1,700,206	494,010	286,064	73,657	30,631	40,634	9,174	7,463	25,836	13,406	363,368	14,660	3,340,958			
Additions - renewal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions - other	9,174	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increases to landfill provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	21	(189)	7,303	(4,235)	(2)	6,263	19,202	266,556	91,709	8,996	(37,940)	-	-	-	-	-	-	-
Disposals	(344)	(3,279)	(4,235)	(465)	(2)	(189)	(2,160)	(4,235)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	(55)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation decrements to equity (ARS)	(13,406)	-	8,675	715	3	6,263	19,202	266,556	91,709	8,996	(37,940)	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)	236	-	3,425	2,580	7	2,771	9,619	3,363	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress transfers	293	(5,986)	(2,186)	-	-	-	(9,014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total consolidated gross value of property, plant and equipment	119,399	179,418	50,465	9,745	1,518	51,129	1,726,169	719,794	377,868	106,514	3,340,958											
Opening accumulated depreciation	2,572	39,737	26,232	1,812	-	6,676	348,486	111,661	73,855	613,263												
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	202	1,993	3,806	470	647	23,579	5,335	(1,164)	3,805	99,837												
Disposals	-	(545)	(3,259)	(355)	-	(71)	(683)	(1,164)	-	(11,861)												
Write-offs	-	-	(15)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)	938	11,067	(2,257)	743	-	2,679	6,799	219,691	78,508	320,625												
Adjustments and other transfers	-	(5,911)	-	-	-	1,505	(7,900)	-	-	(14,663)												
Total consolidated accumulated depreciation and impairment property, plant and equipment	3,712	46,341	26,467	2,670	-	11,438	372,439	335,943	150,384	949,394												
Total consolidated net book value of property, plant and equipment	115,687	133,077	23,998	7,075	1,518	39,691	1,353,730	383,851	227,484	106,514	2,391,604											
Other information																						
Recognition threshold	>\$1	>\$10,000	>\$5,000	>\$350,000	Networked	>\$10,000	Networked	Networked	Networked	Networked												
Ranges of estimated useful life (years)		10-165	2-52	7-16	Not depreciated	10-150	10-1000	15-150	10-100													

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 16 Property, plant and equipment (continued)

Council - 30 June 2022	Land and improvements		Buildings		Plant and equipment		Major plant and equipment		Cultural assets		Recreation and other structures		Road, drainage and transport infrastructure		Sewerage infrastructure		Water infrastructure		Work in progress		Total	
	\$'000	Fair value	\$'000	Fair value	\$'000	Cost	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Cost		
Measurement basis																						
Opening gross balance	111,808	111,808	133,975	133,975	48,811	48,811	9,745	9,745	1,518	1,518	47,793	47,793	1,662,334	1,662,334	719,794	719,794	377,866	377,866	105,888	105,888	3,239,622	
Additions - renewal					13	13													36,819	36,819	36,819	
Additions - other	(405)	(405)																	13,662	13,662	13,675	
Increases to landfill provisions																					(408)	
Disposals			(24)	(24)	(7,078)	(7,078)	(2,180)	(2,180)					(7,527)	(7,527)	(1,254)	(1,254)	(839)	(839)			(18,902)	
Write-offs																					(1,093)	
Revaluation increments to equity (AR5)							1,992	1,992	27	27	10,089	10,089	111,565	111,565							(1,093)	
Work in progress transfers			12,340	12,340	6,366	6,366	1,992	1,992					17,643	17,643	18,638	18,638	24,488	24,488	(91,581)	(91,581)	113,567	
Transfers (to/from) investment properties																					(14)	
Total gross value of property, plant and equipment	111,400	111,400	166,291	166,291	48,112	48,112	11,649	11,649	1,546	1,546	67,872	67,872	1,784,015	1,784,015	737,178	737,178	401,515	401,515	63,779	63,779	3,983,256	
Opening accumulated depreciation					25,685	25,685	2,670	2,670			9,305	9,305	323,930	323,930	325,943	325,943	150,384	150,384			882,770	
Depreciation expense	182	182	1,953	1,953	3,909	3,909	729	729			1,038	1,038	23,281	23,281	10,963	10,963	6,476	6,476			48,532	
Disposals					(5,139)	(5,139)	(1,437)	(1,437)					(2,621)	(2,621)	(543)	(543)	(331)	(331)				(10,074)
Revaluation increments to equity (AR5)							308	308					(25,685)	(25,685)								(26,190)
Total accumulated depreciation of property, plant and equipment	3,885	3,885	33,093	33,093	24,453	24,453	2,470	2,470			10,344	10,344	317,891	317,891	346,363	346,363	155,529	155,529			955,038	
Total net book value of property, plant and equipment	107,515	107,515	133,198	133,198	23,659	23,659	9,079	9,079	1,546	1,546	47,528	47,528	1,466,124	1,466,124	390,815	390,815	244,986	244,986	63,779	63,779	2,468,218	
Other information																						
Recognition threshold	>\$1	>\$1	>\$10,000	>\$10,000	>\$50,000	>\$50,000	>\$50,000	>\$50,000	Networked	Networked	>\$10,000	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	
Range of estimated useful life (years)			10-185	10-185	2-52	2-52	7-16	7-16	Not depreciated	Not depreciated	10-150	10-150	10-1000	10-1000	15-150	15-150	10-1000	10-1000	Not depreciated	Not depreciated		

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 16: Property, plant and equipment (continued)

Council - 30 June 2021	Land and improvements		Buildings		Plant and equipment		Major plant and equipment		Cultural assets		Recreation and other structures		Road, drainage and transport infrastructure		Sewerage infrastructure		Water infrastructure		Work in progress		Total							
	\$'000	Fair value	\$'000	Fair value	\$'000	Cost	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Cost								
Measurement basis																					\$'000							
Opening gross balance	116,093	148,349	48,610	6,915	38,938	1,623,856	464,010	286,064	71,494	2,830,816	30,011	40,232	9,174	7,463	(25,896)	(13,406)	293	111,808	153,976	48,811	9,745	1,518	47,793	1,662,334	719,794	377,868	106,968	3,239,622
Additions - renewal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions - other	3,174	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increases to landfill provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	(344)	(3,279)	(4,225)	(465)	(189)	(3,100)	(6,235)	(465)	21	(1,939)	38	101	(10,939)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	(13,406)	7,646	1,259	715	2,680	6,481	715	2,680	2,771	3,363	8,995	91,709	34,883	(538)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventories transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total gross value of property, plant and equipment	108,095	122,633	23,128	7,075	38,478	1,339,404	383,861	227,484	105,968	2,356,852	30,011	40,232	9,174	7,463	(25,896)	(13,406)	293	111,808	153,976	48,811	9,745	1,518	47,793	1,662,334	719,794	377,868	106,968	3,239,622
Opening accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction to opening balances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	202	1,557	3,712	470	647	25,142	5,335	3,805	647	(71)	(683)	(1,164)	(5,784)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	(545)	(3,259)	(355)	(71)	(683)	(1,164)	(5,784)	(355)	(683)	(1,164)	(5,784)	(11,861)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	(55)	(55)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)	388	11,067	743	743	2,679	5,135	219,891	78,508	2,679	(513)	(513)	(10,939)	(330)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total accumulated depreciation of property, plant and equipment	3,713	31,142	25,683	2,670	9,305	323,930	335,943	160,384	9,305	323,930	335,943	160,384	882,770	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total net book value of property, plant and equipment	108,095	122,633	23,128	7,075	38,478	1,339,404	383,861	227,484	105,968	2,356,852	30,011	40,232	9,174	7,463	(25,896)	(13,406)	293	111,808	153,976	48,811	9,745	1,518	47,793	1,662,334	719,794	377,868	106,968	3,239,622

Other information:
Recognition threshold
Range of estimated useful life (years)



NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 16. Property, plant and equipment (continued)

(a) Recognition

The classes of property, plant and equipment recognised by Council are:

- Land and improvements
- Buildings
- Major plant and equipment
- Plant and equipment
- Cultural assets
- Park furniture and other structures
- Roads, drainage and transport infrastructure
- Water infrastructure
- Sewerage infrastructure
- Work in progress

Asset thresholds are set for each class as outlined in the property, plant and equipment tables.

Purchases of property, plant and equipment are recognised as assets unless they are below the asset recognition threshold or maintenance expenditure.

Thresholds apply to all assets on a stand alone basis except for those categorised as networked. Networked assets are generally components of a complex asset and individually are not functional.

Major plant and equipment

Council has determined that plant which has an individual cost in excess of \$350,000 is of high value to Council. Plant which meets this criteria is major plant if it is prone to a high degree of price fluctuations or in danger of becoming obsolete. The asset class primarily includes specialised earthmoving equipment.

Capital and operating expenditure

Wages and materials expenditure incurred for the acquisition of, or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current assets are expensed as incurred, while expenditure that relates to the replacement of a major component of an asset to maintain its service potential is capitalised.

Land under roads

The Gladstone Regional Council does not control any land under roads. All land under the road network within Council area has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* and is not controlled by Council but is controlled by the State pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

(b) Measurement

Acquisition of assets are initially recorded at cost. Cost is determined as the fair value of consideration plus costs incidental to the acquisition. Direct labour, materials and an appropriate portion of overheads incurred in the acquisition or construction of assets are also included as capital costs.

Non-monetary assets, including property, plant and equipment, received in the form of contributions are recognised as assets and revenues at fair value by Council where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 16. Property, plant and equipment (continued)

(b) Measurement (continued)

When Council raises a provision for the restoration of a Council-controlled site, such as a landfill site, the provision is initially recognised against property, plant and equipment. Subsequent changes in the provision relating to the discount rate or the estimated amount or timing of restoration costs are recognised against asset revaluation surplus.

Capital work in progress

The cost of property, plant and equipment being constructed by Council includes the cost of purchased services, materials, direct labour and an appropriate proportion of labour overheads.

Investment property under construction is classified as investment property. Refer to note 15 for further information.

(c) Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other land improvements and property, plant and equipment is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to Council.

During the comprehensive revaluation of water and sewerage assets, as at 30 June 2021 JLL Public Sector Valuations Pty Ltd (JLL) have identified that certain asset categories were assigned higher than expected useful life values in the last comprehensive valuation conducted in 2015-16. This is a result of having certain asset categories with short-life and long-life components (long-life component assigned a higher useful life) coupled with a pattern of depreciation based on condition scoring and consumption of remaining service potential.

Valuation analysis undertaken by JLL show that the chronological age of long-life asset components particularly within the Collection System asset sub-category (predominantly consisting of sewerage pipes and pits) have not been accurately reflecting the age of the (long life component) of the asset.

JLL have recalibrated the short/ long life components of assets to more accurately reflect the pattern of consumption for these assets out in the field. JLL have also assigned appropriate condition scoring to more accurately reflect the current condition of these assets therefore further impacting depreciation.

Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets. Reverting to a straight-line profile will impact future annual depreciation expense. It is also a key factor in the valuations overall impact to fair value/ written down value for water and sewerage assets.

Annual depreciation expense for buildings and parks, furniture and other structures (PFOS) is due to increase from 2021-22, due to a change in the depreciation methodology. Council is moving away from previously adopted varied consumption scoring methodology (since 2015-16), to a straight-line approach in accordance with Council policy.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.



NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 16. Property, plant and equipment (continued)

(c) Depreciation (continued)

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to Council.

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to Council or the unexpired period of the lease, whichever is the shorter.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at written down current replacement cost are used to estimate the useful lives of these assets at each reporting date.

(d) Impairment

Property, plant and equipment held at cost is assessed for indicators of impairment annually. If an indicator of possible impairment exists, Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

(e) Valuation

Land and improvements, buildings, major plant and equipment and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with *AASB 116 Property, Plant and Equipment* and *AASB 13 Fair Value Measurement*. All other non-current assets, principally plant and equipment are measured at cost.

Non-current physical assets measured at fair value are revalued where required so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every five years with interim valuations, using a suitable index, being otherwise performed on an annual basis where there has been a material variation in the index.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 16. Property, plant and equipment (continued)

(e) Valuation (continued)

Valuation Processes

Council does not measure any liabilities at fair value on a recurring basis.

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3. Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

Valuation techniques used to derive level 2 and level 3 fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date/ valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other revaluation adjustment
Buildings-FV Input (2 & 3)	Combination of Market and current replacement cost approach	APV 30/06/2021	<ul style="list-style-type: none"> • The relevant inputs were able to be observed from current market evidence. The residential properties fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size. • Market rental yields and estimates of future demand. Both were based on an analysis of current market rental data but did require the exercise of professional judgement by the valuers • Replacement Cost (based on actual dimensions and unit rates derived from market evidence) • Residual Value (based on estimated proceeds from disposal at the end of the useful life – typically assessed as nil) • Split between short-life and long-life part (based on consideration of likely future asset management treatments) • Valuation Profile (based on how market participants perceive the relationship between asset condition, cost to renew the asset and the associated value). • Consumption score (based on physical characteristics as well as potential impact of changes • Change in depreciation methodology to straight line 	N/A	N/A



NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 16. Property, plant and equipment (continued)

(e) Valuation (continued)

Valuation techniques used to derive level 2 and level 3 fair values (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date/ valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other revaluation adjustment
Major Plant - FV Input (2 & 3)	Combination of Market and current replacement cost approach	Internal Management Assessment 30/06/2022	<p>Values are determined by management on a condition audit and market based evidence using comparable replacement costs from the most recent price catalogues for specialised earthmoving equipment.</p> <p>Key assumptions used in assessing the condition included site condition, type of usage, major mechanical component condition, and machine hours. The fair value takes into account transport costs to transport the plant to market but does not include transaction costs.</p>	N/A	N/A
Land- FV Inputs (2)	Market Approach	APV 30/06/2021	<ul style="list-style-type: none"> • Except in the circumstance of any assets being held for sale (valued in accordance with AASB 5 <i>Assets Held for Sale</i>) or in accordance with specific accounting standards (such as Investment Properties) the balance of the portfolio is valued in accordance with AASB 116 <i>Property Plant and Equipment</i> at Fair Value. • Depending upon the unique circumstances of each lot, land has been valued using the two approaches as per below: <ul style="list-style-type: none"> - Replacement Cost - Market Value 	N/A	N/A
Parks Furniture & Other Structures (PFOS) FV Inputs (3)	Current Replacement cost approach	APV 30/06/2021	<ul style="list-style-type: none"> • Replacement Cost (based on actual dimensions and unit rates derived from market evidence) • Residual Value (based on estimated proceeds from disposal at the end of the useful life – typically assessed as nil) • Split between short-life and long-life part (based on consideration of likely future asset management treatments) • Valuation Profile (based on how market participants perceive the relationship between asset condition, cost to renew the asset and the associated value). • Consumption score (based on physical characteristics as well as potential impact of changes in functionality, capacity, obsolescence and legal and other limits) • Dates of acquisition and decommissioning used where applicable • Change in depreciation methodology to straight line 	N/A	N/A

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 16. Property, plant and equipment (continued)

(e) Valuation (continued)

Valuation techniques used to derive level 2 and level 3 fair values (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date/ valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other revaluation adjustment
Water- FV Inputs (3)	Current Replacement cost approach	JLL 30/06/2021	<ul style="list-style-type: none"> • Modern equivalent asset (based on current constructions standards and practices) • Replacement Cost (based on unit rates derived from first principles cost build-ups) • Unit of Account/Segmentation (level of componentisation of assets into electrical, mechanical and structural elements). • Dates of acquisition, upgrade and/or decommissioning. • Level of utilisation of assets and condition score. • Total economic useful life and remaining useful life estimates. • Consumption method determined on a straight-line basis. 	N/A	N/A
Sewerage -FV Inputs (3)	Current Replacement cost approach	JLL 30/06/2021	<ul style="list-style-type: none"> • Modern equivalent asset (based on current constructions standards and practices) • Replacement Cost (based on unit rates derived from first principles cost build-ups) • Unit of Account/Segmentation (level of componentisation of assets into electrical, mechanical and structural elements). • Dates of acquisition, upgrade and/or decommissioning. • Level of utilisation of assets and condition score. • Total economic useful life and remaining useful life estimates. • Consumption method determined on a straight-line basis. 	N/A	N/A
RDTI -FV Inputs (3)	Current Replacement cost approach	Comprehensive Shepherd Services Desktop 30/06/2021	<p>Last comprehensive Valuation</p> <ul style="list-style-type: none"> • Fair values based on quoted prices in active markets for identical assets (level 1) • Fair value based on inputs that are directly or indirectly observable for asset (level 2) and Fair value on unobservable inputs for assets (level 3) • Onsite inspections were completed for all roads, condition assessments and relevant photos have been taken and supplied by SHEPHERD. Sample inspections for bridges, culverts, pits, Kerbs footpaths and storm water were carried out by shepherd with data and photos supplied by council. • Remaining life for each asset has been determined • Useful lives have been determined where possible, by sampling council's oldest assets in each asset category, otherwise they have been taken from the industry standards. 	QGSO (Queensland Government Statisticians office) Asset revaluation index, 3 year rolling average applied to RDTI asset at 6.85%	N/A



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 17. Contract balances

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000

Contract assets represents the excess of costs incurred in relation to a contract with the customer or construction of an asset over the amounts that Council has invoiced the customer or the grantor. Where Council has invoiced the customer or the grantor amounts in excess of what it has incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.

(a) Contract assets

Current

Contracts with customers	2,068	6,262	2,068	6,262
TOTAL CURRENT CONTRACT ASSETS	2,068	6,262	2,068	6,262

(b) Contract liabilities

Funds received upfront to construct Council controlled assets	4,881	2,417	3,856	2,093
Non-capital performance obligations not yet satisfied	462	478	462	478
TOTAL CURRENT CONTRACT LIABILITIES	5,343	2,895	4,318	2,571

Revenue recognised that was included in the contract liability balance at the beginning of the year

Funds to construct Council controlled assets	161	2,789	161	2,384
Non-capital performance obligations not yet satisfied	28	152	28	152
Total revenue included in the contract liability	189	2,941	189	2,536

(c) Significant changes in contract balances

Current contract assets relate primarily to grant funding agreements with funding providers, where Council has met the performance milestones specified in the contract. The 2020-21 amount of \$6,262,480 includes funding from the Queensland Government under the Works for Queensland Program to the value of \$5,715,000. This year, the amount of \$2,067,763 includes funding from Queensland Government under the Building Our Regions Program to the value of \$473,480 and the Works for Queensland Program to the value of \$954,815.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 18. Leases

Council as a lessee

Council has leases in place over land and infrastructure.

Where Council assesses that an agreement contains a lease, a right of use asset and lease liability is recognised on inception of the lease. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right of use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right of use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured whether there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right of use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

Terms and conditions of leases

Land

Council leases various parcels of land for purposes such as showgrounds, community centres as well as the positioning of water and sewerage infrastructure. A number of the underlying assets are considered low value, or the lease payments are significantly below market value and are therefore not subject to lease accounting. For the leases recognised in these statements, lease terms range between 5 and 75 years with some payments based upon the value of the land and some indexing each year by the rate determined within the agreement.

Infrastructure

Council leases allocated space on a communication tower. The lease term is 5 years with options to extend. The lease payments are indexed each year by the rate determined within the agreement.

Equipment

The Gladstone Airport Corporation leases computer and printing equipment associated with airline booking and passenger management as well as electronic passenger information services. The lease term is 5 years with fixed payments.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 18. Leases (continued)

	Land \$'000	Infrastructure \$'000	Equipment \$'000	Total \$'000
Right of use assets				
Consolidated				
2022				
Opening balance	1,113	833	45	1,991
Adjustments to right of use assets due to remeasurement of lease liability	-	(10)	-	(10)
Depreciation charge	(44)	(44)	(22)	(110)
Other - Lease finalised	-	-	(23)	(23)
Balance at 30 June 2022	1,069	779	-	1,848
2021				
Opening balance	1,189	212	94	1,495
Additions to right of use assets	-	844	-	844
Adjustments to right of use assets due to remeasurement of lease liability	(31)	(212)	-	(243)
Depreciation charge	(44)	(11)	(49)	(104)
Balance at 30 June 2021	1,113	833	45	1,991
Council				
2022				
Opening balance	1,113	833	-	1,946
Adjustments to right of use assets due to remeasurement of lease liability	-	(10)	-	(10)
Depreciation charge	(44)	(44)	-	(88)
Balance at 30 June 2022	1,069	779	-	1,848
2021				
Opening balance	1,189	212	-	1,401
Additions to right of use assets	-	844	-	844
Adjustments to right of use assets due to remeasurement of lease liability	(31)	(212)	-	(243)
Depreciation charge	(44)	(11)	-	(55)
Balance at 30 June 2021	1,113	833	-	1,946

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 18. Leases (continued)

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Lease liabilities				
Classified as:				
Current lease liability	40	86	40	38
Non-current lease liability	1,921	1,970	1,921	1,970
Total lease liabilities	1,961	2,056	1,961	2,008

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the Statements of Financial Position.

	< 1 year \$'000	1 to 5 years \$'000	> 5 years \$'000	Total \$'000	Total per Statements of Financial Position \$'000
Consolidated					
2022					
Lease liabilities	89	386	2,393	2,868	1,961
	<u>89</u>	<u>386</u>	<u>2,393</u>	<u>2,868</u>	<u>1,961</u>
2021					
Lease liabilities	138	403	2,498	3,039	2,056
	<u>138</u>	<u>403</u>	<u>2,498</u>	<u>3,039</u>	<u>2,056</u>
Council					
2022					
Lease liabilities	89	386	2,393	2,868	1,961
	<u>89</u>	<u>386</u>	<u>2,393</u>	<u>2,868</u>	<u>1,961</u>
2021					
Lease liabilities	88	403	2,498	2,989	2,008
	<u>88</u>	<u>403</u>	<u>2,498</u>	<u>2,989</u>	<u>2,008</u>



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 18. Leases (continued)

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000

Amounts included in the Statements of Comprehensive Income related to leases

The following amounts have been recognised in the Statements of Comprehensive Income for leases where Council is the lessee.

Expenses

Depreciation of right of use assets	110	104	88	55
Interest expense on lease liabilities	51	38	50	32
Expenses relating to short-term leases	21	23	17	19
Expenses relating to low-value assets	7	4	7	4
Net expense relating to leases	189	169	162	110

Amounts included in the Statements of Cash Flows related to leases

The following amounts have been recognised in the Statements of Cash Flows for leases where Council is the lessee.

Cash flows from financing activities

Repayments made on leases (principal only)	(110)	(105)	(87)	(50)
Total cash inflows/(outflows) for leases	(110)	(105)	(87)	(50)

Leases at significantly below market value - concessionary / peppercorn leases

Council has leases at significantly below market value for land that is used for:

- Multipurpose sports and events
- Carparking
- Parklands
- Community markets
- Community programs

The leases are between 20 and 74 years and require payments between \$0 and \$1 per annum. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

Council acts as lessor and subleases the Marly Brown Oval for an amount significantly below market value.

Council acts as lessor and subleases the Toolooa Street Neighbourhood Centre. The lease amount is reviewed annually per the lease agreement.

Council is granted use of state government reserve land for a cost significantly below market value. This use of land is not included as a right of use asset, as it does not fall within the scope of AASB 16 Leases.

Council does not believe that any of the leases in place are individually material.

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 18. Leases (continued)

Council as a lessor

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with *AASB 15 Revenue from Contracts with Customers*.

Council does not have any finance leases. Council's operating leases relate to the investment property in the Statements of Financial Position. Rent from investment and other property is recognised as income on a periodic straight line basis over the lease term.

	Consolidated		Council	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000

Operating leases

Where Council retains the risks and rewards relating to a lease, the lease is classified as an operating lease.

The minimum lease receipts are as follows:

Not later than one year	1,021	832	212	191
Between one and two years	452	725	278	111
Between two and three years	407	211	285	114
Between three and four years	249	168	171	97
Between four and five years	191	113	175	83
Later than five years	367	499	357	462
Total lease receipts	2,687	2,548	1,478	1,058

Assets classified as investment property

The assets are included in the statement of financial position as:

- Investment property - where the asset is held predominantly for rental or capital growth purposes (refer note 15) or
- Property, plant and equipment - where the rental is incidental or the asset is held to meet Council's service delivery objectives (refer note 16).



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 18. Leases (continued)

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Rent from investment and other property is recognised as income on a periodic straight line basis over the lease term.				
Rental income (excluding variable lease payments not dependent on an index or rate)	794	655	786	649
Rental income relating to variable lease payments not dependent on an index or rate	-	54	-	54
Other	1,107	985	-	-
Total operating lease income (rental income)	1,901	1,694	786	703
Direct operating expenses from property that generated rental income	130	115	130	115
Direct operating expenses from property that did not generate rental income	40	63	40	63
Total operating lease expenses	170	178	170	178
Net operating lease profit/(loss)	1,731	1,516	616	525
Contract obligations for future repairs and maintenance	3	2	3	2

There is nil unearned finance income, unguaranteed residual values accruing to the benefit of Council, accumulated allowance for uncollectible minimum lease payments receivable or contingent rents recognised as income applicable to the leases.

There are no restrictions on the realisability of investment property or remittance of income and proceeds of disposal. Council does not have any contractual obligations to purchase, construct or develop investment property.

Note 19. Payables

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 21 day terms.				
Creditors	1,012	3,870	736	3,720
Accrued expenses	12,903	14,089	11,272	13,873
Accrued wages and salaries	1,089	827	1,086	827
Prepaid rates	11,450	10,464	11,450	10,464
TOTAL CURRENT PAYABLES	26,454	29,250	24,544	28,884

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 20. Borrowings

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, borrowings from the Queensland Treasury Corporation (QTC) are measured at amortised cost and interest free borrowings from the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP) are recognised at fair value.

All borrowings are in \$AUD denominated amounts with interest expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 March 2028 to 15 June 2041.

There have been no defaults or breaches of the loan agreements during the period.

Principal and interest repayments are made quarterly and in arrears.

In accordance with the *Local Government Regulation 2012* Council adopts an annual debt policy that sets out Council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the QTC's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

Current

Loans - Queensland Treasury Corporation	5,819	5,549	5,819	5,549
Loans - Interest free - DSDILGP	456	434	456	434
<u>TOTAL CURRENT BORROWINGS</u>	<u>6,275</u>	<u>5,983</u>	<u>6,275</u>	<u>5,983</u>

Non-current

Loans - Queensland Treasury Corporation	92,732	98,433	92,732	98,433
Loans - Interest free - DSDILGP	2,955	3,411	2,955	3,411
<u>TOTAL NON-CURRENT BORROWINGS</u>	<u>95,687</u>	<u>101,844</u>	<u>95,687</u>	<u>101,844</u>
<u>TOTAL BORROWINGS</u>	<u>101,962</u>	<u>107,827</u>	<u>101,962</u>	<u>107,827</u>



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 20. Borrowings (continued)

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Reconciliation of loan movements for the year				
Loans - Queensland Treasury Corporation				
Opening balance at beginning of financial year	103,982	105,512	103,982	105,512
Interest charges	2,990	6,120	2,990	6,120
Principal repayments	(8,422)	(15,985)	(8,422)	(15,985)
Early repayment adjustments	-	14,912	-	14,912
Payment of early repayment adjustments	-	(6,577)	-	(6,577)
Book value at end of financial year	<u>98,550</u>	<u>103,982</u>	<u>98,550</u>	<u>103,982</u>

The QTC loan market value at the reporting date was \$84,992,350. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

Loans - Interest free - DSDILGP

Opening balance at beginning of financial year	3,846	4,101	3,846	4,101
Fair value adjustment	172	351	172	351
Repayments	(606)	(606)	(606)	(606)
Book value at end of financial year	<u>3,412</u>	<u>3,846</u>	<u>3,412</u>	<u>3,846</u>

No assets have been pledged as security by Council for any liabilities, however all loans are guaranteed by the Queensland Government.

Note 21. Provisions

Liabilities are recognised for employee benefits such as wages and salaries, personal, annual and long service leave in respect of services provided by the employees up to the reporting date.

Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

Council has an obligation to pay 16% on personal leave balances accrued in accordance with the Gladstone Regional Council Enterprise Bargaining Agreement adopted on the 5 April 2022 and pay rates being effective from 8 November 2021. Some former Calliope Shire Council employees are entitled to a 25% payout on personal leave accrued from 10 May 2006 to 8 September 2008. Apart from the payout options, Council is not required to payout the personal leave balances as these are not payable upon termination.

Certain former Gladstone City Council employees are entitled to a service entitlement payment upon departure from employment within Council. In accordance with the 2021 Certified Agreement no further increases are to apply to these leave balances.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 21. Provisions (continued)

Long service leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in Council's employment or other associated employment which would result in Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The provision is discounted using the Commonwealth Bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning website.

Where employees have met the prerequisite length of service and Council does not have an unconditional right to defer this liability beyond 12 months long service leave is classified as a current liability. Otherwise it is classified as non-current.

Landfill remediation

A provision is made for the cost of restoration in respect of refuse dumps where it is probable that Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required, discounted to current day values using the interest rates attaching to Commonwealth Government guaranteed securities with a maturity date corresponding to the anticipated date of the restoration.

The provision represents the present value of the anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred.

The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

Refuse dumps are situated on Council controlled land and are classified as land and improvement assets. The provision for restoration is, therefore, included in the cost of the land and amortised over the expected useful life of the refuse dump. Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus for land. If there is no available revaluation surplus, increases in the provision are treated as an expense and recovered out of future decreases (if any). Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 21. Provisions (continued)

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current				
Annual leave	5,862	5,906	5,739	5,800
Long service leave	7,418	7,485	7,366	7,418
Personal leave	244	209	234	200
Accrued RDO and time off in lieu	581	529	581	528
Service entitlement	244	388	244	388
Landfill remediation	3,444	5,241	3,444	5,241
TOTAL CURRENT PROVISIONS	17,793	19,758	17,608	19,575
Non-current				
Long service leave	1,434	1,223	1,399	1,195
Landfill remediation	7,606	6,085	7,606	6,085
TOTAL NON-CURRENT PROVISIONS	9,040	7,308	9,005	7,280
TOTAL PROVISIONS	26,833	27,066	26,613	26,855

Details of movements in provisions:

Landfill Remediation

Balance at beginning of financial year	11,326	2,262	11,326	2,262
Increase in provision due to unwinding of discount	(146)	5	(146)	5
Increase/(decrease) in provision due to change in discount rate	(1,911)	(114)	(1,911)	(114)
Increase/(decrease) in provision due to change in projected costs	278	9,173	278	9,173
Increase/(decrease) in provision due to change in inflation	1,504	-	1,504	-
Balance at end of financial year	11,050	11,326	11,050	11,326

Refuse restoration

This is the present value of the estimated cost of restoring the refuse disposal site to a useable state at the end of its useful life. The site is expected to close in 2043.

The restoration provision costs for the capping of cell 1 and 2 at Benaraby have increased by \$346,117 in line with updated unit rates and new capping methodology chosen. As at 30th June 2022, Cell 2 has some remaining airspace and therefore will only be closed in the 2022-23 financial year. The provision for landfill sites also contains an aftercare rehabilitation cost portion and as at 30th June 2022, this provision is \$1,172,722 across all landfill sites.

Construction has been completed on cell 3a, with expected rehabilitation costs of \$4,411,895 forecast for the 2026-27 and 2027-28 years.

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 22. Other liabilities

	Consolidated		Council	
	2022	2021	2022	2021
Notes	\$'000	\$'000	\$'000	\$'000
Current				
Waste levy refund received in advance	1,877	-	1,877	-
TOTAL CURRENT OTHER LIABILITIES	1,877	-	1,877	-
Non-current				
Waste levy refund received in advance	4,825	-	4,825	-
Long term payable	34,341	34,341	34,341	34,341
TOTAL NON-CURRENT OTHER LIABILITIES	39,166	34,341	39,166	34,341

Four years of annual payments (2022-23 - 2025-26) was received by Council as a lump sum payment in June 2022. The subsidy received for the 2022-23 is recognised in the income statement in the 2022-23 year as a contra expense. The subsidies received in advance for the 2023-24 year is recognised as a currently liability. The subsidies received in advance for the years 2024-25 and 2025-26 are recognised as a non-current liability.

These payments were received by Council from the State Government to help make future investment decisions in regards to reducing waste generation and increasing resource recovery.

The long term payable relates to an agreement with the bulk water provider for the Gladstone community that expires on 30 June 2122. In 2022 Council identified that the future payments associated with the bulk water provider should have been recorded as a contract liability and expense in 2021. This change impacted the Statement of Comprehensive Income and Statement of Financial Position as follows:

	Original balance as presented at 30 June 2021 \$'000	Adjustment \$'000	Restated balance at 30 June 2021 \$'000
Statement of Financial Position			
Non-current liabilities			
Other liabilities	-	34,341	34,341
Statement of Comprehensive Income			
Materials and services	85,770	34,341	120,111



NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 23. Equity reserves

(a) Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus.

Increases and decreases upon revaluation are offset within a class of assets.

Where a class of assets is decreased upon revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense in the Statements of Comprehensive Income.

When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

The closing balance of the asset revaluation surplus is \$1,052,308,718 for Council (\$912,840,543 in 2020-21) and \$988,860,455 for Consolidated (\$848,445,953 in 2020-21). The movement in reserves at an asset class level (including adjustments made for found assets not considered to be material by Council) can be found in Note 16.

(b) Reserves

All reserves were established via Council resolution on 15 March 2008 excluding the gravel pit rehabilitation reserve which was established on 1 July 2019.

The reserves represent funds that are accumulated within Council to meet anticipated future needs. In each case the amount relates to a perceived future requirement which is not currently a liability. The amounts reported at balance date correspond to the amount of cash (reported within cash and cash equivalents) to be made available for a use which may not be defined at the reporting date.

Funds are transferred to reserves as determined by budget and upon the receipt of infrastructure charges. In areas where revenue and expenditure are cyclical, surplus funds may also be transferred to reserve. When funds are expended from reserves for an approved purpose, an equivalent amount is transferred out of the relevant reserve to retained surplus.

The Gladstone Airport Corporation does not maintain any reserve balances, therefore the information presented relates to Council only.

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 23. Equity reserves (continued)

	Opening Balance \$'000	Transfers in from retained earnings \$'000	Transfers out - funds expended \$'000	Closing Balance \$'000
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Movement in the reserves has been summarised below:

2022

Reserves held for funding future capital expenditure:

Emergency services reserve	966	-	(378)	588
Future capital works reserve	23,099	6,232	(1,532)	27,799
Plant asset replacement reserve	15,334	-	(8,137)	7,197
Regional waste management reserve	8,273	-	(177)	8,096
Parks constrained works reserve	1,591	439	(510)	1,520
Roads constrained works reserve	20,467	484	-	20,951
Water constrained works reserve	878	186	-	1,064
Sewerage constrained works reserve	7,528	3,823	(892)	10,459
Gravel pit rehabilitation reserve	3,148	-	(230)	2,918
	<u>81,284</u>	<u>11,164</u>	<u>(11,856)</u>	<u>80,592</u>

Reserves held for funding future recurrent expenditure:

Recurrent grant funding reserve	373	329	(373)	329
	<u>373</u>	<u>329</u>	<u>(373)</u>	<u>329</u>
TOTAL RESERVES	81,657	11,493	(12,229)	80,921

2021

Reserves held for funding future capital expenditure:

Emergency services reserve	1,123	-	(156)	967
Future capital works reserve	26,052	5,299	(8,253)	23,098
Plant asset replacement reserve	22,665	-	(4,224)	18,441
Regional waste management reserve	12,242	-	(3,765)	8,477
Parks constrained works reserve	1,417	375	(201)	1,591
Roads constrained works reserve	20,274	194	-	20,468
Water constrained works reserve	797	82	-	879
Sewerage constrained works reserve	6,592	3,453	(2,515)	7,530
Gravel pit rehabilitation reserve	2,429	719	-	3,148
	<u>93,591</u>	<u>10,122</u>	<u>(19,114)</u>	<u>84,599</u>

Reserves held for funding future recurrent expenditure:

Recurrent grant funding reserve	456	558	(649)	365
	<u>456</u>	<u>558</u>	<u>(649)</u>	<u>365</u>
TOTAL RESERVES	94,047	10,680	(19,763)	84,964

Following a review of prior year reserve calculations an adjustment totalling \$3,306,842 was required to be made to the reserve opening balances of the Plant Asset Replacement Reserve, Regional Waste Management Reserve and the Recurrent Grant Funding Reserve. A corresponding reclassification has been made to the opening balance of the Changes of Equity Statement to effect the movement between Retained Surplus and Other Reserves.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 24. Commitments for expenditure

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000

(a) Contractual commitments (exclusive of GST)

Contractual commitments at end of financial year but not recognised in the financial statements are as follows:

Garbage collection contract	10,749	786	10,749	786
Water & sewerage plant operations	5,879	5,751	5,879	5,751
Other commitments	1,453	-	1,453	-
Airport operating contracts	198	203	-	-
	<u>18,279</u>	<u>6,740</u>	<u>18,081</u>	<u>6,537</u>

A new waste collection contract will come into effect from October, 2022 for a term of 3 years and 4 months totalling \$10,749,098 over the term of the contract.

Capital commitments (exclusive of GST)

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:

Property, plant and equipment

Airport capital expenditure	910	-	-	-
Fleet and equipment purchases	2,517	5,881	2,517	5,881
Parks and environment assets	197	90	197	90
Property assets	1,515	1,389	1,515	1,389
Road assets	4,376	1,669	4,376	1,669
Strategic projects	-	292	-	292
Sewerage assets	5,156	5,954	5,156	5,954
Waste assets	36	157	36	157
Water assets	1,312	3,597	1,312	3,597
External project management and design	36	865	36	865
	<u>16,055</u>	<u>19,894</u>	<u>15,145</u>	<u>19,894</u>

Capital commitments are all expected to settle within the next year.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 25. Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

Local Government Mutual

Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2021 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$1,767,532.

Bank Guarantees

The Gladstone Regional Council has provided a bank guarantee to Queensland Rail Ltd valued at \$15,000 as a bond over two blocks of land [LEASE: LOT 40 ON SP129336 AND LEASE B: LOT 8 ON SP121498] being utilised by Gladstone Regional Council. The guarantee expires in 29 February 2028.

The Gladstone Regional Council has provided a bank guarantee to Great Barrier Reef Marine Park Authority valued at \$274,353 as an obligation under contract for the Permit G37713.1 - Agnes Water Desalination Plant. The guarantee expires on 30 September 2028.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 26. Superannuation - Regional Defined Benefit Fund

Council contributes to the LGIA Super Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIA Super trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*.

The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at Council level.

Any amount by which the scheme is over or under funded may affect future contribution rate obligations, but has not been recognised as an asset or liability of Council.

Gladstone Regional Council may be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIA Super trust deed changes to council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee salary or wages and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is not due until 1 July 2024.

The most significant risks that may result in LGIA Super increasing the contribution rate, on the advice of the actuary, are:

Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

	Notes	Consolidated		Council	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Superannuation contributions made to the Regional Defined Benefits Fund		192	221	192	221
Other superannuation contributions for employees		6,968	6,804	6,797	6,629
Total superannuation contributions paid by Council for employees	6	7,160	7,025	6,989	6,850

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 27. Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

	Consolidated		Council	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Net operating result from Statements of Comprehensive Income	3,583	(38,804)	3,807	(38,252)
Non-cash items				
Depreciation and amortisation	49,667	39,955	48,620	38,939
	<u>49,667</u>	<u>39,955</u>	<u>48,620</u>	<u>38,939</u>
Losses/(gains) recognised on fair value re-measurements through the Statements of Comprehensive Income				
Investment properties	-	(1,926)	-	(1,926)
Amortisation/recognition of interest exp. on interest free loans received by Council & previously fair valued	172	352	172	352
Land held for sale (inventory)	-	63	-	63
Change in future rehabilitation costs	(146)	4	(146)	4
	<u>26</u>	<u>(1,507)</u>	<u>26</u>	<u>(1,507)</u>
Investing and development activities				
Net (profit)/loss on disposal of assets	5,971	12,578	5,285	12,578
Loss on write-off of assets	52	49	52	49
Capital grants and contributions	(15,194)	(25,486)	(15,194)	(24,733)
Non cash contributions included in fixed assets	-	(5,215)	-	(5,215)
Income tax equivalents	(8,572)	(2,226)	(8,814)	(2,226)
	<u>(17,743)</u>	<u>(20,300)</u>	<u>(18,671)</u>	<u>(19,547)</u>
Financing activities				
Borrowing costs	3,329	23,410	1,947	21,336
	<u>3,329</u>	<u>23,410</u>	<u>1,947</u>	<u>21,336</u>
Changes in operating assets and liabilities:				
(Increase)/decrease in receivables	4,171	(540)	4,678	314
Increase/(decrease) in provision for doubtful debts	30	53	(35)	(11)
(Increase)/decrease in inventories	816	218	816	218
(Increase)/decrease in contract assets	4,194	(3,897)	4,194	(3,897)
(Increase)/decrease in other assets	1,565	(1,005)	1,513	(1,030)
Increase/(decrease) in payables	(2,858)	705	(2,984)	967
Increase/(decrease) in contract liabilities	2,448	(327)	1,747	(246)
Increase/(decrease) in employee leave entitlements	43	1,295	34	1,322
Increase/(decrease) in other liabilities	6,764	3,371	5,346	3,353
	<u>17,173</u>	<u>(127)</u>	<u>15,309</u>	<u>990</u>
Net cash provided from/(used in) operating activities from the Statements of Cash Flows	<u>56,035</u>	<u>2,627</u>	<u>51,038</u>	<u>1,959</u>



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 28. Reconciliation of liabilities arising from finance activities

	As at 30-Jun-21 \$'000	Change in accounting policy \$'000	Cashflows \$'000	Non-cash changes \$'000	As at 30-Jun-22 \$'000
--	------------------------------	---	---------------------	-------------------------------	------------------------------

Consolidated

Borrowings	107,827	-	(6,037)	172	101,962
Lease liability	2,056	-	(110)	15	1,961
	<u>109,883</u>	<u>-</u>	<u>(6,147)</u>	<u>187</u>	<u>103,923</u>

	As at 30-Jun-20 \$'000	Change in accounting policy \$'000	Cashflows \$'000	Non-cash changes (new leases) \$'000	As at 30-Jun-21 \$'000
--	------------------------------	---	---------------------	---	------------------------------

Borrowings	109,613	-	(2,138)	352	107,827
Lease liability	1,528	-	(104)	632	2,056
	<u>111,141</u>	<u>-</u>	<u>(2,242)</u>	<u>984</u>	<u>109,883</u>

	As at 30-Jun-21 \$'000	Change in accounting policy \$'000	Cashflows \$'000	Non-cash changes \$'000	As at 30-Jun-22 \$'000
--	------------------------------	---	---------------------	-------------------------------	------------------------------

Council

Borrowings	107,827	-	(6,037)	172	101,962
Lease liability	2,008	-	(87)	40	1,961
	<u>109,835</u>	<u>-</u>	<u>(6,124)</u>	<u>212</u>	<u>103,923</u>

	As at 30-Jun-20 \$'000	Change in accounting policy \$'000	Cashflows \$'000	Non-cash changes (new leases) \$'000	As at 30-Jun-21 \$'000
--	------------------------------	---	---------------------	---	------------------------------

Borrowings	109,613	-	(2,138)	352	107,827
Lease liability	1,431	-	(55)	632	2,008
	<u>111,044</u>	<u>-</u>	<u>(2,193)</u>	<u>984</u>	<u>109,835</u>

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 29. Financial instruments and financial risk management

Financial assets and financial liabilities

Council has exposure to the following risks arising from financial instruments; interest rate risk, credit risk, and liquidity risk.

This note provides information (both qualitative and quantitative) to assist statement users evaluate the significance of financial instruments on Council's financial position and financial performance, including the nature and extent of risks and how Council manages these exposures.

Financial risk management

Exposure to financial risk is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of Council. Council minimises its exposure to financial risk in the following ways:

Investments in financial assets are only made where those assets are with a bank or another financial institution in Australia. Council does not invest in derivatives or other high risk investments.

When Council borrows, it borrows from the Queensland Treasury Corporation. Borrowing by Council is regulated by the provisions of the *Statutory Bodies Financial Arrangements Act 1982*.

Council measures risk exposure using a variety of methods as follows:

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from Council's investments and receivables.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar State/Commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

No collateral is held as security relating to the financial assets held by Council.

The carrying amounts of financial assets at the end of the reporting period represent the maximum exposure to credit risk for Council.

Cash and cash equivalents

Council may be exposed to credit risk through its investments in the QTC Cash Fund.

The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC cash fund are capital guaranteed.

Other financial assets

Other investments are held with financial institutions, which are rated AAA to A based on rating agency Standard and Poor ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as low.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 29. Financial instruments and financial risk management (continued)

Receivables

Refer to note 11 for further information on credit risk for receivables.

Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Council's reputation.

Exposure to liquidity risk

Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC and the Queensland Government for capital works.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits to cater for unexpected volatility in cash flows.

The following table sets out the liquidity risk in relation to financial liabilities (excluding lease liabilities - refer to note 18) held by Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount \$'000
Consolidated					
2022					
Trade and other payables	26,745	-	-	26,745	26,454
Loans - QTC	8,490	33,962	81,703	124,155	98,551
Loan - DSDILGP	606	1,818	1,515	3,939	3,411
	<u>35,841</u>	<u>35,780</u>	<u>83,218</u>	<u>154,839</u>	<u>128,416</u>
2021					
Trade and other payables	29,250	-	-	29,250	29,250
Loans - QTC	8,422	33,962	90,193	132,577	103,982
Loan - DSDILGP	606	2,424	1,515	4,545	3,845
	<u>38,278</u>	<u>36,386</u>	<u>91,708</u>	<u>166,372</u>	<u>137,077</u>

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 29. Financial instruments and financial risk management (continued)

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount \$'000
Council					
2022					
Payables	24,544	-	-	24,544	24,544
Loans - QTC	8,490	33,962	81,703	124,155	98,551
Loan - DSDILGP	606	1,818	1,515	3,939	3,411
	<u>33,640</u>	<u>35,780</u>	<u>83,218</u>	<u>152,638</u>	<u>126,506</u>
2021					
Payables	28,886	-	-	28,886	28,884
Loans - QTC	8,422	33,962	90,193	132,577	103,982
Loan - DSDILGP	606	2,424	1,515	4,545	3,845
	<u>37,914</u>	<u>36,386</u>	<u>91,708</u>	<u>166,008</u>	<u>136,711</u>

The outflows in the above table are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated in the table.

Market risk

Market risk is the risk that changes in market indices, such as interest rates, will affect Council's income or the value of its holdings of financial instruments.

Interest rate risk

Council is exposed to interest rate risk through its borrowings from the Queensland Treasury Corporation (QTC), the Department of State Development, Infrastructure, Local Government and Planning held with financial institutions

The risk in borrowing is effectively managed by borrowing mainly from the QTC and having access to a mix of floating and fixed funding sources so that the interest rate risk exposure can be minimised. Interest rate risk in other areas is minimal.

Council does not undertake any hedging of interest rate risk.

Due to the risk minimisation, there is no reasonable possible movement that would cause a material impact to profit and loss or equity.



NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 30. National competition policy

Business activities to which the code of competitive conduct is applied

A "business activity" of a local government is divided into two categories:

(i) Roads business activity

- The construction or maintenance of state controlled roads for which the local government submits an offer to carry out work in response to a tender invitation, other than through a sole supplier arrangement.
- Submission of a competitive tender for construction of road maintenance on the local government's roads which the local government has put out to tender, or called for by another local government.

(ii) Other business activities

- Trading in goods and services to clients in competition with the private sector, or
- The submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to itself.

Excluded activities are:

- Library services
- An activity or part thereof prescribed by legislation

Local government may elect to apply a Code of Competitive Conduct (CCC) to their identified business activities. This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity. The application of the CCC to the roads business activity is compulsory.

The CSO value is determined by Council, and represents any activities' cost(s) which would not be incurred if the activities' primary objective was to make a profit. Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial services or costs deemed to be CSO's by Council.

Council applies full cost pricing to its business activities which involves the recognition of both community service obligations and competitive neutrality adjustments.

Council has identified business activities in the following areas:

- Roads
- Other business activities:
 - Gladstone Entertainment Convention Centre
 - Building certification
 - Waste management
 - Water
 - Sewerage

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 30. National competition policy (continued)

The following activity statements are for activities subject to the competitive code of conduct:

	Roads \$'000	Gladstone Entertainment & Convention Centre \$'000	Building Certification \$'000
\$'000			
Revenue for services provided to Council	43,826	3	-
Revenue for services provided to external clients	2,727	942	414
Community service obligations	-	200	-
	46,553	1,145	414
Less: ordinary expenditure	(46,646)	(5,828)	(632)
Less: Competitive neutrality adjustments applied	(93)	(91)	(7)
Net surplus/ (deficit)	(186)	(4,774)	(225)

	Waste Management \$'000	Water \$'000	Sewerage \$'000
\$'000			
Revenue for services provided to Council	7,385	1,853	268
Revenue for services provided to external clients	16,194	42,165	31,348
Community service obligations	-	-	-
	23,579	44,018	31,616
Less: ordinary expenditure	(24,497)	(40,617)	(27,084)
Less: Competitive neutrality adjustments applied	(107)	(19)	(1,289)
Net surplus/ (deficit)	(1,025)	3,382	3,243

Description of CSO's provided to business activities:

Activities	CSO description	Actual \$'000
Gladstone Entertainment Convention Centre	Contribution to electricity and maintenance costs of carparking facility.	200



NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 31. Transactions with related parties

(a) Subsidiaries (i.e. entities and operations controlled by Council)

Council's consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with AASB 10 *Consolidated Financial Statements* and the accounting policy described in note 1.

Name of operation/entity	Principal activity and place of business
1. Gladstone Airport Corporation	Commercial air transport Aerodrome Road, Gladstone QLD 4680

Interests in subsidiary	Ownership		Voting rights	
	2022	2021	2022	2021
Council's interest in subsidiary	100%	100%	100%	100%

	2022	2021
	\$000	\$000
Controlled entity receipts		
Income tax equivalent / competitive neutrality margin	242	196
Interest received	1,352	2,043
Administration fees	48	39
Goods and services supplied by Council, on normal terms and conditions		
IT Services	59	49
Rates and water	91	91
Sponsorships	-	5
Other fees and charges	-	1
Total	1,792	2,424

Interest received from the controlled entity has decreased due to the decrease in interest rates and restructure of loans held with QTC during the 2020-21 financial year.

FINANCIAL PERFORMANCE 05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 31. Transactions with related parties (continued)

(b) Other related parties

Transactions with other related parties

Other related parties include the close family members of Key Management Personnel (KMP) and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse.

The fees and charges charged to entities controlled by KMP were on an arm's length basis in accordance with the schedule of fees and charges adopted by Council.

All close family members of KMP were employed through an arm's length process. They are paid in accordance with the award for the job they perform. Council employs 683 staff of which only 9 are close family members of KMP (10 in 2020-21).

The consolidated entity purchased the following material and services from entities that are controlled by members of KMP. All purchases were at arm's length and were in the normal course of Council operations.

	2022	2021
	\$000	\$000
Receipts		
Application fees and charges	50	19
Other fees and charges	2	1
Sponsorships	-	3
	<u>52</u>	<u>23</u>
Purchases		
Provision of services for community events	103	100
Construction / improvements to assets	32	5
	<u>135</u>	<u>105</u>
Employee expenses		
Short-term employee benefits	710	691
Post-employment benefits	78	72
Long-term benefits	21	22
	<u>809</u>	<u>785</u>



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 31. Transactions with related parties (continued)

(c) Key management personnel

Transactions with key management personnel

KMP include the Mayor, Councillors, Council's Chief Executive Officer and some executive management. The compensation paid to KMP comprises:

	2022 \$000	2021 \$000
Short-term employee benefits	3,221	3,174
Post-employment benefits	349	349
Long-term benefits	39	98
Termination benefits	-	115
Total	3,609	3,736

Detailed remuneration disclosures are provided in the annual report.

(d) Outstanding balances

There are no outstanding balances at the end of the reporting period in relation to transactions with related parties.

(e) Loans and guarantees to/ from related parties

Council has a loan arrangement with the Gladstone Airport Corporation, as detailed in note 11.

Council does not make loans to or receive loans from any other related parties. No guarantees have been provided.

(f) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of Council live and operate within the Gladstone region. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties.

Some examples include:

- Payment of rates
- Use of the swimming pool
- Dog registration
- Borrowing books from a Council library

Council has not included these types of transaction in its disclosure, where they are made on the same terms and conditions available to the general public.

FINANCIAL PERFORMANCE 05

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Management Certificate
for the year ended 30 June 2022

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulations) and other prescribed requirements.

In accordance with Section 212(5) of the Regulation, we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 2 to 64, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's and the Consolidated Entity's transactions for the financial year and financial position at the end of the year.



Matthew Burnett
MAYOR

27 October 2022



Leisa Dowling
CHIEF EXECUTIVE OFFICER

27 October 2022

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

To the councillors of Gladstone Regional Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Gladstone Regional Council (the council) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the council's and group's financial position as at 30 June 2022, and of their financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2022, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council and the group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Gladstone Regional Council's annual report for the year ended 30 June 2022 was the current-year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

FINANCIAL PERFORMANCE 05

INDEPENDENT AUDITOR'S REPORT



My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the current-year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the financial report

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The councillors are also responsible for assessing the council's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the group.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.



INDEPENDENT AUDITOR'S REPORT



- Conclude on the appropriateness of the council's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

- a) I received all the information and explanations I required.
- b) I consider that the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, any other Act and the Local Government Regulation 2012. The applicable requirements include those for keeping financial records that correctly record and explain the council's and the group's transactions and account balances to enable the preparation of a true and fair financial report.

Sri Narasimhan
as delegate of the Auditor-General

28 October 2022

Queensland Audit Office
Brisbane

FINANCIAL PERFORMANCE 05

CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT
for the year ended 30 June 2022

	Actual Consolidated 2022	Actual Council 2022	Target 2022
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Measures of financial sustainability

Council's performance at 30 June 2022 against key financial ratios and targets.

Performance indicators

1. Operating surplus ratio

<u>Net result (excluding capital items)⁽¹⁾</u>	-2.66%	-2.99%	0 - 10%
Total operating revenue (excluding capital items) ⁽²⁾			

An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

2. Asset sustainability ratio

<u>Capital expenditure on the replacement of assets (renewals)⁽³⁾</u>	88.66%	84.23%	more than 90%
Depreciation expense			

An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

3. Net financial liabilities ratio

<u>Total liabilities less current assets</u>	33.74%	40.02%	less than 60%
Total operating revenue (excluding capital items) ⁽²⁾			

An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

Note 1 - Basis of preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from Council's audited general purpose financial statements for the year ended 30 June 2022.



CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT (CONTINUED) for the year ended 30 June 2022

Measures of financial sustainability (continued)

Notes

- ⁽¹⁾ Includes only recurrent revenue and recurrent expenditure disclosed in the Statements of Comprehensive Income. Excludes capital revenue grants, contributions, donations and subsidies received for capital acquisitions, capital income items such as profit from the sale of: property, plant and equipment, financial assets, real estate and investment properties and any capital expenditure such as write-off of assets, movements in provisions for restoration, rehabilitation and revaluation decrements that are reflected in the Statements of Comprehensive Income.
- ⁽²⁾ Includes only recurrent revenue disclosed in the Statements of Comprehensive Income. Excludes capital revenue grants, contributions donations and subsidies received for capital acquisitions. Also excludes any capital income items such as profit from the sale of: property, plant and equipment, financial assets, real estate and investment properties.
- ⁽³⁾ Asset renewals are defined as the replacement or refurbishment of an existing asset (or component) with a new asset (or component) capable of delivering the same level of service as the existing asset. Asset renewal activities involve work on an asset or asset component that is of a capital nature and (attempts) to bring the asset component (or asset) back to as new condition. Renewal activities are appropriate to all assets and can involve the complete replacement of the asset with the new asset providing the original (intended) level of service.

These ratios are the relevant measures of financial sustainability required to be reported under section 178(1) of the *Local Government Regulation 2012*.

Definitions are sourced from the *Financial Management (Sustainability) Guideline* issued by the Department of State Development, Infrastructure, Local Government and Planning.

FINANCIAL PERFORMANCE 05

CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT
for the year ended 30 June 2022

Certificate of Accuracy
for the year ended 30 June 2022

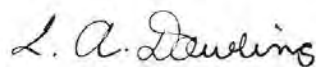
This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this current year financial sustainability statement has been accurately calculated.



Matthew Burnett
MAYOR

27 October 2022



Leisa Dowling
CHIEF EXECUTIVE OFFICER

27 October 2022



INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

To the councillors of Gladstone Regional Council

Report on the current-year financial sustainability statement

Opinion

I have audited the accompanying current-year financial sustainability statement of Gladstone Regional Council for the year ended 30 June 2022, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s. 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current-year financial sustainability statement of Gladstone Regional Council for the year ended 30 June 2022 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current-year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Gladstone Regional Council's annual report for the year ended 30 June 2022 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

My opinion on the current-year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT



However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the current-year financial sustainability statement

The councillors are responsible for the preparation and fair presentation of the current-year financial sustainability statement in accordance with the Local Government Regulation 2012. The councillors' responsibility also includes such internal control as the councillors determine is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the current-year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current-year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.



INDEPENDENT AUDITOR'S REPORT



- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Sri Narasimhan
as delegate of the Auditor-General

28 October 2022

Queensland Audit Office
Brisbane

FINANCIAL PERFORMANCE 05

UNAUDITED LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT
 prepared as at 30 June 2022

	Target 2022	Actual 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Measures of financial sustainability												
Performance indicators - Consolidated												
1. Operating surplus ratio												
Net result (excluding capital items) ⁽¹⁾		-2.66%	1.07%	0.59%	1.75%	2.54%	3.28%	3.26%	4.75%	4.92%	4.65%	3.85%
Total operating revenue (excluding capital items) ⁽²⁾	0 - 10%											
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.												
2. Asset sustainability ratio												
Capital expenditure on the replacement of assets (renewals) ⁽³⁾	> 90%	88.66%	62.60%	88.68%	82.21%	76.15%	83.73%	87.97%	93.43%	84.16%	56.63%	54.24%
Depreciation expense												
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.												
3. Net financial liabilities ratio												
Total liabilities less current assets	< 60%	33.74%	28.84%	25.07%	21.00%	21.13%	19.79%	17.34%	18.07%	24.95%	20.68%	13.97%
Total operating revenue (excluding capital items) ⁽²⁾												
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.												

UNAUDITED LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT (CONTINUED)
 prepared as at 30 June 2022

	Target 2022	Actual 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Measures of financial sustainability (continued)												
Performance indicators - Council												
1. Operating surplus ratio												
Net result (excluding capital items) ⁽¹⁾		-2.99%	0.22%	-0.14%	1.10%	1.96%	2.73%	2.72%	4.31%	4.51%	4.25%	4.04%
Total operating revenue (excluding capital items) ⁽²⁾	0 - 10%											
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.												
Council's operating deficit position is projected to return to surplus from the 2022/2023 financial year, with minor surpluses forecast for the balance of the forecast period.												
2. Asset sustainability ratio												
Capital expenditure on the replacement of assets (renewals) ⁽³⁾		84.23%	63.00%	84.94%	84.90%	72.65%	87.03%	90.75%	92.64%	83.16%	56.79%	54.46%
Depreciation expense	> 90%											
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.												
Council is making a concerted effort in the near term through to 2024/2025 to focus its capital spend on the renewal of necessary assets, as asset management plans evolve it is expected that the outer year sustainability ratios will increase markedly.												
3. Net financial liabilities ratio												
Total liabilities less current assets		40.02%	15.59%	12.77%	9.83%	11.27%	11.20%	9.91%	11.95%	20.47%	17.31%	11.63%
Total operating revenue (excluding capital items) ⁽³⁾	< 60%											
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.												
Council maintains a strong ability, that only increases over time, to service its debt repayment obligations over the ten year period.												

UNAUDITED LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT (CONTINUED)
 prepared as at 30 June 2022

Measures of financial sustainability (continued)

Gladstone Regional Council Financial Management Strategy

Council aims to operate within a set of conservative guide-posts to ensure we are financially sustainable in the short, medium and long term. As part of our financial strategy, we have adopted six key financial performance indicators to guide our financial health. The above three sustainability indicators that have been set by the Department of State Development, Infrastructure, Local Government and Planning to help monitor the long-term sustainability of all councils across Queensland. Throughout the financial year, these financial and sustainability indicators are calculated and reported on monthly at Council meetings, as part of a full suite of financial reports. Should there be any deviation outside these parameters, the executive management and Council will be fully informed and may take corrective action as required.

Notes

- (1) Includes only recurrent revenue and recurrent expenditure disclosed in the Statements of Comprehensive Income. Excludes capital revenue grants, contributions, donations and subsidies received for capital acquisitions, capital income items such as profit from the sale of property, plant and equipment, financial assets, real estate and investment properties and any capital expenditure such as write-off of assets, movements in provisions for restoration and rehabilitation and revaluation decrements that are reflected in the Statements of Comprehensive Income.
- (2) Includes only recurrent revenue disclosed in the Statements of Comprehensive Income. Excludes capital revenue grants, contributions, donations and subsidies received for capital acquisitions. Also excludes any capital income items such as profit from the sale of property, plant and equipment, financial assets, real estate and investment properties.
- (3) Asset renewals are defined as the replacement or refurbishment of an existing asset (or component) with a new asset (or component) capable of delivering the same level of service as the existing asset. Asset renewal activities involve work on an asset or asset component that is of a capital nature and (attempts) to bring the asset component (or asset) back to as new condition. Renewal activities are appropriate to all assets and can involve the complete replacement of the asset with the new asset providing the original (intended) level of service.

These ratios are the relevant measures of financial sustainability required to be reported under section 178(1) of the Local Government Regulation 2012.

Definitions are sourced from the Financial Management (Sustainability) Guideline issued by the Department of State Development, Infrastructure, Local Government and Planning.



UNAUDITED LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT

Certificate of Accuracy

for the long-term financial sustainability statement prepared as at 30 June 2022

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.

Matthew Burnett
MAYOR

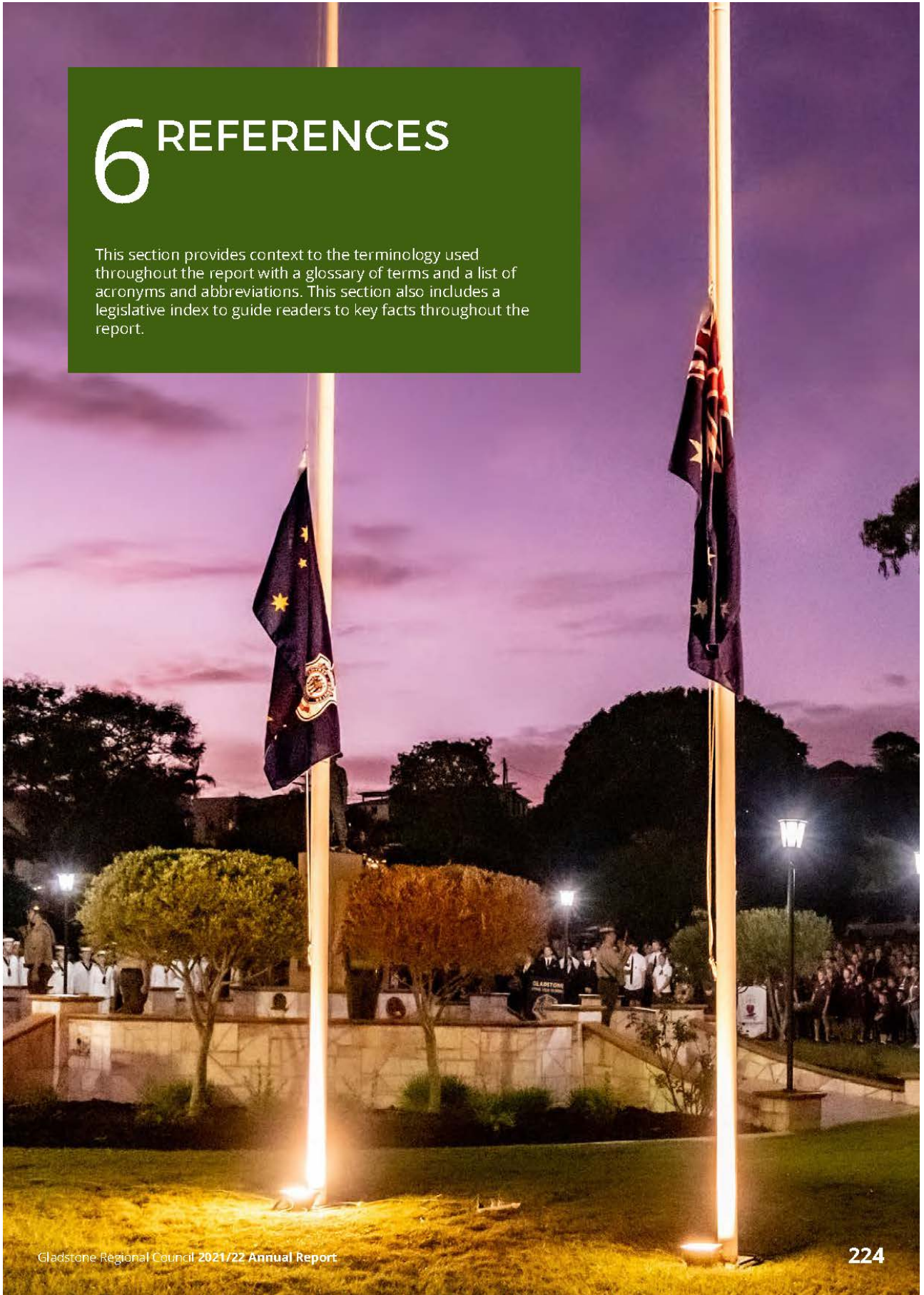
27 October 2022

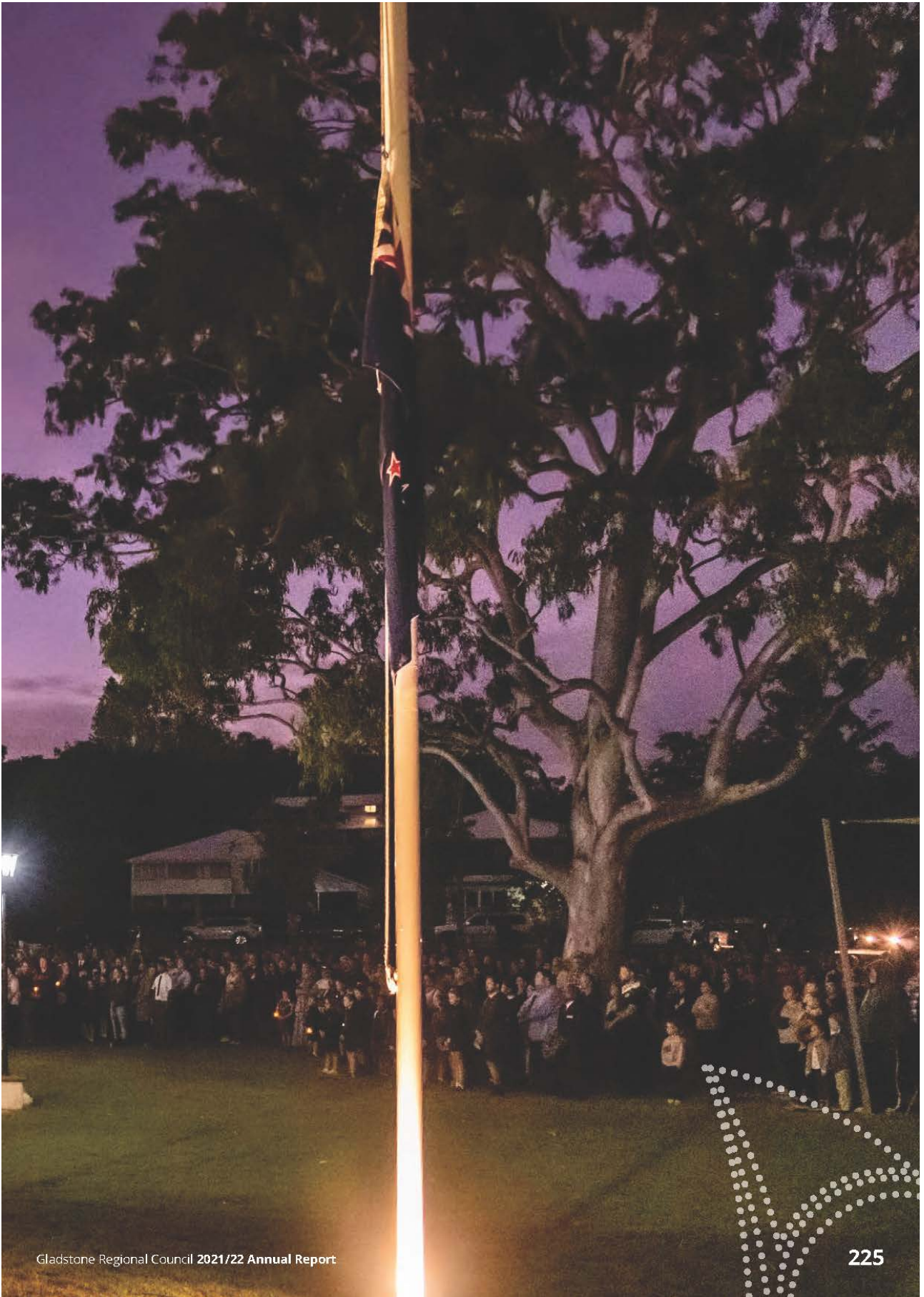
Leisa Dowling
CHIEF EXECUTIVE OFFICER

27 October 2022

6 REFERENCES

This section provides context to the terminology used throughout the report with a glossary of terms and a list of acronyms and abbreviations. This section also includes a legislative index to guide readers to key facts throughout the report.





REFERENCES 06

GLOSSARY OF TERMS

Advocacy	The act of supporting or arguing in favour of something, such as a cause, project or initiative.
Annual Report	Council's detailed report on its performance over the financial year 1 July 2021 to 30 June 2022 as compared against our Corporate and Operational Plan. It includes statements about Council and its employees, performance, finances and disclosures required by legislation.
Apprentice	An arrangement in which someone learns an art, trade or job under another skilled, experience, qualified professional.
Assessment	Evaluation activities undertaken to determine level of performance.
Asset	A resource owned by Council which is used to deliver services to the community. This includes things you can touch and feel like roads as well as those you cannot like software programs.
Audit	This is a business improvement function established by Council to provide independent, objective assurance and consulting services designed to add value and improve the organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
Beakon	Software program that supports management of risk and compliance activities for Council.
Budget	An estimate of costs, revenues and resources over a specific period, reflecting a reading of future financial conditions and goals for the organisation.
Business Unit	A division of Council's organisation that holds particular responsibility for a range of services.
Capital works	Acquiring, constructing, upgrading, replacing, renewing or disposing of assets.
Chief Executive Officer (CEO)	Council's highest-ranking executive.
Ci Anywhere	A software platform that provides functionality, security and consistent operation on any device. Data being accessed is instantly available, live and accurate.
Community	The people, groups and organisations that make up the region.
Complaint	A report of dissatisfaction.
Community Engagement	The process of connecting council, citizens and communities on a wide range of policy, program and service issues. It can be formal or informal and operates on the premise that the best decisions are made if those involved in the outcomes are considered.
Community Financial Report	An annual report that offers commentary on Council's financial results.
Corporate Plan	A document that sets out the goals and strategies over the medium term (five years). It defines how Council will meet its responsibilities to the community and is a legislative requirement.
Councillor	Elected member of Council.
COVID-19	An infectious disease that led to a worldwide pandemic from early 2020.
Culture	Defines who we are as an organisation, our ethics, our institutions, our behaviours and our routines.



Cyber security	Protection of information and communication technology from malicious attacks.
Disaster management	Prevention, preparation, response and recovery to disaster events.
Economic development	Growth of the local economy for the prosperity and benefit of the community.
Executive Leadership Team	Comprised of Council's CEO and General Managers.
Financial year	The financial year we are reporting on in this report is the period from 1 July 2020 to 30 June 2021.
Framework	A structure that shows the linkages between various processes in order to achieve an outcome.
Gladstone Region Youth Council	A formal advisory committee that voice the interests of youth in our region on Council related matters and initiatives.
Governance	How decisions are made and implemented as well as how the business is managed and controlled. It encompasses how Council is held accountable.
Hydrogen	A colourless, odourless, highly flammable gas that is a clean fuel source.
Initiatives	Specific projects or programs undertaken to achieve objectives within a measurable time frame.
International Association for Public Participation (IAP2)	The peak body for the community and stakeholder engagement sector.
Landfill	A site designed for waste disposal. It includes large pits that bury disposed waste and is commonly known as a dump or tip.
Legislation	Legislation referring to the Local Government Act 2009 or Local Government Regulation 2012.
Local Government Act 2009	The principal legislation that provides the legal framework for local governments in Queensland. It ensures local governments are accountable, effective, efficient and sustainable.
Local Government Regulation 2012	Legislation describing the boundaries for local government.
Mayor	The head of Council elected at local government elections. Mayoral duties include running the Council meetings, working alongside the CEO on Council business, being the spokesperson for Council and carrying out ceremonial duties.
Mental Health	A state of wellbeing in which an individual realises his or her own abilities, can cope with the normal stresses of life, can work productively and is able to make a contribution to his or her community.
Native Title	Recognition under Australian common law, of pre-existing Indigenous rights and interests according to traditional laws and customs.
Operational Plan	A 12 month plan that sets out how to achieve the desired outcomes set out in the Corporate Plan.
Outcomes	Results of an activity, plan, process or program and their comparison with the intended or projected results.
Policy	A set of principles and associated guidelines formulated and enforced at the highest level, to direct and limit an organisation's actions in pursuit of long-term goals.

REFERENCES 06

Project	A temporary endeavour that has a defined start and end, scope and resources. It has a singular goal and a specific set of operations are put forth to accomplish it.
Rates	An annual levy charged to property owners within the region to fund the supply and management of infrastructure and services to the community.
Reconciliation Action Plan	Council's strategic document that includes a range of practical measures that will positively influence reconciliation outcomes within the Gladstone Region.
Renewable energy	Energy that is collected from natural sources such as solar, wind, or moving water.
Remuneration	Money paid to compensate a person for their work.
Revenue	Income or money generated by Council.
Scarred Tree	Native trees that had bark removed by First Nations people for various purposes. Scarred Trees provide valuable insight into the history of Aboriginal peoples.
Service	A group of related activities contributing to a common outcome.
Sister City Program	A worldwide movement that encourages international understanding and ultimately world peace. The Gladstone Region's sister city is Saiki City in Oita Prefecture, Japan.
Statutory	Required under law or legislation.
Strategic planning	A process that helps Council and the community plan for the future according to the vision outlined in the Corporate Plan.
Trainee	A person undergoing training for a particular role at Council.
Transfer Station	A site that collects and sorts waste before being processed and recovered or sent to landfill.
Values	Overarching direction for how Council will behave.
Vision	An aspirational statement that describes what the organisation is working towards.



LIST OF ACRONYMS AND ABBREVIATIONS

AAC	Administrative Action Complaint
ABS	Australian Bureau of Statistics
ALGA	Australian Local Government Association
APV	APV Valuers and Asset Management
B	Billion
B2G	Brisbane to Gladstone
BBIRT	Boyne Burnett Inland Rail Trail Inc
BTARC	Boyne Tannum Aquatic Recreation Centre
C-CAT	Coastal Council Adaptation Taskforce
CCC	Code of Competitive Conduct
CEO	Chief Executive Officer
Ci Anywhere	Connected Intelligence Anywhere
COVID-19	Novel Coronavirus
CQ	Central Queensland
CQH2	Central Queensland Hydrogen
CQROC	Central Queensland Regional Organisation of Councils
DDA	Disability Discrimination Act
FEED	Front-End Engineering Design
FOGO	Food Organic and Garden Organics
FOTT	Friends of the Theatre
GAPDL	Gladstone Area Promotion and Development Limited
GAWB	Gladstone Area Water Board
GCCOTA	Gladstone Central Committee on the Ageing
GECC	Gladstone Entertainment Convention Centre
GLNG	Gladstone Liquefied Natural Gas
GRAGM	Gladstone Regional Art Gallery and Museum
GRC	Gladstone Regional Council
GRL	Gladstone Regional Libraries
GRP	Gross Regional Product
IAP2	International Association for Public Participation
IIA	Institute of Internal Auditors
IP Act	Information Privacy Act 2009
IPP	Internal Project Plan
IQRAP	Inland Queensland Roads Action Project
JLL	JLL Public Sector Valuations Pty Ltd
KM	Kilometre
LAWMAC	Local Authority Waste Management Advisory Committee
LCF	Leadership Capability Framework
LDMG	Local Disaster Management Group
LEAP	Litter Education and Awareness Project
LGA	Local Government Area
LGAQ	Local Government Association of Queensland
LNG	Liquid Natural Gas
LTI	Lost Time Injuries
M	Million
MAIB	Member, Australia Institute of Building
MHFA	Mental Health First Aid
MOU	Memorandum Of Understanding
NAIDOC	National Aborigines and Islanders Day Observance Committee
NBRC	North Burnett Regional Council
OIA	Office of the Independent Assessor
PCCC	Port Curtis Coral Coast
PCYC	Police Citizens Youth Club
PFOS	Park Furniture and Other Structures
QAL	Queensland Alumina Limited
QGC	Queensland Gas Company
QLD	Queensland
QMEA	Queensland Minerals and Energy Academy
QPCYWA	Queensland Police-Citizens Youth Welfare Association
QTC	Queensland Treasury Corporation
RACAS	Road Asset Condition Assessment System
RADF	Regional Arts Development Fund
RAP	Reconciliation Action Plan
RDTI	Roads, Drainage, Transport and Infrastructure
RJIP	Regional Jobs and Investment Package
RPQS	Register of Pre-Qualified Supplier
SAP	Strategic Asset Performance
SBA	Significant Business Activity
SCADA	Supervisory Control and Data Acquisition
SES	State Emergency Service
STEM	Science, Technology, Engineering and Mathematics
TBG	Tondoon Botanic Gardens
TNE	The Next Economy
UNSPSC	United Nations Standard Products and Services Code
WWTP	Wastewater treatment plant

REFERENCES 06

LEGISLATIVE INDEX

Local Government Regulation 2012		
Legislation Requirement	Section	Page
Financial statements	183	
The annual report for a financial year must contain—		
(a) the general purpose financial statement for the financial year, audited by the auditor-general; and		210
(b) the current-year financial sustainability statement for the financial year, audited by the auditor-general; and		214-216
(c) the long-term financial sustainability statement for the financial year; and		220-223
(d) the auditor-general's audit reports about the general purpose financial statement and the current-year financial sustainability statement.		211-213, 217-219
Community financial report	184	140-145
The annual report for a financial year must contain the community financial report for the financial year.		
Particular resolutions	185	
The annual report for a financial year must contain—		
(a) a copy of the resolutions made during the financial year under section 250(1); and		54
(b) a list of any resolutions made during the financial year under section 206(2).		136-137
Councillors	186	
(1) The annual report for a financial year must contain particulars of—		
(a) for each councillor, the total remuneration, including superannuation contributions, paid to the councillor during the financial year; and		53
(b) the expenses incurred by, and the facilities provided to, each councillor during the financial year under the local government's expenses reimbursement policy; and		54
(c) the number of local government meetings that each councillor attended during the financial year; and		53
(d) the total number of the following during the financial year—		
(i) orders made under section 150(2) of the Act;		137
(ii) orders made under section 150AH(1) of the Act;		137
(iii) decisions, orders and recommendations made under section 150AR(1) of the Act; and		137
(e) each of the following during the financial year—		
(i) the name of each councillor for whom a decision, order or recommendation mentioned in paragraph (d) was made;		137
(ii) a description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the councillors;		137
(iii) a summary of the decision, order or recommendation made for each councillor; and		137
(f) the number of each of the following during the financial year—		
(i) complaints referred to the assessor under section 150P(2)(a) of the Act by local government entities for the local government;		137



(ii) matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission;		137
(iii) notices given under section 150R(2) of the Act;		137
(iv) notices given under section 150S(2)(a) of the Act;		137
(v) decisions made under section 150W(a), (b) and (d) of the Act;		137
(vi) referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Act;		137
(vii) occasions information was given under section 150AF(4)(a) of the Act;		137
(viii) occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a councillor;		137
(ix) applications heard by the conduct tribunal about the alleged misconduct of a councillor.		137
Administrative action complaints	187	
(1) The annual report for a financial year must contain—		
(a) a statement about the local government's commitment to dealing fairly with administrative action complaints; and		92-93
(b) a statement about how the local government has implemented its complaints management process, including an assessment of the local government's performance in resolving complaints under the process.		92-93
(2) The annual report must also contain particulars of—		
(a) the number of the following during the financial year—		
(i) administrative action complaints made to the local government;		92-93
(ii) administrative action complaints resolved by the local government under the complaints management process;		92-93
(iii) administrative action complaints not resolved by the local government under the complaints management process; and		92-93
(b) the number of administrative action complaints under paragraph (a) (iii) that were made in a previous financial year.		92-93
Overseas travel	188	
(1) The annual report for a financial year must contain the following information about any overseas travel made by a councillor or local government employee in an official capacity during the financial year—		
(a) for a councillor—the name of the councillor;		54
(b) for a local government employee—the name of, and position held by, the local government employee;		63
(c) the destination of the overseas travel;		54, 63
(d) the purpose of the overseas travel;		54, 63
(e) the cost of the overseas travel.		54, 63
(2) The annual report may also contain any other information about the overseas travel the local government considers relevant.		54, 63
Expenditure on grants to community organisations	189	

REFERENCES 06

(1) The annual report for a financial year must contain a summary of the local government's expenditure for the financial year on grants to community organisations.		134-136
(2) The annual report must also contain the following information about the local government's discretionary funds—		
(a) the total amount budgeted for the financial year as the local government's discretionary funds;		134-135
(b) the prescribed amount for the local government for the financial year;		134-136
(c) the total amount of discretionary funds budgeted for the financial year for councillors to allocate for each of the following purposes—		
(i) capital works of the local government that are for a community purpose;		134-136
(ii) other community purposes;		134-136
(d) the amount of discretionary funds budgeted for use by each councillor for the financial year;		134-136
(e) if a councillor allocates discretionary funds in the financial year—		
(i) the amount allocated; and		134-136
(ii) the date the amount was allocated; and		134-136
(iii) the way mentioned in section 202(1) in which the amount was allocated; and		134-136
(iv) if the amount was allocated to a person or organisation—the name of the person or organisation to whom the allocation was made; and		134-136
(v) the purpose for which the amount was allocated, including sufficient details to identify how the funds were, or are to be, spent.		134-136
Other contents	190	
(1) The annual report for a financial year must contain the following information—		
(a) the chief executive officer's assessment of the local government's progress towards implementing its 5-year corporate plan and annual operational plan;		7
(b) particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the financial year;		96-131
(c) an annual operations report for each commercial business unit;		64-82
(d) details of any action taken for, and expenditure on, a service, facility or activity—		
(i) supplied by another local government under an agreement for conducting a joint government activity; and		136-137
(ii) for which the local government levied special rates or charges for the financial year;		136-137
(e) the number of invitations to change tenders under section 228(7) during the financial year;		137
(f) a list of the registers kept by the local government;		91
(g) a summary of all concessions for rates and charges granted by the local government;		136-137
(h) the report on the internal audit for the financial year;		90-91



(i) a summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints;		92
(j) the local government's responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under section 52(3).		92
Local Government Act 2009		
Beneficial Enterprises		
A local government's annual report for each financial year must contain a list of all the beneficial enterprises that the local government conducted during the financial year.	45	137
Significant Business Activities		
A local government's annual report for each financial year must—		
(a) contain a list of all the business activities that the local government conducted during the financial year;		136
(b) identify the business activities that are significant business activities; and		136
(c) state whether or not the competitive neutrality principle was applied to the significant business activities, and if the principle was not applied, the reason why it was not applied; and		136
(d) state whether any of the significant business activities were not conducted in the preceding financial year, i.e. whether there are any new significant business activities.		136
The local government must conduct a public benefit assessment of the new significant business activity.	46	136
Senior Executive Remuneration		
(1) The annual report of a local government must state—		
(a) the total of all remuneration packages that are payable for the year to the senior management of the local government; and		63
(b) the number of employees in senior management who are being paid each band of remuneration; and		63
(c) if the local government has resolved to allow a councillor to appoint councillor advisors—for each councillor— (i) the number of councillor advisors appointed by the councillor for the year; and (ii) the total remuneration payable to all councillor advisors appointed by the councillor for the year.		N/A
Right to Information Act 2009 and the Information Privacy Act 2009	138	92-93
Human Rights Act 2019	139	92-93

REFERENCES 06

FEEDBACK FORM

1. Email to the address listed in general information above with subject: Annual Report, or
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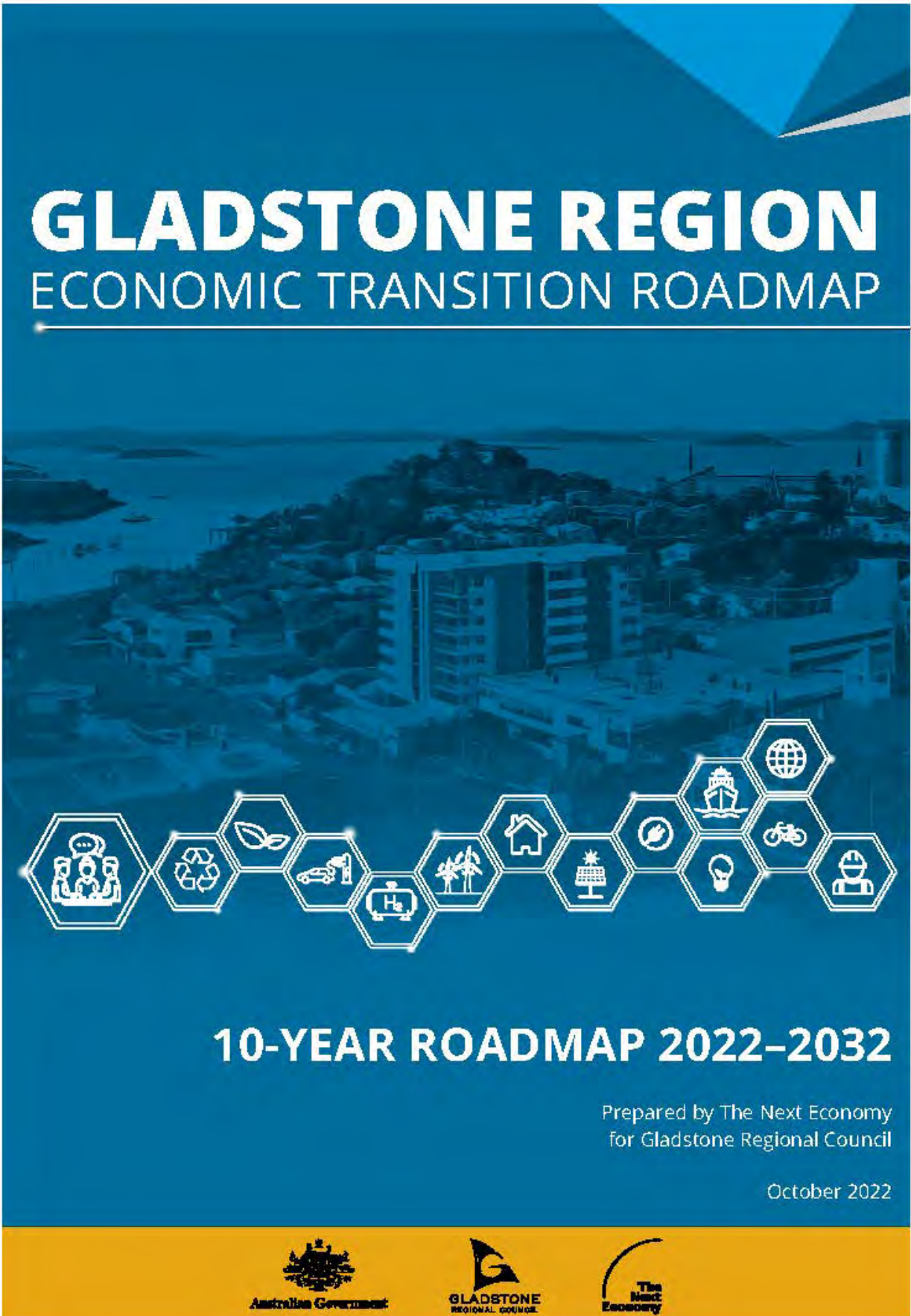




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Addendum 2



Acknowledgement of Country

We wish to acknowledge the Bailai, the Gurang, the Gooreng Gooreng and the Taribelang Bunda people as the traditional custodians of the land to which this report relates. We pay our respects to their Elders, past and present, and offer our solidarity and support to First Nations groups across the country working towards economic sovereignty and justice.

About The Next Economy

Change is inevitable, and with that comes great anxiety. But it also comes with great opportunities. The Next Economy works alongside communities, industries and governments to harness economic opportunities that ensure wellbeing for people and the planet on which we all depend.

Find out more at: www.nexteconomy.com.au

The Next Economy is registered as a charity with the Australian Charities and Not-for-profit Commission and is supported by The Foundation for Rural and Regional Renewal.

Acknowledgement

This project is an initiative of the Gladstone Regional Council and was completed in partnership with The Next Economy.

Project funding was provided by the Australian Government. Report Authors: Dr Amanda Cahill, Dr Jai Allison, Angela Heck and Lisa Lumsden.

Published 24 October 2022 by The Next Economy: www.nexteconomy.com.au.

The Next Economy would like to acknowledge the work and support of the Gladstone Regional Council Working Group, including Garry Scanlan, Sarah Hunter, Jane Macdonald, Hannah Webb, Helen Robertson, Ali Moore and Lee Griffiths.

The Next Economy would also like to acknowledge the work of Emma-Kate Rose, Sandi Middleton and Matt Bakker as co-facilitators of workshop activities, and Dr Jarra Hicks, Heidi Edmonds, Beth Mitchell and Kate Healy for providing feedback on sections of this report.

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Graphic Design by Sharon France, Looking Glass Press.

Citation: The Next Economy (2022), Gladstone Region Economic Transition Roadmap, The Next Economy, Brisbane, 24 October 2022 <https://www.gladstone.qld.gov.au/economic-information>

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Executive Summary

The Gladstone Region is facing a major economic transformation as industries grapple with the decarbonisation of the global economy. The challenges facing the region, and therefore the Gladstone Regional Council, emanate from the need to manage the shift away from fossil fuels and manage the impacts associated with new energy industries.

Despite these challenges, Gladstone's existing industrial base and growing availability of low-cost renewable energy means that the region is also well positioned to benefit from the energy transition. There are opportunities to expand and diversify the region's economic base and take advantage of opportunities such as 'green' manufacturing and hydrogen production. Change on the scale facing the Gladstone Region, and the likely impacts on the economy, workers and community makes transition planning and coordination an imperative for long-term resilience and prosperity.

In 2021, as per the operational and corporate plans, Gladstone Regional Council (Council) initiated a process to create a 10-Year Gladstone Region Economic Transition Roadmap. This initiative has been delivered in partnership with The Next Economy and funded by the Australian Government. The purpose of the Roadmap is to inform and guide Council on what is required to support the region to successfully adapt to a changing energy sector over the next decade, alongside other levels of government and industry.

In preparing the Roadmap, The Next Economy worked with Council to engage over 200 community and industry stakeholders to gather input into the work that needs to be undertaken across six key themes:

1. Energy Security, Reliability and Affordability.
2. Building the Hydrogen Industry.
3. Diversifying the Regional Economy.
4. Workforce Development.
5. Capturing Community Benefits.
6. Protecting and Regenerating the Environment.

This Roadmap provides a detailed account of the findings related to each of these themes in terms of:

- Stakeholder aspirations for 2032.
- The key issues to be addressed.
- Emerging economic opportunities.
- Council's role in managing change over time.

A summary Roadmap report is also accessible at <https://www.gladstone.qld.gov.au/economic-information>.



Energy Security, Reliability and Affordability

Stakeholders from the Gladstone Region and industry groups shared a common vision that by 2032, the Gladstone Region will have transitioned its source of energy generation to renewable energy while intensifying its position as an energy superpower. People understand the energy sector is changing and expect that by the end of the next decade, industries across the region will be using renewable energy that is firming with some demand management and storage. This shift will require unprecedented development, as almost all energy needs will be electrified or met by the growing regional hydrogen industry. While participants understood that developments would include large-scale renewable energy and transmission projects, they expressed strong support for decentralised energy generation through increased household and community ownership of renewable energy generation.

Successfully transitioning the Gladstone Region to safe, reliable, and affordable energy, particularly heavy industries, requires the following actions:

- Building enough renewable energy, firming, storage, transmission and distribution to reliably and affordably meet current and future needs.
- Constructing and upgrading the infrastructure (e.g., transmission, transport) needed to support the renewable energy sector.
- Reducing the impacts of renewable energy developments on land use by ensuring that planning and development assessment avoids competing interests and generates stakeholder support by consulting, mitigating and compensating for infrastructure impacts.
- Developing and upgrading legislative and regulatory parameters to enable innovations such as microgrids, energy trading, and community-owned renewable energy projects to be deployed in the region.
- Undertaking more thorough and holistic planning to develop new policies and regulations to manage both the decline of the fossil fuel industry and the expansion of renewable energy developments.
- Addressing a range of financial challenges, particularly the cost of infrastructure, to ensure affordable and equitable access to energy, including the technologies that will enable residents and small businesses to take advantage of these changes.
- Establishing a Regional Transition Authority (supported by State and Federal Governments) to undertake planning that informs effective policies to improve coordination, improve clarity, and mitigate disruptions.



Building the Hydrogen Industry

Participants envisioned that by 2032, the hydrogen industry will play a crucial part in the Gladstone Region's ability to achieve net zero emissions while sustaining and expanding energy-intensive industries and economic prosperity. Included in the vision was the Gladstone Region becoming a 'Centre of Hydrogen Excellence' through coordinated efforts to develop resilient local supply chains, storage and production facilities, common user infrastructure, domestic demand and export capabilities. Importantly, participants expect that the industry will have developed responsibly over time, addressing community concerns about the safety and water resources required for hydrogen production.

Specific actions identified by industry stakeholders to create a viable, long-term green¹ hydrogen industry include:

- Developing domestic demand by using hydrogen across a range of local operations, for example, in heavy vehicle fleets.
- Developing an export market for hydrogen by working with Japan, South Korea, Germany and The European Union to support their ambitions to convert to low-emissions hydrogen.
- Ensuring sufficient availability of renewable energy to power the hydrogen industry.
- Increasing efficiencies and reducing production costs related to installation, electrolyser production, water supply, renewable energy generation and other processes and inputs.
- Investing in the infrastructure needed to develop the hydrogen supply chain, including the sustainable provisioning of water through desalination, renewable energy infrastructure, gas and water pipelines, storage facilities, port facilities and waste treatment facilities.
- Building community understanding of the industry, particularly around safety, viability and legacy issues.
- Developing effective policy and legislation and undertaking detailed planning. Examples included measures to encourage demand in areas such as transport, trusted certification schemes, and to enable common user infrastructure.

Diversifying the Regional Economy

Community and industry stakeholders across all engagement activities expressed pride in the Gladstone Region's industrial heritage. Overwhelmingly, participants wanted to see the region continue to be "a place where things are made and exported to the world" as the economy decarbonises over time. This transformation over the next decade - made possible by the supply of low-cost, low emissions energy - will underpin long-term investment and growth in existing and new energy-intensive industries such as manufacturing exports produced with renewable energy such as green steel, aluminium, electrolysers and batteries, as well as agricultural products (food and fibre production). Stakeholders also wanted to see greater investment in other sectors, including construction, professional services, housing, health, education and tourism.

¹ Green hydrogen made from renewable energy and not fossil fuels.



If managed well, decarbonising existing industries could also lead to expanding a range of enterprises across the region, providing a diverse range of local employment and service opportunities. Addressing the challenges and realising the opportunities associated with economic diversification includes:

- Supporting existing industries to decarbonise so they can remain viable.
- Expanding the local manufacturing base by building on existing infrastructure, skills and inputs.
- Providing incentives to attract new industries and investment to the region.
- Building the capacity of local businesses to meet the needs of these new industries (e.g., hydrogen, renewable energy generation).
- Exploring innovation in areas like the circular economy, or creating an eco-industrial centre, such as the Renewable Energy Industry Precinct concept proposed by Beyond Zero Emissions.
- Developing local infrastructure to meet the needs of emerging industries.
- Engaging people that tend to be marginalised from mainstream employment opportunities (for example, First Nations people, women, young people, people living with a disability and older workers) and attract new workers to permanently migrate to the region.
- Taking advantage of locally available renewable energy and the need to decarbonise the economy to expand other sectors such as agriculture, tourism, and waste management.

Workforce Development

Participants in engagement activities overwhelming agreed that by 2032, they wanted to see the expansion of the renewable energy, hydrogen and manufacturing sectors resulting in long-term career opportunities with secure, well-paid positions that offer a range of benefits for existing and future workers.

They expect successful management of potential economic impacts as the population expands to meet industry needs, creating positive outcomes such as increased cultural diversity and equity. Participants also hope that new industries will support historically marginalised people to participate in the workforce, and a place-based approach to training will create multiple world-class facilities with Gladstone positioned as a “centre of excellence for training.”

Achieving the aspirations expressed by stakeholders will require a careful analysis of the existing workforce and future industry needs, as well as long-term coordination, participatory planning and immediate action. These actions include:

- Identifying current and future skills shortages and undertaking a thorough skills audit.
- Developing a place-based approach to local workforce training and development, including the development of new structures to support efficient coordination over time (for example, a Regional Transition Authority).
- Facilitating greater cooperation between State and Federal Governments and regional stakeholders to develop consistent and complementary legal and policy levers;.



- Incentives for industry to develop the regional workforce and strategies to capture local workforce opportunities presented by the development of Renewable Energy Zones;
- Supporting fossil fuel workers to be redeployed to other energy operations, retrain for new careers or retire early.
- Developing a strategy and practical support to enable historically marginalised groups to join the local workforce. This includes increasing the number of apprenticeships and traineeships in the region that target women, First Nations people, young people and older workers.
- Improving services and facilities across the region to attract workers to migrate to the region and minimise reliance on fly-in fly-out (FIFO) workers.
- Strengthening the role of unions to support workers and inform workforce strategies to ensure good conditions and long-term security for workers.

Capturing Community Benefits

Participants across the community workshops agreed that everyone within the Gladstone Region should share in the revenues and benefits generated from being one of the nation's 'industrial engine rooms.' By 2032, participants expect economic changes brought about by the energy transition should extend beyond just increasing employment opportunities to also improve the region's liveability. Improvements include reductions in the cost of living, better health and wellbeing services and access to affordable housing for all.

Participants emphasised that the benefits of change should extend to everyone including First Nations, traditionally marginalised communities, and fossil fuel workers.

Capturing community benefits could be achieved by:

- Reinvesting economic windfalls (whether through taxation, royalties or community funds) to improve infrastructure such as roads, and augment access to essential services in areas such as health, aged care and childcare.
- Finding ways to develop affordable and accessible housing to meet the long-term needs of residents. For example, companies could invest in high-quality modular homes, 'rent to own' programs, or develop mobile tiny homes for transient workers.
- Ensuring social inclusion in employment and procurement opportunities by building the capacity of local enterprises and coordinating regional access to contracts with large projects.
- Capturing financial benefits for the region in a strategic, transparent, and equitable ways, such as through social infrastructure planning and the development of community benefit funds.
- Addressing the loss of fossil fuel royalty payments during the transition to renewable energy.



Protecting and Regenerating the Environment

Participants in engagement activities envisaged improvements to the management of Gladstone Region's diverse environments and natural resources over the next decade. There is substantial support for action to mitigate climate change, assist ecosystems in adapting, and protect the Great Barrier Reef and other precious water resources. Most participants saw a zero-waste future that uses circular economy principles. Participants also emphasised the importance of First Nations' traditional knowledge in guiding development, managing resources and biodiversity, mitigating natural hazards, and rehabilitating industrial sites (such as coal-fired power station assets).

By 2032, a suite of actions generated through the engagement activities would improve the balance between rapidly developing new energy industries and meeting community expectations to protect and restore environmental assets. Adopting a more holistic and comprehensive planning assessment process will help achieve these results if it considers, minimises, and, if required, changes how new developments and industries are built or operated to mitigate adverse impacts on land and water assets.

In summary, the priority areas for action include:

- Protecting water quality and supply in an already dry part of Australia.
- Protecting the Great Barrier Reef and marine ecosystems.
- Protecting, remediating, and regenerating existing land (includes repurposing fossil fuel infrastructure and minimising the impact of renewable energy on biodiversity).
- Ensuring changes lead to air quality improvements and emissions reductions.
- Adopting new approaches to reduce waste and impacts, including circular economy approaches.
- Improving environmental monitoring and reporting by industry and government.

Roles and Responsibilities

Managing a transitioning energy sector is a complex task, especially given the rapid pace of change. The myriad of stakeholders that need to participate in planning and decision-making processes extend across all sectors of the economy and society. Clarifying roles and responsibilities at all scales is required if the region's industries and businesses are to mitigate negative impacts and capture benefits to support a thriving community. While Local, State and Federal Governments have statutory roles to fulfil, they could make many strategic policy and regulatory moves to ensure everyone benefits from changing to a more secure, decarbonised and affordable energy system.

Suggestions for the roles Council can play in strengthening and diversifying the regional economy are summarised in Chapter Eight and listed at the end of each chapter. These roles typically fit into four categories:

1. Leading and advocating for the region's priorities.

2. Attracting new investment to the region.
3. Informing community and local businesses about programs that can support them to take action.
4. Ensuring new developments and industries meet community expectations and aspirations.

To do this effectively, Council must work collaboratively with industry and other levels of government, not only according to their statutory responsibilities, but to stand up for the needs of the region. The Gladstone Region Economic Transition Roadmap project demonstrates Council's foresight and willingness to play the role of facilitative leader.



Gladstone Harbour is home to the Port of Gladstone from where coal and LNG are exported overseas





CHAPTER 1: Introduction

The Gladstone Region Economic Transition Roadmap¹ is an initiative of Gladstone Regional Council, delivered in partnership with The Next Economy and made possible with funding from the Australian Government. This report, prepared by The Next Economy, describes how Gladstone Regional Council can navigate changes in the energy sector that will transform the regional economy over the coming decade. The report is structured around six key questions that underpin the project:

1. What will it take to ensure energy security, stability and affordability as the energy sector changes?
2. How can the region work with stakeholders to develop the hydrogen industry in a sustainable way?
3. What opportunities exist to diversify and strengthen the regional economy and help existing industry to adapt?
4. How can Gladstone Regional Council work with others to support and develop the local workforce to take advantage of new opportunities?
5. How can communities benefit from changes in the energy sector, and how can negative impacts be avoided, mitigated or managed?
6. What are the potential environmental impacts associated with a changing energy sector? How can the local environment be protected and regenerated?

Each chapter explores one of these questions, identifying the region's key challenges and opportunities and highlighting the role Council and other key stakeholders can play in managing change.

1.1 Project background

Gladstone Regional Council's 2021–22 Operational Plan endorsed an initiative to “develop a Regional Transition Plan to secure a more diversified economy.”² The initiative aims to understand how changes in the energy sector would impact the regional economy and how Council could support community and industry to adapt over time.

Council's Corporate Plan 2021–26 provides the organisation's strategic direction over a five-year timeframe. The initiative is linked to Objective 3.1.1: “Support a diverse economy of existing and emerging industries that includes advanced manufacturing and a low-carbon industrial hub.”

¹ The engagement phase of this project was advertised as “Energising the Gladstone Region's Economic Future”.

² Gladstone Regional Council's 2021–22 Operational Plan, p25.
<https://www.gladstone.qld.gov.au/downloads/file/3604/operational-plan-and-budget-2021-2022>



Gladstone Regional Council engaged the services of The Next Economy to lead and progress an in-depth research and engagement process to develop a 10-year roadmap with recommended actions to support the diversification of the regional economy and management of the energy transition, building on existing and emerging industries.

The focus and timing of this work are significant, given the scale and pace of change occurring across the Gladstone Region as international trading partners and industry race to reach net zero emissions targets. Moves are already underway to reduce Australia's reliance on coal-fired electricity generation and accelerate the expansion of renewable energy generation, transmission and storage capacity. Fossil fuel exports are also facing an uncertain future as our major trading partners diversify their energy mix to reduce their national emissions as new tariffs and taxes emerge on high carbon products.³ Recent research, as presented in the Australian Energy Market Operator's (AEMO) 2022 Integrated System Plan (ISP) suggests that the pace of change is likely to accelerate over the coming decade, predicting that the National Electricity Market (NEM) could have periods where the entire

³ Towards Net Zero: Implications for Australia of Energy Policies in East Asia, Reserve Bank of Australia, September 2021.



electricity demand is met through renewable energy by as early as 2025.⁴ A timeline of energy changes over the next decade that will impact the region can be found in Appendix A.

While other regions are also experiencing these changes, the Gladstone Region is particularly vulnerable to the impacts of decarbonisation efforts. Gladstone Region has an economic dependence on a range of carbon-intensive industries, including the production of alumina and aluminium, Liquefied Natural Gas (LNG), cement, ammonia and other chemicals. Regionally based coal-fired electricity generators power industries, such as NRG Gladstone Power Station and Callide B Power Station – both face potential closure over the next ten years. Furthermore, the region derives significant revenue from exporting fossil fuels (coal and LNG) through the Gladstone port.

Given the scale of revenue generation in the Gladstone Region, the impact of changes in the energy sector will be felt throughout Queensland. The region generates \$15 billion in economic revenue annually, with over \$9 billion of this economic value derived from international exports and over half of all export revenue (56.5%) generated through the energy intensive manufacturing sector.⁵

While the risks of a changing energy sector are significant given the region's economic ties to carbon-intensive industries, the Gladstone Region also enjoys several competitive advantages over other regions in the race to net zero emissions. The Gladstone Region and surrounding areas have dozens of renewable energy projects planned. The combination of an existing industrial base, strong supply chains, a skilled workforce, and access to lucrative Asian markets through the port makes the region attractive to a range of new investors and industries.

Given this context, many of the leading industrial players in the region are already starting to decarbonise their operations. The region is attracting significant investment in renewable energy generation, green hydrogen and biofuel production, and the manufacturing of renewable energy equipment (for example, batteries and electrolyzers). Due to the scale of change facing the Gladstone Region and the likely impacts on the economy, workers and the community – transition planning and coordination are imperative for long term resilience.

1.2 Developing the Gladstone Economic Transition Roadmap

Discussing the changes in the energy sector has been a significant barrier to planning and coordination efforts over the past ten years. Given the region's high dependence on carbon-intensive industries and the political sensitivities associated with adopting a net zero emissions target nationally, one of Council's main roadmap objectives was to facilitate open and public

⁴ AEMO Integrated System Plan, 2022.

⁵ Australian Bureau of Statistics, 2022, <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA33360> (accessed June 2022)



conversations about Gladstone Region's risks and opportunities as the energy sector changes.

To facilitate this type of conversation and to collect the most up-to-date information on how change was unfolding across the region, The Next Economy (in partnership with Gladstone Regional Council) hosted 12 engagement activities between March to April 2022 that targeted both community and industry stakeholders. These activities included:

- Five industry stakeholder workshops with representatives from the energy, hydrogen, manufacturing, logistics and education and training sectors.
- Six community forums with representatives of the general public, Council, unions and First Nations groups.
- A community survey that was open to all members of the public.

The focus of the community and industry workshops differed slightly.

The industry stakeholder workshops aimed to gather the latest information on how changes in the energy sector were impacting different sectors and how industry and government were working to manage risks and take advantage of opportunities to strengthen and diversify that sector and the regional economy.



By contrast, the community workshops (including the Workers' forum and First Nations forum) presented updates on how changes in the energy sector were impacting on the regional economy. Community input provided a starting point to create a vision for the region, including ideas on managing risks and taking advantage of opportunities to build long-term economic resilience.

Both workshops explored similar questions, including:

- What do you expect to see in 2032 if we have managed change well?
- How can we support industry and other local businesses to adapt?
- What is the role of different levels of government, industry and other stakeholders in managing change to strengthen and diversify the regional economy?
- What are the emerging opportunities for workers, and what sort of work arrangements and conditions do you want to see in 2032? How can we support existing workers and develop the future workforce?



- What are some of the actions you would like to see to avoid or mitigate adverse environmental impacts and regenerate land, air and water resources?
- How can communities share in the benefits as the energy sector changes, and what can be done to reduce and mitigate negative impacts?

Locals who did not participate in the forums had the opportunity to respond to an online survey containing questions generated from the community and industry forums. The survey was publicly available for four weeks from April to May 2022. As Deputy Mayor Goodluck noted:

“The online survey gave people a chance to have their say on how they want to see these energy changes managed, especially around jobs and opportunity across the community, so the Gladstone regional economy is prosperous into the future.”

The online survey method gathered a broader range of responses, particularly from people who were not comfortable or unable to participate in the forums.⁶ As summarised below, 206 people participated in the consultation process in total, including representatives from 37 organisations and government departments that are listed separately in Appendix A.

Table 1.1: List of engagement activities, March–April 2022

Stakeholder	Engagement Activity	Participants
Community	Council workshop (for staff and Councillors)	23
	Agnes Water community forum (in person)	16
	Gladstone community forum (in person)	16
	First Nations forum (in person)	13
	Workers’ forum (in person) including NRG and QAL workers, AMWU and ETU representatives and the Gladstone Industry Leadership Group	10
	Community forum (online)	6
	Community survey (online)	39
Community Sub-Total		123
Industry	Energy sector workshop 1 (online)	24
	Energy sector workshop 2 (online)	16
	Hydrogen workshop (online)	21
	Manufacturing, heavy industry, supply chain and logistics workshop (online)	11
	Education and training providers workshop (online)	11
Industry Sub-Total		83
Total:		206

After each workshop, participants could provide feedback via written evaluation forms and an online survey link. Feedback generated by the online survey was overwhelmingly positive, with a 4.4 star overall average event rating. People welcomed the chance to participate in the engagement

⁶ Note that the consultation activities were conducted during the COVID pandemic.



activities and to feed into Council planning processes. Many people remarked favourably on the leadership role that Council was playing in a difficult political context.

Samples of participant feedback included:

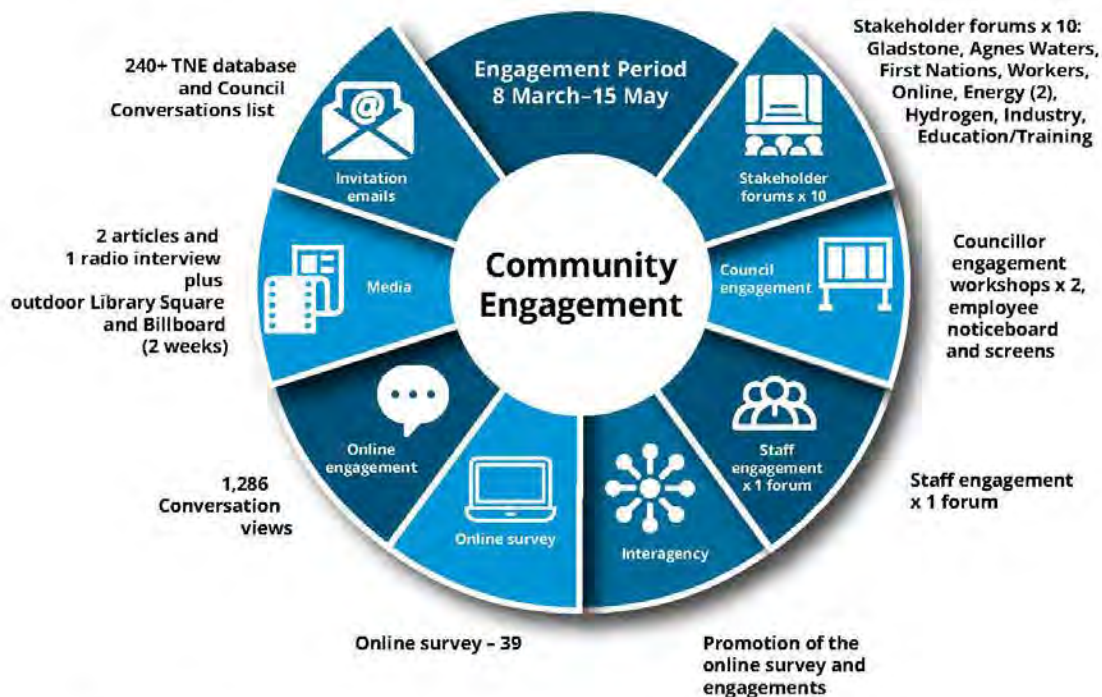
"I have a better understanding of local context and perspectives. Respectful discussion that brought in all voices."

"There seems to be a strong commitment from Council to engaging early and learning from past experiences with new industries."

The Next Economy also held three follow-up events in September 2022 to present the findings from the engagement activities to Council, the general public, and industry representatives. The events allowed for a process of verification and for participants to offer additional feedback and ideas.⁷

The ideas gathered from the initial engagement activities formed the basis for further analysis of the identified economic risks, opportunities and actions through a review of the latest research and available data. The synthesis of findings from the initial engagement activities, research results and feedback sessions forms the basis for this Roadmap.

Figure 1.1: Methods used to promote engagement activities



⁷ One final event will be held after the completion of the report in November to engage with potential investors on the findings and explore funding opportunities. The results of this discussion are not included in this report.



1.3 Summary of key findings

The specific findings in relation to the six key themes underpinning the project (energy security, hydrogen development, economic diversification, workforce development, community benefits and managing environmental impacts) are summarised in each of the following chapters. There are, however, some high-level findings that were consistent across all engagement activities and themes that are worth noting here, including:

Energy

- Most participants from the engagement activities understand that the energy sector is changing and that fossil fuels will be phased out over time and replaced by renewable energy.
- Participants want to see the expansion of renewable energy projects to result in lower power prices for homes and industry.

Hydrogen industry

- Participants across all workshops supported the development of a renewable energy powered hydrogen industry, particularly to boost export revenues as coal exports decline over time.
- Most people want to ensure the hydrogen industry is developed safely and sustainably, with a particular focus on water use.

Economic diversification

- Many people expressed concerns about the rapid pace of change in international markets that creates vulnerability because of the region's economic ties to carbon-intensive industries.
- Most people want Gladstone to build on its industrial heritage to develop green industries powered by renewable energy, including potential export commodities and products like hydrogen.

Workforce development

- More must be done to support workers in fossil fuel industries to transition into new jobs, including analysing the skills needed in new industries and developing on-the-job training support and other mechanisms to support workers.
- The Gladstone Region is facing a skills and labour shortage across several industries, including renewable energy, manufacturing, health, education, childcare and aged care. Innovative approaches are needed to support locals not actively engaged in the workforce to move into paid employment.



Social impacts and community benefits

- Many people have experienced the negative impacts of ‘booms and busts’ in the past. They want to avoid recurrent challenges such as negative impacts on housing availability and affordability, local infrastructure and services.
- People across all workshops wanted to see First Nations people benefit socially and economically from changes in the energy sector, including: land access payments or royalty schemes similar to those available through coal and gas, job and training opportunities, and other benefit sharing models.
- Many community participants want a more decentralised energy system so that more people can benefit from owning a share in electricity generation.
- Most participants want to build on the region’s liveability by reinvesting a share of the profits derived from new developments back into the community.

Environmental impacts

- Many people see this as an opportunity to expand circular economy principles to reduce waste and generate new products and industries in the region.
- Many community members are concerned about the potential environmental impacts of projects, particularly the amount of land and water that new developments will use.



Gladstone Regional Council has undertaken regular sand dune restoration at Tannum Sands' Wild Cattle Creek



There was a strong consensus across all activities that there is a need for much greater coordination across all levels of government, industry and community groups (including unions, First Nations and environment groups) to manage economic change better. Participants expressed strong support for the developing a Regional Transition Authority to lead planning, coordination and investment attraction activities.

1.4 Conclusion

This report aims to help Gladstone Regional Council navigate the many complex changes that are occurring across each of the six themes that underpin this project: energy security, hydrogen development, economic diversification, workforce development, community benefits and managing environmental impacts. Each chapter describes the work that needs to be undertaken for one of these themes by outlining in detail:

- The current context and trends impacting the region.
- The shared vision for 2032 as generated by participants in the community and industry engagement activities.
- Challenges to be addressed, as well as emerging opportunities.
- Ideas for managing risks and seizing opportunities.
- Possible actions Council could take relevant to the chapter's theme.

The final chapter summarises the role of Local Government, State Government, Federal Government and industry in managing change.

A summary of this report can be found at: <https://www.gladstone.qld.gov.au/economic-information>



Agnes Water Main Beach is the most northern surf beach on the east coast of Australia



CHAPTER 2: Ensuring a Secure, Reliable & Affordable Energy System

2.1 Introduction

The energy system that supplies communities and industries across the Gladstone Region is undergoing a massive transformation. Renewable energy generation, transmission and storage solutions are expanding rapidly, while existing local power stations grapple with potential closures over the next decade.

Community and stakeholder engagement activities revealed that most people across the region understand that these changes are already occurring and that a rapid expansion of renewable energy is needed to power homes, businesses, and heavy industries. Nevertheless, many community members questioned how the renewable energy industry can be established in a way that not only ensures reliable and affordable energy, but also powers heavy industry and generates other local economic benefits. The main points of concern¹ included:

- How the energy system will be stabilised and strengthened to meet the needs of industry.
- The location and timing of establishing renewable energy projects and transmission infrastructure.
- The impact of new projects on land resources.
- How workers in existing power stations will be supported as they close or ramp down operations.
- A perceived lack of planning and coordination, particularly by government.
- Whether energy will become more affordable and accessible over time.



¹ Other topics, including workforce development, training needs, small business support, community impacts and access and equity issues are addressed in later chapters.



2.2 2032 Vision for the energy sector

Participants across all stakeholder and community engagement activities expressed pride in the region being a leading energy generator and envisioned that it would remain an 'energy superpower' in 2032 through the growth of a diverse mix of renewable energy generation and storage solutions, including the growth of the hydrogen industry.

Most respondents emphasised that by 2032, all industries in Gladstone will be set up to use renewable energy that is firm with some demand management and storage, and that energy generators can ramp up and down as required.

Most participants across the consultation activities expected Queensland to meet or exceed the State Government's 2030 Renewable Energy Target of 50 per cent² generation and Emissions Reduction Target of 30 per cent below 2005 levels, and that Gladstone will have played a significant role in achieving those goals. Some participants were more ambitious and hoped that Gladstone would lead the State and have "100 per cent clean and renewable energy" by 2032.

Nearly all participants across engagement activities wanted to see renewable energy developments reduce the financial pressures on households and businesses and boost manufacturing opportunities.

Direct access to electricity was also a theme throughout the engagement activities. Many community members supported a more decentralised energy sector by 2032 through increased household and community ownership of renewable energy generation. Some community members also expressed interest in local energy trading to generate additional sources of revenue.



We'd like to see renewable energy opportunities spanning the nation.

ENERGY SECTOR WORKSHOP PARTICIPANT

Most respondents expect the region to manage the rapid construction of renewable energy generation and transmission infrastructure by 2032. Participants expect this to be achieved in a way that generates ongoing local jobs and leaves a positive economic legacy. Positive economic legacies include:

- Boosting local procurement and training opportunities.
- Improving local services (especially the health sector).
- Increasing access to quality housing.
- Capturing a share of profits from the increased economic activities.

² The Queensland State Government has increased its renewable energy generation target since The Next Economy conducted the engagement activities to 60% by 2030 and 70% by 2032.



Participants highlighted five main challenges to be addressed to achieve this vision over the next decade:

1. Build renewable energy generation, transmission and storage solutions that ensure a secure, reliable and affordable energy supply.
2. Construct and upgrade the infrastructure needed to support the renewable energy sector.
3. Reduce the impacts of renewable energy developments on land use.
4. Undertake more thorough and holistic planning to develop new policies and regulations to manage the decline of the fossil fuel industry and the expansion of renewable energy developments.
5. Address various of financial challenges to ensure an affordable and accessible energy supply across the region.

Each of these challenges, as well as ideas to address them, are outlined below.

2.3 Ensuring energy security and reliability



“Green-up” projects need to solve the energy trilemma – sustainable, affordable, and reliable; otherwise, businesses won’t invest. It’s society and business [that] are driving the change.

ENERGY WORKSHOP PARTICIPANT

Participants from all community and stakeholder engagement activities emphasised the importance of ensuring a stable and reliable electricity supply as the energy system changes. Some community members expressed concerns about whether solar and wind power could sufficiently provide for the region’s current and future needs,³ especially if not enough renewable energy generation, transmission and storage capacity is established before coal fired electricity generation is phased out. Many people shared concerns about blackouts and brownouts (temporary drops in voltage in the power supply). They questioned how an energy system would be developed to cope with the changes occurring amid ever-growing demands and stressors.



Don’t switch off coal power before we have enough renewable energy and stable hydrogen

ENERGY SECTOR PARTICIPANT

³ While professionals in the energy sector generally believed renewable energy could reliably meet current and future needs if the right planning was in place, some community members remained uncertain about the technology. In total 92% of survey respondents agreed that there is insufficient reliable and affordable energy to meet existing needs.



Control room, Callide Power Station, c. 1967.
Photo credit: Queensland State Archives

The political implications and impacts of the war in Ukraine have further exacerbated concerns about energy security, given global coal and gas shortages have pushed up generation costs and, therefore, energy prices in Australia. Participants across all community forums (including the Worker Forum) and some of the energy stakeholder workshops openly acknowledged that they expect two of the main power stations that service the region – NRG Gladstone Power Station and Callide B Power Station (Callide B) – to close within the next decade. Some industry representatives disagreed, pointing to statements made by the Queensland Minister for Energy that no power stations would close over the next decade⁴. This statement contradicts AEMO forecasts, which list 2028 as the closure date for Callide B and 2031 for the Gladstone Power Station. Regardless of when they close, coal-fired electricity plants are generally expected to ramp down operations over the coming decade, given the scale of renewable energy and firming that is coming online. Given this context, it is unsurprising that stakeholders (particularly those working in the energy sector) reiterated a need to plan for the ramping down or closing of coal plants.



As base load comes off, planning in the Central Renewable Energy Zone is important, as system security in the middle of the day will be a big issue.

ENERGY FORUM PARTICIPANT

Energy stakeholders also highlighted the importance of ensuring the grid is designed and built to take on additional capacity and deal with the dynamic nature of renewable energy generation. The current grid is not designed to handle fluctuations in energy supply. Energy stakeholders encouraged the government to consider new approaches to ensure system security, flexibility, and resilience to external shocks⁵.

Suggestions included:

- Planning for a more diversified energy system with a mixture of wind and solar projects⁶ across different locations.
- Expanding storage capacity.
- Using synchronous condensers.
- Building high voltage direct current (HVDC) transmission lines.

⁴ A recent announcement in the Queensland Government Energy and Jobs Plan (September 2022) is that all publicly owned coal-fired power stations will be converted to clean energy hubs by 2035, and a steep decline in coal fired capacity (GW) over the next decade. See: Queensland Energy and Jobs Plan (epw.qld.gov.au) (p. 12)

⁵ The Energy and Jobs Plan had not been released prior to the consultation process; this now includes a Queensland SuperGrid Infrastructure Blueprint.

⁶ While the majority of renewable energy generation projects planned for the region are wind and solar, there is at least 1080MWh of storage integrated into these generation projects.





The State and Federal Governments and key agencies are currently undertaking this planning by developing three new renewable energy zones across Queensland, including the Central Renewable Energy Zone⁷. A Renewable Energy Zone (or REZ) is an area designated to focus investment on new renewable energy projects and associated transmission and other infrastructure. The primary objectives of developing REZs are to lower the cost of the system to ensure affordable energy for communities and create enough secure, renewable energy to meet industry demand.



There needs to be green firmed power for key industries in the region – e.g., aluminium, and electrification of alumina processing.

SUPPLY CHAIN WORKSHOP PARTICIPANT

The construction of a diversified energy system backed up by storage solutions is already underway⁸, with dozens of large-scale wind and solar projects planned for the Central Queensland REZ and 2,884 MW of renewable energy projects planned in the Gladstone Region alone.⁹

Some community members raised concerns about the scale of proposed renewable energy projects, emphasising the need to increase the amount of small-scale generation through households and community-owned renewable energy projects. These concerns were linked to a general perception that a more decentralised generation was more resilient, with 79 per cent of online survey participants agreeing that having decentralised sources of energy, backed up with different forms of storage, will mean greater energy reliability in the region. Some participants advocated for legislation to facilitate the development of microgrids and energy trading to support decentralised energy systems.

Both energy sector stakeholders and community representatives identified the need to increase the range of energy storage solutions across the region, citing the need to subsidise household batteries and electric vehicles, build large-scale batteries and develop pumped hydro storage. Some community members raised concerns about the environmental and water impacts of pumped hydro storage,¹⁰ as well as whether it was a viable option for the region because of the local topography.¹¹



Pumped hydro is greenfield, with too many operational and environmental issues for it to go ahead

ENERGY WORKSHOP PARTICIPANT

- 7 Modelling from the Queensland Government Energy and Jobs Plan (September 2022) indicates the state will need 25GW of renewable energy by 2035. This is an additional 22GW of wind and solar on top of the current 3GW in the system.
- 8 The recent Queensland Government Energy and Jobs Plan (September 2022) includes \$500 million for more large-scale and community batteries, a Queensland Battery Industry Strategy and two new pumped hydro projects that could deliver up to 7GW of long durations storage.
- 9 Appendix C provides a breakdown of renewable energy projects proposed in the Gladstone Region. For a map of the latest renewable energy projects planned for the region, see: <https://electricity-generation-map.epw.qld.gov.au/>
- 10 Pumped storage hydropower (PSH) requires two water reservoirs at different levels that can produce power as water moves from one level to the other and passes through a turbine.
- 11 Company Sunshine Hydro is proposing (May 2022) to build a new pumped hydro storage facility (including the ability to create and liquify green hydrogen) at Miriam Vale, south of Gladstone. This proposal plans to use a natural water catchment with a backup of desalinated water if required.



Gladstone's NRG Power Station began operating in 1976 and supplies electricity to aluminium producer, Boyne Smelters Ltd, under a long-term agreement



2.4 Energy infrastructure development

Several core pieces of infrastructure are needed to meet the growing energy requirements of the region.

Transmission and distribution infrastructure upgrades are urgently needed to transport the energy and increase the grid's capacity to take on more renewable energy to meet current and future needs. Transmission infrastructure upgrades will also help to improve the system's ability to deal with the fluctuations inherent in renewable energy generation.

Powerlink is currently undertaking detailed modelling and design work on the transmission infrastructure. However, AEMO modelling does not forecast significant transmission infrastructure work commencing until later this decade.¹² AEMO has prioritised projects in Victoria and New South Wales where power stations are likely to close earlier than Queensland. Questions remain as to how the renewable energy projects planned in the Gladstone Region over the next few years will be able to operate to their full potential if the transmission infrastructure is not already in place.

¹² AEMO (2022), P.76.



While some of the community members expressed support for projects to upgrade transmission infrastructure, such as the HVDC link from Clark Creek to Gladstone and Callide to Gladstone¹³, such projects are likely to generate opposition from landholders and others as construction expands over time. Energy sector stakeholders highlighted a need for careful planning and broader community engagement to ensure transmission is built where it makes sense, minimise opposition and increased future energy costs, and to avoid 'gold plating the grid'¹⁴.



The Queensland Government as owners need to lead the plan and be proactive and not reactive.

ENERGY WORKSHOP PARTICIPANT

In addition to transmission infrastructure projects, stakeholders identified the need to develop other enabling infrastructure to support the expansion of renewable energy such as roads, bridges, port facilities, and pipelines. Industry stakeholders identified transport infrastructure as critical, with one industry representative predicting that the region's road network will have to accommodate an additional 20,000 truck movements to get materials to renewable energy developments. Managing the volume, height, weight and turning capacity requirements, as well as congestion and maintenance will be challenging.



Road infrastructure problem shows that State and Local Governments aren't coordinating projects well enough.

ENERGY WORKSHOP PARTICIPANT

2.5 Land-use considerations

Changes in the energy sector will significantly impact the regional landscape, given the land development requirements for new renewable energy projects and manufacturing industries.

It is unclear exactly how much land is required for the Gladstone Region's current and future renewable energy projects. The latest 2022 AEMO Integrated System Plan for the Fitzroy Renewable Energy Zone (REZ) provides limited insight, but based on what is currently known, the Gladstone Regional Council estimate it is likely to be between 160,000–180,000 hectares.

13 The Queensland Government is supporting infrastructure development across the region with the \$365 million Gladstone Grid Reinforcement to connect solar and wind projects to the grid, delivered by Powerlink as part of the Energy and Jobs Plan. See [Queensland Energy and Jobs Plan \(epw.qld.gov.au\)](https://www.epw.qld.gov.au)

14 'Gold plating' refers to over-investment in infrastructure. It has been an issue in the NEM in the past for various reasons, including State Governments overvaluing assets before privatisation and asset owners being paid according to the value of the assets they manage.



Effective land-use planning is a critical enabler of renewable energy development. If land use planning is not done well, it can lead to significant opposition from landholders, stakeholders and community members, which causes costly project delays. Land use planning must factor in the amount of land directly required by wind and solar developments,¹⁵ and the requirements of associated manufacturing, logistics, energy transmission and storage facilities.

Participants across all workshops raised the following land use considerations during the planning and development of new renewable energy projects:

- Using marginal land and Gladstone State Development Area (GSDA) as much as possible for new projects to reduce impacts on existing landholders.
- Cultural heritage impacts and the need to avoid sites significant to Traditional Owners.
- Ensuring existing agricultural uses can coexist with renewable energy.
- Protecting and regenerating biodiversity by providing sufficient wildlife corridors and use of local species to revegetate cleared areas.¹⁶
- Developing remediation and decommissioning plans before renewable energy projects are approved. One suggestion was for the State Government to establish a decommissioning bond system (like rehabilitation bonds in the mining sector) to clarify expectations and provide certainty for all stakeholders.
- Assessing alternative use of land assets currently used to support fossil fuel energy projects (e.g., Gladstone Power Station and Curtis Island LNG Plants).

Managing the land use impacts of renewable energy developments requires proponents and assessors to understand the context, risks, stakeholder interests, trade-offs and how these will change over the life of a project.

Community forum participants also consistently highlighted the need to avoid competing land use interests between industrial energy developments, agriculture, other industrial uses, and tourism. These tensions can play out in complex and unexpected ways; for example, accommodating new and existing workforces will impact housing availability and affordability. Therefore projects should be assessed in part by how they address this issue.¹⁷

Locating projects in the Gladstone State Development Area (GSDA) mitigates some of the competing land use issues. Still, it does not address concerns about the cumulative and, at times, complex impacts of energy development at the expected scale. Two of the region's proposed solar farms, totalling 678MW, are in the GSDA. Developing renewable generation in this area minimises impacts on private land, agricultural land, and areas of high conservation value. It also enables more efficient

15 A study conducted by the ANU Crawford School of Public Policy calculates that meeting Australia's current electricity demand with renewable energy: 'would involve a land area of about 168,000 km² – about 2 per cent of Australia's land mass. By comparison, about 4 per cent of Australia's landmass is currently used for livestock grazing'. <https://reneweconomy.com.au/the-staggering-numbers-behind-australias-green-energy-opportunity/>

16 For more information on the concerns raised in relation to environmental impacts of renewable energy projects, see Chapter 7.

17 For further discussion on housing concerns see Chapter 6, Community benefits

coordination of planning and approval processes. However, given the competition for GSDA land, the State Government recently decided to prioritise it for manufacturing and production rather than renewable energy developments.

Some landholders and community members who participated in workshops welcomed the opportunity to generate passive income from providing land for renewable energy developments and transmission lines. Landholders noted how this could help to diversify their income, making them less reliant on income from livestock in times of drought and more resilient to the impacts of climate change. Some landholders and community members were, however, concerned about the allocation of compensation and suggested processes could be better regulated. This would avoid some landholders (particularly those adjacent to renewable energy developments) not being compensated fairly for the impacts of projects on their land and visual amenity. Others questioned why it is not legislated that companies share profits with the broader community. Many community participants saw a need for more transparent community engagement processes and benefit-sharing schemes, to ensure an equitable roll-out of renewable energy and transmission infrastructure across the region.

Renewable energy stakeholders explained that the inconsistencies between how projects share benefits with landholders and communities stem partly from the variability in project resources and profitability. Because the cost of developing different sites varies, so does the proponents'



Renewable energy technologies need land presenting challenges for regional Australia's farming sector





financial resources. Therefore, renewable energy proponents argued that strict regulation would not necessarily be simple or desirable for landowners or communities for aspects of renewable development. Instead of 'top down' regulation, some renewable energy representatives argued for programs focused on 'levelling the playing field' of negotiations by developing guidelines for communities and renewable energy companies and upskilling communities and landholders to negotiate more effectively. Several renewable industry peak bodies (such as the Clean Energy Council) and government agencies are in the process of developing guidelines that set norms and expectations without mandating exactly what benefit sharing must entail. This approach allows all players to be responsive to the local context.^{18 19}

2.6 Appropriate planning and policy development

The most common theme across all stakeholder and community workshops was the need for better planning and coordination²⁰ to manage the rapid pace of change across the energy sector. There was widespread acknowledgement across all workshops that the divisive politics surrounding energy and climate policy over the past 10 years has stymied planning and coordination efforts. Some of the energy sector representatives emphasised the need to reduce the level of political interference in decision making. These stakeholders suggested technical experts within government departments (rather than politicians) should be leading planning and decision making. One participant even suggested that political reforms such as banning political donations would help to address the problems associated with political interference.



No one's arguing the need to change, but we need to do more to understand what needs to happen, and we need analysis to be competent, to make decisions and understand impacts... and we need things put in place to mitigate any negative impacts.

ENERGY WORKSHOP PARTICIPANT

18 Queensland solar farm guidelines: practical guidance for communities, landowners, and project proponents (2018). Available at https://www.epw.qld.gov.au/_data/assets/pdf_file/0012/16122/solar-farm-guidelines-communities.pdf, accessed 01/08/2022.

19 For more detail, see: Lane, T. and Hicks, J. (2017). A guide to benefit sharing options for renewable energy projects. Clean Energy Council, available at <https://www.re-alliance.org.au/benefitsharing>

20 Consultation for the GRC Roadmap was undertaken before the change in Federal Government. Since taking office, the new Labor government has continued several initiatives and announced others that may facilitate greater planning and coordination. These include the Energy National Cabinet Reform Committee (ENCRC) and the Energy Ministers' Meeting (EMM), amendments to the National Energy Objective and the National Transition Plan which all Australian Governments will create in line with AEMO's Integrated System Plan (ISP).



Almost all the energy stakeholders expressed concerns that a lack of planning will lead to sudden and more severe disruptions to the energy system. They highlighted the current lack of coordination between different levels of government and the challenges of different energy players undertaking their own planning without sharing information in a transparent and timely way. This has led to different proponents trying to design and plan to mitigate project risks with limited information and policy certainty. Industry stakeholders reported this has, in turn, delayed decision-making regarding the development of common user assets needed by multiple stakeholders.

The full build out of renewable energy will span the next two decades and how the Central Queensland Renewable Energy Zone (CQREZ) is designed needs careful consideration, especially in a system with a mix of public and privately owned operators. Energy stakeholders emphasised the need for more detailed and transparent information, such as ensuring enough generation of renewable energy to meet industry and community needs.

Energy stakeholders also highlighted the need for much better planning at a federal level to ensure better coordination and consistent regulations across the National Energy Market as it adapts to high levels of renewable energy generation. The recent announcement made by the new Federal Labor Government that they will work with AEMO to develop a National Transition Plan²¹ will help address this challenge but not necessarily resolve the greater need to coordinate within regions. Stakeholders noted the advantage Queensland has in coordinating changes because of the high level of government ownership in the energy sector.



Establish a transition authority so we can make a plan and set targets and coordinate.

ENERGY WORKSHOP PARTICIPANT

Workshop participants across all sectors expressed high levels of support for the development of a Regional Transition Authority to coordinate efforts across government, industry and community as renewable energy expands and fossil fuel use declines. A Regional Authority could develop a more detailed regional plan for Central Queensland and work with all levels of government and industry to ensure that changes in the energy sector contribute to broader social, economic, and environmental benefits while minimising negative impacts. Important responsibilities of a Regional Transition Authority would include:

- **Providing support for long-term regional planning:** Ensuring that all stakeholders can meaningfully engage in decision-making processes and in the design of new plans and programs to support decarbonisation processes and that they remain informed and participate as change unfolds. This includes all levels of government, Traditional Owners, industry, farmers, landholders, workers, educational institutions, social services, environment, and other community groups.

²¹ The National Transition Plan was announced in June 2022 which will be developed by the Federal Government with the states and territories to help pave the way to clean energy future with agreement from every state and territory. See: <https://www.minister.industry.gov.au/ministers/bowen/transcripts/press-conference-energy-ministers-meeting>



- **Ensuring energy security, stability, and affordability:** Coordinate across the relevant agencies, technical experts, and industries to manage the phase-out of fossil fuels and expand renewable energy technologies to ensure energy security, stability, and accessibility. This means not only guaranteeing domestic energy supply but also expanding generation and storage to support the emergence of new industries.
- **Regional workforce support and planning:** Coordinate long-term support to workers in fossil fuel industries well in advance of closures, including overseeing the development of training programs, redeployment schemes, income support, and early retirement schemes. This also includes ensuring companies meet their responsibilities to workers for redundancy payments and entitlements and supporting educational institutions to train workers in the skills they need for current and future industries.
- **Economic diversification:** Support industry and SMEs to adapt to changes and build on and promote the strengths of different regions to attract new investment and jobs. This includes working with the State Government to develop markets, supply chains and local procurement policies.
- **Attracting investment:** Provide a vehicle to attract and channel public, private and philanthropic funds into initiatives designed to reduce negative impacts and build long-term resilience, wellbeing and prosperity across the regions most impacted by change.
- **Infrastructure planning:** Work with industry, Local Government and State Government to identify infrastructure needs and leverage investment.
- **Research and development:** Identify and commission research activities and expertise as needed to support decision-making processes and develop local technical capacity for emerging industries.
- **Land and water management:** Working with the Local and State Governments to oversee the decommissioning, rehabilitation and repurposing of power plants and mine sites, as well as liaising with agencies, industries, and other stakeholders to protect and regenerate land and water resources. This includes working closely with Traditional Owner groups to ensure the upholding of their land and cultural heritage rights, and to identify economic opportunities for First Nations people, including (but not limited to) paid work that supports the restoration and protection of Country.
- **Community benefits:** Mitigating the negative impacts of the transition on the community and ensuring that the benefits are shared widely, particularly with those already economically marginalised, such as young people, women, First Nations communities, the long-term unemployed, people with disabilities and those from linguistically and culturally diverse backgrounds.

Workshop participants emphasised that any regional authority would need to be supported in concept by the State and Federal Governments to provide access to funding and set the right policy frameworks and targets.²²

²² For more information on the role of transition authorities and how they could operate across all levels of government, see: (<https://nexteconomy.com.au/work/transforming-queensland-the-case-for-a-transition-authority/>)



Boyne Island waste water treatment plant



Community members were vocal in their demands for meaningful and equitable representation in any planning process. Participants across the workshops saw a need for planning reform that ensures genuine and early consultation with communities and stakeholders to achieve holistic, inclusive and ongoing project outcomes.²³ Participants across several stakeholder workshops mentioned the need for more action to educate and update community members about changes in the energy sector, particularly about the scale of renewable energy build-out and associated infrastructure.²⁴ While deep and ongoing community engagement can slow the pace of development, research over many decades has demonstrated that participatory and inclusive planning leads to better long-term outcomes and aids in managing community expectations and support for new projects. Similarly, 85 per cent of survey respondents agreed that a lack of consultation could lead to community opposition for large-scale renewable energy projects which will slow down the energy transition.

One model that could strike a balance between the need for timely approvals and community input into planning is the Renewable Energy Industrial Precinct (REIP) concept proposed by groups

²³ Having the opportunity for community members to provide meaningful input into planning processes was a very strong theme throughout all engagement activities and 100% of survey respondents agreed.

²⁴ This is the combined responsibility of multiple Government, industry, and community support organisations. There is an opportunity for Council to play a facilitative role in helping stakeholders recognise the significance of the changes that are underway.



such as Beyond Zero Emissions (BZE). REIPS are industrial areas developed to support a cluster of manufacturers powered by renewable energy. They are developed near renewable energy generation and other important infrastructure to maximise efficiencies and attract a range of industries that can work collaboratively and in a more integrated way. BZE describes REIPs as:

“A tool to help recalibrate the true scale of opportunity and investment needed, driving conversations towards planning, coordination and collaboration between governments, communities, industry and investors.”²⁵

A defined area and industrial ecosystem to be developed as a REIP in Gladstone would enable greater coordination and a more efficient use of resources. Council, State Government and/or a Regional Transition Authority could play a role in liaising with industry stakeholders and the community to ensure thorough input into the design of the REIP and benefit sharing arrangements to maximise the chance of good development outcomes.

2.7 Ensuring access to affordable energy

Building a new renewable energy-powered electricity system is a once-in-a-generation undertaking that requires unprecedented investment. For this opportunity to boost economic development, renewable energy costs must be low enough to create a competitive advantage for industry and equitable outcomes for domestic users. Participants across all engagement activities expressed concerns that if investments were not carefully managed and backed by public funding, consumers would not benefit from lower power prices, despite renewable energy being cheaper to generate. Two main challenges emerged from discussions: 1) the need to reduce the cost of production; and 2) providing equitable access to affordable energy.

a. Reducing the cost of production

The main financial concern was the cost of firming, transmission, distribution, and associated infrastructure as part of Powering Australia (Rewiring the Nation).²⁶ Many participants agreed costs need to be shared between government and renewable energy proponents but recognise that new cost sharing models are needed to create savings for energy consumers. Energy sector participants repeatedly pointed to the need for government to plan and deliver common user assets with project proponents collaboratively, noting that failure to do so would ultimately lead to higher power prices, a lesson learned during the LNG export hub build out.²⁷

²⁵ Beyond Zero Emissions, Gladstone Renewable Energy Industrial Precinct briefing paper, April 2022. Available from https://bze.org.au/research_release/gladstone-briefing-paper/

²⁶ The new Federal Government has committed \$20 billion to build transmission lines and upgrade the grid as part of Powering Australia (Rewiring the Nation), but this commitment came after the consultation for this report. Available at: <https://keystone-als.s3-ap-southeast-2.amazonaws.com/prod/61a9693a3f3c5300f975017-PoweringAustralia.pdf>

²⁷ Different proponents constructed separate gas pipelines instead of just one pipeline that could have serviced all projects.



We need to work out what the commercial model for infrastructure is. Is it the role of State, or Powerlink, or generators?

ENERGY WORKSHOP PARTICIPANT

Commercial interests can complicate how different players approach the changes facing the energy sector. One energy industry representative suggested that as a majority-owner of electricity generation assets, the Queensland Government must reduce its dependence on revenue from existing electricity generation and transmission.²⁸ Another participant suggested the State “needs to stop seeing electricity as a revenue generator and view it as an economic facilitator.”

Several participants highlighted the role of government in supporting renewable energy finance. For example, stakeholders recognised the role agencies such as ARENA and the Clean Energy Finance Corporation have played in demonstrating to private investors how renewable energy developments can be viable in Australia. In addition to the provision of low-cost finance, industry stakeholders agreed that stronger emissions reduction targets by 2030²⁹ and the instigation of carbon pricing mechanisms would also help to accelerate efforts to decarbonise the grid and expand investment in renewable energy generation.

Some stakeholders questioned whether the market arrangements effectively prevent price manipulation, provide stability of supply,³⁰ and give effective signals and incentives to drive investment to where it is needed (for example, to increase investment in firmed renewable energy generation and storage options). Some energy sector representatives suggested changes to how the National Electricity Market operates, particularly in relation to the pricing and bidding system. One suggestion was to merge the Queensland, New South Wales and Victorian markets and enable bidding for an allotted amount of solar to increase competition and keep energy prices lower.

Other workshop participants went so far as to suggest electricity prices are susceptible to market failures meaning there is a need for more policy and regulatory



28 The Queensland government owns the majority of the state’s existing electricity generation and transmission assets as well as a portion of the retail market.
 29 The stakeholder consultations were conducted when the National Emissions Reduction Target was only 26–28 per cent below 2005 levels by 2030. It has since been increased to 43 per cent by 2030.
 30 Note that these points were raised before the energy crisis in mid-June 2022 when AEMO had to step in to “keep the lights on” by capping prices and then suspending the market. AEMO took such unprecedented steps to be able to control (and compensate) generators that were not providing electricity at the capped price.

mechanisms to stabilise electricity prices in the face of volatile markets. The lack of an LNG domestic quota and how it has led to high Australian gas prices despite abundant supply was cited frequently as a learning opportunity.

b. Equitable access to affordable electricity

A core concern of participants across all engagement activities was the impact of rising energy costs on households. The recent energy crisis demonstrated that changes in the energy sector, directly and indirectly, impact Australian businesses and households, particularly low-income households.

Some suggestions for how renewable energy and firming could help to reduce energy costs and increase access to more affordable energy included:

- Low-cost solar options or rebates for residents and small businesses to install solar panels, batteries, and electric vehicles.³¹
- Offering low-cost solar installation to low-income households and rental properties to reduce energy bills and potentially generate income.³²
- Establishing solar gardens³³ for households unable to install solar on their rooftops and support groups to start community owned renewable energy projects.
- Supporting low-income households to upgrade to energy-efficient appliances and reduce their energy use. Suggested activities include energy audits, mentoring, and education and gamification resources.
- Subsidising the cost of batteries for low-income households and/or establishing community batteries.³⁴



31 The challenge facing State and Federal Governments is how to fund the transition to renewable energy while minimising the impact on individual consumers and sharing both the costs and benefits fairly by all Australians. For a good example of policy settings designed to do this, see the ACT government’s approach to its 100 per cent Renewable Energy Target. Canberra’s policy has demonstrated how to provide certainty for development proponents and buffer consumers against rising energy prices. It also has potential to shield vulnerable consumers (which would need to be combined with efficiency and energy saving programs). For more details see the report accessible at: <https://www.abc.net.au/news/2022-06-06/why-arent-canberrans-paying-high-electricity-prices/101126274>

32 For an example of a State Government program see, the Queensland Government’s solar for renters’ pilot program, accessible at: <https://www.epw.qld.gov.au/about/initiatives/solar-rentals-trial>. For an example of a Local Government initiative see strategic outcomes 4.1–4.5 in the Dubbo Regional Council Energy Strategy and Implementation Plan (p. 57–58), DRC (2020).

33 Solar gardens are like “allotment gardens” in that they enable people to benefit from investing in collectively owned solar without having to do it in their dwelling, hence overcoming various barriers, including the upfront cost that makes it inhibitive for low-income households.

34 Information on Federal Labor Government’s commitment to community batteries is accessible at: <https://www.alp.org.au/policies/power-to-the-people> (accessed 23/08/22)





2.8 Recommendations for Council

There are four main ways that Local Government could contribute to ensuring secure, reliable and affordable energy for the Gladstone Region:

1. Leading and advocating for the region.
2. Attracting new investment to the region.
3. Supporting community members and businesses to find ways to access affordable and reliable energy.
4. Ensuring new energy developments meet community aspirations and expectations.

Suggested actions to commence over the next 6–12 months:

a. Leading and advocating for the region

Stakeholders repeatedly noted the importance of Council's role in advocating for the region.

Suggestions included:

- Lead and encourage others by establishing targets to increase energy efficiency and reduce emissions across Council operations. This could include installing solar or signing a power purchasing agreement to power all Council operations with solar, installing batteries, continuing to replace the existing fleet with electric vehicles and undertaking energy efficiency programs.
- Publicly sharing and promoting the Economic Transition Roadmap and working with other stakeholders to put it into action.
- Staying abreast of significant changes in the energy sector and proactively putting forward the community's view to inform State and Federal policies as the energy system changes.
- Advocating for planning and land use assessment legislation that is evidence-based and consistent with current needs. For example, addressing the fact that local governments assess solar farms under the Planning Act (2016), but the State Government assesses wind farms. Council has a role in articulating how these (and other) planning arrangements could be improved to benefit the region's interests.
- Advocating to the State and Federal Government for programs and policies that support community owned energy and energy justice outcomes in the region.³⁵



³⁵ For examples, see the community power hub policy operating in Victoria: www.communitypowerhub.net.au and proposed Local Power Plan at a Federal level: www.localpowerplan.com/local-power-plan



b. Attracting new investment to the region

Council could play an important role in securing the region’s energy system and making sure it is affordable for local consumers by attracting new resources and investment into the region. Ideas put forward for Council to consider include:

- Developing and publishing its own plan and vision for the energy sector in Gladstone and sharing it publicly through presentations and positive stories in the media.
- Collaborating with others (for example, Gladstone Engineering Alliance (GEA), Gladstone Industry Leadership Group (GILG) and Trade and Investment Queensland (TIQ)) to hold investment forums for the energy sector and the industries that service and supply it.
- Continuing to work with other councils in the Central Queensland region (through Central Queensland Regional Organisation of Councils and others) to learn and share how they are navigating common challenges. This could include work to set standards cooperatively and local expectations for energy projects around: procuring local products and services; engaging stakeholders; sharing benefits, and acting as good neighbours and corporate citizens.³⁶

c. Supporting community and businesses

Council is well-placed to help households and businesses across the region to benefit from the approaching changes. Tangible ways Council can do this include:

- Raising community awareness about the changes that are underway in the energy system and educating communities to understand renewable energy development processes and how they can most productively participate, particularly in planning processes.
- Holding participatory planning and mapping exercises to identify the preferred areas for renewable energy development that can inform State Government and other planning processes.³⁷
- Continuing to invest in and encourage Council employees to proactively build the capacity of their community (particularly marginalised) stakeholders to engage in planning and development processes.
- Encouraging local businesses to be ready to tender for renewable energy contracts and provide allied services by:
 - Supporting local networks and initiatives (e.g., Gladstone Engineering Alliance) to identify and respond to opportunities to provide services to renewable energy developments.
 - Provide advice on what support local vendors need to bid into project service tenders successfully.³⁸ Council could support other organisations to conduct workshops that improve

³⁶ For more information, see Chapter 6 on Community Benefits.

³⁷ Examples from Germany demonstrate how becoming informed can lead councils to take up the opportunities renewable projects pose. For more details see Hoppe et. al. (2015).

³⁸ Developing local understanding of project timelines, when opportunities will arise and how they can position their enterprise – with qualifications, insurances etc. to successfully offer services.

the potential for local vendors to win work on new industry projects. For example, supporting cleaning and catering services to tender for contracts with construction projects.

- Supporting local peak bodies such as Gladstone Chamber of Commerce and Industry (GCCCI) and Discovery Coast Tourism and Commerce (DCTC)) to create guides for how individual projects can 'plug into' the services offered by local providers.

d. Ensuring new developments meet community aspirations

Local government can develop guidelines that detail practices and principles they expect developers to adopt when operating in the region. Having established guidelines Council can then:

- Encourage proponents to operate to the standard of the guidelines.
- Help proponents to understand the local context, history, demographics, workforce, local procurement potential etc. to increase the effectiveness of proponents' engagement with stakeholders.
- Help proponents understand the strategic vision and aspirations of local communities and how renewable energy developments can contribute to them positively, for example linking benefit sharing to relevant plans (for example, the 2021–2026 Corporate Plan and 2022–2023 Operational Plan).
- Reduce stakeholder engagement fatigue by helping proponents to tailor their approach to what has already happened before they begin.
- Support communities to negotiate with developers to achieve benefit-sharing commitments. As a starting point Council can work to understand social needs in the community better and advocate for them.

Given that several projects will be rolled out across the region over coming years, Council can play a role in getting project proponents to cooperate on engagement, benefit sharing and procurement (among other things). Examples of the outcomes Council can encourage proponents to cooperate on include:

- Establishing a joint benefit-sharing fund at a regional scale.³⁹
- Co-funding local engagement staff to expand the collective capacity of proponents to engage with communities and stakeholders about the multiple projects that are being developed.
- Setting up and managing a shop front to create a single point of contact for multiple projects.
- Sequencing project construction to ease pressure on workforce, housing and supply chains and maximise local procurement opportunities.

³⁹ Council can engage with community stakeholders to develop a Social Needs Assessment that can then inform and guide decision making about how funds are dispersed.





Recommendations for Council to consider for the future:

- Collaborating with a renewable energy company to build a community-owned and/or Council-owned renewable energy project.
- Encouraging industry proponents to consult with local First Nations groups regardless of whether they have statutory obligation to do so.
- Collaborating with local industry, energy developers and education providers (e.g., CQU, TAFE and other institutions) to create programs that engage students and professionals in addressing the 'grand challenges' of transitioning the region's energy system and the industries that rely on it.
- Encouraging households and businesses to use energy more efficiently and generate their own electricity by proactively promoting:
 - Websites, social media feeds, and events that offer access to trusted information and services.
 - Initiatives that retrofit energy generation and efficiency technologies in low-income housing, community assets, businesses and council leased buildings.⁴⁰
 - State and Federal Government funds and programs, such as the Queensland Government's "solar for rentals" trial.⁴¹
 - Examples where other councils have supported community owned energy groups by offering small grants for pre-feasibility and feasibility studies, venue hire, office space, access to Council land or buildings as sites for projects.



Gladstone CBD

- 40 Noting support can be provided in myriad ways. This could include support to access funding through grant programs, providing discounts on rates, low or no interest loans, or by establishing a rolling fund in collaboration with energy related industry or corporate entity and/or organisations that service potential local recipients. For one successful example, see the Moreland Council's 'Zero Carbon Moreland' program visit: <https://morelandzerocarbon.org.au/>
- 41 Note this program is not currently operating but is indicative of the opportunities Council can pursue.



Useful Resources

Beyond Zero Emissions (2022). Gladstone Renewable Energy Industrial Precinct. Accessible at: <https://bze.org.au/wp-content/uploads/2022/04/Gladstone-REIP-Briefing-Paper-April-2022.pdf>

Climate Council (2017). A guide for council's on how to engage in local initiatives as part of energy transition (as part of the Climate Council's cities power partnership program). <https://www.climatecouncil.org.au/uploads/2512a5a5fe9480634afb91fac63e3f0f.pdf>

Lane, T., Hicks, J., Thompson, B., & Memery, C. (2015). A Guide to Community-Owned Renewable Energy for Victorians. Department of Economic Development, Jobs, Transport and Resources. <https://cpagency.org.au/wp-content/uploads/2019/07/Victorian-Guide-to-Community-Energy.pdf>

Energy Matters (2022). List of Council and State Government 'bulk buying' initiatives to promote, facilitate and drive energy savings and other opportunities. <https://www.energymatters.com.au/residential-solar/solar-bulk-buy-community-solar-directory/>

Clean Energy Council (2019). Guide to benefit sharing from the Clean Energy Council. <https://www.re-alliance.org.au/benefitsharing>

Blakers, A., Stocks M., Lu, B. and Cheng C. (2021). Pumped hydro provides most long-term energy storage needed for renewable power. A review of pumped hydro energy storage. <https://iopscience.iop.org/article/10.1088/2516-1083/abeb5b>

RE-alliance (2021). Building Trust for Transmission Report. https://www.re-alliance.org.au/building_trust_for_transmission_report#:~:text=Our%20report%20outlines%20the%20actions,power%20at%20the%20same%20time

RE-alliance (2021). Community Benefits Handbook: How Regional Australia can Prosper from the Clean Energy Boom. https://www.re-alliance.org.au/community_benefits_handbook





CHAPTER 3: Establishing a Viable Hydrogen Industry

3.1 Introduction

As nations and large industries increasingly seek to decarbonise, low and zero-carbon hydrogen is emerging as a critical part of the future energy mix. The global demand for hydrogen is projected to exponentially grow over the coming decade as countries with a strong industrial and manufacturing base seek to reduce their emissions and look to low or zero-carbon hydrogen to replace fossil fuels. One forecast suggests the global hydrogen market will grow from US\$150.20 billion in 2021 to US\$220.37 billion by 2028.¹

In Australia alone, the Australian Energy Market Operator (AEMO) estimates the annual domestic consumption of hydrogen will grow from 2TWh in 2030 to 132TWh in 2050, while hydrogen exports could grow from 49TWh in 2030 to 816TWh in 2050.² That equates to a 17-fold increase over 20 years.

The primary driver for potential growth in the global hydrogen market is the need to decarbonise industrial processes, and so future demand is predicted to be for hydrogen made from renewable energy (otherwise referred to as 'green hydrogen') rather than from fossil fuels.³ Hence, most of the current investment in Australia is in developing "green" or renewable hydrogen production, although fossil fuel produced with gas⁴ and other low-emissions hydrogen options may continue to appeal to international markets for years to come while countries and sectors transition towards zero emissions.⁵

The forms of hydrogen production (distinguished by designating a colour according to the source of energy) are outlined in Table 3.1 (overleaf).

1 <https://www.fortunebusinessinsights.com/industry-reports/hydrogen-generation-market-100745>

2 AEMO (2022) P. 31- <https://wa.aemo.com.au/-/media/files/major-publications/isp/2022/2022-documents/2022-integrated-system-plan-isp.pdf?la=en>

3 Fossil gas reforming and coal gasification methods produce 80 per cent of global hydrogen. The rest is a by-product in the production of other fuels such as gasoline. Both processes create significant carbon emissions. More details accessible at: <https://www.iea.org/reports/hydrogen>

4 Note that although IEA (2022) reports there are at least fifty blue hydrogen projects under development globally, and capacity is set to increase more than tenfold by 2030, according to Collins (2022), there are only four currently operating blue hydrogen projects using carbon capture and storage techniques worldwide. The emissions removal rates of the four operational projects are between 29 per cent - 43 per cent, rather than the 95 per cent promoted by proponents of yet-to-be-built projects (Collin, 2022).

5 There will be a transition period in which fossil gas hydrogen retains a price point advantage while production costs of low to no emissions hydrogen are still declining. Once parity is reached, no-emissions hydrogen is expected to displace all other forms of emissions-intensive production. Cited in Advisian (2021, p14), Australian hydrogen market study sector analysis summary, commissioned by Clean Energy Finance Corporation, available at <https://www.cefc.com.au/media/nhnhwku/australian-hydrogen-market-study.pdf> (accessed 01/08/22)



Table 3.1: Types of Hydrogen production

Hydrogen Type	Energy Source	Production Method	Emissions Intensity
Green	Renewable energy	Electrolysis	Zero
Pink/Purple/Red	Nuclear	Electrolysis	Zero
Turquoise	Methane	Pyrolysis	Neutral
Blue	Fossil fuel (typically fossil gas) with CCS(U)	Multiple	Low
Grey	Fossil fuel (typically fossil gas)	Steam methane reforming	Medium
Brown/Black	Brown/black coal	Gasification	High

* CCS(U) is Carbon Capture and Storage (Utilisation)

Green hydrogen will substitute for LNG, coal, oil, and diesel in many energy-intensive industries over time. The industries most likely to adopt hydrogen first are hard-to-abate sectors such as remote power generation, heavy manufacturing (for example, steel and alumina production), heavy transport⁶ and production of chemicals such as ammonia. Hydrogen could also provide a means to store electricity and provide grid-firming services and could be blended with domestic and commercial gas networks (for heating, cooktops, and hot water). However, its use in these areas is probably limited as it currently takes more energy to produce hydrogen than it provides.

What is certain, is that most proponents want to 'go green', but the reality is that they may need to 'go blue' to start with. The end game is for 100 per cent green.

HYDROGEN WORKSHOP PARTICIPANT

⁶ For example, trucks, buses, trains, earthmoving equipment, shipping, aviation, and space travel.



Predicting the future demand for hydrogen is, however, a difficult task as it depends on a combination of the following factors:

- International and national political ambition to decarbonise the economy.
- The timeframe and the extent to which customers demand decarbonised products and accept hydrogen as an alternative.
- How quickly the cost of producing, transporting, and using hydrogen can be reduced to make it price competitive.
- Whether planning, supply chains and capacity to produce hydrogen at scale can keep pace with the demand to ensure availability, convenience, and reliability.
- The rate and extent to which the hydrogen conversion/ transformation of sectors and their supply chains occurs.
- The resolution of technological matters (e.g., safety and transportation).
- Whether the ecological limitations of water availability and land for renewable energy generation can meet production demand.

The Gladstone Region has an array of assets that make it well-suited to develop a hydrogen industry. These include pre-existing industrial networks, infrastructure, available industrial land, a deep seaport and proximity to electricity supply, a skilled workforce and an existing regional market demand.



Closing the gap between the promise and the reality is the hardest bit now.

HYDROGEN WORKSHOP PARTICIPANT

Queensland is only second to Western Australia in terms of the number of hydrogen developments underway. As detailed in Table 2, the Gladstone Region is home to fourteen initiatives, including two of the six national hydrogen hub development projects gearing up to meet export demand.

Participants across all engagement activities expressed openness and some level of support for developing a hydrogen industry powered by renewable energy in the Gladstone Region. Given global trends towards decarbonisation, few saw the long-term market potential for carbon-intensive forms of hydrogen. Participants identified a range of potential economic benefits associated with the construction and operation of low to no-emissions hydrogen supply chain facilities, and manufacturing industries that can service and use hydrogen into the future.





Table 3.2: List of current hydrogen initiatives in the Gladstone Region⁷

Initiative Name (Start Date)	Proponent(s)	Project Type	Links
Gladstone Clean Hydrogen Industrial Hub (2020)	Federal Government	One of the seven priority Hydrogen Hub sites across Australia. This declaration focusses Federal and State government hydrogen policy and assistance programs.	https://research.csiro.au/hyresource/australian-clean-hydrogen-industrial-hubs-program/
CQH2 Alliance (Ongoing)	Australian Gas Infrastructure Group, Central Queensland University, Department of Education, Department of Energy and Public Works, Department of Regional Development, Manufacturing and Water, Department of State Development, Infrastructure, Local Government and Planning (DSDILGP), ENEOS Australia Pty Ltd., Gladstone Engineering Alliance, Gladstone Ports Corporation Limited, Gladstone Regional Council, Iwatani, Origin Energy Future Fuels Pty Ltd, Rio Tinto, Stanwell Corporation Limited, Sumitomo Corporation, Trade and Investment Queensland	CQH2 Alliance is a high-level collective of government, industry, education and supply chain organisations with a vision for Central Queensland (CQ) to be a major producer and exporter of renewable hydrogen energy and green chemicals, to the world and a major domestic renewable energy supplier for manufacturing and mobility. Facilitated by the Department of State Development.	Not Available
CQH2 Technology Cluster (Ongoing)	Gladstone Engineering Alliance (GEA), Regional Development Australia (RDA), Gladstone Ports Corporation, Gladstone Regional Council (GRC), CQUniversity (CQU), Start-up Gladstone	Mission is to support delivery of the Queensland Renewable Energy Target and ready the Central Queensland Region to secure its position in the global export market. Facilitated by the Gladstone Engineering Alliance.	https://www.cqh2.org.au/

⁷ Sourced from workshop participants and <https://portal.ga.gov.au/persona/hydrogen>, and verified by the links provided.



Initiative Name (Start Date)	Proponent(s)	Project Type	Links
CQ-H2 Renewable Hydrogen Project (also called Central Queensland Hydrogen Hub or CQ-H2 Hub) (Stage 1: 2026, Stage 2: 2031)	Stanwell Corporation Limited, Iwatani Corporation, Kawasaki Heavy Industries, Marubeni Corporation, Kansai Electric Power Company, APA Group	Liquid hydrogen production for export and domestic applications: Stage 1: ~100 tonnes of green hydrogen/ day (and scale upwards). Stage 2: ~800 tonnes/ day (3GW electrolyser capacity requiring 7GW of RE capacity).	https://research.csiro.au/hyresource/central-queensland-hydrogen-project/ https://www.stanwell.com/energy-assets/new-energy-initiatives/stanwell-hydrogen-project/stanwell-hydrogen-project/ https://statements.qld.gov.au/statements/95489
Gladstone H2 Ecosystem MoU (Signed 2021)	Sumitomo Australia, GPC, GRC, Australian Gas Networks (AGN), CQU	Domestic production and demand of multiple forms of hydrogen.	https://www.gladstone.qld.gov.au/news/article/410/mou-signing-sparks-commencement-of-gladstone-hydrogen-ecosystem-project
Yarwun Hydrogen Pilot Plant (2022)	Rio Tinto and Sumitomo Corporation	Feasibility study into hydrogen production and use in alumina refinery.	https://www.riotinto.com/news/releases/2021/Rio-Tinto-and-Sumitomo-to-assess-hydrogen-pilot-plant-at-Gladstones-Yarwun-alumina-refinery
Gladstone Renewable Energy Industrial Precinct (Ongoing)	Beyond Zero Emissions	Policy proposal for a renewable energy Industrial precinct including a green hydrogen supply chain and market.	https://bze.org.au/research_release/gladstone-briefing-paper/
H2-Hub Gladstone (2028)	Hydrogen Utility (H2U)	An industrial complex for the large-scale production of green hydrogen and ammonia on the Yarwun site within the Gladstone State Development Area.	https://www.hydrogenutility.com/projects https://www.statedevelopment.qld.gov.au/coordinator-general/assessments-and-approvals/coordinated-projects/current-projects/h2-hub-gladstone
Gladstone Energy & Ammonia Project (2026)	Australian Future Energy	'Blue hydrogen' from coal and biomass gas.	https://ausfutureenergy.com/project/gladstone-energy-and-ammonia-project/
Gladstone Renewable Hydrogen Facility (also called the Hydrogen Park Gladstone) (2022)	Australian Gas Network (subsidiary of Australian Gas Infrastructure Group)	A renewable hydrogen plant able to deliver up to 10% blended hydrogen across Gladstone's 770 residential, small commercial and industrial customer base.	https://www.agig.com.au/hydrogen-park-gladstone https://research.csiro.au/hyresource/hydrogen-park-gladstone/



Initiative Name (Start Date)	Proponent(s)	Project Type	Links
Sealink, Gladstone Port (2025)	Kelsian Group Limited	Hydrogen powered ferry pilot project whereby Sealink will design, construct and operate an Australian Maritime Safety Authority approved hydrogen fuel cell passenger ferry capable of carrying 200 passengers. The ferry will be used for contracted shuttle services between Gladstone and LNG facilities on Curtis Island.	https://statements.qld.gov.au/statements/95079 https://www.statedevelopment.qld.gov.au/industry/priority-industries/hydrogen-industry-development
Global Green Energy Manufacturing Centre (2023)	Fortescue Future Industries	Multi-gigawatt-scale electrolyser manufacturing facility produced with renewable power.	https://www.fmgl.com.au/in-the-news/media-releases/2021/11/17/fortescue-future-industries-(ffi)-first-global-green-energy-(gem)-manufacturing-centre-gets-green-light-on-planning-approval
Euroa Energy Project (2028)	Vena Energy	No information available, except they are a grant recipient of the Federal Government Clean Hydrogen Industrial Hubs Program.	https://www.venaenergy.com.au/our-projects/
Gladstone Project (unknown)	Origin Energy & ENEOS MCH	A grant recipient of the Federal Government Clean Hydrogen Industrial Hubs Program.	https://research.csiro.au/hyresource/australian-clean-hydrogen-industrial-hubs-program/

Some participants questioned “the hype” surrounding the potential of the industry, expressing concerns about its commercial viability and potential impacts on the region’s energy and water resources. Other concerns included the long lead time it might take to establish the industry, whether it can offer career pathways for a local workforce, and whether governments will secure domestic hydrogen supply to ensure stable pricing. Managing the potential economic boom associated with hydrogen was also questioned, regarding how it could provide long-term benefits for the region.





3.2 2032 Vision



The Port of Gladstone has the opportunity to be the Southern Hemisphere's equivalent of the Port of Rotterdam.

HYDROGEN WORKSHOP PARTICIPANT

Participants envisioned that by 2032, the Gladstone Region would have a rapidly developing green hydrogen industry that supplies both Australian and international markets. Australia's national hydrogen supply is protected from international price fluctuations so Australian residents, businesses and industry have greater certainty and a competitive advantage in decarbonised global markets, both of which attract global investment.

In the decade leading up to 2032, the Gladstone industry has focused on developing local capability by first meeting domestic demand. Locally, hydrogen is used to make green alumina and aluminium, cement products and chemicals at industrial scales. The new industry has expanded the region's industrial capability and reduced the need for imports. Increasingly, co-location and collaboration between industries enable the development of circular economy and symbiotic industrial 'ecosystem' models. Hydrogen from the Gladstone Region is powering Australian steelworks to make green steel. It is also injected into domestic gas networks, at varying blends, to power homes, businesses and industry equipped with compatible appliances. Gladstone and Central Queensland have a network of hydrogen refuelling stations for heavy transport vehicle fleets (trucks, buses, and trains) for all industries (e.g., mining, public transport, and freight).

The hydrogen and ammonia export markets are beginning to take off after years of planning and cooperation. The technical aspects of hydrogen storage and transportation have been resolved, and common user infrastructure (e.g., storage, pipelines, desalination plants, and port facilities) have been constructed. All investments are intentionally designed to be scaled up even further.

The Gladstone Region has become internationally recognised as a 'Centre of Hydrogen Excellence' because of its:

- Locally-based, highly skilled hydrogen industry workforce that has adapted and emerged from the region's manufacturing and industrial heritage.
- Reputation as 'the place to go' for the best and latest hydrogen know-how. World-renowned hydrogen education and training facilities offer hands-on industry experience and cutting-edge research projects.
- Well-formed local hydrogen supply chain, including regional renewable energy suppliers, a diverse and innovative field of local enterprises providing services and support across the industry and new and emerging downstream industries.
- Excellence in environmental impact minimisation and regenerative practices across the entire hydrogen supply chain.



Locals appreciate hydrogen because it is an exciting growth opportunity that could sustain the region’s long-term economic prosperity. In the vision for 2032, current concerns about the safety of hydrogen production, storage and transportation have been resolved. Workers are proud of the industry and what it has achieved, including a community development fund that contributes to important local services and facilities to make Gladstone a great place to live.

Realising the vision outlined above requires the Gladstone Region to work through challenges and opportunities that will inevitably constrain, enable, and shape whether the burgeoning hydrogen industry can grow sustainably over time. The most influential factors to address, as identified by stakeholders in both community and industry workshops, include:

- Domestic and international demand trajectories.
- The availability of renewable energy.
- Production costs.
- Workforce development.⁸
- Investment in infrastructure and inputs.
- Community acceptance of the industry.
- Development of effective policy and legislation informed by planning.

The following sections delve into each of these factors, the issues and opportunities they present, and how to work through these to develop viable hydrogen markets.

3.3 Developing the hydrogen market

Hydrogen has its highest potential market opportunities in sectors where it is already near commercial viability, as well as sectors with no real alternative to abate emissions (i.e., hard-to-electrify sectors). Targeting these sectors to become early adopters of hydrogen to generate domestic demand is an important step in growing and sustaining the nascent industry.

Remote power and heavy transport sectors could have hydrogen at a rate that’s competitively close to cost. Industries that could depend on hydrogen in the future to abate emissions include: aviation, shipping, ammonia production, methanol, metals processing (including steel, alumina⁹, nickel, zinc) and any medium-high grade heat applications where electrification is difficult.¹⁰ These are the industries that hydrogen-demand generating strategies need to target as potential partners in piloting conversion to hydrogen. One hydrogen workshop participant acknowledged

⁸ Workforce development issues and approaches are discussed in Chapter 5.

⁹ Note, hydrogen only provides a high-quality heat source in alumina production, therefore needs price parity with fossil gas to be competitive (which it is widely agreed would be achieved under carbon pricing).

¹⁰ Advisian (2021), P.41.

that, “trying to get the use of hydrogen into industrial applications is a major step.” The challenge is creating awareness amongst the target sectors and setting up projects to test the viability of locally produced and used hydrogen.

Industry participants pointed out that if it were available and there were incentives to do so, operators of local heavy vehicle fleets would trial hydrogen. Sealink is an exemplary demand-generating project that stimulates the local market as well as multiple parts of the hydrogen supply chain. By designing and building the ferry in Queensland, the project is reinvesting in local manufacturing, and when built, will utilise locally produced hydrogen. This kind of project demonstrates the potential of the hydrogen hub model, where the domestic market emerges with the local workforce developing skills and capabilities to produce and consume hydrogen, along with the enabling infrastructure, legislation and regulations needed. For taking the risk, the Sealink project proponent gains significant first mover advantage in designing, building, and operating the ferry as well as progressing towards powering their 8,000 plus heavy vehicle fleet with hydrogen. While participants from the hydrogen industry acknowledged the potential upshot of projects like Sealink, they also highlighted the need for more targeted policy to strategically develop domestic market opportunities.



One of the light industrial areas of Gladstone servicing major industry



As the Sealink project¹¹ illustrates, it makes sense to collaborate with local proponents to experiment and determine what factors and use cases would enable them to invest in hydrogen alternatives and stimulate the demand side of a regional market. The problem, according to some industry participants, is a lack of government attention being given to hydrogen conversion and market development. In frustration, one professional proposed:



There's a lot of talk, and not a lot of doing. People scoff at small projects but nothing else is happening... The conversation is all about production, but not about off-take. No one is talking about it or developing it. The 'use case' for hydrogen is important. The secret to any good large-scale project is having domestic off take, and multiple markets need to be developed.

HYDROGEN WORKSHOP PARTICIPANT

Participants in professional workshops noted that whilst the regional hydrogen hub model aims to connect hydrogen producers with potential consumers, there needs to be more support in brokering deals and setting up projects that overcome barriers such as cost and risks. For example, it is expected to be a decade or more before hydrogen is cost-competitive in many sectors, so the industry will require direct support and/or decarbonisation pressures to generate demand earlier than the market alone would facilitate. The Queensland Government has made significant investments through the Hydrogen Industry Development Fund and other initiatives,¹² but industry participants seemed only partially aware of these initiatives and what they have achieved. This disconnect suggests the Queensland Government, as well as hydrogen network coordinators, could do more to communicate the different initiatives implemented, particularly in regional areas.

Participants debated how best to approach the challenge of establishing domestic and international hydrogen markets. Some participants argued that the strategy of growing the local market for hydrogen by driving sector conversion, developing the industry, and scaling up for export made most sense for Gladstone Region. Whereas others agreed with the Advisian report¹³ and National Hydrogen Strategy, which suggests it's prudent to work towards developing capabilities in both domestic and export markets simultaneously.

11 Emerald Coaches is another project example in Central Queensland. Emerald Coaches received investment to install a hydrogen refueller to supply fuel for a trial of two hydrogen fuel cell electric coaches, as part of round two of the Queensland Hydrogen Industry Development Fund. Details at: <https://www.statedevelopment.qld.gov.au/industry/priority-industries/hydrogen-industry-development/hydrogen-industry-development-fund>

12 Details about Queensland's hydrogen industry development initiatives can be accessed at: <https://www.statedevelopment.qld.gov.au/industry/priority-industries/hydrogen-industry-development> (accessed 24/08/22)

13 Advisian (2021).



Participants suggested that developing the domestic demand for hydrogen would involve:

- Collaboratively planning and implementing a strategy to generate demand at Local, State and Federal levels.
- Providing clear data on the commercial viability of hydrogen in different sectors, then using this data to help inform possible hydrogen users of the opportunities and what support is available to realise them.
- Facilitating events, activities and communications that promote hydrogen opportunities to near commercial and hard-to-electrify sectors.
- Federal and State Governments implementing policies to drive domestic production by incentivising sectors such as agriculture to source locally-produced 'green' ammonia and other low-emission chemicals produced from hydrogen.
- State Government supporting and incentivising Local Governments (and their contractors) to pilot hydrogen-powered heavy vehicles and convert fleets of return to base vehicles (such as garbage trucks and buses).
- Promoting the agreement between Queensland, NSW, and Victoria to build a "hydrogen superhighway" to increase general understanding of the concept, and how it could benefit regions and their industries.
- Industry working together with government to develop common user infrastructure to reduce overall capital cost. One option put forward was for Queensland to build on its hydrogen industry development fund to establish a state administered infrastructure development fund, or some other mechanism to de-risk and incentivise collaborative investment in common user infrastructure.¹⁴

The ultimate long-term goal of hydrogen proponents and State and Federal Governments is to develop international markets for hydrogen (and its derivatives). Three of Australia's key trading partners – Japan, South Korea, and The European Union – have been explicit about their ambitions to convert to low-emissions hydrogen and are already investing in developing the Australian hydrogen industry. Nurturing bilateral trade relationships through a shared strategy and bedding down a certification scheme will shape Australia's potential to become a hydrogen exporter.

Other factors that will shape international demand for hydrogen include:

- How much and how quickly the cost of battery technologies declines.¹⁵
- The introduction of carbon market mechanisms.
- The impact of net zero targets and decarbonisation pressure on global supply chains.
- Fossil fuel (particularly gas) prices.
- Increased volatility in the availability of fossil fuels due to global events such as the Ukraine/Russian war and COVID-19 pandemic.

¹⁴ When making these suggestions, pundits point to South Australia, where the government has taken on the risk and reaped the benefits of building and operating common user infrastructure, such as ammonia and hydrogen pipelines.

¹⁵ Batteries directly compete with hydrogen in electricity grid firming, energy storage, transport, and low-quality heat applications such as cooking, heating, and hot water provision.



Workshop participants noted that with domestic market development, these factors must be leveraged to establish and then sustain export demand. Participants suggested governments could take many practical steps to develop global markets, but they will not emerge without proactive interventions. One participant suggested:



It's about having the downstream applications ready to go, such as hydrogen-fired plants, chemical manufacturing and ammonia, particularly for markets like Southeast Asia that have young coal-fired plants.

HYDROGEN WORKSHOP PARTICIPANT

3.4 Powering a green hydrogen market

For the Gladstone Region, the prospect of generating enough energy to dedicate the amounts required to fuel a global hydrogen industry is challenging. Although there is significant fossil gas and coal-powered generating capacity in the region, these resources (particularly LNG) are expensive and have already been committed to export contracts.¹⁶

The alternative is to develop enough renewable-energy generating capacity to power green hydrogen production. Some participants questioned whether Australia could build enough renewable generation capacity in time to become a green-hydrogen exporting superpower.¹⁷ Participants did, however, unanimously agree that access to readily available affordable zero-emissions energy will not only factor into the development of Gladstone Region's hydrogen industry, but it will also determine if it happens at all.

The AEMO ISP (2022) 'Hydrogen Superpower' scenario is predicated on global hydrogen demand ramping up from the mid-2030s. This will mean growing the annual energy consumption in the National Electricity Market from 243TWh in 2030 to 330 TWh in 2050. To become a Hydrogen Superpower on this scale, nearly quadruples NEM energy consumption to support a hydrogen export industry.¹⁸

The growth rate in renewable generation required to realise the AEMO Hydrogen Superpower scenario is daunting, considering the current pace of construction of renewable energy and transmission infrastructure in Central Queensland and the rest of Australia.

16 More information is accessible at: <https://www.rba.gov.au/publications/bulletin/2021/miar/understanding-the-east-coast-gas-market.html> (accessed 26/08/22) and <https://www.accc.gov.au/media-release/lng-exporters-must-divert-gas-to-the-domestic-market-to-avoid-shortfalls> (accessed 26/08/22).

17 Figure given by Parkinson (2021), quoting the proportion of energy experts who did not see the Hydrogen Superpower as most Australia's most likely scenario, when contributing to the AEMO ISP process.

18 These figures are taken from page 31 of the ISP (2022). It is important to note that opinions vary on the likelihood of Australia realising the Hydrogen Superpower Scenario. The latest AEMO survey of experts found that only 17 per cent believe it is likely Australia will realise the Hydrogen Superpower scenario, compared to 50 per cent of experts who think the Step Change Scenario is likely, which has lower rates of hydrogen production and consumption.



3.5 Making green hydrogen ‘cost competitive’

Industry participants identified cost competitiveness as a major factor in the feasibility and ongoing sustainability of domestic and global hydrogen markets, as the current price of renewable energy is too high to compete with LNG and other fossil fuels. Industry stakeholders emphasised the need for practical policies, incentives, collaborations, and demonstration projects that encourage production investment and stimulate demand in sectors where hydrogen can be cost competitive.

The challenge is that markets and supply chains for fossil fuels and carbon-intensive industrial products are already well established. One industry participant described the challenge as, “Our customers won’t buy hydrogen until it is on parity with gas.” According to most forecasts, low-emissions hydrogen will not achieve thermal cost parity with fossil gas (approximately \$1.1/kg), before 2050¹⁹.

Industry participants were still confident a viable global hydrogen market would emerge, but as one practitioner put it, “Hydrogen will be a ‘loss leader’ for a long time”. This challenge is indicative of the broader problem facing government and industry unless governments create legislation, supportive policies and subsidises hydrogen’s uptake across the Australian economy.



Hydrogen powering heavy vehicles such as trucks

¹⁹ Advisian (2021).



Industry stakeholders identified eight pathways to reduce the costs and improve the competitiveness of hydrogen:

a. Reduce hydrogen installation and commissioning costs

Installation and commissioning make up approximately 25 per cent of initial hydrogen plant costs. Pathways to drive installation and operational efficiencies were identified by industry as essential for industry growth.²⁰

b. Reduce electrolyser costs

Electrolyser equipment costs currently constitute around approximately 50 per cent of hydrogen plant capital costs.²¹ According to AEMO, the cost of electrolysers needs to be more than halved to achieve competitiveness.²² Industry participants noted that apart from needing to develop mature electrolyser manufacturing at scale, high market demand and supply shortages inhibit any cost reduction. A participant in the hydrogen workshop stressed this by saying:

"The quantum step is the technology that will accelerate the expansion of the industry. It's the electrolyser size and cost of energy inputs that has previously been the constraining factor, the main challenge to producing renewable hydrogen at a scale and price point to meet this growing demand."

c. Reduce renewable energy costs

Hydrogen competitiveness is reliant on affordable renewable energy supply. To achieve cost competitiveness, the current price²³ of renewable generated electricity needs to more than half. Considering the various challenges facing the renewable energy sector and the National Energy Market, achieving this cost reduction will be challenging.²⁴ Given the number of renewable energy projects proposed for the region, Gladstone enjoys a competitive advantage over other regions.

d. Reduce water costs

Water costs are rarely made explicit in hydrogen cost calculations, thus making it difficult to calculate the impact of variable water costs. In a water resource constrained context such as the Gladstone Region, it is assumed hydrogen production facilities will desalinate water, which will add to both energy inputs and costs.

²⁰ Accessible at: <https://www.cefc.com.au/media/media-release/cost-competitiveness-of-green-hydrogen-on-the-horizon-cefc-market-study/> (accessed 26/08/22)

²¹ The cost is approximately \$1.1 million/megawatt (MW) of capacity, hence a typical 10MW sized electrolyser cost around \$11 million dollars. Sourced from: <https://www.cefc.com.au/media/media-release/cost-competitiveness-of-green-hydrogen-on-the-horizon-cefc-market-study/> (accessed 20/07/22)

²² More details accessible at: <https://arena.gov.au/blog/australias-pathway-to-2-per-kg-hydrogen/> (accessed 26/08/22)

²³ An efficient plant will consume 50–55 kWh of electricity to produce 1kg of hydrogen (Mehmeti et al. 2018). At the 2021 average Queensland renewable energy wholesale market price (\$55.38/ MWh), 1 kg of hydrogen requires \$2.77-\$3 of renewable energy.

²⁴ For more details on these issues and what to do about them, see Chapter 2.



e. Improve production efficiencies

Efficiency improvements can be made in technologies such as electrolysers, fuel cells and carbon capture storage and use. Investment in research and development in partnership with (ideally) local or international manufacturers is needed to achieve these cost reductions.



High quality and low-cost renewable resources provide a comparative advantage which will be a key driver in achieving competitive hydrogen production costs.

HYDROGEN WORKSHOP PARTICIPANT

f. Advance transport and storage technologies

Hydrogen's low density and molecular properties present technical (and cost) challenges for transportation and storage. Although existing gas infrastructure may be used, leakage and safety issues will need to be resolved. One way to reduce transport and storage costs is to convert hydrogen into ammonia or methanol, which can utilise existing transport and storage infrastructures.²⁵

g. Targeted government investment

Institutions such as the Clean Energy Finance Corporation (CEFC) and ARENA have demonstrated how government investment in collaborative or consortia approaches, such as the Future Energy Exports Cooperative Research Centre,²⁶ can attract diverse interests, compensate early adopters, and offset innovation risks. When projects are set up effectively, government can recoup financial and a broader economic return on these investments.

h. Achieve circular economies of scale

Growing industry supply chains and clustering synergistic industries can create economies of scale, leading to cost reductions. Mutually beneficial production efficiencies can be implemented through cooperation, eliminating unnecessary costs.²⁷ Participants agreed that a systematic approach to expanding circular economy practices across the Gladstone Region is an essential step in integrating hydrogen into industrial processes across sectors, increasing demand and further reducing costs.

25 Note that ammonia and methanol each have challenges related to decomposition losses, toxic compound production and access to carbon neutral components.

26 For more information on the FEE-CRC is accessible at: <https://www.fenex.org.au/> (accessed 16/08/22)

27 For more details see: Golev et. al. (2014) and Van Beers et. al. (2007).



3.6 Infrastructure and supply chain development

Infrastructure is another critical enabling factor for the nascent hydrogen industry. The infrastructure needs of the hydrogen supply chain are complicated and expensive, particularly at the scales required for mass production and transportation. For instance, sustainable water provisioning will require desalination, pipelines, storage, and waste treatment facilities. Because these build out costs multiply throughout the supply chain, hydrogen industry representatives consulted during the engagement activities insisted that a coordinated approach to common user infrastructure is critical to developing a viable hydrogen industry in the Gladstone Region. Participants were unanimous in proposing the State and Federal Governments are best placed to coordinate stakeholders to develop and utilise common user infrastructure such as transmission lines, pipelines, rail, roads, port and loading facilities. Workshop participants saw it as the State and Federal Government’s role to determine (with industry) what infrastructure is needed, who will pay for and benefit from owning it.



Currently no-one is owning the solution or working out how to solve the [infrastructure] challenge. There needs to be the ability to collaborate across industry, at all government levels and in the academic sector.

HYDROGEN WORKSHOP PARTICIPANT

Coordination needs to be done in a sharp and smart way. Need to future proof infrastructure and build it in a way to build the 2040 and 2050 targets – so thinking globally significant market from early on.

HYDROGEN WORKSHOP PARTICIPANT



Having recognised the importance of infrastructure development on a national level, the 2019 National Hydrogen Strategy²⁸ provides a framework for regional hubs to simultaneously develop their power generation, production and processing, transport and distribution, demand, markets, and workforce capabilities. As a “Clean Hydrogen Industrial Hub,” Gladstone Regional Council and its partners in the Central Queensland Hydrogen Technology Cluster and Alliance are already taking advantage of government and private investment. Together they are piloting projects that demonstrate hydrogen’s industrial, heavy transport, gas network blending and other possible uses. For example, in early May 2022 the Queensland Government awarded \$5 million to the \$20.5 million Gladstone Sealink project, which aims to design, construct and operate a hydrogen powered ferry²⁹ as part of its fleet servicing Curtis Island.

28 Accessible at: <https://www.industry.gov.au/sites/default/files/2019-11/australias-national-hydrogen-strategy.pdf> (accessed 12/08/22)

29 The world’s first hydrogen powered ferry according to the proponent (for more details see <https://statements.qld.gov.au/statements/95079> & <https://www.statedevelopment.qld.gov.au/industry/priority-industries/hydrogen-industry-development/hydrogen-industry-development-fund> (accessed 12/08/22))



Infrastructure priorities as identified by industry participants included:

a. Port infrastructure

There was a consensus amongst industry participants that while the port capacity was suitable to service the growing hydrogen industry in the short term, these facilities will need to expand if the industry grows at predicted rates. Works will likely include, building new berths, dredging and associated management.³⁰

b. Water infrastructure

The hydrogen industry will require significant investment in water infrastructure. Whether this is built infrastructure that operates in isolation (such as desalination plant) or integrated into natural assets (such as water recycling plants that utilise ecosystem treatment services) is yet to be determined. Either way, planning early to meet water requirements is critical.

Sourcing water to meet the demands of new industries, such as hydrogen, needs to be considered within a regional integrated water planning framework. Integrated approaches have proven effective for balancing competing uses and adaptively managing water resources. Integrated and adaptive management will identify opportunities for system wide improvements that benefit multiple users, for example, recycling water by treating and using the (waste) outputs from one industrial process as feedstock for another user. Identifying these options can lead to shared benefits such as proponents co-investing in the required infrastructure as well as providing land for ecological treatment and storage options that have positive environmental and biodiversity impacts. Recycling and generating alternative water sources – such as desalination – has potential, if done well, to increase the region's overall water resiliency.



c. Energy infrastructure

As mentioned above, participants recognise the need for affordable low emissions energy to create a viable hydrogen industry in the Gladstone Region. Current renewable energy project registrations could generate up to 23 GW of capacity across solar, wind, bioenergy and storage technologies. This projected capacity would be sufficient for the 10-11 GW of energy Gladstone industry (including new hydrogen production) will require,³¹ but as explored in Chapter 2, much more needs to be done to ensure a rapid and smooth role out of energy infrastructure across the region.

³⁰ The Gladstone Port Corporation has already begun working with proponents to develop common user infrastructure.
³¹ Personal comms. Beyond Zero Emissions 2022.



3.7 Access to key inputs and components

The ability to source key inputs is another factor that affects a proponent’s decision to invest in a region such as Gladstone. Sourcing the materials and components and the expertise needed to assemble, operate, and maintain the infrastructure and equipment across the supply chain can significantly constrain project feasibility and sustainability. Participants noted that hydrogen projects are already delayed by global supply challenges including long lead times and inconsistent ability to get parts; shipping costs; and excessive global demand for materials and components like electrolyzers.

During workshop discussions, participants raised questions as to whether industry players will continue to respond to supply chain challenges by trying to out compete each other, or whether investment in cooperation and networking to achieve shared ambitions will lead to better coordination within and across regions. By cooperating, proponents improve their purchasing power and can support the development of local content and manufacturing services.

Multiple manufacturing opportunities are emerging to service a hydrogen market in the Gladstone Region. For example, the Central Queensland Hydrogen Technology Cluster has conceptually mapped the ‘green’ chemical industry opportunities that could utilise brine waste streams from a desalination plant.³² Workshop participants recognised these opportunities. Several suggested government and peak bodies expand their thinking about what hydrogen could mean for a regional economy like Gladstone. For instance, when discussing the comparison between previous industrial booms and the prospect of hydrogen, one participant suggested:

[This is] not an LNG boom – it was extractive – but hydrogen is a manufacturing industry with evolving tech and market.



HYDROGEN WORKSHOP PARTICIPANT

3.8 Addressing community concerns

Participants in community workshops affirmed a high level of interest and support for a hydrogen industry development in the Gladstone Region. Respondents particularly noted hydrogen’s potential to replace traditional industries, create new jobs, and generate revenue for the region well into the future. But there was some scepticism and community concerns that need to be addressed if the industry is to grow sustainably and quickly enough to become competitive at a global scale. Community members expressed three main concerns: 1) Safety, 2) Whether the industry will leave a positive legacy, and 3) Access to water.



³² The Hydrogen Ecosystem map is accessible at: <https://www.cqh2.org.au/cqh2-ecosystem-map/>. (Accessed 12/08/22)



a. Safety concerns

Proving the safety of hydrogen will enable or constrain the hydrogen industry's social licence to operate and its industrial productivity and viability.

When discussing the vision for the hydrogen industry in 2032, one industry respondent stated: "The community is aware of effective safety measures for using and producing hydrogen and feels safe with industry." This view contrasts with concerns raised by participants in community workshops about whether it was safe to develop the industry locally. Some participants questioned whether there is enough sound international evidence to ensure the hydrogen industry can be developed and operate safely, acknowledging that they did not know much about hydrogen.

Community concerns about safety are already impacting decision making processes in the region, with a recent proposal to build a small pilot hydrogen production plant in South Gladstone testing community acceptance of hydrogen technology. When assessing the project, the Gladstone Regional Council went against the advice of Council officers and did not approve the development. During their deliberations, Councillors cited safety concerns as a decisive factor in denying the project at that location, because of proximity to residences and a school.³³

In the six months before the Council decision, a group of residents had campaigned against the project, predominantly on the grounds of safety concerns. This group repeatedly expressed their support for the hydrogen industry, but remained adamant that risk of explosion meant the proposal was the "right project" just in the "wrong place," and hydrogen projects should be developed in separate industrial precincts.

This example highlights the importance of effective stakeholder engagement and community education early in the development of projects, to find mutually agreeable ways forward, stop the escalation of opposition where it is not warranted, and/or stop inappropriate developments from proceeding. Some industry and community workshop participants suggested Council could help to educate communities and stop the spread of misinformation through its multiple communication channels.³⁴



Council could reach out to community to communicate where things are going, reduce community concerns/ inhibitions and be a point of contact.

COMMUNITY FORUM PARTICIPANT

b. Viability concerns

Community participants also expressed doubts about the long-term economic viability of the hydrogen industry. Even though there has been a functioning, albeit small, hydrogen industry

³³ A recording of the council meeting is accessible at: <https://www.youtube.com/watch?v=H4g5XV1Xyag> (accessed 20/08/22)

³⁴ Note that Council must balance any educational activities with its regulatory and other statutory roles.



in Gladstone for decades, the public perceives hydrogen as failing to fulfill past expectations of becoming a major industry, and is only now being promoted as a replacement for fossil fuels for political reasons.



Concern is that people think hydrogen will save us, be the next boom... but also others think it is pie in the sky. The industry needs clear messaging, timelines, and an explanation of what it means for the community (even if it is still fuzzy around timelines).

ENERGY WORKSHOP PARTICIPANT

c. Legacy issues

Community and industry stakeholders also questioned the impact the industry will have on the region in terms of:

- Water supply.
- Transport and other infrastructure.
- Whether it will create good local jobs or only lead to FIFO workforce opportunities.
- Housing affordability and availability.
- Whether profits will be reinvested in the region to improve services and infrastructure.

3.9 Policy, legislation, and regulation

Like all nascent industries, hydrogen's success in the Gladstone Region depends on workable policy, legislative and regulatory settings that give players the confidence to take risks and invest. Whether a global corporation deciding to build a multibillion-dollar electrolysis manufacturing plant or a high school student choosing which subjects to pursue, government policy will influence decisions that have long-term impacts.

Industry workshop participants emphasised that the hydrogen industry's growth potential is constrained by a general lack of policy and regulation. This was surprising, given that both the Federal and Queensland State Governments have taken significant steps to support the hydrogen industry's growth. Since the Federal Government's National Hydrogen Strategy was released in 2019, both Federal and State Governments have produced many reviews, policies, plans and strategies to nurture investment, supply chains, workforce development and emerging markets. To illustrate, Appendix D lists a selection of State and Federal Government initiatives to develop the hydrogen industry in Australia in 2022. The broad scope of these initiatives reveals a key challenge inherent in building a hydrogen industry from scratch – the fact that success depends on integrating the industry, its supply chains and product into numerous sectors of the economy at regional, state,



national and international scales. For example, government leadership and support are needed to create demand for hydrogen in the transport sector and build the common user infrastructure to enable this. These types of challenges multiply across the hydrogen supply chain, thus complicating the role of each level of government.

While most industry participants recognised the investments Federal, State and Local Governments have made in the hydrogen industry and agreed with the direction set by the National Hydrogen Strategy, they questioned the current implementation. They suggested the messy reality of Australian energy politics over the last decade has hindered progress. Although opinions varied, a theme emerged that government is not doing enough to support proponents to develop local production, supply chains, skills, and demand quickly enough.

Stakeholder responses point to three main challenges that government need to address through appropriate policy and regulation:

- Moving past policy and leadership failures towards transitioning to zero emissions.
- Facilitating greater collaboration and planning.
- Establishing appropriate incentives to invest and government support for early movers.

a) Exercising leadership through policies to support the transition

As mentioned earlier, the commercial viability of hydrogen is predicated on Australia and our trading partners recognising the need to decarbonise their economies. Industry and community stakeholders participating in the workshops acutely recognised the need for coherent political, policy and regulatory leadership from all levels of government to move beyond the “climate wars” and get on with managing the changes needed, otherwise Australia risks lagging further behind our trading partners and being forced into tough compromises. A representative from a prominent Gladstone enterprise noted:

***Policy is lacking, enterprises are creating their own destiny
- we haven't been directed to do one thing or another
and are navigating as best as we can. There are climate
strategies [from government] but no legislation.***



HYDROGEN WORKSHOP PARTICIPANT

Another hydrogen workshop participant summarised the issue as, “Consistent industry policy is required, and hydrogen needs to be included as part of the Federal Government energy policy.”

The persistent message from all stakeholders was for governments to take practical steps towards what many considered the inevitable target of a net zero emissions economy by 2050. In addition to securing a stable energy and climate policy, many urgent and specific regulatory interventions are required to set



the hydrogen industry up for success. For instance, a 2021 Advisian report³⁵ commissioned by the CEFC found that clarifying the definition of hydrogen 'type' and establishing industry standards and certification processes were critical to ensuring commercial viability of Australian hydrogen in the global market.

This need to establish a certifying standard so that hydrogen produced in Australia can be sold into global markets was repeated by multiple industry representatives. These proponents questioned the current "guarantee of origin" certifying scheme pursued by the Federal Government. The common concern is that the government's proposed certifying protocol may not meet international market requirements, the result being "green" hydrogen produced in Australia would be unacceptable in European and potentially other markets. Thus, an alternative certifying scheme would need to be setup and managed for green hydrogen producers to meet the customers' demands. Workshop participants suggested a more facilitative and collaborative approach to working with industry would help avoid a potential regulatory failure such as this, whilst also offering opportunities to overcome other challenges facing the industry more broadly.

b) Facilitating collaboration and planning

The need to improve government and industry collaboration was identified by numerous participants in the hydrogen workshop. Proponents indicated the region's hydrogen industry has a collaborative culture and high level of cooperation. Still, there is scope for government to play a greater role in facilitating, coordinating, planning, and bringing stakeholders together at a regional scale. More collaborative planning would facilitate more coordinated investments in much-needed common user infrastructure and reduce the potential for unproductive regional and inter-regional competition.

The hydrogen industry is grappling with competition and collusion laws that stifle proponents' ability to work cooperatively when becoming established. There was real concern amongst proponents that without State and Federal Government support to find ways for the industry to collaboratively plan for and build the infrastructure it requires, without burdening first movers with these costs, then Gladstone Region may miss the window of opportunity to attract international investment and secure contracts. These concerns escalated when industry participants reflected on the tendency among state and territory governments to compete rather than cooperate when trying to attract investment and establish their region's infrastructure, brand, supply chains and workforce. One energy workshop participant recognised the need to shift away from this mindset as it is 'cannibalising' the industry and consequently 'not in the national interest'.



35 Advisian (2021).



Several workshop participants suggested that because regulatory issues sit with state governments, they are best placed to solve them. This is being done within Queensland Government departments to an extent, with hydrogen a priority industry within the Department of State Development, Infrastructure, Local Government and Planning, and as such the department has conducted opportunity studies, developed an investor toolkit, has funded capability mapping and safety simulation modelling. Similarly, the Department of Employment, Small Business and Training recently released a Hydrogen Workforce Development Roadmap.³⁶ The Coordinator General's office has a hydrogen technical working group and oversight of planning and assessment of multiple projects. The Department of Energy and Public Works has created the Hydrogen Task Force³⁷ and Hydrogen Coordination Unit.³⁸

Industry participants did not appear to appreciate the extent of coordination the Queensland Government is undertaking in the state and beyond. Based on this lack of recognition and perhaps confusion amongst industry participants, efforts by the Queensland Government would benefit from more targeted engagement with industry stakeholders. Meaningful engagement at the regional level, through participation in events and outreach to networks such as the CQH2 Technology Cluster, CQH2 Alliance, and the Gladstone Engineering Alliance (GEA) would promote and strengthen these coordination efforts.

Participants also suggested an increased coordination and cooperation across different states and departments. To collaborate in regulatory working groups effectively, states and their departments need to find ways for their staff "doing the work on the ground" to cross jurisdictional boundaries. Participants pointed to the success of initiatives such as National Energy Resources Australia's CQH2 - Technology Cluster (H2TCA) which facilitates connections and knowledge sharing and providing partnership funding to help build capability in the industry.

Participants raised concerns that limited internal expertise and lack of collaboration restrict all levels of government's capabilities to handle project planning assessments and adequately address the industry's complex challenges. Several respondents suggested that there should be a regional master plan for Central Queensland rather than reacting to individual planning applications.

c) Establishing incentives for early adopters

Governments can improve the viability of the Gladstone Region's hydrogen industry by providing more and greater direct incentives. There are many ways to structure incentives, and they should be tactically used to induce behaviour, such as:

36 Queensland Government (2022).
 37 The taskforce is responsible for producing and enacting an action plan to establish a sustainable Queensland hydrogen industry (members from government departments, industry, and academia).
 38 The coordination unit is responsible for coordinating the implementation of the Queensland government's Hydrogen Industry Development Strategy 2019-22, project development, stakeholder engagement and collaboration with other jurisdictions.



- Encouraging investment.
- Attracting suppliers to develop offerings for the hydrogen supply chain.
- Motivating the future workforce to choose a hydrogen career path or closing for price gap so potential hydrogen users test its practicability.

Well-designed incentives prompt positive feedback loops. For example, one participant pointed out, in the post-COVID-19 context, capital costs are ballooning, the cost of hydrogen technology is high, partly because demand for technology is high. Therefore support to establish local suppliers should help reduce upfront capital costs and stimulate local content providers. The results of which are far greater than governments merely providing financial support to reduce proponents' costs. Other examples of what governments are doing or could do include:

- Introduce tax levers to incentivise industry as a whole instead of, as one Hydrogen Industry representative put it, "picking a winner – pick the industry as the winner rather than individual players."
- Provide more support to projects in the feasibility stage, particularly during the front-end engineering design stage.
- Collate, publish and promote access to quality data relating to technology and commercial viability.
- Open access to the Queensland Government's \$2 billion Renewables and Hydrogen Energy Jobs Fund. It can then support more pilot projects to develop hydrogen production efficiencies, reduce/remove barriers for near economic opportunities,³⁹ and fund innovative policy or regulatory initiatives such as the Gladstone REIP concept.
- Develop policy levers to reduce the risk of increasing electricity costs in the short term to keep projects feasible for long-term return on investment.

3.10 Recommendations for Council

Stakeholders identified various roles and opportunities that Council could fulfill in establishing a viable regional hydrogen industry. Most participants felt that beyond its statutory obligations, Council is well placed to ensure the industry develops appropriately and sustainably, and that it contributes to the region's prosperity.

Three main responsibilities were identified in discussions during the Hydrogen Stakeholder Workshop:

- a. Planning approvals.
- b. Advocacy on behalf of the region to ensure good, safe, sustainable development.
- c. Helping test and demonstrate the advantages of converting to hydrogen.

³⁹ Page 16–17, Advisian (2021). Australian hydrogen market study Sector analysis summary, commissioned by Clean Energy Finance Corporation, available at <https://www.cefc.com.au/media/nhnhwku/australian-hydrogen-market-study.pdf>. (Accessed 01/08/22)



A B-double truck along Hanson Road with Mount Larcom in the background



Suggested actions for Council to commence over the next six to twelve months:

a. Planning and assessment

Participants in the Hydrogen Workshop expressed some confusion about the extent to which Council should play a role in approving projects. It was noted that a proportion of hydrogen development is taking place in the Gladstone State Development Area (GSDA) and therefore, State Government departments (i.e., the Coordinator General) are assessing these projects. Industry proponents commented that having their development assessed by the Coordinator General is advantageous (over having it assessed by council) because it expedites the process and avoids additional costs.



Some industry representatives believed Council is struggling to stay up to date with the complexity and pace of hydrogen developments and that this had contributed to the recent decision by Council to deny the Hydrogen Park Development. Whether this perception is warranted or not, Council should be properly resourced by State and Federal Governments to ensure that it has enough staff and training to:

- Consider the cumulative impact of the hydrogen industry in planning decisions. Rather than take a project-by-project approach, Council can continue to work with industry and other stakeholders to create dialogue and common understanding about what the issues and opportunities will be if hydrogen developments build out as expected.
- Work with other stakeholders to engage with and educate the community so they understand proposed developments and can provide appropriate and timely feedback. Recent experience has shown that safety education is important.
- Collate some of the lessons learned from past experiences of rapid industrial change (for example the expansion of the LNG industry) to identify ways to improve approaches to planning and engagement, infrastructure development, and access to housing, training and services.
- Stay abreast of developments and the range of hydrogen initiatives and proposals.
- Approve projects in a way that gives all stakeholders confidence in decision-making processes.
- Set clear expectations of project proponents. Support them to understand the existing context, history of engagement and what local stakeholders' aspirations are for their community.
- Engage with the Queensland Government and continually connect them to local opportunities for more targeted and meaningful engagement with industry stakeholders through participation in events and outreach to networks such as the CQH2 Technology Cluster, CQH2 Alliance, and the Gladstone Engineering Alliance (GEA).
- Advocate at all levels of government for what the region needs to manage change.

Further work is also needed to clarify Council's role in planning and assessment processes in contrast with other levels of government.



Council needs to understand and be able to process these [approvals]. Otherwise, they are a real barrier and can hold up development.

HYDROGEN WORKSHOP PARTICIPANT

b. Advocacy on behalf of community to ensure good, sustainable development

The Council's primary role is to represent the region's interests and ensure the region's voice is articulated to other levels of government, industry, and investors. In a progressively competitive funding and investment environment, Council can play an active role in ensuring the hydrogen industry develops in a way that benefits the Gladstone Region as a whole. This includes activities such as:



- Conducting a program to engage diverse community stakeholders to determine their concerns and aspirations for a hydrogen industry. The results could be used to develop guides for proponents and investors. Guides articulate community expectations regarding the design and operations of the industry including safety, as well as the types of investments and benefits that people want to see flow back to the region.
- Continuing to participate in initiatives such as the CQH2 Technology Cluster, CQH2 Alliance and the Hydrogen Ecosystem (among others). Council can then represent the needs and aspirations of the region's diverse communities and stakeholders (including a coordinated approach to common user infrastructure), and stay informed of the latest developments to keep community and other stakeholders updated.

Engaging with DSDILGP and other relevant government departments to address needs related to infrastructure and service upgrades (for example: trade waste, roads, and sewage development) in the GSDA and beyond.

- Implementing communication strategies that enable the public to engage with the industry to, learn about, and share their view of, the industry and what it could mean for the region. This could include collaborating with other organisations to host events, forums, open days and tours of industrial sites so that the public can engage directly with industry and decision makers.
- Understanding and communicating the risks and opportunities of hydrogen for the Gladstone Region. This could be done through Council's existing communications (eg: Conversations page), local media and social media (e.g., Facebook, YouTube).
- In the next few years, supporting a school and/or university-based science and technology challenge in which teams of students compete to come up with solutions to address industry challenges.
- Using the results from engagement activities to inform industry and other levels of government, as well as financiers, technical and other services of what it takes to generate hydrogen effectively in Gladstone.

Council's proximity to community, particularly vulnerable and marginalised groups, puts it in a position of responsibility when representing the region in industry forums and negotiations. To effectively manage the scale and pace of change, Council must be resourced accordingly by State and Federal Governments. This includes additional investment in the human and material resources needed in community engagement and outreach; economic development and planning; and cultural liaison.

c. Testing and demonstrating the advantages of hydrogen

Council could play a role in expanding the domestic demand for hydrogen and demonstrating the safe use of hydrogen by utilising the resource across its operations. This could include negotiating offtake agreements and powering heavy vehicles such as trucks, buses and waste collection vehicles.



This is a good start, what Gladstone Regional Council is doing. Becoming informed and informing community will help. Other conversations with Central Queensland Regional Organisation of Councils will enable collaboration. This will help to manage concerns about how to transition from fossil fuel to a renewable economy.

HYDROGEN WORKSHOP PARTICIPANT





Useful Resources

Cleaner Energy Finance Corporation (2021). Australian hydrogen market study Sector analysis summary, commissioned by Clean Energy Finance Corporation and conducted by Advisian. Accessible at: <https://www.cefc.com.au/media/nhnhw/xu/australian-hydrogen-market-study.pdf>

CSIRO (2022). Hydrogen initiative (mapping) database. Includes the most comprehensive set of detailed descriptions and link for hydrogen projects, policies and developments, accessible at: <https://research.csiro.au/hyresource/policy/australia-and-new-zealand/queensland/> (note this particular page links to the summary of Queensland Hydrogen Strategy)

CSIRO (2022). Summary of Federal Government policies related to Hydrogen, accessible at: <https://research.csiro.au/hyresource/policy/australia-and-new-zealand/australia/>

Federal Energy Department (2021). Summary of Hydrogen initiatives, accessible at: https://www.dcceew.gov.au/energy/hydrogen#toc_5

Federal Government online mapping tool. Provides many datasets, particularly hydrogen related overlays and point data. Accessible at: <https://www.nationalmap.gov.au/>

Federal Government AusH2, Australia's Hydrogen Opportunities Tool. Mapping portal for locating and analysing data relevant to hydrogen sector. Accessible at: <https://portal.ga.gov.au/persona/hydrogen>

Power stations of Queensland interactive mapping tool. Provides details on diverse power stations, relevant for Renewable Energy locations and other infrastructure. Accessible at: <https://electricity-generation-map.epw.qld.gov.au/#results>





CHAPTER 4: Diversifying the Regional Economy

4.1 Introduction

The Gladstone Region is well positioned to take advantage of changes in the energy sector to diversify and strengthen its economic base. Given the industrial capacity and the number of renewable energy projects planned across the region, Gladstone holds the potential to expand the manufacturing sector greatly and simultaneously boost related industries across the supply chain. The potential influx of workers to the region, as well as the additional work needed to decarbonise existing industries, could also mean the expansion of a range of other businesses across the region if development is well-planned and supported.

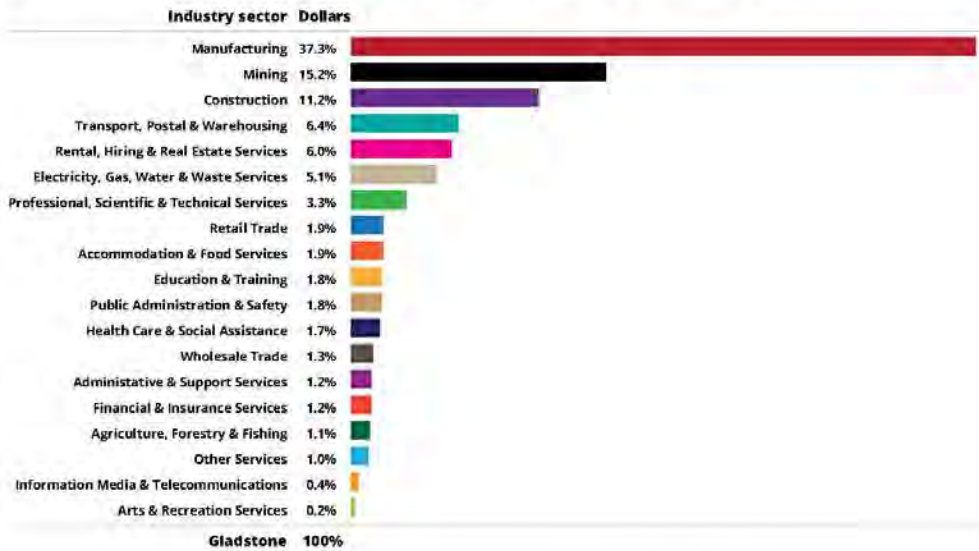
Gladstone already boasts a strong manufacturing base and compared to some regions, is already diversified. As delineated in Figure 4.1 overleaf, manufacturing is the biggest industry sector with 37.3 per cent of total output. The second largest sector is mining (15.2 per cent) closing followed by construction (residential, non-residential, heavy and civil engineering services) which constitutes 11.2 per cent of total output. The figure overleaf represents the total income generated by organisations in each of the industry sectors in Gladstone from REMPLAN ABS data.



The Gladstone Marina bridge (foreground) links the central business district to the marina parklands and RG Tanna Coal Terminal



Figure 4.1: Gladstone Economic Output Data, by Industry¹



The main opportunities to diversify the regional economy as identified by participants across the engagement activities include:

- Expanding the manufacturing base by building on existing infrastructure and taking advantage of lower energy costs.
- Decarbonising heavy industry.
- Building on economic sectors other than energy.

4.2 2032 Vision

Community and industry representatives across all engagement activities emphasised the pride residents have in Gladstone’s industrial heritage and want to see the region continue to be, in the words of one community member, ‘an area that makes things and exports to the world.’

By 2032, participants across all engagement activities said they wanted to see lower energy costs resulting in an expansion of manufacturing and other industries (including retail, food production, agriculture, and tourism) across the region. Most expected that industry (including large companies such as Rio Tinto, Orica and QAL) will have made significant progress towards decarbonising operations. And Gladstone would be well on its way to becoming an ‘eco-industrial hub’ or ‘showcase of green industry and manufacturing’. This

¹ Output, Industries, Economy, Jobs and Business Insights, REMPLAN. Accessed August 29, 2022. Note, data is a culmination of latest data available: ABS 2016 Census Place of Work Employment (Scaled), ABS 2018 / 2019 National Input Output Tables, and ABS June 2021 Gross State Product.



will have included investments to reduce the emissions of existing heavy industries (not just offsets), and meeting or beating the Queensland Government’s goal of reducing emissions by 30 per cent below 2005 levels by 2030 to secure a liveable future.

Given the ongoing global supply chain issues caused by COVID-19 and increasing global political instability, along with a growing supply of lower cost renewable energy generation, many participants agreed the region could manufacture a wider array of goods to reduce Australia’s reliance on imports.

Many people believe that by 2032 Gladstone will become a ‘green’ exporter of products such as green hydrogen, aluminium, steel, chemicals, cement and lime, electrolysers, batteries, and renewable energy parts. Respondents were also keen to see the development of technology for new manufacturing industries such as green plastics and other packaging for agricultural produce. It was envisioned that Gladstone’s capacity for manufacturing and heavy industry would help leverage other opportunities such as “AgTech” which uses agriculture and horticulture technology to improve growers’ yield and efficiency.

Participants identified six main tasks related to diversifying and strengthening the regional economy:

- Expanding local manufacturing by building on existing infrastructure, skills, and inputs.
- Supporting existing industries to decarbonise so they can remain viable into the future.
- Taking advantage of locally available renewable energy and the need to decarbonise the economy to expand other sectors such as agriculture, tourism, and waste management.
- Developing local infrastructure to meet the needs of emerging industries.
- Offering incentives to attract new investment.
- Undertaking planning to inform the development of new policies and regulations.

4.3 Expanding local manufacturing

The key to replacing permanent, well-paid jobs in the electricity sector is not in the generation of renewable energy, but in expanding industries capable of using lower cost energy to manufacture and process goods and materials. The Gladstone Region is uniquely placed to alleviate current global supply challenges and establish new industries that meet domestic and international demand given its industrial base, infrastructure, skilled workforce, and access to rapidly expanding renewable energy generation.



Let us make renewable energy components such as solar panels and batteries locally, including development, manufacturing and distribution so that we can support the growth in renewable energy.

ENERGY WORKSHOP PARTICIPANT



The range of ‘green’ products that could be produced using renewable energy includes hydrogen, ammonia and other chemicals, explosives, batteries, electrolyzers, biofuels, metals (including green and recycled aluminium and steel) and renewable energy componentry. Recent announcements related to the development of new products include Fortescue Future Industries commitment to building a \$1 billion electrolyser factory in Gladstone,² and Oceania Biofuel’s plan to build a \$500 million renewable diesel and sustainable aviation fuel biorefinery which will create 60 new direct jobs and 500 indirect jobs during construction and operation.³

Given the current supply chain constraints facing every industry, the region has a rare opportunity to scale production quickly by first meeting the domestic demand for products to build export capacity.⁴ Developing the supply chain to support a range of new industries will require a high degree of planning, coordination, investment, and commitment from all levels of government, industry, and investors. This is particularly important given the need to develop common user infrastructure (such as transmission lines, roads, port infrastructure, pipelines, and water infrastructure) that minimises operating and distribution costs across various manufacturing initiatives. As one energy industry representative commented, “If everyone does their own thing it’s more expensive. We need shared infrastructure.”

The role of government (particularly the Departments of State Development, Treasury and the Coordinator General) in supporting coordination to develop shared infrastructure is crucial, as is the role of public finance to attract private investment.



We need a diversified supply chain where there is a range of suppliers to choose from, focusing on different projects such as metals and electrical componentry, and they are able to connect into different sectors.

HEAVY INDUSTRY WORKSHOP PARTICIPANT



We should make electrolyzers locally for hydrogen instead of importing.

EDUCATION AND TRAINING WORKSHOP PARTICIPANT



2 Australia Financial Review 11 October 2022 [Forrest commits to \\$1b hydrogen-equipment factory in Gladstone \(afr.com\)](https://www.afr.com)
 3 Queensland Government 13 April 2022 [New \\$500 million biorefinery planned for Gladstone – Ministerial Media Statements](https://www.qld.gov.au/news/2022/04/13/new-500-million-biorefinery-planned-for-gladstone)
 4 This is the approach being adopted by Ark Energy in Townsville, where they are producing hydrogen from their solar farm for fuel cells to power their long-haul truck to build their capacity to export as markets mature gradually.



Most people engaged through the community and industry workshops were supportive of the range of new manufacturing opportunities. However, many still shared concerns and doubts about the scale of development and whether projects would come to fruition. Some raised questions about whether Australia could compete globally in terms of scale, quality and price, and whether we could move quickly enough to corner new markets. Some believed it safer for Australia to focus primarily on exporting raw commodities rather than onshore manufacturing and processing. Others expressed concerns about the long-term sustainability and impacts of new projects and questioned their capacity to generate lasting economic benefits. Most agreed, however, that diversifying and increasing the industrial base would help to stabilise economic ebbs and flows and help the region capitalise on renewable energy expansion for long-term economic gain.

4.4 Decarbonising heavy industry

Significant economic opportunities lie not only in expanding and diversifying the regional manufacturing base but also in the work to decarbonise existing businesses and industrial processes.

Traditional industries in the Gladstone Region produce carbon-intensive products such as alumina and aluminium, ammonia and ammonium nitrate production, cement and processed LNG. These industries will need to decarbonise and switch to renewable energy sources quickly⁵ to remain globally competitive, given the increased international demand for low-carbon products and international tariffs being imposed on high-carbon products. Decarbonising heavy industry involves electrifying production where possible and switching to renewable energy sources, replacing the use of fossil fuels (including LNG) with renewable fuels (such as hydrogen or biofuels), and increasing energy efficiency and the use of heat exchange technologies.⁶ According to the Australian Industry Energy Transitions Initiative, the emissions from these industries in Gladstone could be reduced by around 27 per cent, with a total abatement potential of 6.1MtCO₂e through mature and commercially available technologies such as renewable energy powered electric boilers for alumina production.⁷

Realising these opportunities requires a large-scale transformation of the energy system so that sufficient renewable energy is generated and available through storage technologies. Current estimates from the Australian Industry Energy Transitions Initiative suggest Gladstone industries alone will require around 14.8–37.5 TWh of renewable energy to decarbonise.⁸ Meeting this

5 In June 2022, the Queensland Government released the Queensland Resource and Industry Development Plan which includes plans to require resources companies to provide decarbonisation plans by no later than 2027.

6 Carbon capture and storage (CCS) technologies are often cited as means to meet net zero goals, however, they are not included here as they do not reduce emissions. Efforts to operationalise carbon capture and reuse (CCR) technologies are in the early stages of development in Australia. For example, see MCi: <https://www.mineralcarbonation.com/>

7 Climateworks Centre and Climate-Kic Australia. Australian Industry Energy Transitions Initiative, June 2022. Setting up industrial regions for net zero. Phase 2 report: A guide to decarbonisation opportunities in regional Australia.

8 Climateworks Centre and Climate-Kic Australia. Australian Industry Energy Transitions Initiative, June 2022. Setting up industrial regions for net zero. Phase 2 report: A guide to decarbonisation opportunities in regional Australia.



demand for renewable energy quickly to ensure competition with green industries in the rest of the world is a serious challenge. Not only for industry but also for the government and the impacted communities.

Major industry players operating in Gladstone are, however, already taking steps to decarbonise their operations. Rio Tinto has committed to achieving a 15 per cent emissions reduction target by 2025 and 50 per cent by 2030 across their operations. Specifically, in Gladstone, this includes a study with Sumitomo Corporation to reduce emissions in alumina refining through a pilot hydrogen plant at the Yarwun alumina refinery.⁹ Orica is also taking steps to decarbonise and has signed an agreement with AlphaHPA in November 2021 to achieve net zero emission by 2050.



Looking towards the Port of Gladstone's RG Tanna Coal Terminal where four wharves are used to export coking coal to Japan, South Korea, Taiwan, India, Italy and France

⁹ Rio Tinto and Sumitomo Corporation to assess hydrogen pilot plant at Gladstone's Yarwun alumina refinery. When this goes ahead this project would produce hydrogen for the Gladstone Hydrogen Ecosystem (see Chapter 3 for more information).



4.5 Diversifying other sectors of the economy

Current media commentary emphasises manufacturing as the key to strengthening and diversifying Gladstone’s regional economy. Participants in the roadmap engagement workshop did, however, identify a range of additional opportunities including:

a. Recycling and processing opportunities

A strong theme across both industry and community workshops was the high level of support for developing local businesses that could operationalise circular economy principles. Principles include recycling, re-using and repurposing a range of waste products, including agricultural waste, metals, oil and diesel¹⁰, construction materials, fly ash, red mud, rubber, glass, plastics, electronics and textiles. Efficient processing of waste products could help to address some of the supply issues faced by local industry. Some community members also suggested establishing repair cafes, with volunteers that repair electronic items that would normally be discarded, reducing landfill and cost of living pressures.

b. Expanding businesses and services to improve health and wellbeing

As explained in more detail in Chapter 6, new jobs and businesses could be created by addressing significant gaps in essential services, including health, mental health, childcare, aged care, housing and education. Developing and expanding the range of health services and university courses offered regionally underpinned economic diversification strategies in both the Ruhr Valley in Germany and the Latrobe Valley.¹¹



c. Agriculture and land use

Agriculture was also mentioned by some community members as a sector with the potential to grow and develop by embracing decarbonisation efforts, renewable energy generation, and building climate resilience, particularly through:

- Supporting the remediation of industrial sites, including the reforestation on cleared sites and under new transmission lines.
- Establishing easier access to carbon farming and credit schemes to support landholders to be

10 The Northern Oil Refinery at Yarwun is recycling waste lube oil back into base lube oil and can re-refine up to 100 million tonnes a year. The plant is also trialling biofuel from sugar cane and acacia as feedstock for kerosene and diesel products. For more information, visit Southern Oil at: www.sor.com.au.

11 Just Transition for Regions and Generations: Experiences from structural change in the Ruhr area. WWF Germany. [wwf-studie-englisch.pdf](https://www.wwf-studie-englisch.pdf) (at.eu) and After the Hazelwood coal fired power station closure: Latrobe Valley regional transition policies and outcomes 2017-2020. Crawford School of Public Policy, Australian National University.



- paid to drawdown carbon through nature-based solutions.¹²
- Installing small and large-scale renewable energy on land to diversify income streams and/or reduce energy costs.
- On-farm processing enterprises (e.g. food processing).
- Producing biofuels from agricultural produce.
- Establishing local nurseries to cultivate native and endangered species as part of land rehabilitation programs.

d. Tourism

The Gladstone Region has numerous cultural and entertainment assets to leverage and attract visitors as well as residents. Growing tourism creates demand for services and place-based investment that, when done well, improve the liveability of a region. For instance, many examples demonstrate how First Nations enterprises can contribute to tourism opportunities and the cultural economy of a place. The region's environmental assets (including many national parks, coastal areas and the Great Barrier Reef) also present opportunities to further develop nature-based tourism. According to the region's Coastal Strategic Plan:

"Tourism contributes approximately \$77 million annually to the local economy. Direct and indirect employment from the tourism and hospitality sector is estimated at 864 full-time equivalent jobs."¹³

There is still unrealised potential to market the region as a tourist destination and to look at building on the strengths of different parts of the Gladstone Region, not just the city of Gladstone. There is a dichotomy between the industrial heritage and other areas in the region that want to focus on tourism, namely, Agnes Water region.

Community members who participated in workshops and the survey agreed that the region could further develop tourism opportunities focused on the natural and industrial heritage of the region, as well as showcase new green initiatives.

Some community members emphasised that careful planning is needed to ensure that the emphasis on industry does not undermine the existing natural appeal of some locations in the region (eg: Seventeen Seventy and Agnes Water, and Gladstone as a gateway to the Great Barrier Reef and Heron Island).

e. Transport

12 Cattle farmers with an interest in regenerative farming have participated in numerous community forums hosted by The Next Economy in Gladstone over the past few years. Some of them are supported by RCS Australia, based in Yeppoon. For more information see: www.rcsaustralia.com.au.

13 Source Our Coast Our Future, 2021 Gladstone Regional Council pg.11 <https://www.gladstone.qld.gov.au/downloads/file/4140/our-coast-our-future-strategic-plan>



Another area participants identified as a source of potential economic growth was supporting the transport and mobility sector to decarbonise over time. This will require the construction of new infrastructure and services to support electrification (e.g., fast charging stations for electric vehicles) and to retrofit cars, boats, and rail with electric motors. There is also the potential to produce hydrogen fuel cells to power heavy vehicle fleets.

f. First Nations enterprise opportunities

A range of new enterprise and employment opportunities for First Nations people were identified in community workshops and the First Nations workshop. These included:

- Establishing an Indigenous-owned nursery to cultivate native plants used for medicine and food. The nursery could also supply plants for rehabilitation efforts.
- Processing of bush foods and medicine.
- Expanding land and sea ranger programs.
- Reef restoration and coastal protection programs.
- Expanding the Aboriginal Controlled Health Service (Nhulundu Health Service Gladstone).
- Expanding the number of Indigenous training organisations to support young people and other First Nations people to participate in both existing and new industries.

Some First Nations participants emphasised that these initiatives would require additional investment in the form of incubator programs/business development support. It was also suggested that any new developments (e.g., renewable energy projects) are required to pay Traditional Owners for access to land.

g. Training and education services

Some industry and education sector representatives identified the opportunity to expand the range of training and education services across the region to support the development of the local workforce. Specific ideas included:

- Developing innovative approaches to training workers in renewable energy skills.¹⁴
- Building on the work of the CQH2 Alliance and CQ University to become a training Centre of Excellence for hydrogen.
- Developing incubator programs and business development skills for small and medium-sized enterprises, start-ups and social enterprises.

¹⁴ For more information, see Chapter 5 on Workforce Development.

- Training to meet existing skills shortages in health, aged care, and childcare, tourism and hospitality training, and community engagement and negotiation skills to support planning efforts across the region.

Ideas and opportunities to expand and diversify the existing economic base of the Gladstone Region abound. However, these ideas will not be realised without concerted action by all levels of government and industry to develop local infrastructure, market the region as an attractive place to invest, provide financial and training support to develop local capacity and develop the right policy and regulatory frameworks.¹⁵



Gladstone Regional Council has recognised the importance of cultural land management with the employment of a First Nations Fire Officer

4.6 Infrastructure development

One of the strongest consultation themes was the level of support for a coordinated approach to infrastructure upgrades and ensuring that new developments build on and strengthen existing infrastructure. The infrastructure pathways are already in place but will need more investment and careful planning to ensure that, as many community and industry representatives emphasised: “we don’t have redundant assets.”

¹⁵ The Queensland Government Energy and Jobs plan (September 2022) announced a new \$200 million Regional Economic Futures Fund to support economic and community development initiatives. The guidelines for this fund will be established in 2023.





The main types of infrastructure identified for development were:

a. Energy infrastructure

As outlined in earlier chapters, the region will require significant upgrades to energy infrastructure to support the growing renewable energy and hydrogen industries. This includes transmission infrastructure, battery storage, gas pipelines and potentially a desalination plant to support the water requirements for hydrogen production.

b. Transport infrastructure

Transport infrastructure was a consistent theme raised by industry representatives, particularly those involved in the development of the LNG industry. Transport infrastructure is key to enabling all industries and suggestions included investment to upgrade roads, bridges, and port facilities (including changes to enable the port to handle containers), as well as completion of the Inland Rail¹⁶ project to enable the transportation of goods from the port to Southern Queensland. Also mentioned was the need to invest in infrastructure to support electric vehicles transport (particularly cars and boats), as well as hydrogen powered vehicles (eg: long haul trucks).



Decisions made now about ports and roads determine the manufacturing opportunities going forward.

MANUFACTURING WORKSHOP PARTICIPANT

c. Water infrastructure

If the region is able to meet the water needs of both existing and new industries, local water infrastructure will need to be upgraded. A number of industry representatives expressed support for the Fitzroy River to Gladstone Pipeline project. This involves the development of a 116km pipeline, water treatment plant, reservoirs, and pumping stations to address the single source water supply from Awoonga Dam. The project's purpose is to ensure long-term water security for Gladstone's urban and industrial water users, and according to the Gladstone Area Water Board, provide water for the emerging hydrogen industry in the Gladstone Region.



Planning for the infrastructure needs to be in place first, not the reverse.

MANUFACTURING AND SUPPLY CHAIN WORKSHOP PARTICIPANT

¹⁶ Inland Rail is a 1,700km freight rail line that connects Melbourne and Brisbane through regional Victoria, New South Wales and Queensland, visit: <https://ourinlandrail.com.au/>



d. Digital infrastructure

The expansion of manufacturing and new energy industries necessitates expanded digital capacity. This unlocks new opportunities for local producers to connect directly with global markets (e.g., through block chain technology), enables energy trading to support decentralised energy systems, and makes the region more attractive to industries with high energy needs (e.g., data centres).

4.7 Incentives to attract new industries and investment

Workshop participants identified a range of ways to attract new industries and investment to the region, including:

- Council working with Trade and Investment Queensland and Austrade to develop a business attraction strategy, prospectus, and a marketing campaign to promote the region as an eco-industrial centre and connect with potential investors and companies.
- Working with key industry players to develop new domestic and international markets for services and products made in the region.
- Providing a local business ‘concierge’ service to link new investors and industry to local opportunities.
- All levels of government working towards consistent targets (eg: 2030 Emissions Reduction Target) and harmonising legislation to provide a higher level of certainty to potential investors and the business community.
- Large industrial players and other institutions (eg: CQUniversity and Council) committing to off-take agreements to support the development of new renewable energy generation and storage solutions, as well as provide a market for other goods produced in the region.
- Reviewing the range of financial incentives provided by government (eg: grants, loans, tax concessions, subsidies, etc) to ensure that they are geared to supporting a smooth and equitable transition to net zero.
- Developing guides and other resources to help establish new businesses in ways that support community aspirations (e.g., local business directories that can help companies meet procurement targets, community benefit guides, support to connect with Traditional Owners).
- Providing targeted support for SMEs and social enterprises to take advantage of the changes across each sector. This includes:
 - Identifying the range of opportunities for SMEs to fill gaps in the local supply chain (e.g., transport, catering, cleaning, training, engineering services, project management, community engagement) and build their capacity to win procurement contracts.
 - Programs to help local SMEs understand the significance of changes in the energy sector and the emergence of new industries and how they can take advantage of changes to grow.



- Working with local universities, social enterprise programs, business incubators and impact investors to support pilots and start-ups and attract new entrepreneurs to the region.
- Investigating new ways to support SMEs to connect directly with global markets (e.g., supporting farmers to use blockchain technology).
- Reviewing the local requirements and regulations relating to SMEs and finding ways to make it easier for people to start new enterprises.



The secret to any good large-scale project is having domestic off-take, but multiple markets need to be developed.

INDUSTRY WORKSHOP REPRESENTATIVE

Gladstone could turn its hand to anything. The trades and ability to create careers out of new opportunities such as food processing, car industry etc.

WORKERS FORUM PARTICIPANT¹⁷



Don't do everything just for new industry, build the existing up as well.

MANUFACTURING AND SUPPLY CHAIN WORKSHOP PARTICIPANT



Members of Gladstone's First Nations community visit the Reg Tanna Park duck pond in the city's Green Belt zone

¹⁷ The major opportunity for the car industry is not manufacturing cars in Australia, but in converting petrol cars to electric. One Townsville based business has grown by up to 500% in the last year.
<https://www.abc.net.au/news/2022-03-10/electric-vehicle-conversions-take-off-amid-soaring-petrol-prices/100896286>



4.8 Policy, planning and regulation

Participants across all the engagement activities strongly agreed that greater policy certainty and legislated targets would help drive industry to support manufacturing and achieve economies of scale. International investment in the region will come if the right policies and regulations are in place to support new industry. This will require all levels of government working in collaboration with industry and bodies such as the Gladstone Industry Leadership Group and Gladstone Engineering Alliance, the CSIRO and civil society groups such as environmental organisations and unions to review existing requirements and planning laws to ensure they are fit for purpose.

Given the scale and complexity of change, efforts to diversify the economy will require a new, more holistic approach to planning that brings all stakeholders and sectors together to identify what they need to grow and develop over time. As mentioned in Chapter 2, a Regional Transition Authority could help with the high level of coordination needed over the next ten years and assist with a range of planning and other necessary measures to diversify the economy.

Some participants suggested that a Renewable Energy Industrial Precinct (REIP), as proposed by Beyond Zero Emissions¹⁸ (BZE) and discussed in Chapter 2, is a useful concept for Council and State Government to explore. They could explore it with industry and potentially Federal Government to bring new energy generation, infrastructure, and digital capacity together to boost and attract manufacturing. According to BZE, the Gladstone Region is well suited to a REIP because of the existing industrial area and development land that is zoned industrial, a skilled workforce, training facilities and excellent supporting infrastructure, including the Gladstone Port. The development of adequate renewable energy and other common user infrastructure, including transmission, roads and port upgrades to support a REIP will be fundamental to progress this concept. This may require co-investment and coordination with Federal Government programs.

A Gladstone REIP will foster a homegrown community of renewable-energy-powered innovators. By nurturing partnerships between research institutions, industry, and investors, REIPs become the space where powerful players collaborate towards decarbonisation

BEYOND ZERO EMISSIONS



¹⁸ Beyond Zero Emissions, Gladstone Renewable Energy Industrial Precinct, Briefing Paper, April 2022.



State and Federal Government support for local planning and coordination is essential. Many Gladstone residents hoped the pending Queensland Government’s Ten-Year Energy Plan¹⁹ will provide clear targets, timeframes, incentives and accountability measures for the roll-out of renewable energy generation, storage and transmission projects.

Participants also highlighted the role government can play in supporting new manufacturing initiatives, some highlighting the former Federal Government’s Modern Manufacturing Initiative,²⁰ designed to support manufacturers to scale up, become competitive on the global market and create jobs. The Commercialisation Fund and the Certain Inputs to Manufacture program are still open, which support manufacturers who import chemical, plastics, paper goods, metal materials and food packaging. In June 2022, the Queensland Government committed to continue the Manufacturing Hub Grant Program with \$10 million of funding for an additional two years over five regions, and this includes the Gladstone Region.²¹

4.9 Recommendations for Council

Participants identified four main roles Council can play to support the diversification of the regional economy, including planning, marketing the region to attract new industries and investment, advocating for local priorities, and keeping the community informed as the economy changes.

Suggested actions for Council to commence over the next six to twelve months included:

a. Planning

Given the speed of development, significant planning is already occurring at a State and Federal level that will impact the region. It is also important that Council continues to facilitate processes to develop and update its own planning scheme with the input of community and other key stakeholders. Some of the areas raised by participants for the attention of Council included: planning for appropriate areas to be available for development, awareness of what industries require (particularly around new technology), improving the speed of planning approvals, and generally knowing what’s coming so Council can be well prepared.



Council need to be ahead of the game

WORKSHOP PARTICIPANT

There is also an opportunity to provide a concierge service to new project proponents for planning and approval processes with responsive turnaround times.

19 The Queensland Government Energy and Jobs Plan was released in September 2022, which was after the community engagement phase of this Roadmap. <https://www.epw.qld.gov.au/energyandjobsplan>

20 For further information on grants through the Modern Manufacturing Initiative visit: [Manufacturing funding | Department of Industry, Science and Resources](#)

21 The \$18.5 million Manufacturing Hub Grant Program encourages manufacturers to adopt new technology, skills and training, business development and advanced robotic manufacturing. At the time of writing, Round 3 of grants was due to open shortly. [Manufacturing Hubs Grant Program | Department of Regional Development, Manufacturing and Water \(rdmw.qld.gov.au\)](#)



b. Marketing the region

Council can play a greater role in attracting new projects to the region. New opportunities include strategically marketing the competitive advantages of the Gladstone Region to investors and companies, including the availability of a deep-water port, state development land and a skilled workforce. The region is also an ideal place to invest as it is open to innovation (for example, the way businesses are already embracing the circular economy) and is prioritised in planning efforts by the Queensland Government through the roll-out of Renewable Energy Zones.

In collaboration with relevant stakeholders, Council can take steps to promote the region by:

- Sharing the portfolio of investment opportunities developed by Trade and Investment Queensland with interested investors.
- Developing guiding principles on local expectations of industry (for example, what the community expect in terms of community benefits).
- Work with Gladstone Engineering Alliance, Gladstone Industry Leadership Group, Central Queensland Regional Organisation of Councils, and the Queensland Local Content Leaders Network on guides for companies around local procurement expectations and showcase where companies can source dependable local suppliers.

Support the work of the Gladstone Chamber of Commerce and Industry to encourage communities to shop locally.

In collaboration with Gladstone Area Promotion and Development Ltd, produce a strategic marketing plan and invest more resources to promote the Gladstone Region as an attractive place to visit²² and live, to attract new professionals and workers and encourage people stay in the region.

c. Advocacy

- Council needs to advocate for high-quality infrastructure in the region from the State Government so that Council can maintain roads and bridges to meet community needs withstanding additional impacts from industry use.
- As the region diversifies, Council needs to advocate for new market entrants to uphold environmental standards and ensure community benefits.

d. Keeping the community informed

Council should move from being merely an advice agency, to instead being responsible for preparing the community for changes that come from major projects. In terms of diversifying the economy, this includes raising awareness of the range of economic opportunities that are emerging, likely impacts, and how people can participate and benefit.

²² A summary of the five-year tourism strategy for the region can be found here: <https://www.gladstone.qld.gov.au/downloads/file/2449/attach-04-gladstone-visitor-economy-2025-infographic>



Activities to raise awareness and address concerns could include regular Council forums, dedicated community meetings, and online sharing through the Conversations platform. Any concerns raised by the community then need to be responded to by Council, industry or State Government as relevant.

Additional recommendations that Council could consider for the future includes:

e. Supporting small to medium enterprises (SMEs)

Council needs to understand how small to medium enterprises, especially those servicing fossil fuel industries, will need to adapt as the energy system changes. Council may be able to leverage the work of existing partnerships such as Gladstone Area Promotion and Development Ltd (GAPDL), Gladstone Engineering Alliance (GEA) and Gladstone Chamber of Commerce and Industry (GCCCI) that can engage with local SMEs to:

- Analyse what they need and connect them to programs that offer training, finance and business development services.
- Host training and other support programs to develop local SMEs' capacity to meet new industry tendering requirements in areas such as administration, catering, cleaning, accommodation, community engagement and maintenance services. This includes proactively supporting the development of social enterprises across the region.



Stand up for the town and be proactive.

COMMUNITY FORUM PARTICIPANT



Useful Resources

Planet Ark (2020). Australian Circular Economy hub provides companies, individuals and communities with tools and advice to help implement a circular economy. <https://planetark.org/programs/australian-circular-economy-hub>

Climateworks Centre and Climate KIC, Australia (2022). Australian Industry Energy Transitions Initiative. Accessible at: <https://energytransitionsinitiative.org/wp-content/uploads/2022/06/Setting-up-industrial-regions-for-net-zero-Australian-Industry-ETI-report-JUNE-2022.pdf>

Townsville Enterprise (2022). Townsville North Queensland Destination Marketing Portal. Showcases regions attractions and current information shared with industry to 'connect, grow and promote Townsville'. <https://www.townsvilleenterprise.com.au/tourism/destination-marketing/>

Queensland Government, State Development, Infrastructure, Local Government and Planning. Regional and Remote Recycling Modernisation Fund, funding now closed but Council could advocate for this type of support to continue. <https://www.statedevelopment.qld.gov.au/industry/priority-industries/resource-recovery/regional-and-remote-recycling-modernisation-fund>

Beyond Zero Emissions (2022). Renewable Energy Industrial Precinct briefing paper. https://bze.org.au/research_release/gladstone-briefing-paper/

Beyond Zero Emissions (2022). NSW small and medium enterprise regional procurement policy (included as an option for Council to advocate for Qld State Government to offer a similar opportunity, currently the state government has a 30% SME procurement target, but there is no distinction between regional and metro). <https://buy.nsw.gov.au/policy-library/policies/sme-and-regional-procurement-policy>

Stride Renewables. Navigating regulatory, commercial, and technical challenges to unlock growth in the renewable energy industry. <https://striderenewables.com/>

Queensland Government (2019). Queensland Resource Recovery Industries 10-year roadmap and action plan. https://www.statedevelopment.qld.gov.au/_data/assets/pdf_file/0014/17204/resource-recovery-roadmap.pdf





CHAPTER 5: Workforce Support and Development

5.1 Introduction

The energy workforce will undergo a significant transformation over the next decade as work in fossil fuel industries starts to decline, and the number of jobs in renewable energy and green manufacturing expands.

Estimates of the number of new jobs created as Australia transitions to renewable energy vary. According to modelling by Accenture, Queensland could require as many as 19,000 construction and 8,000 ongoing renewable energy jobs by 2030.^{1,2} Approximately 60% or more of these jobs will be located in regional areas. Even more jobs will be created through the development of associated supply chains and the manufacturing of green products such as hydrogen, renewable energy parts and green chemicals and metals.³



Gladstone waste water planned maintenance

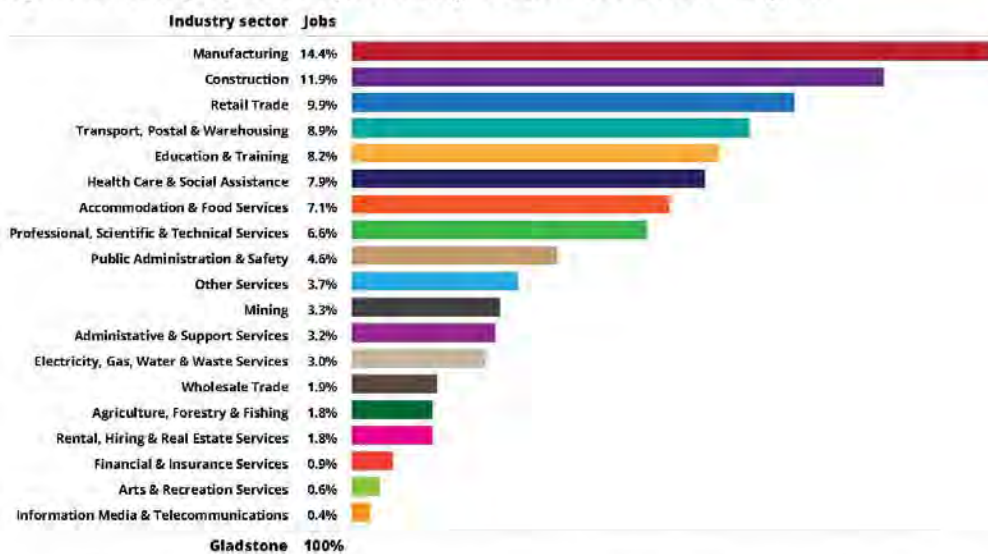
1 Accenture (2022).

2 The Queensland Government Energy and Jobs Plan (2022) estimates 64,000 jobs to build the SuperGrid.

3 Briggs, et.al. (2020), Construction Skills Queensland (2022).

The Gladstone Region’s current workforce totals around 27,800 people.⁴ As outlined in Figure 5.1 below, many of the skills that emerging industries will require already exist across the region. Manufacturing (particularly metal production) currently employs approximately 4,500 people and composes 14.4 per cent of the regional workforce. The second largest industry is construction (residential, non-residential, heavy and civil engineering and services) which constitutes 11.9 per cent of the regional workforce, followed by retail trade (10 per cent) and transport and warehousing (9 per cent).⁵

Figure 5.1: Employment by Industry Sector – Gladstone Region⁶



Data sourced from ABS 2016 Census Place of Work Employment (Scaled), ABS 2018 / 2019 National Input Output Tables, and ABS June 2021 Gross State Product

While the skills needed for emerging industries already exist, the region does not have enough workers to service all proposed projects. Industries across the region are already struggling to access the staff they need. Attracting new workers while ensuring that locals benefit from the emerging opportunities will require careful planning. Industries already facing labour shortages will need to develop a range of incentives to attract workers to the region, and transition fossil fuel workers as industries decline. They also need to bring in new workers from groups largely marginalised from formal employment opportunities such as women, young people, First Nations people, those living with disabilities and older workers. Addressing skills and labour shortages is not a challenge unique to the Gladstone Region, but whether it can be addressed will determine the pace and scope of development of new industries.

4 Approximately 5 per cent of this workforce does not live in the region.
 5 Employment Page, Economy, Jobs and Business Insights, Economy Tab – Gladstone, REMPLAN – (accessed Aug 23, 2022) <https://app.remplan.com.au/gladstone/economy/industries/employment?state=FAjOlvieX8NFxjAos4k8BnsGOx5wi0iZ7M9ldQ4QkTRMGMYH1lBwU3l9h2ZjdhAe7>
 6 REMPLAN (2022b) Gladstone Regional Council – Economy, Jobs and Business Insights. Data as at August, 2022. Available at: <https://app.remplan.com.au/gladstone/economy/summary?state=h8MjFBE3vsDWWzxFwKpRYWlwlplQEt>

5.2 2032 Vision

Most community and industry stakeholders who participated in the engagement activities had only a limited understanding of the types of jobs and skills needed by emerging industries. They were, however, able to paint a clear picture of what they would like to see by 2032.

Participants envisaged the 2032 regional workforce responding dynamically to the impacts of changes in the energy sector on the regional economy. Workers in fossil fuel industries will have been supported to find similar work in other sectors, redeployed to other sites as local operations shut down, or have retired. Workers will have been able to build on their existing skills base in new industries because of innovative approaches to skills recognition (for example micro-credentialling) and on-the-job training. Young people who entered the fossil fuel industry during the decline phase will have been trained from the outset of their career to make the transition into new energy industries and the sectors that support decarbonisation.

By 2032, the expansion of the renewable energy, hydrogen, manufacturing, technology development, technical services, training, and supply chain industries has created good, secure, well-paid positions that offer a range of benefits and career development opportunities. These industries, along with existing employers, have realised the value of providing more inclusive and flexible working conditions. The twelve-hour work shift is now an optional model, mixed with other variations that match worker and community needs. As a result, greater levels of employment opportunities exist for groups previously excluded from industrial work opportunities (for example, women, young people, First Nations people, older workers, and people living with a disability).

By coordinating and supporting high levels of local employment and the retention of young people, the need for a FIFO workforce has been limited compared to previous periods of rapid industrial expansion. The impacts on the local economy and social fabric of the region have been planned for and well managed, creating positive outcomes such as improved local services and increased cultural diversity and equity. Traditional and new energy industries have been supported by successive State and Federal Governments to develop the region, including additional investment in housing, healthcare, childcare, schooling, and retirement facilities. This has improved the region's attractiveness as a place to live and retire, contributing to worker recruitment and retention.

A decade of collaboration between industry, all levels of government, universities and other training providers has delivered many benefits for the workforce. Skills shortages were identified early and a place-based approach to local workforce training has



created multiple world-class facilities. This positions the Gladstone Region as a Centre of Excellence in Training for a range of different industries including renewable energy generation and storage, hydrogen production, decarbonised metal processing and other forms of manufacturing. Local training and education institutions, such as Central Queensland University, are integrated with industry and other sectors to present people with multiple recognised career pathways into the region's rapidly diversifying economy.

Achieving this vision will require concerted effort and targeted investment to:

1. Facilitate place-based workforce planning, coordination and policy development.
2. Support fossil fuel workers to transition to other industries.
3. Ensure new jobs are good jobs.
4. Identify the jobs and skills needed by emerging industries.
5. Invest heavily in education and training in the region.
6. Expand the local workforce through measures designed to increase inclusion.
7. Develop targeted training support for small and medium-sized enterprises.
8. Strengthen the role of unions to support workforce development.

5.3 Facilitating place-based workforce planning, coordination and policy development

Greater workforce planning, coordination and policy development is needed to support existing and new workers to meet the region's rapidly changing labour needs. Participants believed all stakeholders should be involved in workforce development and planning, and multiple approaches at a national, state, regional and local level would be required.

Workforce coordination is complicated, given the number of stakeholders across industry, education and training institutions, unions, First Nations groups, employment services and all levels of government. Overlapping roles and responsibilities further compound this. One workshop participant described the sector as "really messy, especially in VET" (Vocational Education and Training),⁷ however long-term efficiency gains can be made if stakeholders manage to coordinate around local procurement and staffing across all stages of the project cycle.

Federal and State [Governments are] in different silos and are not working together.



EDUCATION AND TRAINING WORKSHOP PARTICIPANT

⁷ Quote from manufacturing and supply chain workshop participant.

The predominant view was that State and Federal Governments need to work cooperatively to:

- Develop consistent and complementary legal and policy levers.
- Create incentives for industry to adopt best practice workforce development policies and practices.
- Develop strategies to capture the localised workforce development opportunities presented by Renewable Energy Zone development.



It's important as the workforce transitions that collaboration has happened between industry, government, universities, and councils in identifying skills shortages and setting up training programs to support re-skilling, upskilling and training of the new workforce...

ENERGY WORKSHOP PARTICIPANT

From a practical perspective, participants saw effective workforce coordination most likely to emerge from proactive local proponents and Local Government. This would lead to collective benefits to recruitment and retention, productivity and cost savings. Gladstone hydrogen proponents are already starting to recognise these benefits, with many hydrogen workshop participants commenting on the collegial way in which multiple local companies share and collaborate to get the industry off the ground.

Whether Council, industry, State and/or Federal Governments or a Regional Transition Authority lead coordination efforts⁸ workshop participants emphasised the need to design, implement, measure and report on multiple workforce goals, including skills audits; project schedules; worker transition training; workforce diversity; and early career training and apprenticeships.

Participants also believed the Queensland Government could do more to work with existing regional industry bodies, such as the Gladstone Industry Leadership Group (GILG) and Gladstone Engineering Alliance (GEA), to pilot



⁸ Regardless of who leads coordination and planning efforts, strategies need to be informed by a range of stakeholders including government and industry and business stakeholders (such as GILG and GEA), economic development agencies, training providers, employment service organisations, First Nations groups, community members and welfare services, as each group offers different knowledge and ideas.

industry-wide coordinated workforce planning and training. This pilot would invariably include education institutions and thus have scope for co-designed training and programs that meet emerging workforce requirements.

Workshop participants expected governments to work with industry to learn from previous experiences in the Gladstone Region and elsewhere. One example offered was to learn from the LNG build in Gladstone to find ways to sequence construction projects to help ensure enough construction workers are available to meet the demand whilst also maximising local workforce participation and procurement and minimising housing market strain.⁹

5.4 Supporting fossil fuel workers to transition

The most common concern raised by participants in both community and industry stakeholder workshops was the need to support workers in fossil fuel industries as things change. There was strong agreement across all the engagement activities that workers can see that change is already happening or is not far away. Instead of more 'climate wars,' participants want to see clear plans and options available to workers whose livelihoods will be most impacted by changes in the energy sector.

Workers can make effective employment decisions with clear information from employers, industry, and governments. Information should include their options for available training and assistance, new careers their skills will be most suited to, and when those roles are likely to become available. However, participants across all workshops emphasised that workers currently employed in fossil fuel industries will need additional support as changes in the energy sector accelerate over coming years.

As demonstrated in Germany, the Latrobe Valley and elsewhere, the kinds of support workers need in regions facing a decline in fossil fuel industries include:

a. *Redeployment Assistance*

- Providing a range of employment services to help workers identify new career pathways and prepare for and find work well before any closures.¹⁰
- Deploying workers from plants due to close to other power stations¹¹ or into renewable energy jobs as they become available.¹²
- Offering pooled redundancies and early retirement packages to workers across the entire industry can free up spaces for younger workers who want to remain in the industry.

⁹ See Chapter 6 for a discussion on housing.

¹⁰ The Queensland Government Energy and Jobs Plan (2022) has announced that workers at Queensland's publicly owned coal-fired power stations will have a Job Security Guarantee and have developed an Energy Charter agreed upon by the Queensland Government, unions and employers.

¹¹ Offering workers the opportunity to redeploy to other plants or into renewable energy projects or retire early has enabled an orderly reduction of 130,300 coal mining jobs in Germany in 1990 to around 12,100 in 2014. (ACTU 2016)

¹² ACTU 2016; Galgóczi 2014; Schultz et al 2016

b. Training and Education

- Supporting the current workforce to re-train or up-skill to take on opportunities in associated fields, such as high-voltage renewable energy and transmission line developments.
- Enabling workers to undertake training for future roles while still employed.

c. Financial Assistance

- Establishing one-stop shops to facilitate easy access to financial assistance, employment assistance and other services. For example, the Latrobe Worker Transition Service.¹³
- Ensuring workers are offered a range of financial assistance options including voluntary redundancy packages or early retirement packages for older workers.
- Offering additional financial assistance payments, such as travel subsidies or relocation allowances, or superannuation ‘top-up’ payments for those choosing early retirement.
- Offering a range of business start-up loans, business training, incubator support and investment to workers wanting to start their own businesses.

d. Personal Support for Workers and their Families

- Providing access to both financial and psychological counselling to individuals and families.¹⁴
- Create paid positions for fossil fuel workers transitioning to act as champions, role models and mentors for other workers considering or beginning to look at options outside the fossil fuel industry.

Experience demonstrates that these actions and mechanisms can and do support workforce transition, but only if they are developed and implemented well in advance of plant closures. This requires long-term planning. For example, redeployment schemes must be established to upskill people in advance, so they are ready when their existing job ends. Some of the roles workers move into, like new economy minerals and hydrogen, may require different and new skills that need to be developed early, even if the transition is not for some time.

Mechanisms also need to be put in place to hold employers accountable for ensuring they provide retraining and deployment opportunities, as well as decent redundancy and retirement packages. There also needs to be diversity in how training is offered and supported, such as financial or employer support for workers to undertake on-the-job training while on secondment to other plants or even other industries.

Participants pointed out that more stakeholder engagement is needed, including with workers. Skills audits can help identify fossil-fuel workers prospects as well as match the existing workforce

¹³ Latrobe Valley Authority. Accessible at: <https://lva.vic.gov.au/business-and-worker-support/worker-support-services>

¹⁴ Note that 87 per cent of respondents to the online survey agreed with this provision.

capabilities to emerging industry needs. For example, hydrogen industry stakeholders suggested that workers in the LNG industry are already skilled in processing, liquefaction, storage, pipeline distribution and other gas processes that will be needed in the growing hydrogen industry. Ensuring existing workers can transition to other sectors will require planning and support well in advance of any closures, as well as coordination across and between industries, unions, government departments and training providers.

5.5 Ensuring new jobs are good jobs

While most participants focused on how workers might transition to jobs in the renewable energy and manufacturing sectors, those with close ties to fossil fuel industries and union representatives emphasised the need for like-for-like roles with similar pay, conditions, and job security.



How do we transition our skilled workers to 'like-for-like' jobs?

WORKERS FORUM PARTICIPANT

The general view held by workers, community members and unions participating in the engagement activities was that jobs in the renewable energy sector are lower paid, insecure, casualised, temporary, involve constantly changing drive-in drive-out (DIDO) and FIFO locations, are less safe and do not come with the same benefits as current jobs in the fossil fuel sector.¹⁵

This perception seems to stem from the project delivery model used by many renewable energy proponents (i.e. the outsourcing of engineering procurement, construction, operations and maintenance contracts to different entities). The tight margins of privately owned companies also contribute to this perception, because such companies have obligations to achieve shareholder profits. Plus, they are competing with fossil-fuel generators constructed with public money decades ago.¹⁶ This intense commercial pressure creates a fundamental recruitment and retention barrier that undermines the entire future of the renewable energy industry.

Some evidence suggests this is changing with greater certainty and investment across the renewable energy industry and competition for workers. This leads to significant increases in wages, better conditions, longer-term contracts and investment in worker retention and development. Conversely, jobs in the mining and energy sectors have been increasingly outsourced in recent years, becoming more casualised, insecure and less well paid than were benchmarked in the last millennium.^{17 18}

15 For more details see ACTU (2020)

16 ACTU (2020)

17 Australian Parliament House – select committee inquiry into impact of insecure or precarious employment, chapter 3. Accessible at: https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Job_Security/JobSecurityThird_Interim_Report/section?id=committees%2Freportsen%2F024778%2F78275

18 Mineral council of Australia, page 32. Accessible at: <https://www.minerals.org.au/sites/default/files/DAE%20-%20MCA%20-%20Labour%20Hire%20Final%20Report%204%20June%202019.pdf>



Regardless of whether this disparity in conditions between industries is real and/or persists, the commonly held perceptions about jobs in the renewable energy industry (particularly construction jobs) make them a comparatively undesirable career path, and this requires urgent attention.

Workers, union representatives, and community participants expressed a strong desire to see new energy-related industries (particularly renewable energy sector) become a long-term career option, offering suggestions to improve the sector, including:

- Designing systems for work continuity and security during the build out, operation, maintenance of the decarbonised industries, and the associated manufacturing careers.
- Government and industry working together to develop pathways to long-term stable employment for those in the energy sector.
- Sequencing projects to enable construction workers and local businesses with procurement contracts to have a pipeline of work over a longer period of time.¹⁹

In addition to these steps, employers will need to offer the right incentives to attract and retain workers, especially given that worker incomes in the Gladstone Region are higher than the Queensland average. Over 22 per cent of workers earn over \$2,000 per week, compared with 11.7 per cent across the state, noting they also work much longer hours, with 37 per cent of employees working more than 41 hours per week, compared to 26.1 per cent across the rest of Queensland.²⁰

5.6 Identifying the jobs and skills needed by emerging industries

Most of the community and industry participants across both community and industry stakeholder workshops were unsure as to the specific types of jobs and skills that the emerging industries will need. This ambiguity includes uncertainty about the volume and specific types of jobs, when they will be required and additional training requirements needed to fulfill them.

While some work has been done to identify the types of jobs that will be required as Australia



¹⁹ As Construction Skills Queensland points out in their recent report (2022), the transition to renewables is not a sharp boom like those experienced in the mining industry instead it is a long-term upswing in demand for the construction sector.

²⁰ Hours Worked, Workers Page, Jobs and Business Insights, Economy Tab – Gladstone, REMPLAN – (accessed Aug 23, 2022) <https://app.remplan.com.au/gladstone/economy/workers/hours-worked?state=ZjK6FyIrvqEiGQp3FkIrx6C9LdQYFy0IA2qs3HvNkXhnl5hyGIEhbbe4hKmx>

decarbonises,²¹ further work is needed to establish the current skill profiles within the Gladstone Region. Specifically, determining any gaps and the timeline required for filling them.

The types of new jobs that industry workshop participants were able to identify include:

- Hydrogen production, transport, storage and ancillary services, including roles in derivative supply chains (such as green chemicals). These roles include engineering, project management, first responders, emergency services and safety roles.
- Renewable energy construction, maintenance and operations roles. Examples of ongoing roles exist in the areas of renewable energy system integration, system optimisation, hi-tech battery chemistries, HVDC and superconducting cable to transmit electricity and wind blade inspection plus other operational, typically technician roles.
- Manufacturing roles to make key components such as electrolysers or wind turbines or towers.
- Service industry roles in information, communication and technology, electronics, piping, maintenance, and operations.
- Roles outside the traditional energy sector, including artificial intelligence, new technology (such as drones and remote operations of renewable plants), data science, SCADA software monitoring, and community engagement, planning and environmental and water management.

In addition to the needs of new industries, participants also highlighted existing skills shortages in other sectors of the Gladstone Region's economy. These are related to workforce liveability and also need to be addressed, particularly in the areas of childcare, aged care, health care and accounting.

New modelling on the range of skills required across a range of emerging industries has emerged in the months since the engagement activities, including the Queensland Government's Hydrogen Workforce Roadmap,²² Queensland's Renewable Future report from Construction Skills Queensland,²³ and the Queensland Climate Action plan (Accenture, commissioned by WWF, ACF and QCC).²⁴ The key trades required to service renewable energy generation and storage, hydrogen and other manufacturing opportunities include construction workers, electrical, plumbing, gas technicians, boiler making, and professional skills in engineering, planning and project management, will be in high demand. More learning opportunities exist to further complement this work by observing the experience of other countries that are further ahead in terms of developing the renewable energy, manufacturing, and hydrogen sectors.

Participants across all workshops expressed overwhelming support for government to conduct a robust regional skills audit to match the existing workforce capabilities in the Gladstone Region with future needs. This is consistent with recommendations made in Council's Gladstone Region Economic

21 Briggs et al, 2020, Renewable Energy Jobs in Australia, University of Technology Sydney.

22 Accessible at: <https://www.publications.qld.gov.au/dataset/hydrogen-industry-workforce-development-roadmap-2022-2032>

23 Construction Skills Queensland (2022). Accessible at: <https://www.csq.org.au/renewables/>

24 Accenture (2022). Accessible at: <https://www.wwf.org.au/what-we-do/climate/renewables/resources/queensland-climate-action-plan#gs.93564z1t>

Development Strategy (2021–2025) which call for a Gladstone Region Future Employment Review. Such an audit could identify current skills, capabilities and future requirements in the region, and develop recommendations on interventions and upskilling to fill gaps over time. Some participants emphasised that a credible, independent body should undertake a skills audit (rather than by industry) and results should be shared publicly for use in economy-wide strategy and planning.



80% or more of the skills needed in hydrogen are existing skills that plumbers, gas workers, electricians and others already have. Workers will need safety training, but there are not a lot of new skills needed.

HYDROGEN WORKSHOP PARTICIPANT

Gas workers are used to dealing with gases – hydrogen just another gas and already produced in region – so only additional training around safety and awareness.

HYDROGEN WORKSHOP PARTICIPANT



5.7 Invest in regional education and training

Participants across all workshops agreed that the regional education and training system needs to be better resourced to prepare the workforce to participate in the evolving economic opportunities.

Training and education providers such as the CQUniversity have already begun identifying the numbers and types of jobs and skills future energy industries will need, to develop and deliver courses to meet these needs.²⁵ For example, CQUniversity undertook a ‘hydrogen economic capabilities statement,’ in consultation with industry and others in 2020²⁶ and the Gladstone campus is already delivering a hydrogen production foundation skills²⁷ course and is preparing to deliver others in electrolyser operation, instrumentation and process control and advanced manufacturing.²⁸ These offerings will contribute to meeting workers’ needs regarding the decarbonisation process of existing industries, for example, how to design, build and operate hydrogen production to replace fossil fuel use in industrial processes such as alumina production.

25 CQU Capability statement referenced in media release accessible at: <https://www.cqu.edu.au/cquinews/stories/general-category/2021-general/cquiversity-research-set-to-drive-regional-hydrogen-industry> (accessed 20/08/22)

26 This statement was referenced on the CQU website, accessible at: <https://www.cqu.edu.au/cquinews/stories/general-category/2021-general/cquiversity-research-set-to-drive-regional-hydrogen-industry> (accessed 20/08/22)

27 For more details on foundational courses such as: “Hydrogen Production: An Introduction”, see <https://handbook.cqu.edu.au/vet/courses/view/NACC100493/3091> (accessed 20/08/22)

28 CQU (2022).

Efforts such as these are helping, in the words of one community member, to “future-proof people for future jobs.” However, training providers emphasised that further investment is needed to develop courses for jobs that currently don’t exist and have no current demand. Such offerings are “ahead of their time” and therefore tend to operate at a loss. Greater investment by government, industry and other stakeholders is needed to ensure the Gladstone Region’s training and education sector can collaborate to innovate and develop new offerings.

Regional players could learn from and contextualise examples of how training and retraining have been done well in other places. One example offered during workshops included the Kwinana Industries Council (KIC)²⁹ successful approach to place-based workforce coordination to develop industry synergies on a regional scale, highlighting the potential for mutual benefits. KIC members work together to support a high school outreach program and workforce development, as well as encourage workers to move between employers to maintain a skilled workforce within the region.³⁰

Another innovative example of workforce development is the six-month Solar Industry Career Pathway program that involved a renewable energy company partnering with a local TAFE to create ongoing apprenticeships and employment across a range of solar farms in Victoria.³¹

Suggestions offered by participants during industry workshops to strengthen and adapt the current education and training sector included:

- Standardise renewable energy training to ensure consistency across the industry. According to one participant, this would improve expectations, conditions and outcomes for workers and industry.

Roles and responsibilities within education and training sector:

- Training governance: State Government is responsible for school and VET, Federal Government for universities and tertiary education.
- Federal Government should coordinate a national upskilling accreditation scheme.
- Industry plays vital but non-statutory roles, e.g. partner with education providers in workplace integrated learning, management of apprenticeships and traineeships, on-the-job training and skills development.
- Private training providers increasingly offer micro-credentialing, industry specific inductions and upskilling, and supporting inward migrants.

29 The KIC is an incorporated not-for-profit business association that improves cost efficiencies and members interests by coordinating community and stakeholder engagement in relation to environmental, public health, safety and industrial development (amongst other objectives). For more details about Kwinana Industries Council see: <https://kic.org.au/about/> (accessed 14/08/2022)

30 For more details on KIC’s employlink service see: <https://kic.org.au/kic-employlink/> (accessed 14/08/2022)

31 See Beon energy solutions Karadoc solar farm example, outline accessible at: <https://beon-es.com.au/latest-news/new-program-offers-job-pathway-into-sunrayslas-solar-industry/>

- Establishing the minimum training requirements for emerging workforce roles.
- Collaborating with industry to develop and deliver training.
- Undertaking high-calibre trials and internationally significant research projects, linked to hands-on learning.
- Government providing funding specifically designed to encourage the innovation needed to develop new programs, courses and approaches to training workers needed for future industries.

Workshop participants also highlighted the need to address the current shortage of trainers, suggesting measures including:

- Enabling (and encouraging) subject matter experts to deliver training in a Registered Training Organisation (RTO) whilst working in the field (rather than requiring dedicated trainers to RTOs).
- Reviewing Vocational Education Training (VET) legislation to expand who is legally allowed to train people to meet the industry's emerging needs.
- Increasing remuneration and other value propositions to attract and retrain trainers on a full-time, part-time or 'as needs' basis.
- Bringing experts from overseas to 'train-the-trainer' where specific capacity-building needs cannot be met domestically.³²
- Consolidating the number of training providers servicing new industries to ensure operators are specialised and can sustainably deliver outcome excellence.



At the moment, there are 400 school leavers in Gladstone, but only 14 apprenticeships available for them to take up trades in industry.

TRAINING AND EDUCATION WORKSHOP PARTICIPANT

Another strong theme in the workshops was the need for government and training providers to work closely with industry to increase the number of apprenticeships and traineeships in partnership with the VET sector.³³ Participants reflected on how older trade workers were trained on the job through cadetships, apprenticeships, and other schemes, where the training costs were largely or wholly borne by employers.³⁴ The casualisation and fragmentation of the labour market have changed the way employers think about training and staff development, with many not confident they will get the return on investment required to justify training expenses associated with apprenticeships and traineeships. Hence, workers today are generally expected to support themselves whilst training, pay the training costs and apply 'job ready.'

³² For example, when local gas technicians partnered with the Federal Government to bring trainers from the UK to Queensland to 'train the trainer' and adapt local skills to meet the needs of the LNG industry.

³³ The Queensland Minerals Academy (QMEA) was mentioned by one participant to have successfully generated a demand for apprenticeships whilst meeting industry needs.

³⁴ Noting various government policies and programs have partially subsidised employers to offset this form of investment.

Suggestions to reverse the decline in apprenticeships and traineeships in the industrial sector in the Gladstone Region included:

- Establishing an apprenticeship framework that allows the worker to move between projects, employers or even industries during their training. This would enable apprentices to work across multiple sites and with multiple employers during the qualification, who each mark off specific competencies. Mining companies like BHP have facilitated this type of broad training for many years. In the decentralised and transitioning energy context, this kind of scheme would mean people working towards an electrical trade could work in fossil fuel, renewable energy and other industrial processes within the same apprenticeship.
- The Queensland Government influencing the proportion of apprentices in the workforce by broadening the reach of policies that require a set proportion of total hours worked on eligible government projects be undertaken by apprentices and/or trainees and through other workforce training.³⁵
- Encourage and incentivise businesses to hire 'mature apprentices' looking to redirect their career path towards new industries.
- Consider the approach adopted by Germany, where they passed the 'Qualification Opportunities Act' to give employees the right to access continuing vocational education and training funding "if they are affected by structural changes or desire further training to access an occupation lacking employees."^{36 37}



It is important to review apprenticeship schemes as they have potential to address worker shortages and future workforce needs.

HYDROGEN WORKSHOP PARTICIPANT

In addition to the need to offer more apprenticeships and traineeships, participants also suggested that training needs to be tailored for specific cohorts by:

- Developing micro-credentials (e.g. hydrogen fundamentals) for emerging industries so that workers can leverage their existing skill sets (such as those in coal and gas). These micro-credentials or 'bridging training' would best be delivered as part of 'on-the-job' training.



35 Details about eligible project criteria and other information are accessible at: <https://desbt.qld.gov.au/training/employers/trainingpolicy> (accessed 10/08/22)

36 This empowers workers, reduces the financial 'risks' borne by employers and the minimises time delays involved in retraining or upskilling new employees.

37 Cedefop (2020). Page 5. Vocational education and training in Germany: short description. Luxembourg: Publications Office of the European Union. <http://data.europa.eu/doi/10.2801/32993>

- Developing specifically tailored courses for retraining experienced 'mature' workers. For example, Queensland University of Technology trained professional power engineers in the different systems of power generation. This tailored worker training would also enable a network of 'energy transition alumni' to develop, offering shared experiences and psychological support through the changes.
- Support workers through inter-employer agreements to work across multiple sectors as one role declines and another role emerges. For example, a group of plumbers and gas workers might work in the LNG industry but progressively transfer across to hydrogen or associated process industries.
- Offer people who've been out (or never part) of the industrial workforce opportunities to gain foundational skills through varied and flexible avenues. This could include offering fundamental skills training to people from diverse backgrounds in informal and familiar places, like a community centre. This approach typically provides mentorship and multifaceted capacity-building outcomes.

With the right investment, the Gladstone Region could become a Centre of Excellence in training for people working to decarbonise a range of industries. This aspiration may already be coming to fruition. CQUniversity has recently built a School of Manufacturing, through the Federal Government's Regional Research Collaboration (RRC) Program, and is planning a Hydrogen and Renewable Energy Precinct at the Gladstone Marina Campus.³⁸ The Queensland Government has also recently funded upgrades to the Gladstone State High School's science and engineering workshops, and is working with local industry to position students to enter the hydrogen industry.³⁹ ⁴⁰These kinds of investments build industry confidence to invest in developing workforce and research capabilities in Gladstone, well into the future.

Initiatives such as these help attract students, trainees, industry partners and international talent to the region to learn and contribute to the development of emerging industries.⁴¹ Participants recognised the broad regional advantages of combining a training centre with local hands-on, 'on-the-job' industry immersion and scientific links, which in turn would generate the skilled workforce the region needs. The value of real industry experiences were made evident when one participant described an excursion:

"The hydrogen sector has provided an external excursion for students to see this new industry emerging. Students from low-income and high-unemployment areas went. The teachers involved said the site visits were the best thing they have seen in their teaching experience."

38 "To determine research and innovations required to drive the adoption of green hydrogen for export in Gladstone and to develop the zero emissions technologies required by industry." More details accessible at: <https://www.cqu.edu.au/cquinews/stories/general-category/2021-general/cqu-university-research-set-to-drive-regional-hydrogen-industry> (accessed 22/08/22)

39 Queensland Government (2022). Queensland Cabinet and Ministerial Directory, media statement, Published 28/06/22. Retrieved from: <https://statements.qld.gov.au/statements/95508> (accessed 10/08/22)

40 Albeit the State Government's multiple recent investments to build hydrogen and associated industry training facilities in other regions – e.g. Townsville and Beenleigh.

41 Details of State Government investments are accessible at: <https://www.statedevelopment.qld.gov.au/industry/priority-industries/hydrogen-industry-development> (accessed 22/08/22) & <https://www.statedevelopment.qld.gov.au/queensland-jobs-fund> (accessed 22/08/22)

5.8 Expanding the local workforce

Participants across all workshops were adamant that more needs to be done to ensure jobs create benefits for locals over the long term. Some people cited concerns that the new energy industries could exacerbate the trend to fulfill workforce needs with FIFO or DIDO workers. Participants supported the view that new industries, such as hydrogen, should adopt a 'locals first' approach to employment and procurement.⁴² This was most pronounced when considering the need for fossil fuel workers to secure alternative work once the fossil fuel industries begin declining.



Specialist industrial skills have been lost in the Gladstone Region. Shutdowns often use fly-in fly-out workforce now.

WORKERS FORUM PARTICIPANT

Industry participants pointed out there is an alarmingly narrow window of opportunity to develop the workforce pathways, otherwise proponents will fall back on recruitment strategies that provide them least cost and immediate results. This approach leaves no lasting contribution to the social and economic fabric of the Gladstone Region.

Participants suggested two main strategies to expand the local workforce: increasing efforts to include local people not currently engaged in the workforce, and developing strategies to encourage workers to migrate to the region.

a. Expanding the local workforce through greater inclusion

While Australia is currently experiencing record-low unemployment rates, there are many groups who continue to be under-represented in workforce participation rates including, women, young people, First Nations people, older people and those living with a disability.

Workshop discussions highlighted the potential for interventions to improve inclusivity at every step of specific workplace experiences and career pathways and included:

- Workplaces and industries employing diversity advocates/consultants to review recruitment processes and recommend changes that make them accessible to people from different backgrounds.
- Ensuring adequate access to services such as school, childcare and aged care facilities to increase women's and carers' opportunities to enter paid employment opportunities.
- Setting quotas to increase diversity in the workforce and training courses.
- Tailoring approaches to training to meet the needs of different groups (for example, offering courses after hours).

⁴² Note that while ensuring local workers have opportunities to participate in new industries was a priority in industry and other workshops, it was also acknowledged by many in the industry workshops, that additional workers will need to be sourced from outside the region to address current and future skills shortages. These workers could migrate in and become established or become FIFO/DIDO.

- Provide incentives such as scholarships, work-integrated learning and mentorship.
- Engaging school-aged students⁴³, so they understand the opportunities that are emerging in new industries and offering scholarships and traineeships to support a clear pathway to employment.
- Ensuring work arrangements are flexible enough to cater for the needs of those with caring responsibilities. This included reviewing the need for 12-hour shifts. As one participant from the workers workshop noted, “it’s not conducive to a good lifestyle or community health.”
- Ensuring workplaces are accessible for differently abled people.
- State and Federal Governments to collaborate with the community, workforce services and industry to better analyse rates of underemployment and numbers of long-term unemployed people that may not be captured in the unemployment statistics because they are no longer actively seeking work.⁴⁴



How can we attract youth into industry now if they believe it’s going to end?

WORKERS FORUM PARTICIPANT

Disability participation in the workforce can occur more, businesses can engage people with different abilities with support from local and state governments. Coordinating this at the local context would help with this.



MANUFACTURING WORKSHOP PARTICIPANT

Queensland could learn from the NSW Government’s attempts to increase diversity through training and apprenticeship mandates. The Infrastructure Skills Legacy Program adopted by NSW Government in 2020⁴⁵ requires eligible government projects worth over \$10 million to have:

- Applied the relevant Aboriginal Procurement Policy.
- 20% apprentices in the trade workforce.
- 20% of the project’s workforce be learning workers.
- 2% of the trades workforce be women.
- 8% of the project’s workforce be under 25 years of age.
- Report on local employment outcomes.

43 A recent example includes the Australian National Hydrogen Grand Prix (H2GP) competition launching in Gladstone in late 2022 to give students a hands-on experience designing and racing a miniature hybrid RC vehicle.

44 The State Government Energy and Jobs Plan (2022) includes a principle to increase local jobs and secure work by prioritising employment of local people wherever possible including development of training opportunities and promoting greater workforce diversity.

45 Details accessible at: <https://arp.nsw.gov.au/pbd-2020-03-skills-training-and-diversity-in-construction> (accessed 18/08/22)

By extending the current Building and Construction Training Policy,⁴⁶ the Queensland Government could boost the number of skilled construction workers as well as the diversity of workers within the industry.

a. Expanding the local workforce through inward migration

The scale of new jobs that will be created through the changes in the energy sector, particularly in relation to the construction, operation and maintenance of new renewable energy and other projects means the current local workforce will be unable to meet all the needs of emerging industries. In fact, multiple industries will no doubt have to compete for skilled workers, not just from across the region, but across Australia and the world. While there will be a need from some temporary workers (FIFO or DIDO) during the construction phases of projects, there is scope to attract workers to migrate permanently to the region.

A key factor to attracting and retaining new workers in the Gladstone Region will be broader liveability factors, explored in Chapter 6 on Community Benefits. Factors such as quality health and education services, affordable housing and childcare, attractive open spaces, social networks, welcoming clubs and societies, restaurants and places to visit.

5.9 Targeted support for small and medium sized enterprises

Small to Medium Enterprises (SMEs) require specific forms of support to manage changes in their operating environment. Often SMEs do not have equivalent levels of auxiliary support or scope for their workers to specialise, and therefore require more broad-based skill sets from employees. Combining this with proportionally tighter budgets makes it clear that SMEs may not afford to adapt to changing technologies, train staff and increase their capacity to meet procurement contracts and address supply chain needs.

Local businesses struggle to tender for large-scale renewable energy projects because they must show they have the capacity, scale and qualifications to complete the job. However, they can't afford to risk investing in the specialist workforce recruitment and training required to service the contract until they are certain they have the contract. They have the added dilemma of weighing up whether the one-off contract is worth jeopardising their ability to service their regular customer base.⁴⁷

46 Details accessible at: <https://desbt.qld.gov.au/training/employers/trainingpolicy> (accessed 18/08/22)

47 For a more detailed discussion of initiatives to build the capacity of SMEs, see Chapter 4 on Economic Diversification.



5.10 Strengthening the role of unions to support workforce development

Participants across community workshops noted that the unions and worker representative groups could be contributing more to industry and workforce development. The work of unions advocating for, and maintaining the rights of workers and their communities, was seen by some community members and workers participating in workshops as critical to ensure fairness and justice are central to managing the impacts of changes in the energy sector. This perception is supported by global experiences of structural adjustment that have illustrated the important role unions can play in providing grounded, practical worker-based perspectives that can help workers and employers navigate the energy transition.

For instance, unions are pivotal in identifying existing workforce skills and how they might be adapted to meet emerging industry needs (e.g. hydrogen, ammonia, batteries). Unions can also play a role in supporting their members to retrain, upskill and take on other employment opportunities. As highlighted by one participant:

“Unions have much more to offer than merely negotiating Enterprise Bargaining Agreements.”

The final and perhaps most critical role participants identified for unions going forward was for unions to work with government, regulators, industry and educational stakeholders to ensure industries, such as renewable energy and hydrogen, invest in mutually beneficial enterprise bargain agreements, as well as training and development for their workforce.



5.11 Recommendations for Council

Council's main responsibilities for supporting regional workforce development fall into the categories of advocacy and planning activities.

a. Advocacy

There are numerous advocacy roles Council can play in ensuring the region's workforce is developed and sustained for broader social and economic outcomes. These include:

- Articulating community expectations of development proponents with regard to workforce development, training, and working conditions.
- Advocating for more resources to ensure Council can play its role in bringing different stakeholders together to coordinate efforts in workforce planning and development. As a representative of the region, Council is uniquely placed to advocate on behalf of the community. Fulfilling this responsibility recognises that even if Council is not well-resourced to do so, it has a moral obligation, and has enshrined this in its policies and vision statements. For example, Council is best placed to articulate the kinds of services and infrastructure that are needed to help attract workers, i.e. through local procurement and employment networks and schemes.⁴⁸



Advocate for policy, regulation and funding to manage the transition well.⁴⁹ Take advantage of the political focus on Gladstone.

WORKERS FORUM PARTICIPANT

- Encouraging State and Federal Governments to build clear employment pathways for locals and advocating for more inclusive employment and workforce ratios.
- Working with State Government, CQUniversity and other training providers to shape policy development and engage in public discourses related to workforce issues. This could include Council putting forward submissions to inquiries and sharing local stories that humanise and ground state or national discussions about what is actually happening in communities.

b. Planning and strategy

Suggested actions Council could commence over the next six to twelve months:

Council has a minor but important role to play in ensuring workforce planning is undertaken well to produce results that have a real impact. As one professional participant put it:

"Council is close to the action and know what is going on. They can facilitate relationships between local institutions to work together first, then attract the outside relationships."

⁴⁸ Details of regional examples of this are accessible at: <https://www.qic.in.com.au/> (accessed 22/08/22)

⁴⁹ Note Gladstone Regional Council, regional peak bodies and the Union movement are all responsible for this.

Because of Council's proximity and influence in relation to local issues, it could co-develop a training and workforce development strategy in collaboration with other regional stakeholders. Specific elements of Council's input to a regional workforce strategy could include building on existing initiatives such as the Connecting Council Curriculum Program.⁵⁰ There is scope to expand this program to include topics such as energy and economic transition, hydrogen and future economy, amongst others. Council could collaborate with industry and government players to expand the program's offering into more technical topics as well as its scope, reach, delivery and technical expertise. Upgrading the Connecting Council Curriculum Program would make it accessible to many cohorts beyond high schools to include interested residents, marginalised groups, TAFE and university students, and those enrolled in other training programs.

Council could also develop a communication strategy to attract new workers to live in the region. Additional funding could be sought to expand Council's existing marketing materials, for instance, videos promoting the region to attract investment and people with the skills needed to realise the transition.

Other suggestions for how Council could progress workforce development as part of a regional strategy included:

- Work with the Federal Government to attract new migrants to the region from interstate and internationally to address skills shortages.
- Identifying and facilitating the development of land for training facilities and accommodation.

Recommendations for Council to consider for the future

- With over 700+ employees, Council has the potential to 'walk the walk' by extending their existing apprenticeships and traineeship offerings, demonstrating how to be a good employer and what good employer-worker relations look like.
- Work with local health service providers to establish a Gladstone Health Professional Recruitment and Retention Taskforce strategy.
- Council could use its position and connections within multiple networks to improve coordination between workforce training and development stakeholders. For instance, Council could play a convening role in a mapping exercise to determine if the region has the right employment services, Registered Training Organisations (RTOs) and VET sector in place.

⁵⁰ For more details on the connecting council curriculum program, see: <https://www.gladstone.qld.gov.au/connecting-council-curriculum>, accessed 19/08/22



Useful Resources

Accenture (2022). Queensland Climate Action Plan: Laying the foundation for a successful climate transformation. Commissioned by Australian Conservation Foundation, World Wide Fund for Nature, Queensland Conservation. Accessible at: <https://www.wwf.org.au/what-we-do/climate/renewables/resources/queensland-climate-action-plan>

Briggs, C, Rutovitz, J, Dominish, E, Nagrath, K, (2020) Renewable Energy Jobs in Australia – Stage 1, Institute for Sustainable Futures, University of Technology. Prepared for the Clean Energy Council by the Institute for Sustainable Futures, University of Technology Sydney, Australia. Available at: <https://opus.lib.uts.edu.au/handle/10453/159902>

Construction Skills Queensland (2022). Queensland's Renewable Future: investment, jobs and skills. CSQ, Brisbane, Australia. Accessible at: <https://www.csq.org.au/renewables/> (accessed 04/08/2022)

Department of Employment, Small Business and Training (2021). Accessible at: Funded programs | Department of Employment, Small Business and Training (desbt.qld.gov.au)

Rutovitz, J., Visser, D., Sharpe, S., Taylor, H., Jennings, K., Atherton, A., Briggs, C., Mey, F., Niklas, S., Bos, A., Ferraro, S., Mahmoudi, F., Dwyer, S., Sharp, D., and Mortimer, G. (2021). Developing the future energy workforce. Opportunity assessment for RACE for 2030.





CHAPTER 6: Capturing Community Benefits

6.1 Introduction

Gladstone is a region familiar with the impacts industrial change can have on community health, wealth and well-being. While the rapid expansion of industries such as the LNG boom has generated employment opportunities and wealth for some, it has also contributed to housing shortages, higher costs of living, pressure on existing services, deterioration of local infrastructure, and a lack of long-term employment opportunities.

With the region potentially facing another period of rapid economic growth, participants in both community and industry workshops identified a need to find new ways to ensure that people from across the region can share the benefits of economic change well into the future.



Phillip Street Communities and Families Precinct



The key areas where most people wanted to see improvements included: improved liveability through increased access to health services, housing, infrastructure and other amenities; local job creation and procurement opportunities;¹ financial benefits shared across the community²; and a stronger sense of identity and social cohesion.

6.2 2032 Vision

Participants across all engagement activities shared a vision for a future where Gladstone has successfully built on its industrial heritage in ways that enhance the liveability of the region, primarily through increased investment in services that improve the physical and mental health of people of all ages.

As one participant put it:

“Gladstone is a place that can support people from the cradle to the grave.”

Local people expect that as industries grow, profits are reinvested (whether through taxation, royalties or community funds) in a range of services (including health, education, childcare and aged care facilities) and community infrastructure such as roads, rail, bridges and waste facilities.

Participants across all the engagement activities also envisage that by 2032 the population will have increased, but that the influx of workers to meet the needs of new industries will have led to government and industry proactively addressing the housing shortages and affordability across the region, so no-one is left homeless or priced out of the housing market.

Workshop participants also expect that new investments and an increased population will lead to an expansion of retail businesses, entertainment services, restaurants and tourism and leisure destinations, making the region a more attractive place for all people to live, work and stay, especially professionals and their families.

Ensuring that local people benefit financially from the economic change was also a common theme in visioning activities across the workshops. Not only did most people want to see the cost of living improved (particularly in relation to housing and energy prices), they also wanted corporate profits shared more equitably than in the past through prescribed local employment and procurement, payments to landowners and First Nations groups, and community funds to support local development initiatives.

Some participants wanted to see community-owned energy projects, social enterprises and community-directed health and social services in 2032, perceiving these models to be more equitable.

- 1 Measures to ensure local job creation and procurement opportunities, as well as points regarding how workers are not only protected but can benefit from economic changes are discussed in Chapter 4: Development and Economic Diversification and Chapter 5: Workforce Development.
- 2 The release of the Queensland Government Energy and Jobs Plan (September 2022) includes a principle (#2): Shared benefits with communities to deliver on opportunities to share the financial and other benefits of energy development with local communities.



Finally, participants across most workshops wanted to see changes over the coming decade to strengthen the local sense of cohesion, identity, pride and belonging. By 2032, people hoped for a future where everyone felt included, empowered and positive about their future, with special mention made to current fossil fuel workers and First Nations people.

6.3 Services to improve health and wellbeing

Most local people who participated in the consultation activities expressed pride in their region as an industrial hub and yet also highlighted the need for further investment to increase the region's 'liveability' to make it a place where people want to, and can, live their entire lives, not just their working years.



If a worker has a broken arm, they have to fly up to Townsville or Rockhampton to get medical help.

WORKERS FORUM PARTICIPANT

Access to health care services remains a real challenge for people across the Gladstone Region, with many needing to travel to Rockhampton, Bundaberg or Brisbane for a range of health services. Many highlighted a dire need to resource a range of essential local health services including maternity, paediatric, mental health, emergency and imaging services, plus options for community aged care facilities, which would enable older generations to stay in the region. This perception is validated by the 2022 'District of Workforce Data Shortage' (WDS) statistics for the Gladstone Region.³ Questions were often raised as to how the Department of Health determines regional health funding, why the Gladstone Region seems to be so under-resourced and understaffed, and what is being done to improve the situation.

Access to health and other basic services will continue to be a fundamental issue over the next decade and will determine whether families move to and stay in the region as they age. Without an improvement to existing health and social services, many community members engaged through the workshops believed that workers and companies would instead opt for FIFO or DIDO working arrangements and that this would feed a vicious cycle of the region not being able to meet the population requirements needed to attract additional investment in services. A lack of services (particularly childcare, maternity, paediatric and aged care services) also contributes to lower female participation in the local workforce.

We need to meet basic needs for expecting mothers, injuries, elderly and mental health.



GLADSTONE RESIDENT

³ 2022 Gladstone region medical shortages were identified in 7 out of 8 medical specialties (Anaesthetics, Cardiology, Diagnostic Radiology, Medical Oncology, Obstetrics & Gynaecology, Ophthalmology, Psychiatry) and a partial shortage in the remaining one (General Surgery). <https://www.health.gov.au/resources/publications/dws-classifications-for-specialists-2022>



Participants emphasised the need to resource mental health services across the region, from acute psychiatric beds to community therapy and counselling services, especially for young people and First Nations people. They also anticipated the need to provide mental health support as things change, particularly for workers in fossil fuel industries.

As reflected in the above statements, one of the key challenges that needs to be addressed is the region's ability to attract healthcare professionals, particularly doctors (especially female doctors), specialists, mental health professionals and Indigenous health workers. While some suggested a need to pay health professionals more, others suggested that Council could coordinate a campaign promoting the region to attract professionals to come and stay in the region. One participant suggested that where vacancies exist, real estate agents, schools and health services could collaborate to develop and market a 'lifestyle package' for specific professions.

Extensive policy and research efforts have been made to address regional health professional recruitment and retention issues. There is no magic bullet – it tends to involve multiple short and long-term collaborative efforts across health, education, community and government sectors. Addressing the Gladstone situation is likely to require a tailored and multi-pronged approach led by Queensland Health and informed by national and international research.

Some participants advocated for a more decentralised healthcare model so that more decisions about requirements are handled locally. Others highlighted the Rural Area Community Controlled Health Organisations (RACCHOs) as a model of place-based healthcare that has been designed to attract more health professionals to rural areas.⁴

Some participants raised questions about whether the industry should help fund upgrades to health and wellbeing services as the workforce expands. One suggestion was that renewable energy companies not only pay landowners but also contribute to community funds in the nearby service centres to support essential services (on top of existing government support).

The idea of industry co-funding or owning/operating basic health services ignited philosophical conversations about the role of government during some workshops. While there was also some disagreement among participants about what new industries should and could be expected to contribute, it was agreed that at the very least, industry could join with Council, regional development associations and chambers of commerce to advocate in a coordinated way for improved local services. One industry participant explained how they could use their contacts and influence within government to raise the issues, but they needed backing from Council, community and local businesses.

⁴ National Rural Health Alliance, A Proposal For A New Model Of Care For Rural And Remote Australia Primary Health Care – Rural Area Community Controlled Health Organisations (RACCHOS), 2021.



6.4 Affordable and accessible housing for all

The need to invest in more affordable housing across the region was a very strong theme amongst all stakeholder and community workshops. The cost of housing is directly tied to the cost of living in the region, with the costs of a mortgage and rental payments impacting how much money households have left to meet other expenses.⁵



Lots of people are couch surfing, living with friends and family because they can't secure any housing.

RESIDENT SPEAKING ABOUT CURRENT HOUSING SHORTAGE

Across all the workshop, people expressed concern that the region was facing a housing shortage, with people undergoing intense competition to secure tenancies. Workshop participants therefore saw the prospect of a further influx of workers to meet the needs of emerging energy related industries as further exacerbating the current problems. Multiple people reflected on the housing crisis experienced during the LNG boom and how that needs to be strategically avoided.⁶ It made sense to people that new industry investments in the region also needed to be accompanied by an investment in more housing.



Gladstone housing

- 5 Australia has one of the worst rates of housing affordability, with our mortgage to income ratio ranking second worst among OECD countries (<https://www.oecd.org/housing/policy-toolkit/country-snapshots/housing-policy-australia.pdf>)
- 6 Not only did the influx of workers during the LNG boom lead to housing shortages and a sharp rise in property and rental prices, but then also led to a drastic drop in property values after the boom ended, plunging many people who had purchased properties during the boom into significant debt.



At the time of the 2021 Census, the Gladstone Region had considerably cheaper housing and greater housing affordability compared to other regions.⁷ However, in the 2021–2022 financial year, sale prices have increased 17.37 per cent and rental prices have increased 7.1 per cent.⁸ While housing prices now appear to be in decline,⁹ more planning is needed to deal with this level of volatility, particularly given the projections of economic growth in new sectors over coming years, as well as projected interest rates rises.

Addressing housing needs is complex and there are no easy solutions, however suggestions generated by workshop participants included:

- Government building additional social and/or housing options across the region.
- Council facilitating access to land or property for specific types of housing and social outcomes.
- Convert existing underutilised accommodation facilities into housing or emergency accommodation.
- Making 'rent to own' or shared equity programs easier and more accessible to more people.
- Establishing land trust options to enable people on lower incomes to buy their house and build equity without having to pay high land prices and rates.
- Providing low-income households with access to energy efficiency programs and incentives for rental properties to do energy efficiency upgrades to reduce running costs.
- Ensure that any new accommodation constructed is designed to have a high energy rating (eg: a 7+ star energy efficiency rating), which enables residents access to both cheaper mortgage products and lower long-term running costs.¹⁰
- Ensuring that any new permanent accommodation constructed to house FIFO workers is designed to meet the needs of families and others after the boom. For example, consider how worker accommodation could be adapted as community housing.
- Instead of building accommodation for FIFO workers that will only be in the area to complete short-term construction projects, companies invest in high-quality tiny homes/modular homes¹¹ or recreational vehicles that can be moved to the next construction site or repurposed in the community post construction.

Whatever approaches are adopted by government, industry and the finance sector to address the housing crisis, better collaboration, planning and community input is essential to identify solutions appropriate to the local context. Furthermore, the additional accommodation needs of new workers must be planned and budgeted for during the early phases of project development and not be left as an afterthought.

7 26.5 per cent of renters used more than 30 per cent of household income on housing expenses (well below state and national rates), 9.6 per cent of mortgage holders used more than 30 per cent of household income on housing expenses, 4.9 per cent lower than the national rate. <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA33360> (accessed June 2022)

8 HTAG (Higher Than Average Growth), July 2022

9 Gladstone News, 2 June, 2022. Gladstone's real estate: Winter

10 One example is 'The Cape' eco-development in Victoria, which has been recognised as the national leader in efficient housing design construction and is saving households an average of \$5,000/ year with their 8-star efficiency-rated homes. See: <https://www.domain.com.au/news/the-cape-ecodevelopment-should-be-the-national-standard-for-a-zero-carbon-climate-resilient-future-experts-say-922298/>

11 The number of companies specialising in tiny/small homes and modular homes is expanding across Australia because of an increased demand for smaller houses that can be relocated if necessary. For a few examples, see: <https://www.mybellacasa.com.au> or <https://www.westibuilt.com.au/relocatable-homes/bexhill-mk1-v2022>



6.5 Capturing financial benefits for the region

Another strong theme mentioned across many of the workshops was the need to establish transparent mechanisms to enable a more equitable sharing of financial benefits generated by existing and new industries.

Often the discussion about financial benefits is limited to a focus on job numbers and local procurement opportunities,¹² or in the case of the renewable energy industry, on payments to landowners. Given the impact new industries can have on the broader community, further consideration regarding how profits and other legacy benefits can be created and shared locally is warranted.

This point is strengthened by statements offered by some workshop participants that the socio-economic gap between 'the haves and the have-nots' in the region is increasing and tends to worsen during and after periods of rapid industrial expansion. 2021 Census data showed 18.8% of Gladstone regional households are living on less than \$650/ week¹³, even though the average median weekly household income is \$1639/ week.¹⁴ The widening gap is attributed to the high wages of some workers as well as the increased costs of living, all of which is intensified during boom periods.

Suggestions from community and industry workshops for how this disparity can be addressed and financial benefits shared more equitably included:

- Develop a Social Infrastructure Plan so that when funds become available there is a strategic plan with long-term priorities identified.
- Develop a Community Benefit Fund that industries can contribute to, governed by the community.¹⁵ Invest in governance training (for example, AICD training) and participatory decision-making processes (for example, participatory budgeting) to ensure inclusive and transparent decision-making processes.¹⁶
- Either legislate or develop guidelines for profit sharing by new renewable energy projects.
- Require all major new businesses, including renewable energy companies and manufacturing projects in the region to offer locals the opportunity to become shareholders.¹⁷

12 For more insights into generating more local employment and procurement opportunities please refer to Chapter 5: Workforce Development.

13 Compared with 16.4% across Queensland and 16.5% across Australia.

14 <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA33360> (accessed June 2022)

15 A community fund called the Gladstone Foundation was established to capture some of the profits generated by the LNG industry. This fund is managed by the Public Trustee instead of Council or a committee directly answerable to the community.

16 There was debate in one workshop as to whether community funds should be managed by the local council or by a committee of community representatives. There was, however, consensus that decision-making should involve broad community input and decisions should be made by local representatives, rather than by a committee appointed by the State Government. Other models include Here for Gladstone www.here4gladstone.com.au that represents the community contributions of Rio Tinto Yarwun, Boyne Smelters Limited and Queensland Alumina, and includes community leaders on the board.

17 The example of Denmark was offered as a model, where they legislated in 2011 that 20% of the shares in all wind projects are offered to the local community.



- Ensure that neighbouring landowners and Native Title holders impacted by renewable energy projects are paid on an annual basis.
- Invest in apprenticeships and traineeships to build the local workforce.¹⁸
- Invest in strategies, training and support programs to ensure that those already marginalised from the workforce (e.g. long-term unemployed, women, young people and First Nations people) have a genuine opportunity to be employed in new industries.
- Mandate local content and employment for marginalised groups in new projects and establish programs to build the capacity of local businesses to be able to meet procurement requirements.¹⁹
- Mandate that a certain percentage of ongoing jobs (maintenance, operations) be local jobs and build the skills to be able to meet this need.
- Monitor and annually benchmark the data relating to regional expenditure on regionally supplied inputs (otherwise known as 'backward linkages', 'local sales value' and 'local expenditure').²⁰
- Monitor the average household income data, including data on wages and salaries, and the 'per worker gross regional product' data, as these provide insight into how much of the locally generated wealth is being shared with locals via salaries.²¹
- Ensure industry pays a reasonable amount of taxes and royalties.
- Support communities and First Nations people to develop their own 'Expectations Plan' that clearly outlines their benefit-sharing preferences and the processes and expectations around communication and negotiation.
- Require companies to fund genuine consultation and negotiations with communities, marginalised groups and First Nations people during the early stage of planning to establish the ways locals want to benefit throughout the life of the project, for example, traineeships, employment, shares, royalty payments, procurement services, land restoration services, education scholarships, entrepreneurial/ business support. Formalise these agreements through the development application process so they are not lost when projects change ownership.²²
- Ensure companies are required to engage in a transparent way with communities throughout all phases of project development²³ and that negotiations about benefit sharing are facilitated by skilled independent facilitators rather than company contractors/ employees.

18 See the Chapter 5 on Workforce Development for more details.

19 This is explored further in the Chapter 5: Workforce Development.

20 This is currently valued at \$3.27 billion. Currently, local expenditure represents 21% of regional economic output. For more information, see REMPLAN – (accessed July 4, 2022).

21 REMPLAN (2022b) Gladstone Regional Council – Economy, Jobs and Business Insights. Data as at August, 2022. Available at: <https://app.remplan.com.au/gladstone/economy/summary?state=n8MlTBE3vsOVWzxFwKpRvWlWf0lQEr>

22 Refer to resources produced by the Community Power Agency for more detail.

23 For further discussion on community engagement expectations, see Chapter 6.



- Address benefit sharing with the immediate neighbours of a renewable energy project to recognise the impacts and changes at a neighbourhood level. This seeks to share the benefits of a project fairly and can overcome existing tensions when host landowners receive rent payments and neighbours get nothing (particularly important for acceptance of wind farms). Examples include annual payments, gift of shares or energy bill contributions.
- Invest in services to improve financial literacy and provide financial support to community members and businesses likely to be heavily impacted by the decline of fossil fuel industries.

While most participants agreed that industry should do more to share profits by investing in the community, there were considerable levels of disagreement as to whether profit sharing should be legislated or left up to industry to negotiate on a case-by-case basis. Industries are under increasing pressure from shareholders and communities to establish strong Environmental, Social and Governance (ESG) criteria. However, the level and type of commitments remain largely voluntary, and expectations vary across different regions and states. If communities are to benefit over the long term, expectations regarding profit sharing needs to become much more transparent through regulatory frameworks, especially in Queensland, where there are no formal requirements on renewable energy companies to undertake social impact assessments or community engagement.²⁴



The Gladstone Aquatic Centre is in the Green Belt that runs through the centre of the city, adjacent to the Central Business District

²⁴ In Queensland, there is no formal requirement that companies consult with communities. The Code-assessable development in the State doesn't require wind or solar farm projects to undertake community consultation as part of their project, meaning the only official engagement period is around the EPBC referral, which may only be open for 10 days (RE-alliance, 2022).



6.6 Addressing changes in royalty payments

The existing energy sector has and continues to contribute substantial income to all Queenslanders, especially to the State Government and Native Title holders affected by developments on their traditional lands and waters. Annually the resources sector pays billions of dollars in royalties to the State for the right to exploit resources such as coal and gas, but no such royalty schemes exist to exploit renewable energy resources. The loss of royalties from the resources sector due to the transition away from fossil fuels was a concern raised in multiple workshops, as it is seen as critical to the State budget.

These issues around state dependence on fossil fuel royalties are further heightened by the recent (and controversial) Queensland Government rule changes to increase coal and gas royalties during a period of sky rocketing coal and gas prices.²⁵



...how do we substitute for coal royalties in the transition? When does renewable energy start to pay royalties?

WORKERS FORUM PARTICIPANT

Renewable energy proponents are unlikely to fill the void created by an inevitable decline in fossil fuel royalties over time, and so new streams of income will need to be found. How and when the State Government plans to address this could impact the roll-out of renewable energy projects and the expansion of industrial and manufacturing sectors in the Gladstone Region, especially if it has significant consequences for the price of electricity.

Native Title holders and affected First Nations communities also raised concerns about the decline or potential loss of royalties and other economic benefits (e.g. training and employment opportunities) generated through fossil fuel developments on their lands and waters. They also raised concerns about the differing, confusing and sometimes contradictory requirements on renewable energy proponents to negotiate and reach agreements with Native Title holders to access and use land²⁶. This legislative anomaly must be addressed by Federal and/or State Governments to ensure renewable energy proponents effectively engage and compensate Native Title holders as well as share the benefits of these developments with the broader First Nations communities in the area.

25 <https://www.theguardian.com/australia-news/2022/jun/24/pandoras-box-experts-say-queenslands-windfall-from-coal-royalties-could-set-a-precedent>

26 O'Neill et. al. (2019) note that the Native Title Act specifically sets out the rights of traditional owners in relation to renewable energy developments. For more details see pg. 10, O'Neill, L., Thorburn, K. and Hunt, J. (2019). Ensuring Indigenous benefit from large-scale renewable energy projects: Drawing on experience from extractive industry agreement making. Working Paper No. 127. Centre for Aboriginal Economic Policy Research, Australian National University, Canberra.



6.7 Recommendations for Council

a. Suggested actions for Council to commence over the next six to twelve months

- Explore ownership models, options and feasibility for the provision of aged care facilities in Gladstone. Decide what models suit the Gladstone Region and promote the business case widely to attract interest from specialised aged care providers.
- Review town planning mechanisms to accommodate and encourage the construction of more affordable housing, in the context of long-term housing needs in the community.
- Work with relevant stakeholders to develop a Regional Housing Taskforce for the purpose of planning, overseeing, coordinating and advising on housing supply within the region. The taskforce could follow construction timelines of all new projects, monitor market trends and anticipate housing demand and supply needs in close collaboration with industry. The group could also advocate for specific housing needs and advise industry and community when projected housing supply issues may arise. Membership might consist of Council representatives (including a town planner), public housing managers, real estate experts, community housing providers, a loan broker, local Centrelink manager, representatives of the Regional Development Authority and community members. The taskforce could also champion initiatives to encourage more innovation in the housing sector (e.g. tiny homes and shared equity models).
- Develop a Social Infrastructure Plan to clarify local priorities and guide decision making about funding by government and industry.
- Support the Port Curtis Coral Coast Trust to facilitate processes for First Nations groups to create their own 'Local Expectations Guide' for project developers in the Gladstone Region, including benefit-sharing preferences and the expected process around conduct, communication and negotiation.
- Support productive and informed community involvement, negotiation and communication with industry (e.g. increasing access to community and providing training on negotiating skills).
- Promote the work of the regional development associations, Gladstone Engineering Alliance and the local chamber of commerce who support local businesses to prepare for new industry tendering requirements.

b. Suggested actions to commence over the next two years

- Work with relevant stakeholders to produce an annual report of the range of community benefits distributed in the Gladstone Region by various industries and companies to acknowledge the contributions they make and keep benefit expectations on the public agenda. This could include showcasing community contributions, backward linkages and salaries data. It could also include instigating an annual Corporate Citizenship Award.
- Review the role the Gladstone Foundation has played in investing funds generated during the



- expansion of the LNG industry. If appropriate, develop a separate community-benefit fund that industries contribute to and communities manage to develop services and infrastructure across the region.²⁷ In developing the fund, invest in governance and participatory decision making and AICD training for those managing the new fund.²⁸
- Work with regional development organisations and chambers of commerce to strategically foster interest and training in community ownership and social enterprise business models.

c. Suggested actions to commence over the next three or more years

- Work with local health service providers to establish a Gladstone Health Professional Recruitment and Retention Taskforce, with membership from across public and private health providers, community sectors, medical and allied health professions, training providers, rural health recruitment services, academics, and community members.
- Devise and implement a regional recruitment and retention strategy suited to the local context and based on international best practice research. This could include community suggestions like the development of 'a lifestyle package', a coordinated campaign to promote the regional opportunities, or a raft of other short- and long- term strategies.

d. Advocacy

Council has an important role to play in advocating for better health services, affordable housing and community benefits. Suggestions include:

- Coordinate with Regional Development Australia, the local chamber of commerce, industry, health, housing and community service sectors to advocate for better services in a collaborative and strategic way. This could include:
 - Developing a joint 'Statement of Community Needs'.
 - Advocating to the State Government for improved health services; particularly the resourcing of maternity, paediatric, psychiatric and mental health services, plus the general recruitment and retention of health professionals.



²⁷ A community fund called the Gladstone Foundation was established for the LNG industry to contribute funds via an agreement with Government to mitigate social impacts. This fund is managed by a committee that reports to Queensland Treasury, instead of Council or a committee directly answerable to the community.

²⁸ There was debate in one workshop as to whether community funds should be managed by the local council or by a committee of community representatives. There was however consensus that decision making should involve broad community input and decisions should be made by local representatives, rather than by a committee appointed by the State Government.



- Advocating for the construction of more social / affordable housing and innovative financing models, such as rent-to-own, shared equity models and land trusts.
- Advocating and promoting the recommendations included in this Roadmap.
- Encourage major project proponents to:
 - Prioritise local procurement and employment for marginalised groups during project construction and operation and create transparent reporting mechanisms that are publicly accessible.
 - Conduct a 'social feasibility study'²⁹ as part of the application and demonstrate they have conducted independently facilitated community benefit negotiations with communities and First Nations people.
 - Make benefit commitments that must be honoured regardless of changes in project ownership.
 - Develop a local housing plan to meet growing demands during the construction, commissioning and ongoing operation of projects.
- Advocate for requirements to be changed to enable greater involvement of Council and community in development negotiations on Gladstone State Development land.
- Advocate for State and Federal Governments to standardise industry guidelines for corporate profit and benefit sharing, encouraging companies to contribute to the communities they operate in. Council could advocate for these standards be legislated as the 'minimum requirement.'
- Advocate for legislative anomalies be resolved, ensuring renewable energy proponents effectively engage and compensate First Nations communities (not just Native Title holders) for the impact of new energy, transmission and other projects have on land.
- Advocate for adequate financial literacy and financial management support services to be provided, especially where forced redundancies occur, and to general community members to reduce the gap between the 'haves and have-nots'.

Recommendations for Council to consider for the future

- Investigate whether it is possible and appropriate for Council to leverage its buying power (or partner with other Central Queensland local governments or other medium-sized companies) to negotiate a power purchase agreement with a local renewable energy company or build a community/Council-owned renewable energy project so the community/Council can benefit from their cost efficiencies, project management and lower cost construction contracts.

²⁹ Detailed guidance is available in the Community Engagement and Benefit Sharing for Renewable Energy Development in Victoria (2021). https://www.energy.vic.gov.au/_data/assets/pdf_file/0036/536787/Community-Engagement-and-Benefit-Sharing-Guide.pdf



Useful Resources

Australian Energy Infrastructure Commissioner (2021). Annual Report to the Parliament of Australia. This report includes a summary of complaints handling and resolutions for renewable energy projects. Accessible at: <https://www.aeic.gov.au/sites/default/files/documents/2022-07/aeic-2021-Annual-Report.pdf>

Community Power Agency: A not-for-profit consultancy that supports communities to define their own terms and draw the greatest benefits from renewable energy. They have extensive resources, have worked with multiple State Governments to develop policies, offer a new online course for those working in the community and renewable energy space, and offer on-the-ground community engagement and project management services around this topic. <https://cpagency.org.au>

Socially Responsible Renewable Energy Development course run by Community Power Agency and the Yunus Centre (Griffith University) is an 8-week online professional development course that equips renewable energy practitioners and allied stakeholders with training in best-practice community engagement and benefit-sharing concepts and methods. For more information or to register see: https://cpagency.org.au/our-work/workshops-training/social-redev_course/

Clean Energy Council (2019). A guide to benefit sharing options for renewable energy projects. Accessible at: [guide-to-benefit-sharing-options-for-renewable-energy-projects.pdf](https://www.cleanenergycouncil.org.au/assets/documents/resources/guide-to-benefit-sharing-options-for-renewable-energy-projects.pdf) ([cleanenergycouncil.org.au](https://www.cleanenergycouncil.org.au))

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Hicks, J., Lane, T., Wood, E., & Hall, N. (2018). Enhancing Positive Social Outcomes from Wind Farm Development: Evaluating community engagement and benefit-sharing in Australia. Clean Energy Council. Accessible at: <https://assets.cleanenergycouncil.org.au/documents/resources/reports/enhancing-positive-social-outcomes-from-wind-farm-development.pdf>

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Lane, T., & Hicks, J. (2019). A Guide to Benefit Sharing Options for Renewable Energy Projects. Clean Energy Council. <https://cpagency.org.au/wp-content/uploads/2021/04/Guide-to-Benefit-Sharing-Options-for-Renewable-Energy-Projects.pdf>

National Rural Health Alliance – Advocacy and Policy: The Health Services and Workforce section provides a repository of information on this topic. A good place to start when exploring rural health workforce recruitment and retention matters. <https://www.ruralhealth.org.au/advocacy/health-services-and-workforce>

RE-Alliance – a not-for-profit advocacy organisation working to secure an energy transformation that delivers long-term benefits and prosperity to regional Australia. They have lots of resources and offer support and advice around communities, large scale renewable energy and transmission lines. <https://www.re-alliance.org.au> Notably: Community Benefits Handbook: https://www.re-alliance.org.au/community_benefits_handbook

RE-Alliance (2021). Building Trust For Transmission Report: https://www.re-alliance.org.au/building_trust_for_transmission_report





CHAPTER 7: Protecting and Regenerating the Environment

7.1 Introduction



The rapid expansion of renewable energy holds the potential to address some of the most pressing global environmental challenges including climate change, the impacts of fossil fuel extraction and improving air quality. The scale and pace of renewable energy developments could, however, lead to a range of detrimental impacts on biodiversity and waterways if not managed well. This section explores how environmental impacts can be avoided and minimised across the Gladstone Region during the transition phase through careful planning, regulation, monitoring and remediation.

As an already heavily industrialised area, environmental impacts are already monitored across the Gladstone Region,¹ however stakeholders across all workshops agreed that additional efforts would be needed to not only rehabilitate and regenerate some areas, but also to protect the environment as renewable energy and other industries expand over time.

The main environmental issues identified by participants as requiring attention were:

- Protecting water quality and supply in an already dry part of Australia.
- Protecting the Great Barrier Reef and marine ecosystems.
- Protecting, remediating and regenerating existing land.
- Ensuring changes lead to air quality improvements and emissions reduction; and,
- Adopting new approaches to reduce waste.

¹ For example, in addition to State and Federal Government environment monitoring, local environmental health assessments are integrated in the 'Gladstone Harbour Report Card', a document produced annually by the Gladstone Healthy Harbour Partnership, utilising scientific data collected by the Port Curtis Integrated Monitoring Program. More information about these can be found at <http://ghhp.org.au> and <https://pcimp.aims.gov.au/charts/index.html>



7.2 2032 Vision

Participants across all community and stakeholder workshops shared a common goal to protect and improve the natural environment as change unfolds over the next decade.

Despite concerns about the impacts of phasing out fossil fuel use on the economy, the vast majority of respondents expressed a very high level of support for climate action to reduce emissions and protect the Great Barrier Reef from climate change.

There was strong agreement across all workshops and forums that water resources need to be well managed to ensure sufficient supply to meet community, industrial, agricultural and environmental requirements. Over the next decade, participants expect the government to establish and reinforce measures to monitor and protect the waterways and harbour from inappropriate development. This includes protecting the Great Barrier Reef by minimising the impacts of run-off, new construction, coastal dune erosion, and wetland and mangrove habitat loss.

Participants envisioned a future in which First Nations people apply Traditional Knowledge to rehabilitate industrial sites and manage biodiversity of the regions land and waterways.

By 2032, most participants expected to see the decommissioning and repurposing of coal-fired electricity station assets, with one participant suggesting that turbine halls be repurposed to support energy storage or become workshops for wind tower and blade construction.

Participants also emphasised a vision for a zero-waste future and the importance of using a circular economy approach to inform planning for manufacturing industries, fossil fuel energy assets at the end of their life, and new renewable energy projects.



Four of the world's seven species of turtles nest on beaches in the Gladstone Region from November to March



7.3 Ensuring healthy waterways

The main environmental concern participants raised across all workshops was the impact of new and existing industrial developments on water supply and quality (particularly hydrogen). It is unsurprising that this issue was raised as a concern across all stakeholder groups, given the region's pre-existing water security challenges.

The health and management of the waterways in the Gladstone Region operates within a complex scheme of jurisdictions, involving all levels of government and government owned corporations.

The Gladstone Area Water Board (GAWB) is responsible for delivering a sustainable water management plan and coordinating with stakeholders to balance industry, community and environmental needs. This extends to the ownership and management of the Awoonga Dam on the Boyne River and a network of pipelines, pump stations, reservoirs and treatment plants.²

One-fifth of the bulk raw and potable water supplied by GAWB goes to the Gladstone Regional Council for distribution to the communities of Boyne Island, Tannum Sands, Benaraby, Wurdong Heights, Beecher, Calliope and Mount Larcom. The remaining 80 per cent is contracted to meet the Gladstone Region's industry demands³ which are considered to have a "high sensitivity to water restrictions."⁴ The agriculture industry in the region draws on the Boyne River catchments but does not significantly impact water supplies from Awoonga Dam.⁵

Agnes Water and Seventeen Seventy have their own independent water supply, and in 2010, a saltwater desalination plant was commissioned to replace their reliance on insufficient local bore water.⁶ The Miriam Vale township sources water from the nearby Baffle Creek, and in 2019 experienced water restrictions requiring water to be trucked in.⁷ Similarly, water challenges in the Boyne Valley in 2020 saw the Builyan community takeover ownership of the water supply assets via their community-operated Builyan Water Supply Association.⁸ Other settlements in the Gladstone Region, such as Bororen, rely entirely on bore or rainwater. Council also manages wastewater treatment plants that supply recycled water to local industries and sporting groups.

Gladstone has been a 'fully drought declared' region since 2019,⁹ so it is unsurprising that participants across all the engagement activities highlighted the need for planning and regular water assessments to consider competing uses (including environmental needs) to ensure healthy waterways and biodiversity. The most recent regional water supply security assessment was

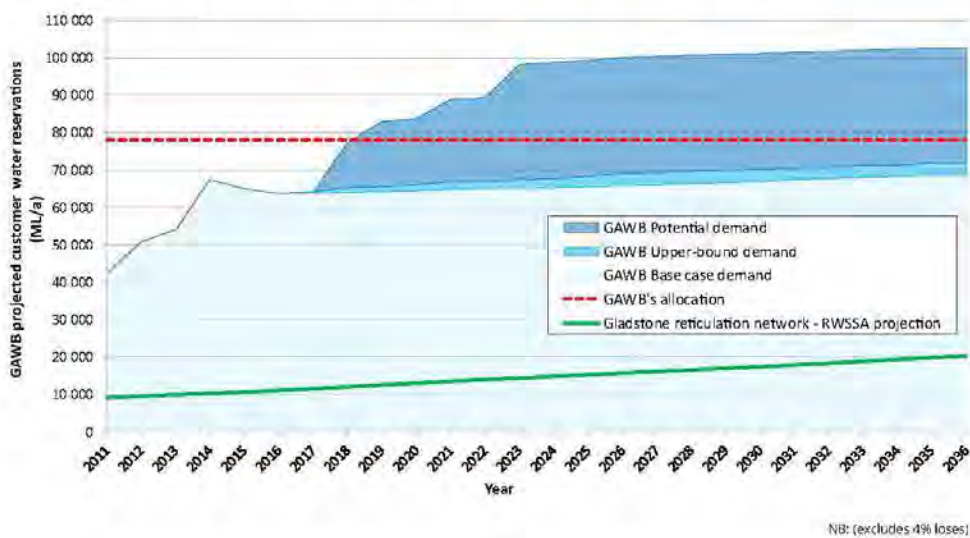
- 2 GAWB is a commercialised statutory authority. In addition to developing, operating, and maintaining the infrastructure GAWB is also tasked with protecting the quantity and quality of present and future water supplies. More about GAWB can be found here: <https://www.gawb.qld.gov.au/about-gawb/> and <https://governmentbodies.premiers.qld.gov.au/BodyDisplay.aspx?Parameter=186>
- 3 Department of Energy and Water Supply. Gladstone regional water supply security assessment, State of Queensland, 2017, p.287.
- 4 Gladstone Area Water Board Annual Report 2020–2021, p. 10.
- 5 Gladstone regional water supply security assessment, 2017, p.7.
- 6 Environment a key priority at Agnes Water desalination plant, Website: Osmoflo.
- 7 2019–20 Gladstone Regional Council Annual Report – pg. 22–23
- 8 Builyan to manage own water supply, Courier Mail, 2009.
- 9 Drought Declarations Archive, The Long Paddock, Queensland Government



undertaken by the Department of Energy and Water (representing GAWB) and the Gladstone Regional Council in 2017. It explored projected water demand growth scenarios through to 2036. As shown in the above graph, these forecasts predicted a population of 106,000 by 2036 (around 40,000 more than today) requiring considerably more potable water, as well as a range of industrial demand scenarios. Given this assessment is already five years old, and the water requirements of current and future energy related industries (including multiple hydrogen projects) will have changed demand forecasts considerably, updated modelling should be undertaken.

Following successive years of drought, GAWB, in partnership with the Queensland Government, is advancing their Water Security Strategy by pursuing the Gladstone Fitzroy Pipeline (GFP) project. This project seeks to de-risk Awoonga Dam by developing an alternative water supply drawn from the Lower Fitzroy River (Rookwood Weir). The GFP is also intended to “provide water for the emerging hydrogen industry in the Gladstone Region,” indicating that preparations are underway for the GAWB to meet some extent of the hydrogen water needs from surface water.¹⁰

Figure 7.1: Total water reservation demands for Awoonga Dam¹¹



Participants across the engagement activities shared a high level of consensus that industry needs to secure sustainable sources of water without compromising community and environmental needs. Most community members and some industry representatives emphasised that water management systems need to maintain healthy environmental flows.¹²

¹⁰ Gladstone Area Water Board, Webpage: Fitzroy to Gladstone Pipeline project.

¹¹ State of Queensland, Department of Energy and Water Supply, Gladstone regional water supply security assessment, 2017, p10.

¹² The Queensland Government has jurisdiction over environmental matters including water via the Qld Environment Protection (Water and Wetland Biodiversity) Policy 2019.



Opinions differed on the definition of 'sustainable water sources.' While some in community forums referred to the need to expand dam capacity, others suggested industry expands its use of recycled water as much as possible. Hydrogen proponents cited desalination as a viable option to reduce the pressure on existing water sources, however, some industry and community members questioned the cost of desalination and how the brine produced through the process would be managed. Others expressed concern about the impact of constructing and operating a desalination plant on the Great Barrier Reef.¹³

Other reef-related concerns included the impact of dredging and port expansion, as well as the potential for increased ship movements as hydrogen and other industries expand over time. Based on forecast demand, the Gladstone Ports Corporation have progressed the Gatcombe and Golding Cutting Channel Duplication project.¹⁴ Considerable planning processes are completed but further remain. Dredging activity will need to comply with 'National Assessment Guidelines for Dredging' (NAGD)¹⁵ and the 'Maintenance Dredging Strategy for the Great Barrier Reef World Heritage Area Ports'.¹⁶

The Queensland and Australian Governments' joint 'Reef 2050 Water Quality Improvement Plan 2017- 22'¹⁷ also offers a guide for how industry, government and the community can work together to improve the quality of water flowing to the Great Barrier Reef. This plan is currently under review,¹⁸ however, the new plan will be of relevance to many, including Council, industry and the energy sector.

Suggested actions raised by workshop participants in relation to water planning and management included:

- Continue to monitor water quality and impacts of development on waterways and water quality.
- Undertake an updated and detailed assessment of current water allocations/licenses for industry, residential and agricultural uses. This includes a review of the water assets of coal plants and other industries that can be redirected over time to meet the growing demands of the hydrogen industry.
- Undertake a detailed assessment of the potential impacts of desalination on the Great Barrier Reef and surrounding waterways.
- That the State and Federal governments update the 'Reef 2050 - Water Quality Improvement Plan 2017-2022' within the context of the associated 'report cards',¹⁹ the 'Reef 2050 Long Term Sustainability Plan 2021-25'²⁰ and in light of the potential increased activity at the Gladstone Port.

13 At the highest level the Commonwealth Department of Agriculture, Water and the Environment (DAWE) is tasked to assess relevant matter of environmental significance in accordance with the EPBC Act including water resources, wetlands, marine areas including the Great Barrier Reef Marine Park. <https://www.legislation.qld.gov.au/view/whole/html/asmade/si-2019-0156>

14 Channel Duplication Project, Gladstone Ports Corporation.

15 National Assessment Guidelines for Dredging 2009, Department of Climate Change, Energy, the Environment and Water, Australian Government.

16 Maintenance dredging strategy, Department of Transport and Main Roads, Queensland Government.

17 Reef 2050 Water Quality Improvement Plan 2017-2022, State of Queensland, 2018.

18 Review, Reef 2050 Water Quality Improvement Plan, Australian Government and Queensland Government.

19 The latest report card is from 2020, accessible here: <https://www.reefplan.qld.gov.au/tracking-progress/reef-report-card/2020>

20 The Reef 2050 Plan, Department of Climate Change, Energy, the Environment and Water, Australian Government.



- Balance industry needs against environmental impacts in decisions about water allocations, and do not leave the decision-making up to the market.
- Government ownership and control of desalination plant/s and water allocation (if desalination is deemed a safe and appropriate option).
- Upgrade the Gladstone Region's ageing wastewater infrastructure, including treatment plants and distribution networks.
- Industry using recycled water.
- Consider the impacts of climate change on water resources across the region in any planning and forecasting.
- Involve First Nations people in water planning and monitoring activities.



It should be a requirement to publicise the water requirements for industry to have clear guidelines about the regulations.

SUPPLY CHAIN AND MANUFACTURING WORKSHOP PARTICIPANT

7.4 Protecting and regenerating land

The second most common environmental concern raised during the engagement activities is the need to protect land assets from the potential impacts of a changing energy system. This included the need to both rehabilitate fossil-fuel related infrastructure sites as well as minimise the impact of new renewable energy, manufacturing and infrastructure developments on land, particularly in relation to vegetation and biodiversity.

The Gladstone Region's natural vegetation ecosystem consists of mangroves, saltmarsh and dune vegetation, open eucalypt woodlands and forests, vine scrubs and rainforests. Currently, these provide a home to eight critically endangered animals²¹ and three critically endangered plants²², 23 endangered animals²³ and 11 endangered plants.²⁴⁻²⁵ According to the Council Biodiversity Conservation Plan: 2016–2025, the top three threats to Gladstone's biodiversity are:

- 21 Southern Snapping Turtle, Kroombit Treefrog, Kroombit Tinkerfrog, Yellow Chat (Dawson), Curlew Sandpiper, Great Knot, Eastern Curlew.
- 22 Narrow-leaved Malletwood, Macadamia jansenii, Mt Larcom Stink Bush.
- 23 Koala, loggerhead turtle, hawksbill turtle, olive ridley turtle, leatherback turtle, northern quoll, spotted-tailed quoll (southern subspecies), Semon's leaf-nosed bat, ghost bat, central greater glider, Red goshawk, Australasian bittern, lesser sand plover, shy albatross, black-throated finch (white-rumped subspecies), New Caledonian fairy tern, yellow chat (Dawson), southern giant-petrel, Coxen's fig-parrot, Australian painted-snipe, red knot, eastern curlew, silver-headed antechinus.
- 24 Apatophyllum olsenii, Cycas megacarpa, Fimbristylis vagans, Myrsine serpenticola, rib-fruited malletwood, Macadamia jansenii, Triunia robusta, Scleromitrion gibsonii, Murraya crenulate, Atalaya Collina, Cossinia australiana
- 25 WildNet Species List – Gladstone Regional Council Area, WildNet Database, Queensland Government, As of July 5, 2022.



- Clearing for agriculture, urban or other uses (45% of the region is currently defined as cleared land).
- Population growth, urban and industrial development.
- Habitat fragmentation and isolation.²⁶

To avoid or minimise impacts on vegetation and biodiversity, suggestions from workshop participants included:

- Using marginal and cleared land for new projects wherever possible to minimise the need for additional land clearing.
- The State Government developing 'nature and renewables guidelines' to inform best practice during new renewable energy project development. This could include guidelines to:
 - Protect and enhance biodiversity by avoiding sensitive ecological zones, conducting thorough environmental impact assessments and instigating ongoing monitoring for all new projects.
 - Planning and budgeting for measures to restore natural environments after construction and increase biodiversity, such as establishing wildlife corridors and revegetating areas with species native to the local area.
 - Reducing the bushfire risks related to new transmission infrastructure.



Community members can be relied on to participate in environmental restoration programs, such as Pandanus planting, throughout the Gladstone Region

²⁶ Biodiversity Conservation Plan 2016–25, Gladstone Regional Council and AEC Group.



- Proper rehabilitation of existing industrial sites (including the land surrounding coal-fired electricity plants) and finding alternative uses for fly ash and other industrial waste products.
- Supporting farmers to learn and apply regenerative principles in agriculture to improve soil health and biodiversity.
- Continuing the expansion of programs such as the Indigenous Land and Sea Ranger program to employ First Nations people in protecting and rehabilitating the environment.²⁷
- Instigating and supporting ecotourism and education initiatives such as walking trails and renewable energy tours.
- Ensuring that regulations are fit for purpose and upheld to hold all industries to account for their environmental impacts, as well as their remediation and rehabilitation responsibilities.²⁸
- Establishing a local environmental benefit fund that all industries (including renewable energy companies) are required to contribute to.



There should be an environmental benefit fund that large industry collectively contributes to, playing their part in helping fund this.

WORKERS FORUM PARTICIPANT

7.5 Improving air quality and reducing emissions

While representatives of existing industries emphasised that they had applied significant measures to reduce pollution and improve and monitor air quality over the years,²⁹ some participants in the community and worker forums commented that phasing out fossil fuels would improve air quality and make the region more attractive and healthier as a place to live, and in many cases, work. As one participant in the workers forum noted, “It would be nice coming home and not being covered in black soot.”

In a similar vein, some participants advocated for all industries and sectors to implement decarbonisation plans to mitigate the impacts of climate change. There was positive support for initiatives being undertaken by Rio Tinto, Orica and others to reduce their fossil fuel use and transition to renewable energy, although many people did not know much about these initiatives and wanted to know more.

Some remained sceptical about how much these industry decarbonisation initiatives, including the switch to renewable energy, would actually reduce carbon emissions and emphasised the need to monitor and reduce the embodied carbon in renewable energy products and infrastructure.

27 Indigenous Land and Sea Ranger Program, Queensland Government. Website accessed August 25, 2022.

28 To our knowledge, this is not any environmental fund or decommissioning bond system for renewable energy in Queensland. The environmental requirements differ across states and need to be aligned. Most renewable energy projects are assessed in Queensland under the Planning Act 2016 framework.

29 Queensland Department of Environment and Science (DES) is responsible for monitoring air quality (dust), airborne metals and organics in the Gladstone Region.

Others expressed interest in the potential opportunities for farmers and land managers to draw down carbon from the atmosphere through revegetation and other natural sequestration measures, and wanted more information about government and industry schemes, such as carbon credits.



7.6 Reducing and managing waste

Reducing and managing waste was another strong theme that emerged throughout the stakeholder and community consultation activities.

Domestic resource recovery from many different waste streams is already being undertaken in the region – diverting materials such as clean fill, green waste, paper and cardboard, timber, metals, concrete and glass. Council targets include aspirations for zero waste to landfill, increasing the recycling rate by 20 per cent, and reducing carbon dioxide emissions. These goals underpin the 2019 Gladstone Waste Management and Resource Recovery Strategy, which was developed in line with all relevant legislation and outlines clear priorities and actions for Council to implement. One of the actions includes resourcing a position to implement the strategy.³⁰

Participants across many workshops advocated for the application of circular economy approaches to reduce the amount of waste produced and sent to landfill. People wanted to explore new approaches to making waste management and circular economies viable.

Suggestions for improving action on waste management included:

- Develop more robust environmental policies in relation to industry minimising and treating waste.
- Supporting existing local recycling/circular economy businesses to expand operations. This would include supporting initiatives like the Northern Oil Refinery that recycles waste lube oil at the Yarwun facility.³¹
- Apply best practice household waste systems, including management of green waste and expanded recycling facilities in the region.
- Develop end-of-life plans and funds to manage the decommissioning of both fossil fuel and renewable energy assets.
- Industry applying circular economy principles to recover outputs as resources for use as an input in other areas. Examples included:
 - The HPA First Project³², which involves a mutual supply exchange of process reagents and offtake by-products between Alpha HPA and Orica.³³

³⁰ 2019 Waste Management and Resource Recovery Strategy, Gladstone Regional Council and GHD.

³¹ Southern Oil: Re-refining waste oil into as-new lubricants, Southern Oil.

³² HPA First Project, Alpha HPA.

³³ Alpha HPA signs reagent and offtake deal with Orica, International Mining, August 19, 2021.



- Converting fly ash from power stations or red mud from bauxite into construction materials.
- Developing salt reactors to create power from the brine generated through desalination processes.
- Policy levers to increase diversion rates away from landfill, such as higher landfill levies, which can help fund and incentivise circular economy initiatives.
- Establishing local 'repair cafes', especially given the supply chain issues in accessing electrical goods since the start of the COVID-19 pandemic.

7.7 Recommendations for Council

The main recommendations relating to the role of Council in protecting and regenerating the environment are primarily to work with other authorities and the State and Federal Government departments to assist in assessment, planning, and monitoring activities.

Suggested actions to commence over the next six to twelve months include:

- Working with the Department of Environment and Sciences, Department of Energy and Public Works, Department of Manufacturing, Regional Development and Water, and the Gladstone Area Water Board to update the Gladstone Regional Water Supply Security Assessment and incorporate the latest industry water demands and potential supply impacts. This needs to include a vision for water security that considers future climate projections.
- Working with the Department of Environment and Science (DES) to review and update processes to monitor and mitigate the impacts of new developments on air quality, the Great Barrier Reef, vegetation and management of organic and metal waste in the Gladstone Region.

Suggested actions to commence over the next two years include:

- Set internal emission reduction targets across Council operations.
- Implement measures to improve energy efficiency and increase the use of renewable energy across Council operations.

Some recommended actions Council could initiate to improve environmental outcomes include:

- Where appropriate, work with relevant environment groups, community groups and specialist agencies³⁴ to develop a 'Renewables and Nature' guide and best practice resources that articulate local expectations for new renewable energy and green manufacturing developments. Once developed, use the guidelines to advocate for the State Government to legislate similar expectations via wider planning systems.
- Increase the resources and funding available to implement the '2019 Gladstone Waste Management and Resource Recovery Strategy.'

³⁴ Such as Community Power Agency or RE-Alliance

Recommendations for Council to consider for the future:

- Encourage the Gladstone Chamber of Commerce and Industry to develop a new certification process to highlight good environmental practices across local business and industry operating in the region. E.g., providing a 'Green Tick'.
- Expand the community's understanding and capacity to support positive environmental outcomes (e.g., expanding the citizen science program and support for local environmental projects, training more people in environmental monitoring).
- Advocate for the State Government and industry to establish an independent 'Regional Environmental Benefit Fund', that all industries (including renewable energy companies) are encouraged to contribute to during their operations to support environmental conservation and regeneration projects in the area.³⁵



The Boyne River separating Boyne Island and Tannum Sands



³⁵ The State Government Energy and Jobs Plan (September 2022) includes a principle (#6) to Preserve Queensland's environment. The government will ensure the development of clean energy maximises opportunities for co-existence, preserve the local environment and promote greater biodiversity. See: [Queensland Energy and Jobs Plan \(epw.qld.gov.au\)](https://epw.qld.gov.au)



Useful Resources

Australian Institute of Marine Science (2021/22). Annual summary report of coral reef condition. Available at: https://www.aims.gov.au/sites/default/files/2022-08/AIMS_LTMP_Report_on%20GBR_coral_status_2021_2022_040822F3.pdf

ACS Energy Lett. (2021). 6, 9, 3167–3169, Publication Date: 17 August, 2021. Available at: <https://doi.org/10.1021/acsenergylett.1c01375>

AEMO (2022). Integrated System Plan. Accessible at: <https://aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2022-integrated-system-plan-isp>

IUCN (2021). Mitigating biodiversity impacts associated with solar and wind energy development. Available at: <https://portals.iucn.org/library/sites/library/files/documents/2021-004-En.pdf>





CHAPTER 8: Roles and Responsibilities

8.1 Introduction

Managing a changing energy sector is a complex task, especially given the pace of change. Engaging with different stakeholders throughout the Gladstone Region Economic Transition Roadmap project emphasised that one of the most significant barriers to well-managed change outcomes is the continued confusion regarding the various roles and responsibilities of different levels of government, industry and other stakeholders. This confusion has been exacerbated by the politicisation of the energy system and climate change over the past decade.

The roles that Gladstone Regional Council can play in relation to managing specific aspects of the energy transition are listed at the end of each chapter. This chapter aims to delineate the different roles all stakeholders can play in supporting the region as the energy sector changes, starting with a summary of local government responsibilities.

8.2 Local Government – Gladstone Regional Council

Gladstone Regional Council can help facilitate a transition in the Gladstone Region in four ways: leading by example, advocating for local priorities, local planning and supporting regional economic diversification.

a. Leading by example

One of the most effective ways Council can support the economic transition is to demonstrate the range of ways individuals and businesses can reduce their own emissions by developing and enacting their own action plan. This includes measures to install renewable energy generation or entering into a power purchasing agreement to buy 100 per cent renewable energy, as well as installing batteries and energy-efficient appliances and measures. It also includes replacing Council's existing transportation fleet with electric or hydrogen-powered vehicles (for buses, garbage trucks and other heavy vehicles) and developing the infrastructure needed to support the electrification of transport across the region by taking advantage of schemes like the Queensland Government's Electric Vehicle Charging Infrastructure Co-fund. For a more complete list of actions the Gladstone Regional Council could adopt to reduce its own and community emissions, please refer to Appendix E at the end of this report.



b. Advocate for regional priorities

The role of Council is to educate and prepare the community for the changes that are to come as the region transitions from a traditional fossil fuel economy to one powered by renewable energy. The engagement activities undertaken to develop this Roadmap is one step in helping to prepare communities for these changes, but ongoing efforts will be needed as changes accelerate over the coming decade.

As the economy transitions to renewable energy, Council needs to engage and align with community interests and advocate to create change that meets community's priorities. Council is the voice of the people and a conduit between the community, industry and other levels of government. Council's role is to take action to influence stakeholders to implement positive change in the community and build system resilience. This may take the form of shaping public policy to manage the transition well. Successful transition could include advocating for the establishment of a Regional Transition Authority or a Sovereign Wealth Fund to provide long-term support for regions transitioning to a net zero carbon economy.¹ Another role may be to influence the Queensland Government to regulate and mandate industry to rehabilitate areas impacted by closures or industrial waste.

Council can also advocate for community priorities by raising the visibility of issues. This is particularly evident in health and housing requirements. Council can work on behalf of residents to secure State and Federal funding to deliver infrastructure and services beyond Council's responsibility. Clear outcomes in these areas will help Council to improve liveability in the region by improving transport, housing, health and services. This can help to attract and retain industries, as well as new workers and their families.

c. Local planning

Council has a role to play in relation to local planning and approvals of new renewable energy projects. Council provides development approval for solar farms and needs to ensure sufficient internal knowledge of local regulations and expertise in planning to facilitate this process. Council can do this by maintaining and developing local intelligence about each project and working with the Queensland Government on how this aligns with the development of the Central Queensland Renewable Energy Zone. Council also needs to consult and engage with the community on any concerns regarding new developments.

Council also has a role in planning and developing services and infrastructure for the Gladstone Region. This includes plans to address trade waste, maintain roads and sewage development in the

¹ At the 2022 Local Government Association Queensland Conference in October this year, councils across Central Queensland asked the State Government to provide resources and mechanisms, such as Transition Authorities, to help manage and coordinate the opportunities and impacts of energy transition at the local level. Gladstone Regional Council proposed the creation of a Sovereign Wealth Fund to provide long-term support for regions to transition to net-zero carbon economies, support regional economic development opportunities, provide fiscal stability and long-term sustainability to support inter-generational equity in the regions.



Gladstone State Development Area and engagement with the Department of State Development, Infrastructure, Local Government and Planning. This could involve developing new financial incentives such as rebates or charges to encourage the development of shared infrastructure.²

d. Supporting regional economic diversification

Council has a role in marketing the region as an area open to innovation and economic diversification. This includes promoting the liveability of the region to attract and retain workers as the region grows, and showcasing the assets of the region to establish new industry.³

Council plays a key role in managing community assets and waste. There are opportunities to diversify and partner in this space. New circular economy opportunities are already being seen in the region with collaboration between Boyne Smelters Limited (BSL) and Containers Exchange – Queensland's Containers for Change scheme to increase the recycling of aluminium cans. Council can share information about funding from different departments at a state and federal level to pilot and support initiatives and attract them to the region.

Council needs to stay informed of the changes in the energy and other sectors and share information about the potential opportunities and impacts these changes may have on small and medium enterprises. Examples of how Council can approach this include promoting models such as the 'Go Local, Grow Local' recovery campaigns that were used by regions impacted by recent flooding. These campaigns provide tailored resources for businesses to help them recover. Another opportunity is partnering with Tourism and Events Queensland on initiatives such as travel vouchers to increase tourism in the coastal areas of the region.

8.3 State Government – Queensland Government

The Queensland Government can support a smooth and equitable transition in the Gladstone Region in seven main ways:

1. Guiding the transition to a new energy system.
2. Funding the establishment of a Regional Transition Authority.
3. Supporting regional manufacturing and infrastructure.
4. Ensuring the natural environment is protected.
5. Ensuring climate change targets are met.
6. Managing water and land use planning.
7. Establishing regulations and standards to improve community engagement and benefit sharing by industry.

² [Infrastructure Charges | Planning \(statedevelopment.qld.gov.au\)](#)

³ This is outlined further in Chapter 4, Economic Diversification.



a. Guiding the transition to a new energy system

The Queensland Government, through the Department of Energy and Public Works, has a planning obligation in terms of sharing its vision for the energy system as we head toward 2030. The department released this vision for 'clean, reliable and affordable energy providing power for generations' as the Energy and Jobs Plan⁴ in September 2022. It's backed by a \$62 billion investment and has a target to have no regular reliance on coal-fired generation by 2035. This will help inform investors and provide the vision for the transition to renewable energy in regional Queensland.

The Queensland Government plays a more central role in managing the energy transition than other states. As over 60 per cent of energy generation, transmission assets and some electricity retailers are owned by the State Government (through the government owned corporations Stanwell, CS Energy, CleanCo, Powerlink and Energy Queensland). In 2018, the State Government formed CleanCo, a wholly owned Queensland Government corporation, as part of a reform to build publicly owned renewable energy solutions. The long-term aim is to improve competition, increase security and reliability in the electricity market, and lower electricity prices.

The State Government is responsible for managing the Central Queensland Renewable Energy Zone. This is where the State Government will focus on investment in infrastructure and encourage new renewable energy projects. The primary objectives are lowering the cost of the system to ensure affordable energy for communities and creating enough secure, renewable energy to meet industry demand. The State Government will work alongside the Federal Government on the rollout of transmission upgrades required to accommodate increasing renewable energy generation.

The new energy system includes the management of critical mineral and metal resources in Queensland that are integral to low-emission technologies, including utility-scale battery storage solutions. To support this the Queensland Department of Resources released in June 2022 the Queensland Resource Industry Development Plan⁵ which sets out key areas of focus and actions for a resilient, sustainable resource industry that will continue to grow as the energy mix changes.

b. Funding regional transition authorities

There are high levels of support across the region for the Queensland Government to form a Regional Transition Authority to coordinate all aspects of the resources and energy transition. This will ensure that:

- Energy security and affordability is maintained as things change.
- The existing workforce is supported well and that new skills are developed for future industries.

⁴ Queensland Government Energy and Jobs Plan. See: [Queensland Energy and Jobs Plan \(epw.qld.gov.au\)](https://epw.qld.gov.au)

⁵ Queensland Resource Industry Development Plan, June 2022. [Home | Queensland Resources Industry Development Plan](https://www.qld.gov.au/resources/industry-development-plan)



- Industry is supported to adapt to changes.
- Land and water resources are protected and regenerated.
- The regional economy is diversified to ensure that the whole region benefits from new industries.
- Groups that are already economically marginalised benefit from the changes.

It is essential that funding for the establishment of a Regional Transition Authority is sourced primarily from government. There is a precedent for this funding in other jurisdictions across Australia. The Victorian Government committed \$335 million in initial funding to support the Latrobe Valley in the wake of the Hazelwood Power Station closure. The Western Australian Government has also committed \$100 million to support the Collie region to manage the impacts of energy transition on the region.

c. Supporting regional economic growth and diversification

The State Government also plays an important role in supporting the growth of industry and manufacturing and driving infrastructure investment needed to support manufacturing and existing industries. Recent examples of regional investment include the \$3.34 billion Queensland Jobs Fund, and the \$4.5 billion Renewable Energy and Hydrogen Jobs Fund⁶ to help the State Government achieve net zero emissions by 2050. Its purpose is to see an increase in jobs in industries like manufacturing and the processing of minerals, made possible with affordable renewable energy. Other positive initiatives may include the support for the development of a Renewable Energy Industrial Precinct proposed by Beyond Zero Emissions in Gladstone to further local manufacturing initiatives.

d. Ensuring benefits are shared with communities and workers

It is the responsibility of the State Government to provide the right framework and incentives to attract investment that will ensure the best possible outcomes for workers and communities. This may include improving access to much-needed services such as health, aged care, childcare and housing; developing the right frameworks to encourage companies to share profits and other benefits with communities⁷; and developing opportunities to diversify the regional economy outside of the traditional industry for long term prosperity; and protecting the rights of First Nations communities.⁸

6 This fund includes a recent \$2.5 billion injection from coal royalties as part the Queensland Government Energy and Jobs Plan. See: [Queensland Energy and Jobs Plan \(epw.qld.gov.au\)](http://Queensland.Energy.and.Jobs.Plan.epw.qld.gov.au)

7 The Queensland Government Energy and Jobs plan includes a principle (#2) to share the financial and other benefits of energy development with local communities.

8 The First Nations Clean Energy Network supports policy reform to remove State and Federal regulatory barriers to ensure laws and systems allow First Nations communities receive the benefits of clean, reliable and cheap power. For information visit: [Policy Reform – First Nations Clean Energy Network](http://Policy.Reform.First.Nations.Clean.Energy.Network)





Gladstone regional library community garden

Governments can also encourage innovative approaches to development that build on the strengths of existing sectors and new industries to meet community needs while generating economic benefits. A good example in the Latrobe Valley was the Latrobe Valley Home Energy Upgrade Program, a \$5 million Victorian Government solar and energy efficiency initiative. The program provided alternative forms of employment through assessments and delivering energy upgrades to up to 1000 households in the region in 2018.

e. Protecting the natural environment

The Queensland Department of Environment and Science holds the responsibility to protect and manage the environment, and to insist on conditions to avoid impacts from development.

The State Government is currently undertaking an independent review into the adequacy of existing powers and penalties under the Environmental Protection Act 1994, to deal with emerging issues and to hold people to account for environmental harm. This may result in the strengthening of legislative powers.⁹

The State Government has recently committed to investigating the establishment of an independent Environmental Protection Agency (EPA). This will allow for greater integrity in environmental regulation and environmental justice if the EPA is well-resourced and remains

⁹ Further information is available here: <https://environment.des.qld.gov.au/management/policy-regulation/independent-review>



independent. This may oversee measures to protect biodiversity when establishing new renewable energy projects and transmission lines, as well as the use of water resources by new industry such as hydrogen. The establishment of an independent EPA needs to include meaningful consultation with First Nations groups due to the relationship between environmental regulation of developments and the interests of First Nations people and their land.

f. Mitigating climate impacts

The State Government also has a mandate to mitigate the impact of climate change by lowering emissions. The Queensland Government's Climate Action Plan¹⁰ and Climate Transition Strategy¹¹ outline the pathway for Queensland to transition towards a zero-net emissions economy. The strategy includes the goal for Queensland to achieve zero net emissions by 2050 as well as an interim target of 30 per cent emissions reduction by 2030. The Department of Energy and Public Works has recently announced a target to generate 70 per cent of Queensland's energy from renewable sources such as sun, wind and water by 2032.¹² These strategies provide the framework to advocate for national policies that will reduce carbon pollution.

The Queensland Government's Land Restoration Fund (LRF) is expanding carbon farming across the state by supporting land-sector carbon projects that deliver additional environmental, socio-economic and First Nations co-benefits. The LRF supports landholders, farmers and First Nations peoples to generate new, regular income streams through carbon farming projects whilst providing valuable co-benefits such as healthier waterways, increased habitat for threatened species, and more resilient landscapes.

The State Government also partnered with the Local Government Association of Queensland (LGAQ) to help local governments to support resilience and manage climate risks. This Queensland Climate Resilient Councils program¹³ finished in June 2022, however, it is likely to continue in some form.

g. Water and land use

The State Government Department of Regional Development, Manufacturing and Water is responsible for forecasting future water requirements. This department supports regions through programs such as Building our Regions¹⁴ to develop regional infrastructure and allow local governments to improve their water supply and sewerage systems. The recent round will see local government development projects of \$70 million over three years.

10 [Queensland Climate Action \(des.qld.gov.au\)](https://des.qld.gov.au)

11 [Queensland Climate Transition Strategy - Pathways to a clean growth economy \(www.qld.gov.au\)](https://www.qld.gov.au)

12 Currently only 21.4% of Queensland's energy is sourced from renewable energy, as of 1 July 2022. Source Department of Energy and Public Works. The new target of 70 per cent renewable energy by 2032 and 80 per cent by 2035 will be legislated as part of the Energy and Jobs plan released in September 2022. [Queensland Energy and Jobs Plan \(epw.qld.gov.au\)](https://epw.qld.gov.au)

13 [Home - Queensland Climate Resilient Councils \(lgaq.asn.au\)](https://lgaq.asn.au)

14 [Building our Regions Round 6 | Department of Regional Development, Manufacturing and Water \(rdmw.qld.gov.au\)](https://rdmw.qld.gov.au)



The State Government is responsible for planning and development of the industry precincts within the Gladstone State Development Area of approximately 16,800 hectares. This includes the port, high and medium-impact industry, materials transportation and a services corridor. Environmental management is also under the State's remit, with approximately 1620 hectares of Gladstone SDA on Curtis Island now set aside as an environmental management precinct under the responsibility of the Department of Environment and Science.

8.4 Federal Government

The role of the Federal Government differs somewhat from that of the Queensland Government, mostly in terms of where its responsibilities lie in setting national targets, policy frameworks and regulations and funding responsibilities. Some of the loudest advocates for greater national government leadership during The Next Economy workshops and meetings have been industry players and investors. They argued for the right policy settings, targets, regulations and incentives to be put in place to send the right signals to the market that the government is supportive of efforts to decarbonise the economy to de-risk investment in new industries.¹⁵

a. A national plan with targets, policies and regulations

The role of the Federal Government is to provide leadership and policy certainty at a national level to encourage investment and new industries to develop. This leadership includes national targets to decarbonise the entire economy, policy settings and regulatory frameworks to guide investment and action to ensure a positive long-term legacy for development.

The failure to develop appropriate regulations and standards over the last decade is already becoming evident in the renewable energy sector, with companies having to work out how to develop the new industry while dealing with outdated and sometimes contradictory regulatory requirements.

In June 2022, the recently elected Federal Government demonstrated their commitment to national targets by announcing an increase to the emissions reduction target to 43 per cent below 2005 levels by 2030.

They have also announced that they will develop a National Transition Plan¹⁶ to coordinate the transition from fossil fuel-based energy system to net-zero emissions. It will fund projects to increase the security of the energy system and create a plan in line with AEMO's Integrated System Plan (ISP). This will provide the necessary transmission and generation infrastructure required to

15 These calls for greater leadership at a National level and what industry and regional leaders are wanting from the Federal Government are detailed in the What Regions Need on the Path to Net Zero report: <https://nexteconomy.com.au/work/what-regions-need-on-the-path-to-net-zero-2/>

16 <https://www.smh.com.au/politics/federal/state-federal-governments-to-create-australia-s-first-clean-energy-transition-plan-20220608-p5as3e.html>



meet the demand needed in the National Electricity Market. Future scenarios may consider regional energy independence and how this can be done through distributed energy resources to support energy demand effectively. Additionally, consumer advocates are increasingly requesting that the ISP considers the social issues of large grid-scale development.

There are three policy areas under the remit of the Federal Government that are currently being reviewed and will have an impact on the region as the energy system changes include:

- The Federal Government's has renewed focus on developing a **Capacity Mechanism** to manage energy demand because of the recent energy crisis. This priorities storage and renewable energy across the nation.
- The **Rewiring the Nation Policy** outlined a \$20 billion investment commitment to a national roll-out of transmission lines to connect renewable energy to the grid. This will be implemented by CEFC and AEMO. This policy is designed to ease financial and planning barriers to allow development of utility scale renewable energy and will support the target of 82 per cent renewable energy by 2030 and contribute to the national emission reduction target.
- Establishing the **National Reconstruction Fund**. This is a new initiative of the current Federal Government to support the growth of Australian industry. The initiative finances investment that is aimed to foster regional economic development via a \$15 billion fund, including loans for projects that create jobs, increase regional capability, and diversify the economy.¹⁷
- The **Safeguard Mechanism** was established in 2016 as part of the Emissions Reduction Fund. While the way the Safeguard Mechanism is set up is facing criticism from many climate advocates,¹⁸ it is designed to provide an incentive for Australia's largest industry emitters to avoid increases in emissions beyond their baseline emission limits. The industries in this scheme make up around 50 per cent of Australia's emissions and range from electricity generation, mining, oil and gas to manufacturing, transport, construction and waste. The scheme applies to operations with Scope 1 emissions of equivalent to 100,000 tonnes of CO₂-e per year.

b. National Transition Authority

While transition coordination is required at a regional level, a National Transition Authority¹⁹ would bolster regional efforts by ensuring:

- Highly technical decision making (decisions about energy infrastructure such as managing the electricity grid) are managed by experts at a state or national level with direct input and feedback from regional staff to tailor solutions to the needs of each region.
- A more efficient and consistent flow of information and resources to aid decision making at all levels.

¹⁷ [National Reconstruction Fund | Policies | Australian Labor Party \(alp.org.au\)](https://www.alp.org.au/policies/national-reconstruction-fund)

¹⁸ For a summary of the criticisms of the Safeguard Mechanism see Australian Conservation Foundation (2022) What is the safeguard mechanism? August 22, 2022. Available at: <https://www.acf.org.au/what-is-the-safeguard-mechanism#:~:text=The%20safeguard%20mechanism%20provides%20a%20baseline%20limit%20on%20an%20ACF%20investigation%29%20often%20does%20exceed%20the%20threshold>

¹⁹ For more detail on the role of National Transition Authority, see the What Regions Need on the Path to Net Zero report, which can be found at: [What Regions Need on the Path to Net Zero - The Next Economy](#)



- Increased cooperation between regions to attract investors and better manage resources by building on each region's comparative strengths.
- Ensuring lessons learned at a regional level are incorporated into the development of new national policies, regulations and programs.



8.5 Industry Responsibilities

Companies are facing increasing pressure to act responsibly and develop and implement transparent Environmental, Social and Governance policies from shareholders, investors, governments, communities and insurers. Specific responsibilities for industry, as identified through the engagement activities undertaken to develop the Gladstone Region Roadmap, included:

- Taking steps to lower emissions in line with 2050 net zero emissions targets;
- Rehabilitating sites impacted by development; and,
- Supporting workers to transition; and investing in the development of regions for long term resilience and prosperity.



Gladstone Harbour and Bridge



a. Lowering emissions

The industry's role is to ensure they act responsibly by operating within sound Environmental Social and Governance (ESG) policies and reporting and measuring properly. The greatest challenge facing industry across all sectors is how they will decarbonise their operations while remaining competitive and viable in the future. This includes adapting existing operations to lower carbon-intensive industries' emissions to support the State's renewable energy targets and to source renewable energy sources for their assets. Companies will also need to establish their own decarbonisation plans, with the resources sector required to by 2027 under the current Resources Industry Development Plan. Industry can also play a role in advocating for policies that reduce carbon emissions and deliver the more carbon-efficient economy that increasingly their investors are demanding.²⁰

b. Site rehabilitation

Industry has a responsibility to fully remediate sites and find ways to repurpose assets and infrastructure. While there are no mines in the Gladstone Region, consideration needs to be given to the future use of the NRG Gladstone Power Station. Some workshop participants also raised the region's chemical manufacturing and water contamination issues that need to be addressed.

c. Support workers transitioning

Industry is responsible for working with government to develop transition plans to manage the shift in domestic energy production from coal to renewable energy generation and support workers and others in the community with training, new employment opportunities, financial support and redeployment.

A theme throughout the workshops was the need for companies to be more open and honest with communities and workers about the changes that are happening. This will build trust and facilitate good communication and conversations, alleviate anxiety points and minimise division across the community.

d. Investing in regions

Resource and energy companies need to consult appropriately and share economic benefits with impacted communities. Although the community recognises the benefits to their region from increased economic activity, the community also live with the negative impacts of the resources industry. They want to see the industry take additional steps to reduce its impact on local infrastructure, services, housing, the environment and, in particular, climate change. Industry needs to look beyond setting up operations in regions to how they can support the economic development of regions in the longer term.

²⁰ One example of a company operating in the region taking steps to decarbonise its operations is Rio Tinto: Rio Tinto seeks proposals for renewable energy plants to power Queensland projects | Reuters. Available at: <https://www.riotinto.com/news/releases/2022/Rio-Tinto-calls-for-proposals-for-large-scale-wind-and-solar-power-in-Queensland>



Additional measures that industry can adopt include exploring innovative models for sharing ownership,²¹ or investing a share of profits into local development funds that are managed by the community.

Enabling a smooth transition from a fossil fuel-based economy to one powered by renewable energy will require leadership and a committed investment of time and resources at all levels of government. There is also a need for coordination between government and industry groups to find the best pathway for transition that lowers industry emissions, protects the natural environment, benefits the community and supports a thriving economy.

People are at the centre of economic transition and need to be supported by the government, whether through establishing a transition authority to support existing workers or providing essential social services as industry investment in the region grows. Change needs to be proactively managed by all stakeholders so the community benefits from an equitable transition that provides a positive legacy for the region over the next decade.



Change managed well will benefit future generations

²¹ Community Power Agency with government funding and a solar developer is helping establish Australia's first large-scale Solar Garden that allows over 300 people to purchase 3kW solar garden plots and receive credits on their electricity bill. For more information on Community Power Agency solar gardens visit: <https://cpagency.org.au/>



CHAPTER 9: Conclusion

The pace and scale of changes in the global energy sector are unprecedented. The impacts of these changes are already being felt in energy-intensive regional economies and will no doubt accelerate in complex ways over the coming decades. Gladstone Regional Council embarked on the Gladstone Region Economic Transition Roadmap project with The Next Economy. The Roadmap aims at engaging with stakeholders and articulating a vision that will diversify the region's economy for long sustainable prosperity and determine what needs to be done to realise this vision.

The timing and significance of this work demonstrates Council's leadership and willingness to listen and collaborate. Drawing on responses from over 200 stakeholders, including representatives from over 37 industry, business, government, and community-based organisations, this report comprehensively outlines the actions required to ensure everyone in the Gladstone Region benefits from the region's economic transformation as it decarbonises.

The Roadmap presented in this report covers six key themes and multiple challenges and opportunities that emerged in the consultation. These are summarised as:

- Ensuring the transition to a zero-emissions energy system provides equitable access to **secure, reliable and affordable energy**, whilst supporting communities and the people currently working in fossil fuel industries. This must provide vulnerable (carbon intensive) industries and individuals access to technologies and the means to make the most of new energy opportunities, such as the potential to benefit from distributed energy generation.
- **Building a hydrogen industry** through effective policy, regulation and incentives that mitigate negative impacts on local communities, environmental assets (particularly water resources) and local economies. Developing all elements of the regional, national, and international hydrogen value chains simultaneously by building local economic opportunities in the upstream supply chain and the end use of hydrogen. Hydrogen has a definitive role in 'difficult to abate' sectors achieving net-zero emissions.
- **Diversifying the regional economy** by building on its industrial heritage. Attract new industries to the region that can support existing industries to decarbonise. Develop local manufacturing, construction, health, tourism and educational capabilities in ways that contribute to the region's economic and social fabric over the long term.
- Develop existing **workforce and training capabilities** to re-train and include marginalised groups in new industries. Strengthen the capacity of unions and employers to collaborate and strategise, with support from government, to take immediate practical action for long-term outcomes at the regional scale.

- Engage communities and diverse stakeholders on an ongoing basis to innovatively **share the benefits** and opportunities posed by change. Improving access to services (particularly healthcare), whilst improving liveability and reducing the cost of living in the region.
- Managing development to mitigate negative **environmental impacts**. Development should be informed by First Nations knowledge and circular economy principles to eliminate waste, regenerate environmental assets and repurpose industrial sites.

Within these six themes, multiple cross-cutting challenges were identified and need to be addressed in a coordinated and strategic manner. The primary challenge stems from the need to clarify role responsibility and how the different roles of government and industry fit together. The second challenge is to improve planning and development consent processes, so they factor in the complex and cumulative impacts that economy-wide changes have (especially on existing land and water users). A common refrain in workshops called for new industries to do more than merely secure social licence. Communities and stakeholders expect economic and industrial changes to improve the region's prospects and quality of life for those who call it home.

There is a pressing need to coordinate and plan for long-term changes so all stakeholders can take effective action now. While it is important to recognise the need for and potential of a Regional Transition Authority to manage changes related to each of the priorities presented in this report, all stakeholders must contribute to planning for and acting on the challenges ahead.

Amongst the recommendations for how Council can support the transition generally, there are roles in advocating for the region, supporting its stakeholders, and ensuring new developments and industries meet community expectations and aspirations.

Ratification of this Roadmap demonstrates Gladstone Regional Council's leadership in encouraging affirmative action in the region's interests. This leadership has been widely praised, particularly Council's proactive and pragmatic approach to working cooperatively with other levels of government according to their statutory and strategic responsibilities. Collaborating effectively gives the region's stakeholders the chance to convert uncertainty about the energy sector's future into opportunities to establish resilient long-term economic prosperity.



Appendices



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Appendix A

Timeline of Energy Changes Gladstone Region 2022

Markers relate to:

- International, national, state and local government activities relevant to energy change in the Gladstone Region
- Confirmed energy, industry, educational and infrastructure project dates, expected grid capacity and commercial notes relevant to energy change in the Gladstone Region
- Gladstone Region specific projects highlighted in BLUE

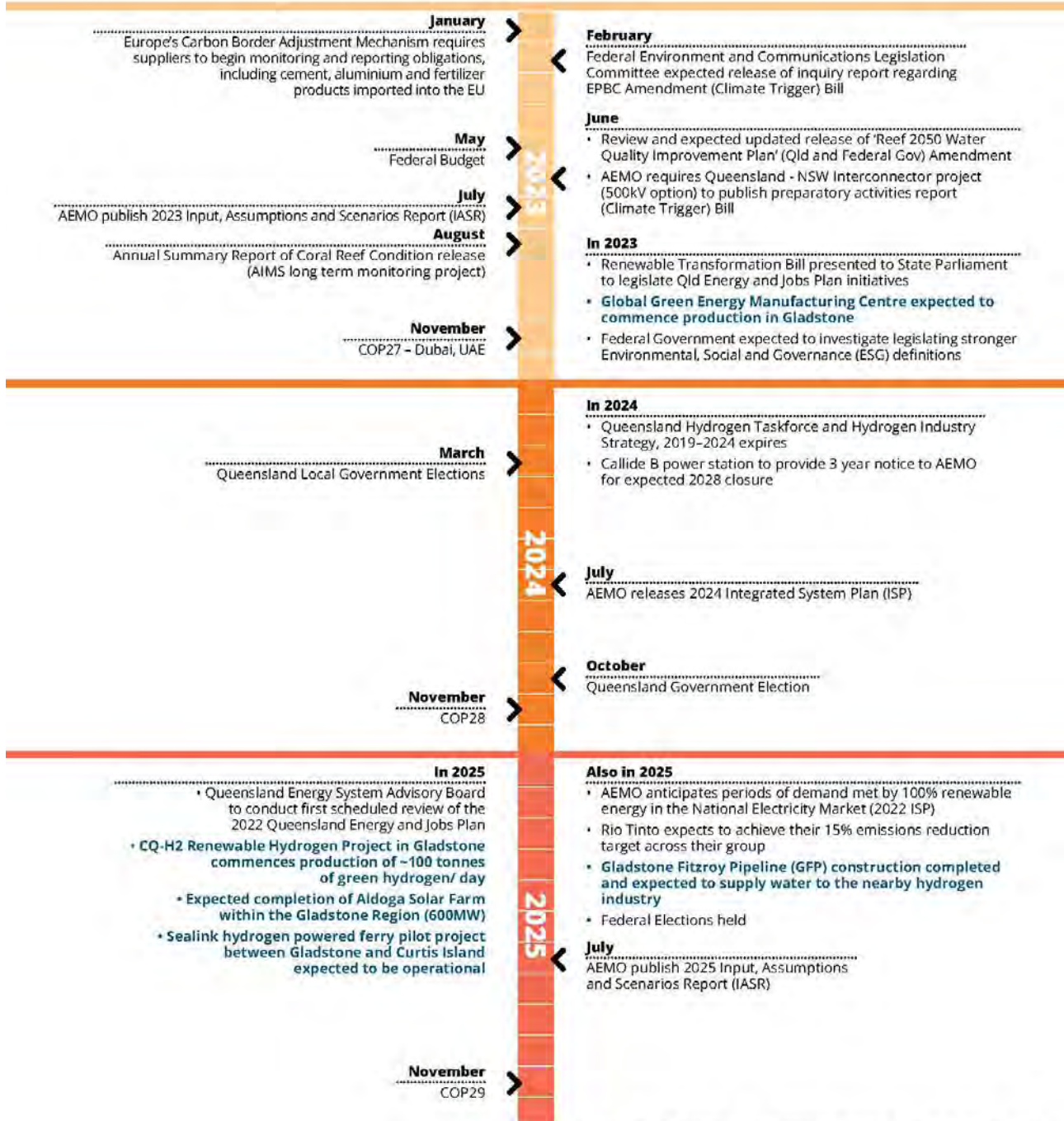


Timeline is not exhaustive. Markers are current as of 20 October 2022 and prospective only, therefore it is possible that dates may change. 2022 ISP data references are based on the 'Step Change' scenario.

Timeline of Energy Changes Gladstone Region 2023-25

Markers relate to:

- International, national, state and local government activities relevant to energy change in the Gladstone Region
- Confirmed energy, industry, educational and infrastructure project dates, expected grid capacity and commercial notes relevant to energy change in the Gladstone Region
- Gladstone Region specific projects highlighted in BLUE

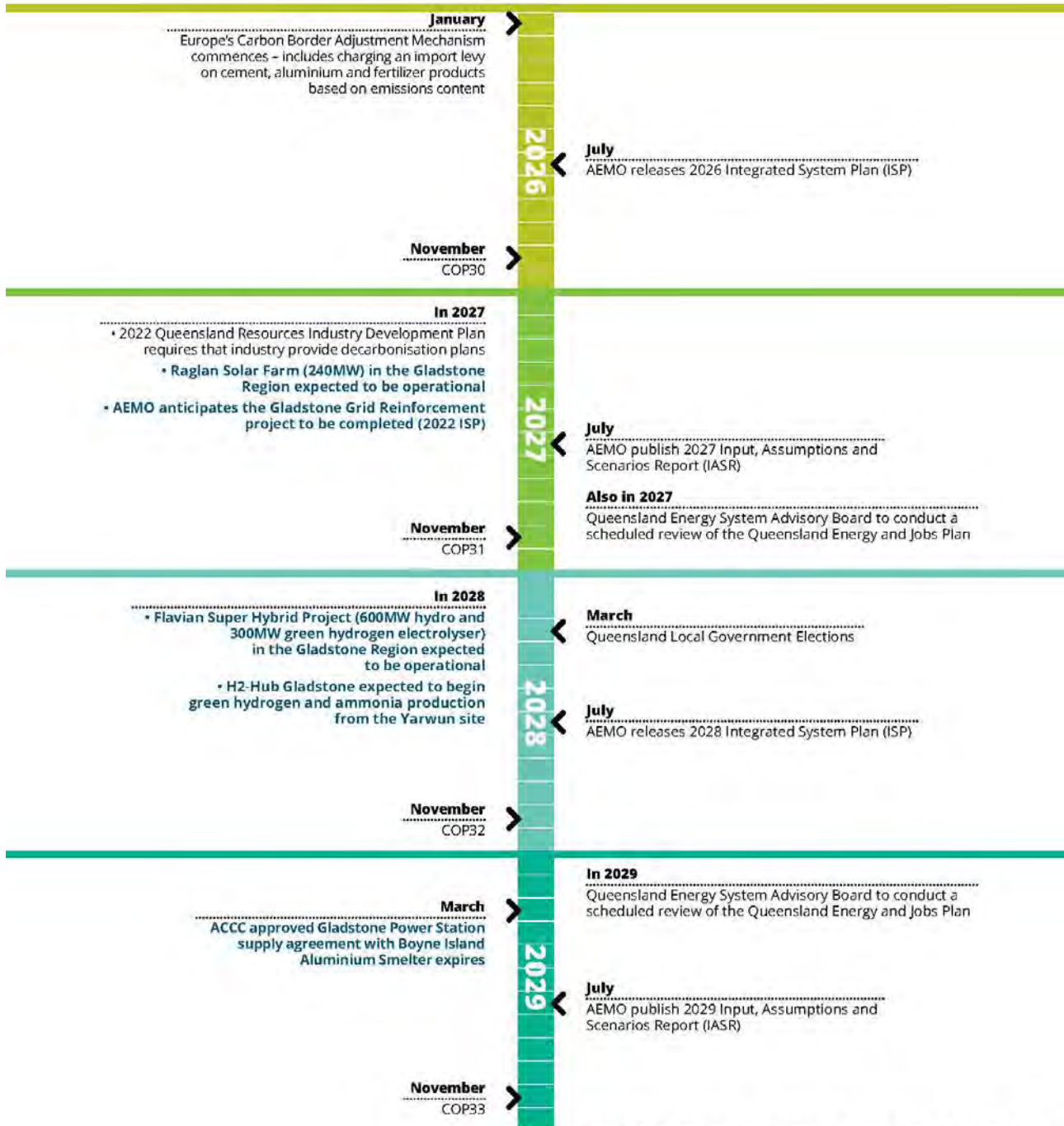


Timeline is not exhaustive. Markers are current as of 20 October 2022 and prospective only, therefore it is possible that dates may change. 2022 ISP data references are based on the 'Step Change' scenario.

Timeline of Energy Changes Gladstone Region 2026-29

Markers relate to:

- International, national, state and local government activities relevant to energy change in the Gladstone Region
- Confirmed energy, industry, educational and infrastructure project dates, expected grid capacity and commercial notes relevant to energy change in the Gladstone Region
- Gladstone Region specific projects highlighted in BLUE

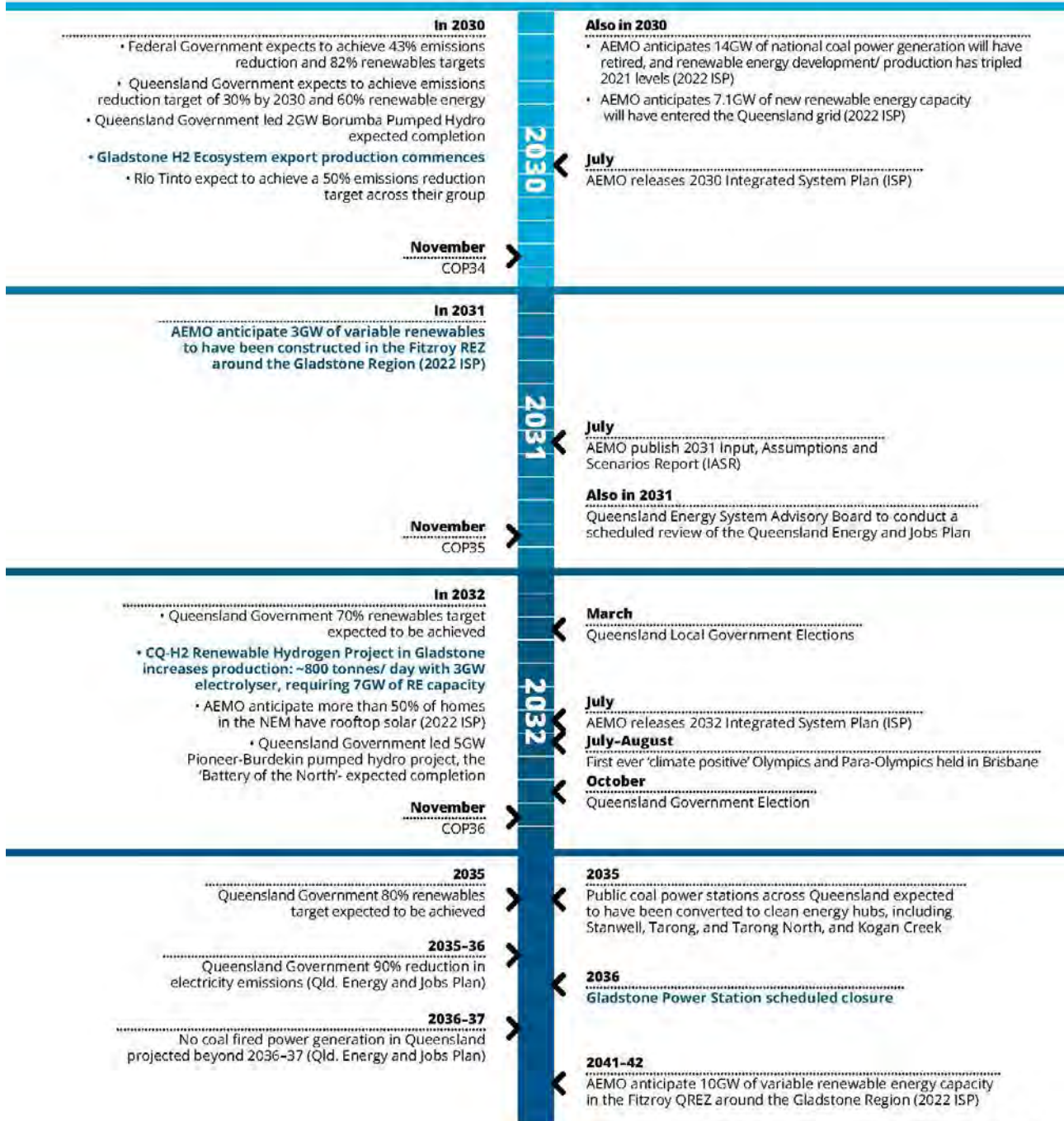


Timeline is not exhaustive. Markers are current as of 20 October 2022 and prospective only, therefore it is possible that dates may change. 2022 ISP data references are based on the 'Step Change' scenario.

Timeline of Energy Changes Gladstone Region 2030-32+

Markers relate to:

- International, national, state and local government activities relevant to energy change in the Gladstone Region
- Confirmed energy, industry, educational and infrastructure project dates, expected grid capacity and commercial notes relevant to energy change in the Gladstone Region
- Gladstone Region specific projects highlighted in BLUE



Timeline is not exhaustive. Markers are current as of 20 October 2022 and prospective only, therefore it is possible that dates may change. 2022 ISP data references are based on the 'Step Change' scenario.

Appendix B



Organisations represented in the industry stakeholder workshops

83 people from the following industry organisations participated in the industry consultation process:

Aurizon	Gladstone Ports Corporation
Australian Gas Infrastructure Group	GPA Engineering
Beyond Zero Emissions	Hughes et al
CQUniversity Australia	Hydrogen Skills Australia
Clean Co	InterPort Global
Clean Energy Council	National Energy Resources Australia
Clean Energy Finance Corporation	NRG Gladstone Power Station
Contract Resources	Orica
CS Energy	Origin Energy
CSIRO	Powerlink
Department of Agriculture and Fisheries	Queensland Alumina Limited
Department of Employment, Small Business and Training	Queensland Department of Energy and Public Works
Department of Energy and Public Works	Queensland Resource Council
Department of State Development, Infrastructure and Local Government	Stanwell
DP Energy	Sumitomo
Energy Estate	TAFE Queensland
Energy Skills Queensland	The Hydrogen Utility
Fortescue Future Industries	

Appendix C

Proposed Renewable Energy Projects in the Gladstone Region



Appendices

Name	Type	Proponent	Capacity (MW)
Aldoga Solar Farm	Solar	Acciona Energy	600
Gladstone Abattoir Solar Farm	Solar	Asia Pacific Agri-corp	78
Raglan Solar Farm	Solar	Eco Energy World	240
Rodds Bay Solar Farm	Solar	Renew Estate	300
Rodds Bay Solar Farm	Storage	Renew Estate	82 (storage)
Iveragh renewable energy project	Wind, solar and storage	Renew Estate	340MW (wind) 200MW (solar) 100MW (storage)
Wooderson renewable energy project	Wind, solar and storage	Renew Estate	816.2MW (Wind), 300MW (Solar), 300MW (Storage)
Flavian Super hybrid project	Pumped Hydro, (green hydrogen)	Sunshine Hydro	600MW (Pumped Hydro) 300MW (Electrolyser)

Appendix D



Federal and State Government initiatives to develop hydrogen industry¹

Level of government	Initiative
Federal Government	Future Fuels Strategy and Fund
Federal Government	Regional Hydrogen Hub Development program ²
Federal Government	Hydrogen Ready Provision ³
Federal Government	A roadmap for hydrogen in the aviation industry ⁴
Federal Government	National Energy Resources Australia (NERA) national hydrogen technology clusters program
Federal Government	Investments in Regional Hydrogen Hub Development.
Federal Government	In April 2021, low emissions international technology partnerships and initiatives with key trading and strategic partners
Federal Government	Clean Hydrogen Industrial Hub Grants program
Federal Government	Energy Exports Cooperative Research Centre
Federal Government	Hydrogen Technology Marketplace tool ⁵
Federal Government	Australian hydrogen market study – Sector analysis summary
Federal Government	ARENA Renewable Hydrogen Deployment Funding Rounds
Federal Government	ARENA funding for trial projects
Queensland Government	An overview of investments made to date is accessible at: https://www.epw.qld.gov.au/about/initiatives/hydrogen/investment-funding
Queensland Government	Queensland Hydrogen Industry Strategy – 2019–2024 ⁶
Queensland Government	Trade and Investment Queensland – Japan office, regularly monitor and attend events to build relationships in this growing sector. ⁷
Queensland Government	Fleet Trial of Hydrogen Fuel Cell Vehicles ⁸
Queensland Government	Queensland Hydrogen Super-highway
Qld, NSW, Victoria	East Coast Renewable Hydrogen Refuelling Network ⁹
Queensland Government	Hydrogen Industry Development Fund ¹⁰
Queensland Government	Hydrogen Taskforce ¹¹
Queensland Government	Queensland Renewable Energy and Hydrogen Jobs Fund ¹²
Queensland Government	Queensland Hydrogen Investor Toolkit ¹³
Queensland Government	Hydrogen release simulation modelling ¹⁴

1 Most of these initiatives are catalogued in the CSIRO HyResource database, accessible at: <https://research.csiro.au/hyresource/>

2 <https://business.gov.au/grants-and-programs/hydrogen-hubs-implementation-grants-round-1> & <https://business.gov.au/grants-and-programs/hydrogen-hubs-development-grants>

3 <https://research.csiro.au/hyresource/policy/australia-and-new-zealand/australia/>

4 <https://www.csiro.au/en/work-with-us/services/consultancy-strategic-advice-services/CSIRO-futures/Energy-and-Resources/hydrogen-commercial-aviation>

5 <https://www.csiro.au/en/work-with-us/ip-commercialisation/hydrogen-technology-marketplace?start=0&count=12>

6 https://www.statedevelopment.qld.gov.au/_data/assets/pdf_file/0018/12195/queensland-hydrogen-strategy.pdf

7 Page 18 - https://www.statedevelopment.qld.gov.au/_data/assets/pdf_file/0018/12195/queensland-hydrogen-strategy.pdf

8 <https://www.epw.qld.gov.au/about/initiatives/hydrogen/hydrogen-super-highway>

9 https://www.epw.qld.gov.au/_data/assets/pdf_file/0012/20460/east-coast-renewable-hydrogen-refuelling-network.pdf

10 <https://www.epw.qld.gov.au/about/initiatives/hydrogen/hydrogen-super-highway>

11 <https://www.epw.qld.gov.au/about/initiatives/hydrogen/taskforce>

12 <https://www.treasury.qld.gov.au/programs-and-policies/queensland-renewable-energy-and-hydrogen-jobs-fund/>

13 https://www.statedevelopment.qld.gov.au/_data/assets/pdf_file/0023/17843/queensland-hydrogen-investor-toolkit.pdf

14 <https://www.statedevelopment.qld.gov.au/industry/priority-industries/hydrogen-industry-development>

Appendix E



How Council can reduce their own emissions and support residents and businesses

The following table is adapted from the 'Communities Power Partnership', an initiative of the Climate Council¹ that is now Australia's largest network of councils committed to a thriving, zero emissions future. The table contains a list of actions Councils can take to reduce their emissions.

Renewable Energy

- Develop supportive planning laws to encourage residents and industry to adopt renewable energy.
- Use council resources to support the uptake of renewable energy.
- Install renewable energy (solar PV and battery storage) on council buildings.
- Support community facilities to access renewable energy through incentives, support or grants.
- Power council operations by renewable energy, and set targets to increase the level of renewable power for council operations over time.
- Provide incentives and/ or remove barriers to encourage local businesses to take up solar power and battery storage.
- Support local community renewable energy projects, and encourage investment in community energy.
- Opening up unused council managed land for renewable energy.
- Facilitate large energy users collectively tendering and purchasing renewable energy at a low cost.
- Set minimum renewable energy benchmarks for new developments.
- Electrify public transport systems and fleet vehicles and power these by 100% renewable energy.
- Lobby electricity providers and state government to address barriers to local renewable energy uptake.
- Identify opportunities to turn organic waste into electricity.
- Implement landfill gas methane flaring or capture for electricity generation.
- Create a revolving green energy fund to finance renewable energy projects.

Energy Efficiency

- Set minimum energy efficiency benchmarks for all planning applications.
- Adopt best practice energy efficiency measures across all council buildings, and support community facilities to adopt these measures.
- Roll out energy efficient lighting across the municipality.
- Provide incentives for energy efficient developments and upgrades to existing buildings.
- Incentivise use of energy efficient heating and cooling technologies.
- Create a green revolving energy fund to finance energy efficiency projects.

¹ <https://cibespowerpartnership.org.au/>



Sustainable Transport

- Ensure Council fleet purchases meet strict greenhouse gas emissions requirements and support the uptake of electric vehicles.
- Provide fast-charging infrastructure throughout the city at key locations for electric vehicles.
- Encourage sustainable transport use such as public transport, walking and cycling through council transport planning and design.
- Ensure that new developments are designed to maximise public and active transport use, and support electric vehicle uptake.
- Support cycling through provision of adequate cycle lanes, bike parking and end-of-ride facilities.
- Reduce or remove minimum car parking requirements for new housing and commercial developments where suitable public transport alternatives exist.
- Lobby state and federal governments to increase sustainable transport options
- Create disincentives for driving high emitting vehicles.
- Convert council waste collection fleet to hydrogen or electric power.

Work Together and Influence

- Set city-level renewable energy or emissions reduction targets.
- Lobby state and federal government to address barriers to the take up of renewable energy, energy efficiency and/or sustainable transport.
- Set up meetings and attend events to work with other cities on tackling climate change.
- Develop education and behaviour-change programs to support local residents and businesses to tackle climate change through clean energy, energy efficiency and sustainable transport.
- Lobby for state and federal support for a just transition away from coal-driven industry for local workers and the community.
- Develop procurement policy to ensure that the practices of contractors and financiers align with council's renewable energy, energy efficiency and sustainable transport goals.
- Support the local community to develop capacity and skills to tackle climate change.
- Support local community energy groups with their community energy initiatives.
- Achieve 100% divestment from fossil fuel aligned investments as soon as possible.



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Reference List


Addendum 3



GLADSTONE REGION
ECONOMIC TRANSITION ROADMAP 2022-32
SUMMARY REPORT
October 2022



Introduction	Energy	Hydrogen	Economic diversification	Workforce development	Community benefits	Environmental protection/regeneration	Conclusion
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<h2>ATTRIBUTIONS</h2> <p>Acknowledgement of Country</p> <p>We wish to acknowledge the Balaka, the Curung, the Gooring, Gooring and the Taribelang Bunds people as the traditional custodians of the land to which this report relates. We pay our respects to their Elders, past and present, and offer our solidarity and support to First Nations groups across the country working towards economic sovereignty and justice.</p> <p>Acknowledgement</p> <p>This project is an initiative of Gladstone Regional Council and was completed in partnership with The Next Economy.</p> <p>Project funding was provided by the Australian Government.</p> <p>Report Authors: Dr Amanda Cahill, Dr Jai Allison, Angela Hieck and Lisa Lumden.</p> <p>Published: 24 October 2022 by The Next Economy: www.nexteconomy.com.au.</p> <p>The Next Economy is registered as a charity with the Australian Charities and Not-for-profit Commission and is supported by The Foundation for Rural and Regional Renewal.</p> <p>The Next Economy would like to acknowledge the work and support of Gladstone Regional Council's Working Group, including Garry Scanlan, Sarah Hunter, Jane Macdonald, Hannah Webb, Helen Robertson, Ali Moore and Lee Griffiths.</p> <p>Graphic Design by Tiffany Ray of Gladstone Regional Council.</p> <p>Citation: The Next Economy (2022), Gladstone Region Economic Transition Roadmap, The Next Economy, Brisbane, 24 October 2022. www.gladstone.qld.gov.au</p>	<h2>CONTENTS</h2> <p>Introduction 4</p> <p>Six key themes - at a glance 8</p> <p>Energy security, reliability and affordability 10</p> <p>Building the hydrogen industry 14</p> <p>Diversifying the regional economy 18</p> <p>Workforce development 22</p> <p>Capturing community benefits 26</p> <p>Protecting and regenerating the environment 30</p> <p>Conclusion 34</p>
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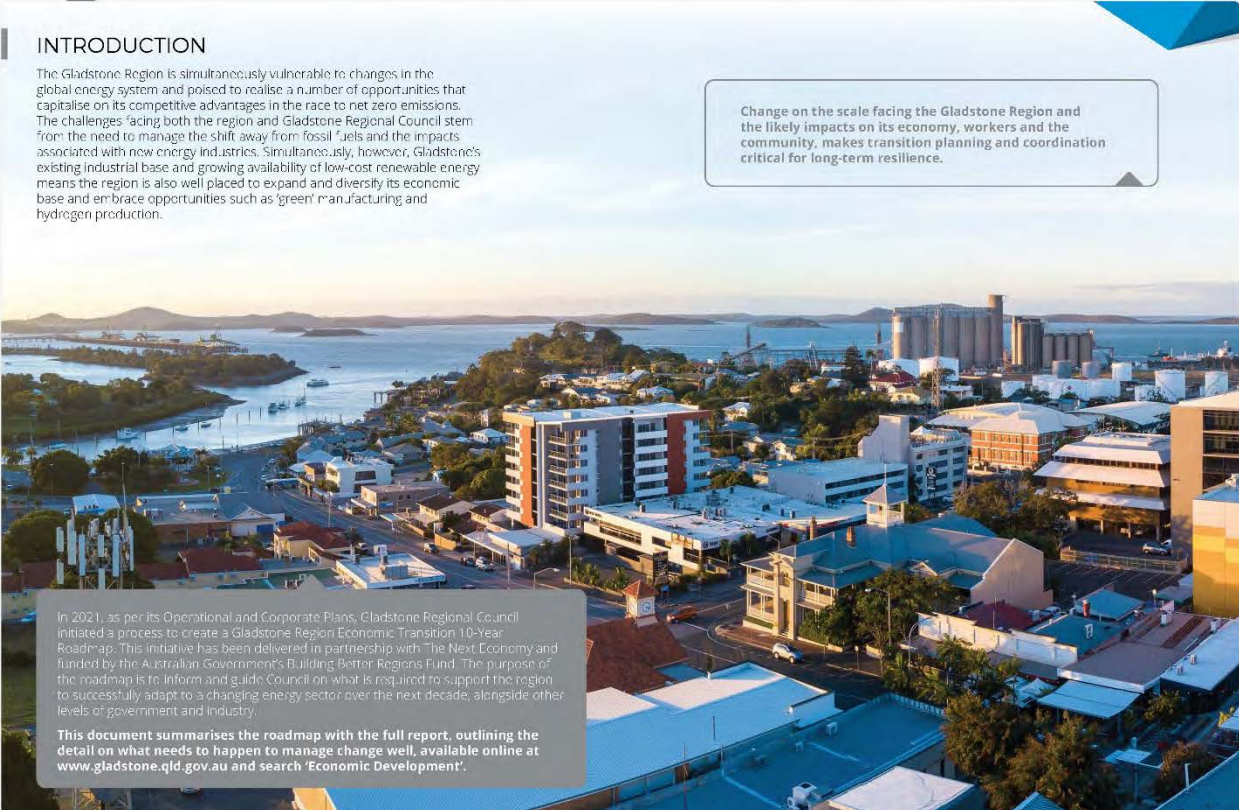
INTRODUCTION

The Gladstone Region is simultaneously vulnerable to changes in the global energy system and poised to realise a number of opportunities that capitalise on its competitive advantages in the race to net zero emissions. The challenges facing both the region and Gladstone Regional Council stem from the need to manage the shift away from fossil fuels and the impacts associated with new energy industries. Simultaneously, however, Gladstone's existing industrial base and growing availability of low-cost renewable energy means the region is also well placed to expand and diversify its economic base and embrace opportunities such as 'green' manufacturing and hydrogen production.

Change on the scale facing the Gladstone Region and the likely impacts on its economy, workers and the community, makes transition planning and coordination critical for long-term resilience.


In 2021, as per its Operational and Corporate Plans, Gladstone Regional Council initiated a process to create a Gladstone Region Economic Transition 10-Year Roadmap. This initiative has been delivered in partnership with The Next Economy and funded by the Australian Government's Building Better Regions Fund. The purpose of the roadmap is to inform and guide Council on what is required to support the region to successfully adapt to a changing energy sector over the next decade, alongside other levels of government and industry.

This document summarises the roadmap with the full report, outlining the detail on what needs to happen to manage change well, available online at www.gladstone.qld.gov.au and search 'Economic Development'.



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ENGAGEMENT PROCESS




In preparing the roadmap, The Next Economy worked with Council to engage more than 200 community and industry stakeholders to gather input into the work that needs to be undertaken across six key themes:

1. Energy Security, Reliability and Affordability
2. Building the Hydrogen Industry
3. Diversifying the Regional Economy
4. Workforce Development
5. Capturing Community Benefits
6. Protecting and Regenerating the Environment

This report summarises the findings for each theme in terms of stakeholder aspirations, the key issues that need to be addressed, and Council's role in managing change over time.

Stakeholder	Engagement Activity	Participants
Community	Council Workshop (for staff and Councillors)	23
	Agnes Water Community Forum (in person)	16
	Gladstone Community Forum (in person)	16
	First Nations Forum (in person)	13
	Workers Forum (in person) including NRG and QAL workers, AMMU and ETU representatives and the Gladstone Industry Leadership Group	10
	Community Forum (online)	6
	Community Survey (online)	39
	Community Sub-Total	123
Industry	Energy Sector Workshop 1 (online)	24
	Energy Sector Workshop 2 (online)	16
	Hydrogen Workshop (online)	21
	Manufacturing, Heavy Industry, Supply Chain and Logistics Workshop (online)	11
	Education and Training Providers Workshop (online)	11
	Industry Sub-Total	83
	Total:	206



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SIX KEY THEMES - AT A GLANCE

ENERGY

- Pace of change is accelerating
- Ambitious decarbonisation targets and high energy prices are driving change
- Increased emission reduction targets to support renewables' growth
- State Government support in Energy and Jobs Plan
- Stakeholders shared common vision for energy future
- Good management will leave positive economic legacy
- Establishing a Regional Transition Authority would enable better planning and coordination
- Support for decentralised energy generation such as household/community ownership

HYDROGEN

- Green hydrogen potential as a new energy substitute for LNG, coal, oil and diesel
- QLD and WA leading in hydrogen projects
- Gladstone Region's two hubs preparing for export role
- Industry participants saw hydrogen as key to reaching net-zero especially for hard-to-abate industries
- Some questioned the industry's commercial viability and environmental impact
- Most see region becoming 'centre of hydrogen excellence'
- State and Federal Government policy aims incentives key to develop the green hydrogen industry

ECONOMIC DIVERSIFICATION

- Decarbonising the economy opens up future manufacturing possibilities
- Region's economic base well placed to expand, diversify
- Sectors with potential to expand include agriculture, health, tourism and waste management
- Small and medium business need support to take advantage of procurement and other opportunities
- Transport and digital infrastructure investments to support diversification
- Community and industry stakeholders proud of industrial heritage

WORKFORCE DEVELOPMENT

- Worker shortages an obvious challenge
- Current energy workers need support to transition to develop career pathways
- Training for future workforce needs in the region
- Need strategies for more inclusive work opportunities for women, First Nations, young people and older workers
- Develop strategies and incentives to attract workers to the region
- Include workers in workforce planning

COMMUNITY BENEFITS

- Sharing burdens from past 'boom'
- Housing shortages a major concern
- Access to basic health services and childcare will be vital to attract new families to the region
- Capture financial benefits of energy transition for the region
- Support First Nations aspirations

ENVIRONMENTAL PROTECTION

- Land clearing a threat to Gladstone Region's ecosystem
- Renewable energy projects to impose further pressure
- Monitoring of water resources will be required to keep water ways' biodiversity healthy
- Careful planning needed to ensure adequate water supply
- Apply circular economy principles to reduce and manage waste

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1. ENERGY SECURITY, RELIABILITY AND AFFORDABILITY

The pace of change in the energy sector has accelerated greatly over the past 12 months, fuelled by a number of factors including more ambitious decarbonisation targets across the world, financial pressures due to rising energy costs and global political instability. While the demand for Australian fossil fuel exports, particularly Liquefied Natural Gas (LNG), has increased due to the Russian invasion of Ukraine, this is unlikely to continue long term due to Europe's decarbonisation efforts, as well as better emission reduction targets from China and India, and recently passed climate bills in the United States and Australia.

A shift to renewable energy will ensure our industries remain competitive by avoiding an international levy on carbon intensive exports.

An increase in Australia's emission reduction target to 43 per cent reductions of greenhouse gas emissions by 2030, a 82 per cent national renewable energy target by 2030 and a recent update to Queensland's target of 70 per cent renewable energy by 2032, will support the further expansion of renewable energy generation.

'State Government support for \$365M Gladstone Grid Reinforcement to connect solar/wind projects'

The Queensland Government is supporting this change across the region with the \$365 million Gladstone Grid Reinforcement to connect solar and wind projects to the grid, which will be delivered by Powerlink as part of the State Government's 10 Year Energy and Jobs Plan.

* The Queensland Government has increased its renewable energy generation target since the last Economy conducted the engagement activities to 60 per cent by 2030 and 70 per cent by 2032

Stakeholder aspirations

Stakeholders from across the Gladstone Region and industry groups shared a common vision that by 2032, the Gladstone Region will have transitioned its source of energy generation to renewable energy while intensifying its position as an energy superpower. People understand the energy sector is changing and expect that by the end of the next decade, industries across the region will be using renewable energy that is firm with some demand management and storage. This will require unprecedented development as almost all energy needs will be electrified or met by the growing regional hydrogen industry. Participants foresaw the build out of new energy infrastructure and the supporting industries would leave a positive economic legacy if managed well. This rapid expansion includes generating ongoing jobs and boosting local procurement opportunities.

Participants recognised that access to renewable energy will reduce financial pressure on households and businesses overtime, and they supported the then State Government's target of 50 per cent renewable energy generation by 2030. While participants understood that developments would include large scale renewable energy and transmission projects, they expressed strong support for decentralised energy generation through increased household and community ownership of renewable energy generation.

Key themes to address

Successfully transitioning the Gladstone Region to safe, reliable, and affordable renewable energy requires the following actions:

- Building enough renewable energy, firming, storage, transmission and distribution to reliably and affordably meet current and future needs.
- Constructing and upgrading the infrastructure (eg. transmission, transport) needed to support the renewable energy sector.
- Reducing the impacts of renewable energy developments on land-use by ensuring that planning and development assessment avoids competing interests and generates stakeholder support by consulting, mitigating and compensating for infrastructure impacts.
- Developing and upgrading legislative and regulatory parameters to enable innovations such as microgrids, energy trading, and community owned renewable energy projects to be deployed in the region.

- Undertaking more thorough and holistic planning to develop new policies and regulations to manage both the decline of the fossil fuel industry and expansion of renewable energy developments.

- Addressing a range of financial challenges, particularly the cost of infrastructure, to ensure affordable and equitable access to energy across the region including the technologies that will enable all residents and small businesses to take advantage of these changes.

- Establishing a Regional Transition Authority (supported by State and Federal Governments) to undertake planning that informs effective policies to improve coordination, improve clarity, and mitigate disruptions. The authority would coordinate efforts to successfully transition the region to renewable energy across all levels of government, industry and community, while helping the region to seize a range of economic opportunities.



Role of Council

There are four main ways that Council could contribute to ensuring secure, reliable, and affordable energy for the Gladstone Region across the next 12 months:

1 Leading and advocating for the region

Stakeholders repeatedly noted the importance of Council's role in advocating for the region. Suggestions included:

- Lead and encourage others by establishing targets to increase energy efficiency and reduce emissions across Council operations, such as installing solar or batteries or continuing to replace the existing fleet with electric vehicles.
- Staying abreast of significant changes in the energy sector and proactively putting forward the views of the community to inform State and Federal policies as the energy system changes.
- Advocating for planning and land use assessment legislation that is evidence based and consistent with current needs.
- Advocating to the State and Federal Government for programs and policies that support community owned energy and energy justice outcomes in the region.

2 Attracting new investment to the region

Council could play an important role in securing the region's energy system and making sure it is affordable for local consumers by attracting new resources and investment into the region. This may include collaborating with others to hold investment forums for the energy sector and the industries that service and supply it.

It is important for Council to continue to collaborate with other councils in Central Queensland to learn and share how they are navigating common challenges. This could include work to cooperatively set standards and local expectations for energy projects (eg. guidelines on procurement and community engagement).

3 Supporting community and businesses

Council is well placed to help households and businesses across the region to benefit from the changes that are coming. Tangible ways Council can do this include raising awareness across the community about the changes that are underway in the energy system and educating communities to understand renewable energy development processes and how they can most productively participate, particularly in planning processes.

4 Ensuring new developments meet community aspirations

Local government can develop guidelines that detail practices and principles they expect developers to adopt when operating in the region. By having established guidelines in place, Council can encourage proponents to operate to the standard expected by the community. This may help proponents understand the strategic vision and aspirations of local communities and how renewable energy developments can contribute to them in positive ways, such as encouraging companies to share the benefits of new developments (eg. profits, and access to services and infrastructure) in ways that support long term resilience and prosperity across the region.

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2. BUILDING THE HYDROGEN INDUSTRY



Green hydrogen will substitute for LNG, coal, oil and diesel in a wide array of energy intensive industries over time. The industries most likely to adopt hydrogen first are hard to abate sectors such as remote power generation, heavy manufacturing (e.g. steel and alumina production), heavy transport as well as production of chemicals such as ammonia.

Queensland is only second to Western Australia in terms of the number of hydrogen developments underway. The Gladstone Region is home to 14 initiatives, including two of the six national hydrogen hub development projects gearing up to meet export demand.

Stakeholder aspirations

Participants envisioned that the hydrogen industry will play a crucial part in the Gladstone Region's ability to achieve net zero emissions while sustaining and expanding energy intensive industries and economic prosperity.

Some participants questioned the 'potential' of the industry, expressing concerns about its commercial viability due to high production costs and potential impacts on the region's energy and water resources. Nevertheless, the majority shared a vision of the Gladstone Region becoming a 'Centre of Hydrogen Excellence' through coordinated efforts to develop resilient local supply chains, production, demand and export capabilities.

Many of the industry stakeholders consulted expect that the hydrogen industry will grow over time by

Vision for region as a 'Centre of Hydrogen Excellence'



developing local capability to first meet domestic demand. This may include expanding the region's industrial capability to use hydrogen in industrial processes, such as making green metal/aluminium locally with hydrogen.

By 2032, the technical aspects of hydrogen storage and transportation will have been resolved, with the construction of common user infrastructure key to building a competitive industry.

Importantly, the industry will have developed responsibly over time, addressing community concerns about the safety and environmental impacts of hydrogen production.

Key themes to address

Breaking into the global hydrogen industry requires access to massive amounts of yet to be built renewable energy and common user infrastructure. Attracting investors requires stable regulatory environments, a high level of coordination, and incentives to build projects that demonstrate how hydrogen can be produced, handled and consumed at regional, domestic and global scales. The hydrogen industry must attract, train, and develop its workforce as well as overcome public concerns about safety and the industry's social and environmental impacts, especially on water resources. Ensuring Australian hydrogen meets overseas market requirements will require cost reductions and compliance with emissions certification that ensure green hydrogen value chains.

Specific actions identified by industry stakeholders included:

- Develop domestic demand by using hydrogen across a range of local operations, e.g. heavy vehicle fleets.
- Develop the export market by working with Japan, South Korea, The European Union and others to support their ambitions to convert to low emissions hydrogen.
- Ensure sufficient availability of renewable energy to power the hydrogen industry, which Australian

Energy Market Operator (AEMO) predicts that this nearly quadruples National Electricity Market energy consumption by 2050 to support a hydrogen 'superpower' export industry.

- Increase efficiencies and reduce production costs related to installation, electrolyser production, water supply, renewable energy generation and other processes and inputs.
- Invest in the infrastructure needed to develop the hydrogen supply chain including the sustainable provisioning of water through desalination, renewable energy infrastructure, gas and water pipelines, storage facilities, port facilities and waste treatment facilities.
- Build community understanding of the industry, particularly around safety, viability and legacy issues.
- Develop effective policy and legislation and undertake detailed planning. Examples included measures to encourage demand in areas such as transport, trusted certification schemes, and to enable common user infrastructure.

The global hydrogen industry requires access to massive amounts of yet to be built renewable energy and common user infrastructure



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Role of Council

Stakeholders identified three main roles that Council could fulfill in establishing a viable regional hydrogen industry:

- ### 1 Planning and assessment



The majority of hydrogen development is taking place in the Gladstone State Development Area (GSDA) and therefore State Government departments are assessing these projects. Notwithstanding, Council can advocate for what the region needs to manage change and should be properly resourced by State and Federal Governments to ensure that it has enough staff and training to:

 - Consider and plan for the cumulative impact of the hydrogen industry, rather than assessing the risks of individual projects in isolation.
 - Work with other stakeholders to educate the community so that they understand proposed developments and can provide appropriate and timely feedback.
 - Collate some of the lessons learned from past experiences of rapid industrial development to identify ways to improve approaches to planning, engagement and infrastructure development.
 - Stay abreast of developments and the range of hydrogen initiatives and proposals.
 - Set clear expectations of project proponents to help them understand the existing context.
- ### 2 Advocacy on behalf of community to ensure good, sustainable development

Council's primary role is to represent the region's interests and ensure the voice of the region is articulated to other levels of government, industry, and investors. Council can play an active role in ensuring the hydrogen industry develops in a way that benefits the Gladstone Region as a whole. This includes activities such as:

 - Conducting a program to engage diverse community stakeholders to determine what their concerns and aspirations are for the hydrogen industry. The result of this could be used to develop guides for investors to articulate community expectations around design and operations (including safety), as well as potential benefits to the region.
 - Continuing to participate in initiatives such as the CO₂-H₂ Technology Cluster, CO₂-H₂ Alliance and the Hydrogen Ecosystem to support planning and coordination efforts.
 - Engaging with State Government departments to address needs related to common user infrastructure and service upgrades (e.g. trade waste, roads and sewage development).
- ### 3 Testing and demonstrating the advantages of hydrogen

Council could play a role in expanding the domestic demand for hydrogen and demonstrating the safe use of hydrogen by utilising the resource across its operations. This could include negotiating offtake agreements to power heavy vehicles such as trucks, buses and waste collection vehicles.

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3. DIVERSIFYING THE REGIONAL ECONOMY



Goals: Efforts to decarbonise the economy has opened up a range of economic opportunities for the Gladstone Region, including the opportunity to expand local manufacturing in a competitive way. The growing demand for renewable energy components and other green products, combined with global supply chain shortages and Gladstone's existing industrial base and growing availability of renewable energy, means the region is well placed to expand and diversify its economic base.

Stakeholder aspirations: Community and industry stakeholders across all engagement activities expressed pride in the Gladstone Region's industrial heritage. Overwhelmingly, participants wanted to see the region continue to be a place where things are made and exported to the world as the economy decarbonised over time.

By 2032, participants wanted to see the Gladstone Region well on its way to becoming a 'showcase of green industry and manufacturing'. This includes manufacturing a wider array of goods to reduce Australia's reliance on imports. In terms of exports, participants see the region as a 'green exporter' of products such as green hydrogen, aluminium, steel, chemicals, cement and lime, electrolyser, batteries and renewable energy components.

Key themes to address:

- If managed well, the work of decarbonising existing industries could also lead to the expansion of a range of enterprises across the region, providing a diverse range of opportunities for local employment and services. Addressing the challenges and realising the opportunities associated with economic diversification includes:
 - Supporting existing industries to decarbonise so they can remain viable.
 - Expanding the local manufacturing base by building on existing infrastructure, skills and inputs and taking advantage of lower energy costs.
 - Providing incentives to attract new industries and investment to the region.
 - Building the capacity of local businesses to meet the needs of these new industries (e.g. hydrogen, renewable energy generation).
 - Developing local infrastructure to meet the needs of emerging industries.
- Exploring innovation in areas like the circular economy, or in creating new local industries, concepts such as the Renewable Energy Industry Precinct concept proposed by Beyond Zero Emissions.
- Engaging people currently marginalised from the workforce and attracting workers to live in the region long term.
- Taking advantage of locally available renewable energy and the need to decarbonise the economy to expand other sectors such as agriculture, tourism, and waste management.

Economic diversification will bring challenges and create opportunities through new industries and investment in the region. For example, innovation in the circular economy or creating jobs for marginalised workers.

'Gladstone - a green industry and manufacturing showcase'

This transformation over the next decade – made possible by the supply of low cost, low emissions energy – will underpin long term investment and growth in existing and new energy intensive industries

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Role of Council

Participants identified four main roles Council can play to support the diversification of the regional economy including:

- 1 Planning**
While there is significant planning occurring at a State and Federal level that will impact the region, it is important that Council continues to facilitate processes to develop and update its own planning scheme with the input of community and other key stakeholders. Some of the areas raised by participants for Council's attention included: planning for appropriate areas to be available for development; awareness of what industries require, particularly with regards to new technology; improving the speed of planning approvals; and generally knowing what's coming so Council can be well prepared.
- 2 Marketing the region**
Council can play a role in attracting new projects to the region by strategically marketing the competitive advantages of the Gladstone Region which include the deep-water port, access to state development land, a skilled workforce and openness to innovation. In collaboration with relevant stakeholders, Council can run awareness campaigns advocating for the region, including:
 - Sharing the portfolio of investment opportunities developed by Trade and Investment Queensland with interested investors.
 - Work with Gladstone Engineering Alliance (GEA) and Central Queensland Regional Organisation of Councils (CQROC) on local procurement guides.
 - In collaboration with Gladstone Area Promotion and Development Ltd (GAPDL), produce a strategic marketing plan and continue to invest resources to promote the Gladstone Region as an attractive place to visit and live, to attract new professionals and workers, and encourage people to stay in the region.
- 3 Advocacy**
Council can advocate to the State Government for high quality infrastructure in the region and for the resources needed to maintain Council assets and responsibilities (eg. roads, bridges and waste management facilities) so they are able to withstand the impact of industrial expansion. As the region diversifies, Council could also encourage new market entrants to uphold environmental standards and meet community expectations regarding community benefits.
- 4 Keeping the community informed**
Council could play a greater role in preparing the community for changes that come from major projects. In terms of diversifying the economy, this includes raising awareness of the range of economic opportunities that are emerging, likely impacts of new developments and how people can participate and benefit. Avenues to raise and address community concerns and generate greater awareness could include updates during regular Council forums, dedicated community meetings and online sharing.

Gladstone Region Liveability
The region lies on the east coast of Queensland, Australia, within a one hour flight of Brisbane
<https://bit.ly/3fegWz>

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4. WORKFORCE DEVELOPMENT

Australia is facing serious worker shortages across a range of economic sectors. This challenge is heightened in the Gladstone Region, given the scale of proposed developments in the renewable energy and manufacturing sectors. Addressing workforce issues will require measures to support existing energy workers to move into the renewable energy sector, as well as attract and train new workers.

Stakeholder aspirations

Participants in engagement activities overwhelmingly agreed that by 2032, the expansion of the renewable energy, hydrogen and manufacturing sectors will ideally result in long-term career opportunities with secure, well-paid positions that offer a range of benefits for existing and future workers.



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By 2032, the impacts on the local economy have been well managed as the population expands to meet the needs of industry, creating positive outcomes such as improved local services, and increased cultural diversity and equity. People who have been historically marginalised from the workforce have been properly supported to participate in new industries, seeing record numbers of women, First Nations, young people, people living with disabilities, and older workers participating in the workforce.

A place-based approach to training has created multiple world-class facilities with Gladstone positioned as a 'centre of excellence for training'.

Key themes to address

Achieving the aspirations expressed by stakeholders will require a careful analysis of the existing workforce and future industry needs, as well as long-term coordination, participatory planning and immediate action. These actions include:

- Identify current and future skills shortages and undertake a thorough skills audit.
- Develop a place-based approach to local workforce training and development, including the development of new structures to support efficient coordination over time (e.g. a Regional Transition Authority).
- Facilitate greater cooperation between State and Federal Governments and regional stakeholders to develop consistent and complementary legal and policy levers; incentives for industry to develop the regional workforce and strategies to capture localised workforce development opportunities presented by Renewable Energy Zone development.
- Support fossil fuel workers to be redeployed to other energy operations, retrain for new careers or retire early. These efforts will be strengthened

by the recent Queensland State Government's announcement of a 'Job Security Guarantee' for workers at Queensland's publicly owned coal-fired power stations.

- Develop a strategy and practical support to enable historically marginalised groups to join the local workforce. This includes increasing the number of apprenticeships and traineeships in the region that target women, First Nations people, young people and older workers.
- Improve services and facilities across the region to attract workers to migrate to the region and minimise reliance on Fly-in Fly-Out (FIFO) workers.
- Strengthen the role of unions to support workers and inform workforce strategies to ensure good conditions and long-term security for workers.
- Invest heavily in education and training support in the region to address skills shortages (including investment in the regional university and developing micro-credentialing), develop local workers, and meet the training needs of small and medium sized enterprises.



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Role of Council

Advocacy and planning are the main areas Council can provide support for the region's workforce development. The following actions are viewed as important for Council to either take the lead or be involved in over the next 12 months:

1 Advocacy

There are numerous advocacy roles Council can play in ensuring the region's workforce is developed and sustained for broader social and economic outcomes. These include:

- Articulating what the region's stakeholders expect of development proponents in relation to workforce development, training, procurement and working conditions.
- Advocating for more resources to ensure Council can play its role in working to bring different stakeholders together to coordinate efforts in workforce planning and development. For example, Council is best placed to articulate

the kinds of services and infrastructure that is needed to help attract workers, i.e. through local procurement and employment networks and schemes.

- Advocating to State and Federal Governments to build clear employment pathways for locals and for more inclusive employment and workforce ratios.
- Continuing to liaise with State and Federal Governments, CQU university and other training providers, to engage in policy development and national discussions related to workforce development.

2 Planning and strategy

Council has a minor but important role to play in ensuring workforce planning is undertaken well to produce results that have real impact, given its connection to local stakeholders:

- Council could co-develop a training and workforce development strategy in collaboration with other regional stakeholders. Specific elements of Council's input to a regional workforce strategy could include building on existing initiatives such as the Connecting Council with Curriculum Program. This program could expand to include topics such as energy and economic transition and hydrogen.

Council could develop a communication strategy with a focus on the region as a good place to live to attract permanent workers. Additional funding could be sought to expand Council's existing marketing materials, for instance videos promoting the region to attract people with the diverse range of skills needed to realise the energy transition.

Other suggestions for how Council could progress workforce development as part of a regional strategy included:

- Work with Federal Government to attract new migrants to the region from interstate and internationally to address skills shortages.
- Identify and facilitate the development of land for training facilities and accommodation.
- Council to adopt strategies to create more inclusive employment opportunities for groups traditionally marginalised from the workforce including women, First Nations people, young people and older workers.

Glad to be in Gladstone
A guide to living in the Gladstone Region.

This page provides links to general and local information to assist you to settle into your new home.

<https://bit.ly/3N8M3Nx>



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5. CAPTURING COMMUNITY BENEFITS



The rapid expansion of industries in the past, such as LNG, have generated employment opportunities and wealth for some. It has also contributed to housing shortages, higher costs of living, pressure on existing services, a deterioration of local infrastructure, and a lack of long-term employment opportunities for locals.

The socio-economic gap between the haves and the have-nots in the region is increasing and tends to worsen during and after periods of rapid industrial expansion. 2021 Census data showed 18.8 per cent of Gladstone regional households are living on less than \$650/week, even though the average median weekly household income is \$1639/week. The widening gap is attributed to the high wages of some workers as well as the increased costs of living, all of which is intensified during boom periods.

At the time of the 2021 Census, the Gladstone Region had considerably cheaper housing and greater housing affordability compared to other regions. However in the 2021-2022 financial year, sale prices have increased 17.37 per cent and rental prices have increased 7.1 per cent. While housing prices now appear to be in decline, more planning is needed to deal with this level of volatility, particularly given the projections of economic growth in new sectors over coming years, as well as projected interest rates rises.

Access to health and other basic services will continue to be a fundamental issue over the next decade and will determine whether families move to and stay in the region as they age. Many participants in engagement activities highlighted a dire need to resource a range of essential local health services including maternity, paediatric, mental health, emergency and imaging services, plus increase the availability of childcare and options for community aged care facilities, which would enable older generations to stay in the region.

Stakeholder aspirations

Participants across the community workshops agreed that everyone within the Gladstone Region should share in the revenues and benefits generated from it being one of the nation's 'industrial engine rooms'. By 2032, participants expect that economic changes brought about by the energy transition should extend beyond just increasing employment opportunities to also improve the region's livability. This includes reductions in the cost of living, improvements to health and wellbeing services and access to affordable housing for all.

Participants emphasised that the benefits from changes extend to everyone, emphasising that First Nations people, fossil fuel workers and traditionally marginalised communities should share more equitably in the opportunities generated by new energy industries. This includes new employment and procurement opportunities, as well as participating in new models such as community owned energy projects.

Key themes to address

The vision to capture community benefits could be achieved by:

- Reinvesting economic windfalls (whether through taxation, royalties or community funds) to improve infrastructure such as roads, as well as augment access to essential services in areas such as health, aged care and childcare.
- Finding ways to develop affordable and accessible housing that can meet the long term needs of residents. For example, companies could invest in high quality modular homes or 'rent to own' programs, or develop mobile tiny homes for transient workers.
- Ensuring social inclusion in employment and procurement opportunities by building the capacity of local enterprises and coordinating regional access to large project contracts.
- Capturing financial benefits for the region in a strategic, transparent, and equitable way. For example, through social infrastructure benefit funds and industry-based community benefit funds.
- Addressing loss of fossil fuel royalty payments during the transition to renewable energy.

Everyone should benefit in one of the nation's 'industrial engine rooms'



Access to aged care, childcare and health services will determine region's future

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Role of Council



Council plays an important role in advocating for community needs.

Suggested actions that Council can either take the lead or be involved in over the next six to 12 months include:

- Explore ownership models, options and feasibility for the provision of aged care facilities in Gladstone. Decide what models suit the Gladstone Region and promote the business case widely to attract interest from specialised aged care providers.
- Review town planning mechanisms to accommodate and encourage the construction of more affordable housing in the context of long-term housing needs in the community.
- Where possible work with relevant stakeholders to develop a Regional Housing Taskforce for the purpose of planning, overseeing, coordinating and advising on housing supply within the region.
- Develop a Social Infrastructure Plan to clarify local priorities and guide decision making about funding by government and industry.
- Support the Port Curtis Coral Coast Trust to facilitate processes for First Nations groups to create their own 'Local Expectations Guide' for project developers in the Gladstone Region, including benefit sharing preferences.
- Support productive and informed community involvement, negotiation and communication with industry (e.g. increasing access to community and providing training on negotiating skills).

Suggested actions that Council could progress over the next two years include:

- Produce an annual report of the range of community benefits distributed across the Gladstone Region by various industries and companies to acknowledge the contributions they make and keep benefit expectations on the public agenda.
- Develop a community benefit fund that industries contribute to, and communities manage, to develop services and infrastructure across the region.
- Work with regional development organisations and business groups to strategically foster interest and training in community ownership and social enterprise business models.

2 Advocacy

Council has an important role to play in advocating for better health services, affordable housing and benefits for the community. Suggestions included:

- Coordinate with Regional Development Australia, local chambers of commerce, industry, health, housing and community service sectors to advocate for better services in a collaborative and strategic way.
- Develop a joint 'Statement of Community Needs'.
- Advocate to the State Government for improved health services, particularly the resourcing of maternity, paediatric, psychiatric and mental health services, plus the general recruitment and retention of health professionals.
- Advocate for the construction of more social / affordable housing and innovative financing models, such as rent-to-owns, shared equity models and land trusts.
- Advocate for State and Federal Governments to standardise industry guidelines for corporate profit and benefit sharing, encouraging companies to contribute to the communities they operate in.
- Advocate for legislative anomalies to be resolved to ensure renewable energy proponents effectively engage and compensate First Nations communities (not just Native Title holders) for the impact new energy, transmission and other projects have on land and biodiversity.
- Advocate for adequate financial literacy and financial management support services to be provided for workers, especially where forced redundancies occur, as well as to other residents to address the gap between the haves and have-nots.



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6. PROTECTING AND REGENERATING THE ENVIRONMENT

The Gladstone Region's natural vegetation ecosystem consists of mangroves, saltmarsh and dune vegetation, open eucalypt woodlands and forests, vine scrubs and rainforests. Currently, these provide a home to eight critically endangered animals and three critically endangered plants, 23 endangered animals and 11 endangered plants. Land clearing is one of the key threats with 45 per cent of the region cleared. The pressure on land use will be further exacerbated by renewable energy generation and transmission projects requiring an estimated 160,000 to 180,000 hectares of land.

Gladstone has been a fully drought declared region since 2019, highlighting the need for planning and regular water assessments to consider competing uses (including environmental needs) to ensure healthy waterways and biodiversity.

Stakeholder aspirations

Participants in engagement activities envisaged improvements in how the Gladstone Region's diverse environments and natural resources are managed over the next decade. There is substantial support for action to mitigate climate change, assisting ecosystems to adapt, and protecting the Great Barrier Reef along with other precious water resources. Most participants saw a zero-waste future that uses circular economy principles. Participants also emphasised the importance of First Nations traditional knowledge in guiding development, managing resources and biodiversity, mitigating against natural hazards, and rehabilitating industrial sites (such as coal fired power station assets).

'First Nations traditional knowledge will help manage resources and biodiversity, rehabilitate industrial sites'

Domestic resource recovery from many different waste streams is already being undertaken in the region resulting in the diversion of materials such as clean fill, green waste, paper and cardboard, timber, metals, concrete and glass. Council targets include aspirations for zero waste to landfill, increasing the recycling rate by 20 per cent, and reducing carbon dioxide emissions. These goals underpin the 2019 Gladstone Waste Management and Resource Recovery Strategy.

2019 Waste Management and Resource Recovery Strategy.

Council aims to develop a realistic pathway to a zero waste to landfill future, based on the principles of the waste hierarchy.

<https://bit.ly/3NbyUOW>



GLADSTONE REGION ECONOMIC TRANSITION ROADMAP 2022-32: SUMMARY REPORT

Key themes to address

A suite of actions generated through the engagement activities would improve the balance between rapidly developing new energy industries and meeting community expectations to protect and restore environmental assets. This could be achieved by adopting a more holistic and comprehensive planning assessment process that better considers, minimises and if required, changes how new developments and industries are built or operated to mitigate negatively impacting land and water assets.

Regenerating and repurposing assets such as disused sites and degraded land or waterways would improve environmental outcomes. Circular economy informed policies and regulations are needed for the transition to renewable energy to have regenerative impacts, such as eliminating waste streams and improving air quality. Making sure progress is made requires improved environmental monitoring and reporting by industry and government. In summary, the priority areas for action include:

- Protecting water quality and supply in an already dry part of Australia
- Protecting the Great Barrier Reef and marine ecosystems
- Protecting, remediating and regenerating existing land (includes rehabilitating and repurposing fossil fuel infrastructure, sites and projects and minimising the impact of renewable energy on biodiversity)
- Ensuring changes lead to air quality improvements and emissions reductions
- Adopting new approaches to reduce waste and impacts including the integration of circular economy approaches
- Improved environmental monitoring and reporting by industry and government



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Role of Council

The main recommendation relating to the role of Council in protecting and regenerating the environment is primarily to work with other authorities and the State and Federal Government departments to assist in assessment, planning, and monitoring activities.

Suggested actions to commence over the next six to 12 months include:

- Working with the Department of Environment and Sciences (DES); Department of Energy and Public Works; Department of Manufacturing, Regional Development and Water; and the Gladstone Area Water Board to update the Gladstone Regional Water Supply Security Assessment to incorporate the latest industry water demands and potential supply impacts. This needs to include a vision for water security that considers future climate projections.
- Working with the Department of Environment and Science to review and update processes to monitor and mitigate the impacts of new developments on air quality, the Great Barrier Reef, vegetation and management of organic and metal waste in the Gladstone Region.

Suggested actions to commence over the next two years include:

- Setting internal emission reduction targets across Council operations.
- Implementing measures to improve energy efficiency and increase use of renewable energy across Council operations.
- Council involvement in relevant environment groups, community groups and specialist agencies to develop regional 'Renewables and Nature' guidelines and best practice resources that articulate local expectations for new renewable energy and green manufacturing developments.
- Continue to invest in the implementation of the 2019 Gladstone Waste Management and Resource Recovery Strategy.



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CONCLUSION

Managing a transitioning energy sector is a complex task, especially given the rapid pace of change. The myriad of stakeholders that need to participate in planning and decision-making extend across all sectors of the economy and society. Greater coordination is needed to clarify roles and responsibilities at all scales if the region's industries and businesses are to mitigate negative impacts and capture benefits to support everyone to thrive. While Local, State and Federal Governments have statutory roles to fulfil, there are many strategic policy and regulatory moves they need to make to ensure everyone benefits from changing to a more secure, decarbonised and affordable energy system.

Suggestions for the roles Council can play to strengthen and diversify the regional economy are summarised throughout this report and listed in detail at the end of each chapter of the full report www.gladstone.qld.gov.au/economic-information. These roles typically fit into four categories: (i) leading and advocating for the region's priorities, (ii) attracting new investment to the region, (iii) informing community and local businesses about programs that can support them to take action, and (iv) ensuring new developments and industries meet community expectations and aspirations.

To do this effectively, Council must work collaboratively with industry and other levels of government, not only according to their statutory responsibilities, but to stand up for the needs of the region. This Gladstone Region Economic Transition Roadmap project demonstrates Council's foresight and willingness to play the role of facilitative leader, which has been appreciated by all participating stakeholders.

For more detail, please see the full report at www.gladstone.qld.gov.au/economic-information





www.gladstone.qld.gov.au

