



GLADSTONE
REGIONAL COUNCIL

**GENERAL MEETING NOTICE
AND AGENDA**

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

On Tuesday 18 July 2023

Commencing at 9.00am

**Leisa Dowling
CHIEF EXECUTIVE OFFICER**

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G/1. MAYORAL STATEMENT OF CURRENT ISSUES

G/2. CONFIRMATION OF MINUTES

G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 4 JULY 2023

Responsible Officer: Chief Executive Officer

Prepared By: Executive Secretary

Council Meeting Date: 18 July 2023

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 4 July 2023.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 4 July 2023 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 4 July 2023.

G/3. DEPUTATIONS

G/3.1. GLADSTONE REGION ENGAGING IN ACTION TOGETHER (GRT)

Responsible Officer: Chief Executive Officer

Prepared By: Executive Secretary

Council Meeting Date: 18 July 2023

File Ref: CM7.6

Purpose:

For Gladstone Region engaging in action Together (GRT) to provide an update on the GRT initiative in the Gladstone Region.

Officer's Recommendation:

That the deputation from Gladstone Region engaging in action Together (GRT) be received.

Background:

Deputation details are as follows:

Time of Presentation	9:10am
Duration of Presentation plus question time	15 mins
Speakers to present	Lorna McGinnis, Executive Director Courtney Morrison, Projects and Partnerships Lead Melanie Ohl, Projects and Partnerships Lead Measurement and Evaluation
Is the matter currently or has previously been subject to legal proceedings?	No
Matter for information only	Yes

Attachments:

1. Gladstone Region engaging in action Together (GRT) Presentation

G/4. OFFICERS' REPORTS

G/4.1. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 30 JUNE 2023

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Management Accounting Specialist

Council Meeting Date: 18 July 2023

File Ref: FM15.1

Purpose:

This report seeks Council adoption of the Monthly Financial Statements for the year 2022-23 to date, for the period ended 30 June 2023.

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 30 June 2023 as required under Section 204 Local Government Regulation 2012.

Link to Corporate Plan:

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

Background:

The figures provided in this report are preliminary, with end of year processing still underway. These figures will not reflect the final figures included in Councils audited Financial Statements.

The 2022-23 budget was adopted on 25 July 2022, with a projected operating surplus of \$0.5m. Council officers have also undertaken a reforecasting process (the quarter 3 forecast), resulting in a forecast operating surplus of \$9.9m.

Statement of Income and Expenditure

Income

Recurrent Revenue

Total recurrent revenue	2022-23	Actual as %
Actual	\$223.4m	
Budget	\$210.9m	105.91%
Forecast	\$233.1m	95.86%

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Of note:

Net rates and utility charges	2022-23	Actual as %
Actual	\$159.0m	
Budget	\$170.5m	93.24%
Forecast	\$168.3m	94.45%

Council's primary source of recurrent revenue is the generation of annual rates, along with access charges for water, sewerage and waste. This generation was completed in July, with notices issued to ratepayers in August. These charges have been split across the course of the year, to align with the delivery of these services.

Discounts of \$13.9m have been applied for payments received by the due date.

Water consumption revenue is raised upon completion of the water meter reading cycles during the year with the July-December readings completed, generating \$8.2m by 31 March. The January-June cycle will be read in July and accrued into June. Wet weather has impacted the revenue generated by water consumption charges and adjustments have been reflected in the current forecast.

Total interest revenue	2022-23	Actual as %
Actual	\$5.1m	
Budget	\$1.3m	391.56%
Forecast	\$5.3m	96.15%

Interest revenue at a rate of 4.23% has been received from Queensland Treasury Corporation for the month of June and current term deposit rates are yielding up to a 4.63% return to Council.

Sales revenue	2022-23	Actual as %
Actual	\$4.8m	
Budget	\$3.4m	138.36%
Forecast	\$7.1m	66.58%

Claims of \$0.8m have been made for Dawson Highway Drynan Drive Water Main Relocation this year. This project was reflected in the forecasted revenue amount with the additional contractor and materials expenses shown in the relevant expense forecast sections below. Progress on this work has been slower than expected, with the remaining amount to be recognised in the 2023-24 year.

Income tax equivalents	2022-23	Actual as %
Actual	\$18.6m	
Budget	\$5.2m	358.80%
Forecast	\$18.7m	99.68%

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Council increased the income tax equivalents in the forecast from the Gladstone Area Water Board (GAWB) to \$18.4m. This is due to a significantly improved position reported by GAWB over initial estimates provided during budget preparation. This income was paid in the final quarter of the year.

The remaining forecast of \$0.2m relates to income tax equivalents from the Gladstone Airport Corporation (GAC), which are received and recognised after the end of each quarter. The Q4 payment will be received in July and accrued back into June.

General purpose grant	2022-23	Actual as %
Actual	\$11.7m	
Budget	\$8.2m	143.07%
Forecast	\$9.0m	129.96%

Council has received an advance payment of \$9.5m, representing 100% of the Financial Assistance Grant allocations for the 2023-24 year. Actuals now exceed the forecast amount, as the forecast was prepared on the basis of a 75% advance payment.

Grants, subsidies, contributions and donations (excluding the general purpose grant)	2022-23	Actual as %
Actual	\$2.5m	
Budget	\$1.8m	141.26%
Forecast	\$2.6m	96.50%

\$1.6m of revenue has been generated from State Government grants and subsidies. The forecast was also adjusted to account for the increase in trainees and apprentices with commencement and completion rebates funded through State and Federal Government.

\$0.2m of the Neighborhood Centre 2022-23 grant has been recognised to date compared to the forecasted \$0.4m. The remaining 2023-23 grant funds will be recognised in the 23-24 financial year

Capital Revenue

Capital grants revenue	2022-23	Actual as %
Actual	\$9.8m	
Budget	\$12.4m	78.72%
Forecast	\$10.0m	98.27%

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

Capital revenue recognised for significant projects is detailed below with the forecast updated to reflect major changes:

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Project	Budget	Forecast	Actual
State Government Grants & Subsidies			
Gladstone Aquatic Centre Upgrade-Stage 3	\$1.0m	\$0.8m	\$0.8m
Bindaree Road, Miriam Vale	\$1.6m	\$0.5m	\$1.1m
Murphy Road, Captain Creek	\$0.8m	\$0.7m	-
Langmorn Road- Gravel Re-sheets	\$0.6m	-	-
Toolooa St Gladstone –Pavement Renewal	\$0.5m	\$0.7m	\$0.5m
Gladstone Sewer Mains Renewals	-	\$0.8m	\$0.8m
A05-Rising Main	-	\$0.1m	-
Mount Alma Road	\$0.4m	\$0.2m	\$0.4m
Other State Government Funding	\$0.7m	\$1.0m	\$0.6m

Project	Budget	Forecast	Actual
Federal Government Grants & Subsidies			
Round Hill Road – Pavement Renewal	\$1.6m	\$0.1m	\$0.3m
Benaraby Landfill – Capping of Cell 2	\$1.0m	\$1.3m	\$1.1m
Gorge Road, Lowmead (Baffle Creek Crossing)	\$0.6m	\$0.3m	\$0.3m
Stockbridge Road – Bridge Renewal	\$1.3m	\$1.1m	\$1.1m
Langmorn Road – Gravel Resheeting	-	\$0.4m	\$0.6m
Charnwood Road -Gravel Resheeting	\$0.4m	\$0.5m	\$0.5m
Other Federal Government Funding	\$1.9m	\$1.5m	\$1.7m

Expenditure

Recurrent expenditure

End of year accruals may result in additional spending recorded against the various categories of expenditure.

Total recurrent expenditure	2022-23	Actual as %
Actual	\$214.1m	
Budget	\$210.5m	101.72%
Forecast	\$223.2m	95.93%

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Of note:

Employee benefits	2022-23	Actual as %
Actual	\$69.4m	
Budget	\$67.4m	103.01%
Forecast	\$68.7m	101.04%

Employee benefits are the largest component of Councils recurrent expenditure. A vacancy rate of 7.5% has been factored into the 2022-23 budget. The average vacancy rate year to date is 8.6%.

Overtime expenses for the year were \$2.0m. Overtime expenses were increased by \$0.3m, to \$1.9m in the Q3 forecast to reflect the uplift in additional hours worked.

Consultants	2022-23	Actual as %
Actual	\$3.1m	
Budget	\$4.9m	64.51%
Forecast	\$4.1m	76.03%

The lag in consultant spending is primarily attributable to Asset Management consultants, with a spend of \$1.2m compared to a forecast of \$1.7m in this area.

Further, the year-to-date spend on Information Technology consultants is \$0.2m compared to a forecast of \$0.3m, where consultancy services were not required.

Contractors	2022-23	Actual as %
Actual	\$22.4m	
Budget	\$22.0m	101.99%
Forecast	\$25.3m	88.67%

The Q3 forecast was updated to reflect an increase of \$2.0m in contractor costs relating to the Dawson Highway/Drynan Drive intersection upgrade. Contractor expenses to date are \$0.6m and it is not expected that the remaining amount will eventuate by 30 June 2023.

Additionally, asset management contractors spend was lower than forecasted at \$0.1m compared to a forecast of \$0.7m, with work identified that will not be completed this financial year and external design work recognised as to be capitalised.

Savings are also currently reflected against the forecasts for Pest Management (\$0.1m) and sewerage activities (\$0.3m).

End of year accruals are expected to increase the costs for consultants, based on historical trends.

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Donations and Sponsorships	2022-23	Actual as %
Actual	\$2.5m	
Budget	\$2.8m	87.48%
Forecast	\$3.0m	83.93%

Community support donations are at \$1.8m compared to the forecasted \$2.0m. Funding contracts that have been executed under the Community Investment Program are still to be paid and will be accrued back to June as part of the year end process.

Arts and Entertainment sponsorships for the year are also lower than forecasted at \$0.2m compared to the forecasted \$0.4m. The latest round of Regional Arts Development Fund (RADF) funding has recently been finalised with payments still to be made and accrued back to June.

Statement of Financial Position

	Current Value	Budget	Variance (Actual to Budget)	Forecast	Variance (Actual to Forecast)
Year-to-date Assets	\$2.7b	\$2.6b	4.36%	\$2.7b	(2.30%)
Year-to-date Liabilities	\$200.5m	\$143.1m	40.07%	\$187.1 m	7.16%

The forecast for assets and liabilities reflects the expected positions at 30 June 2023.

Balance sheet movement is still expected to occur as year-end processes are undertaken.

Capital Expenditure

The Works Planning & Scheduling team continue to monitor changes to the expected capital position for 2022-23.

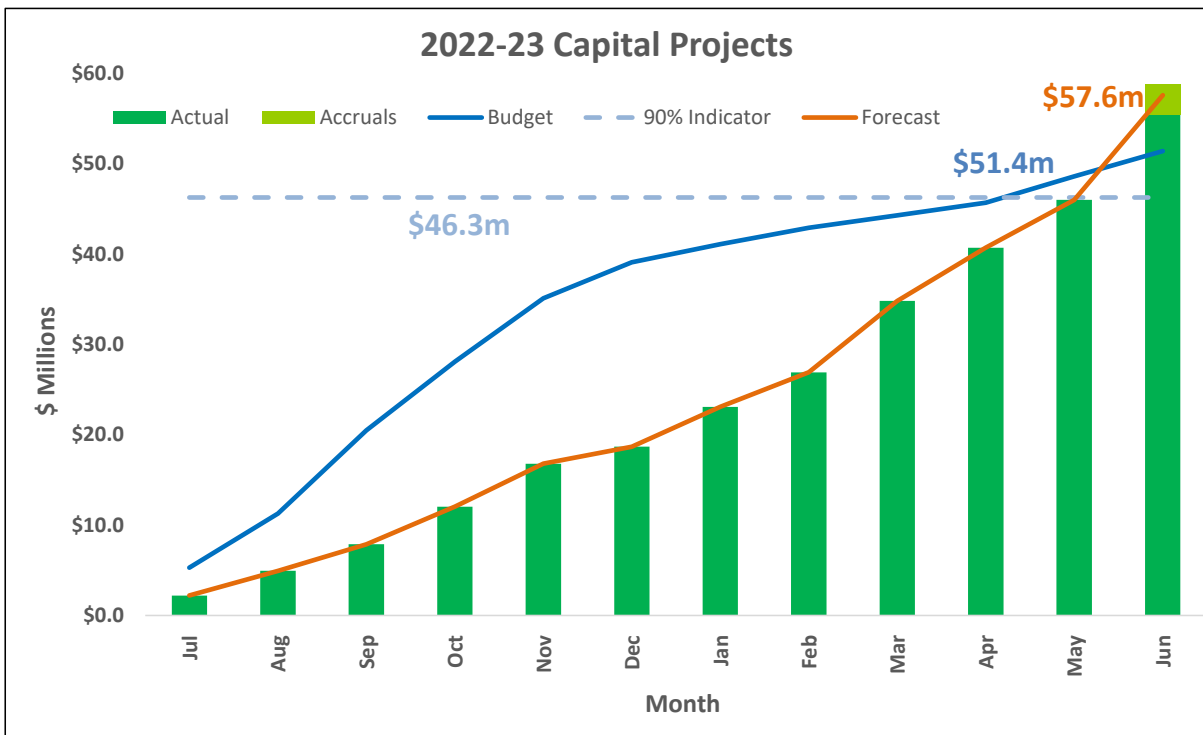
	Actual	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Year to date capital expenditure	\$58.8m	\$51.4m	114.49%	\$57.6m	102.14%

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

Group	YTD Actual	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Road Assets	\$27.6m	\$21.4m	129%	\$28.3m	97%
Sewerage Assets	\$13.0m	\$9.9m	132%	\$12.1m	108%
Delivery Support and Performance	\$5.1m	\$6.0m	85%	\$5.7m	89%
Property Assets	\$2.7m	\$4.1m	66%	\$2.4m	114%
Asset Governance		\$1.0m			
Waste Assets	\$2.5m	\$2.1m	118%	\$2.4m	103%
Parks & Environment Assets	\$1.5m	\$1.7m	86%	\$0.9m	159%
Property Services	\$1.7m	\$1.4m	122%	\$1.7m	104%
Events & Entertainment	\$0.7m	\$1.0m	70%	\$0.7m	100%
Water Assets	\$1.9m	\$1.0m	185%	\$1.6m	116%
Strategic Projects	\$0.4m	\$0.9m	47%	\$0.3m	163%
Other	\$1.6m	\$0.8m	198%	\$1.4m	113%
Total	\$58.8m	\$51.4m	114.49%	\$57.6m	102.14%

Accrual estimates of \$3.3m have been included in the actuals, to account for major claims relating to June work. Additional accruals will be completed as part of year end, bringing the total spend closer to the forecast amount.



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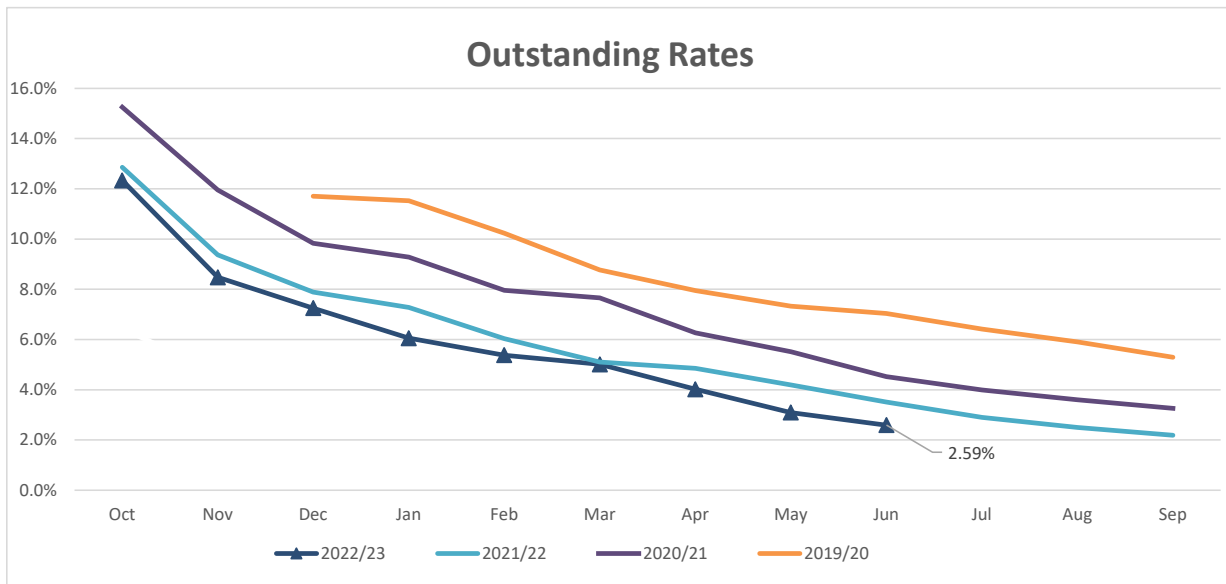
Outstanding Rates

Outstanding rates, as a percentage of gross rates levied (2022/2023), and collectible, is at 2.59% at the end of June 2023, compared to 3.51% for the same period last year (2021/2022).

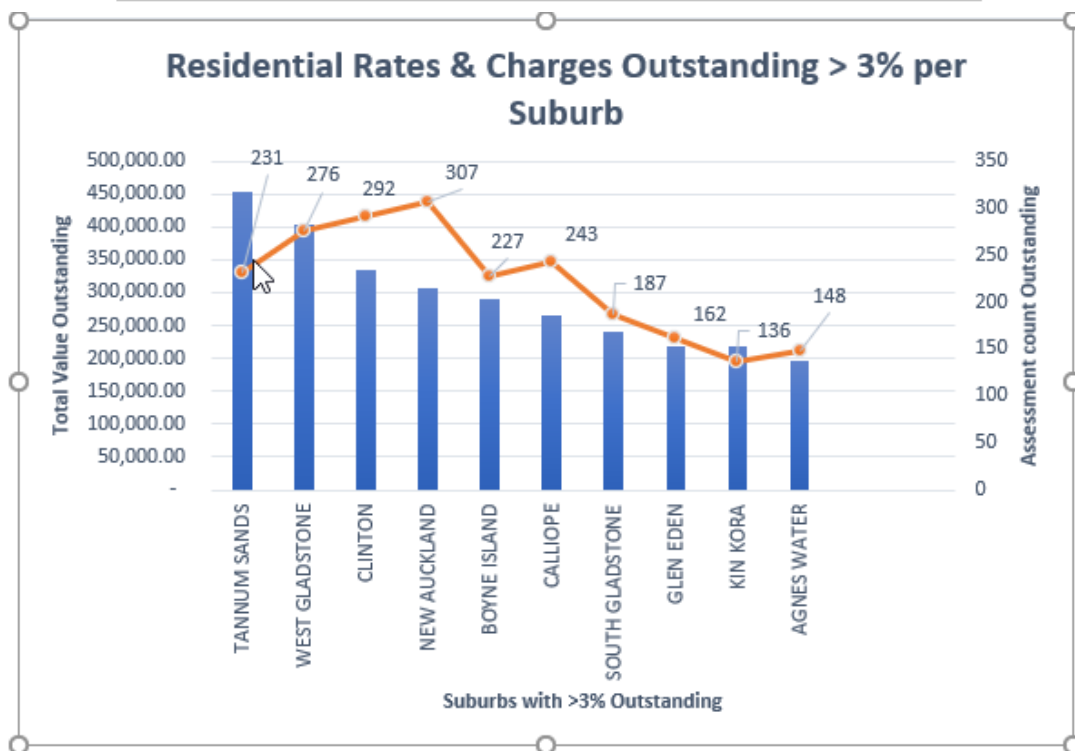
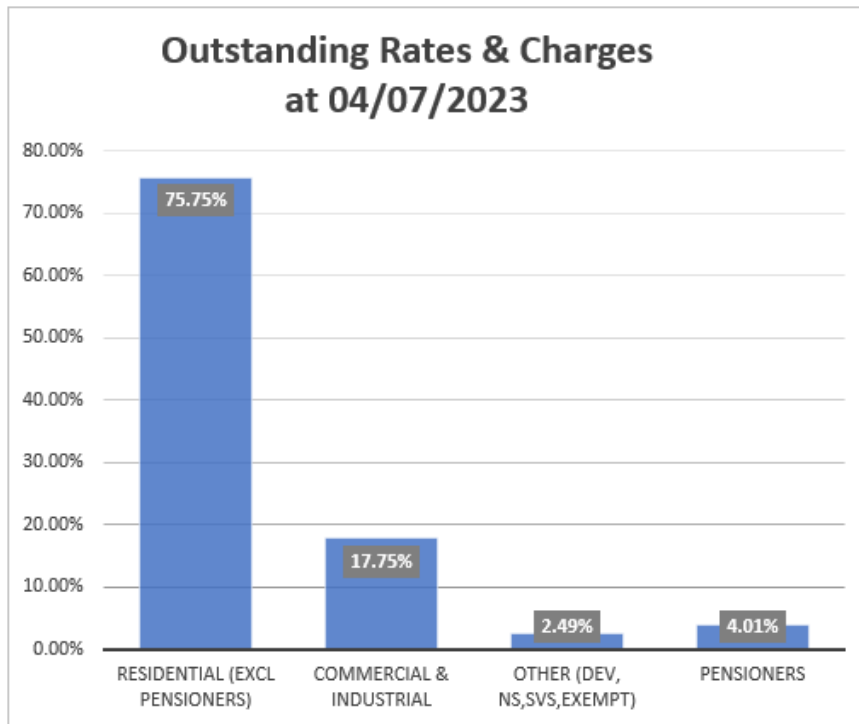
Of the \$5.08m of outstanding rates 17.74% relates to commercial / industrial assessments and 82.26% represents residential assessments.

These figures include \$1.17m of rates that are currently being repaid under an authorised payment plan, for which there were 31 commercial/industrial assessments and 860 residential assessments. A total of 891 assessments, which is a decrease from 950 assessments in May 2023 (this movement is a result of removal of arrangements on sold property, default arrangements and paid-up arrangements).

There were 7,190 ratepayers who had paid their rates in advance, totalling \$12.3m



*2019-20 discount date extended by 60 days



Sustainability Ratios

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

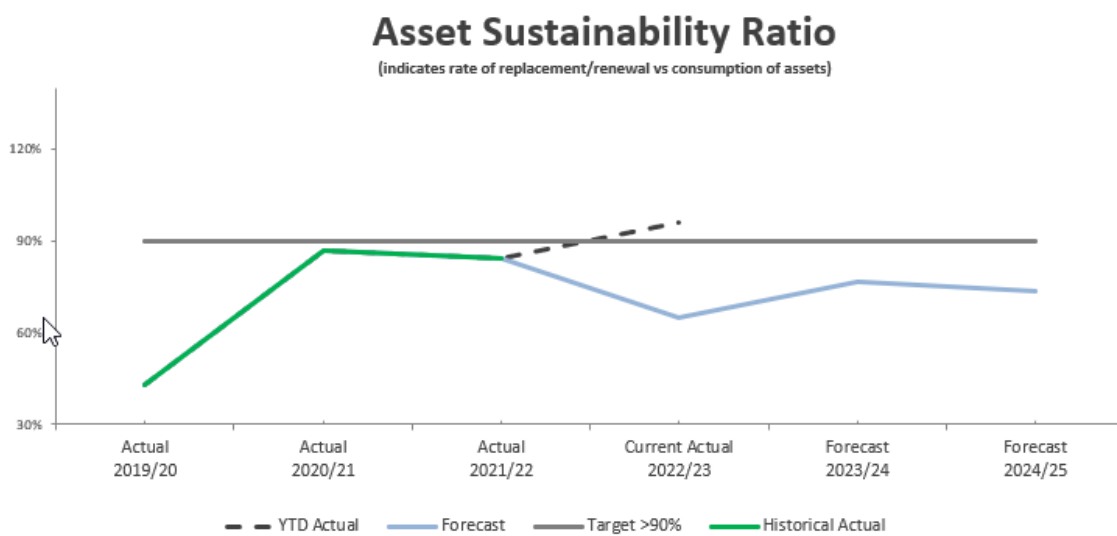
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Asset Sustainability Ratio

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

Infrastructure renewals have accounted for 80.49% of capital expenditure with the balance on new and upgrade projects.

Asset Sustainability Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
96.12%	58.30%	65.07%	>90%



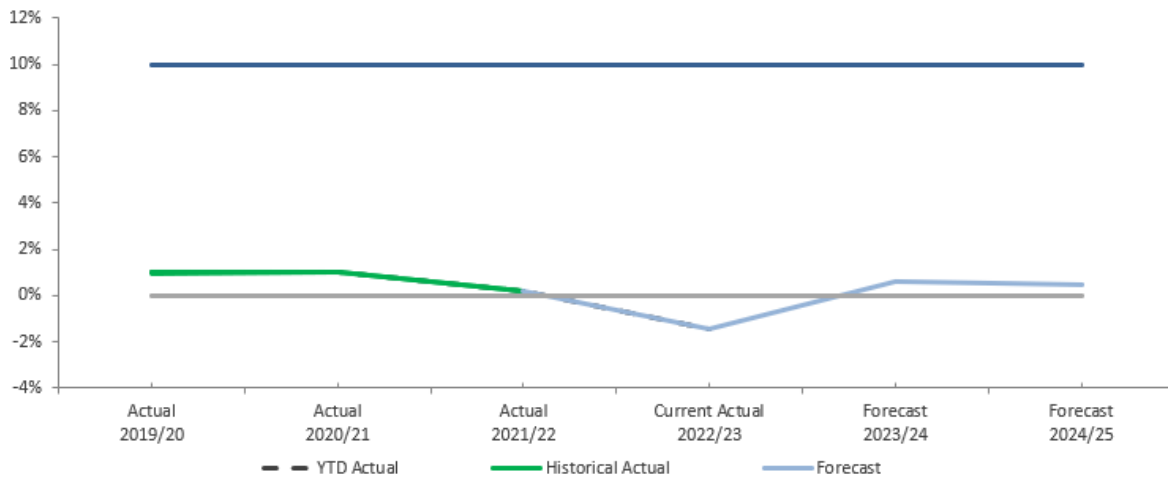
Interest Coverage Ratio

This ratio indicates the percentage of operating revenue required to cover net interest costs. The negative results of this ratio indicate that Council's interest revenue is now exceeding its interest costs.

Interest Coverage Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
(1.45%)	0.15%	(1.47%)	0 - 10%

Interest Coverage Ratio

(indicates extent of commitment of revenue to interest payments)



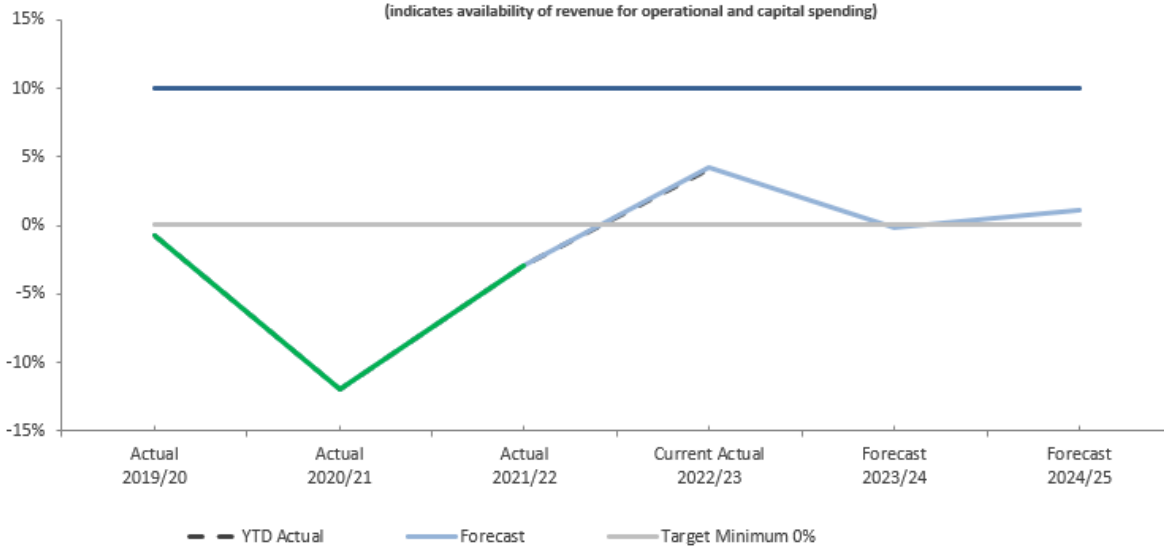
Operating Surplus Ratio

A positive result for this ratio indicates that operating revenue can be used to fund capital expenditure, on top of the operational costs of Council.

Operating Surplus Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
4.16%	0.22%	4.24%	0 - 10%

Operating Surplus Ratio

(indicates availability of revenue for operational and capital spending)



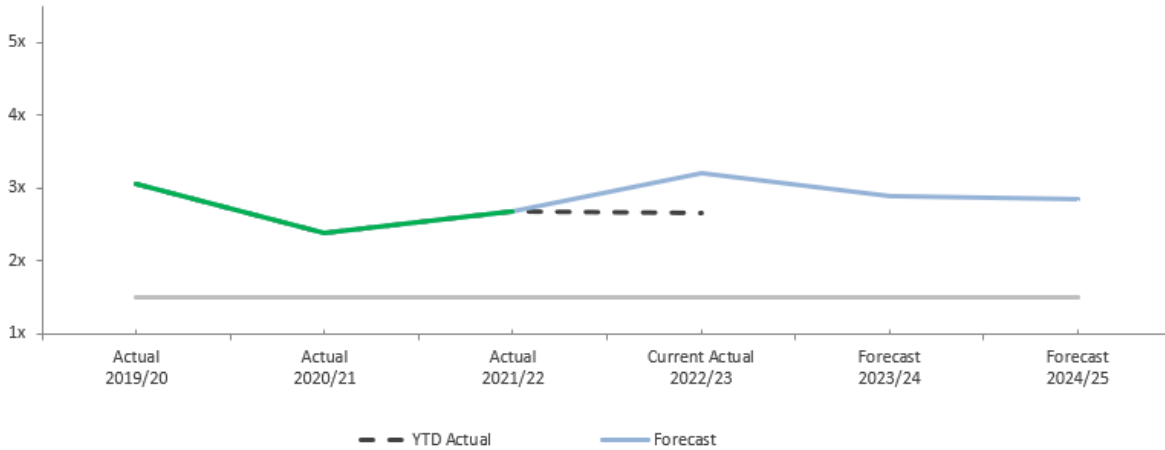
Working Capital Ratio

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

Working Capital Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
2.16x	2.45x	2.71x	Greater than 1:1

Working Capital Ratio

(indicates ability of liquid assets to meet short term commitments)



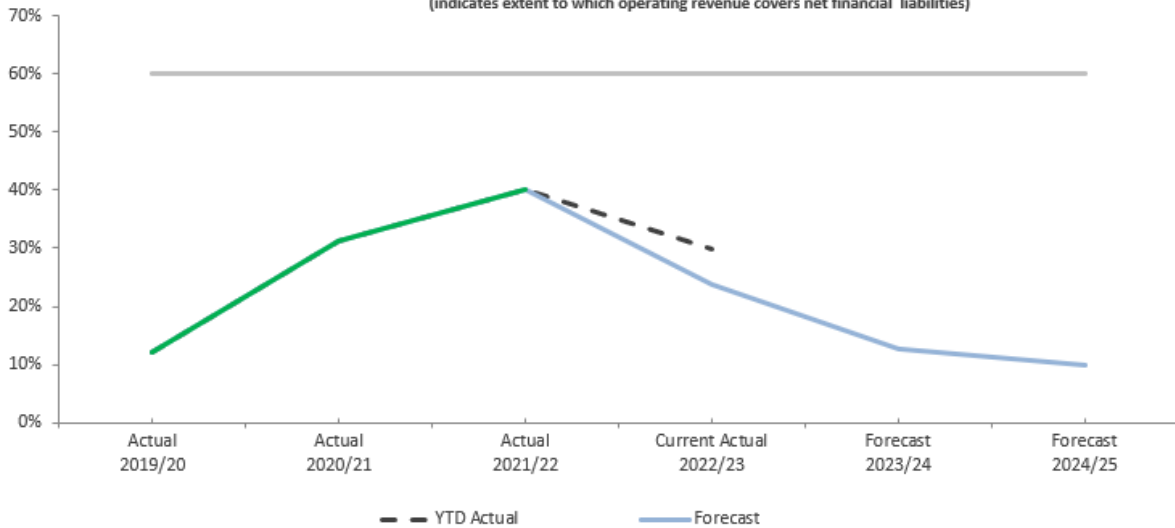
Net Financial Liabilities Ratio

The ratio shows the extent to which operating revenue covers net financial liabilities. The result is well below the target, indicating that Council can service its financial debt with its operating revenues.

Net Financial Liabilities Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
29.87%	15.58%	23.65%	< 60%

Net Financial Liabilities Ratio

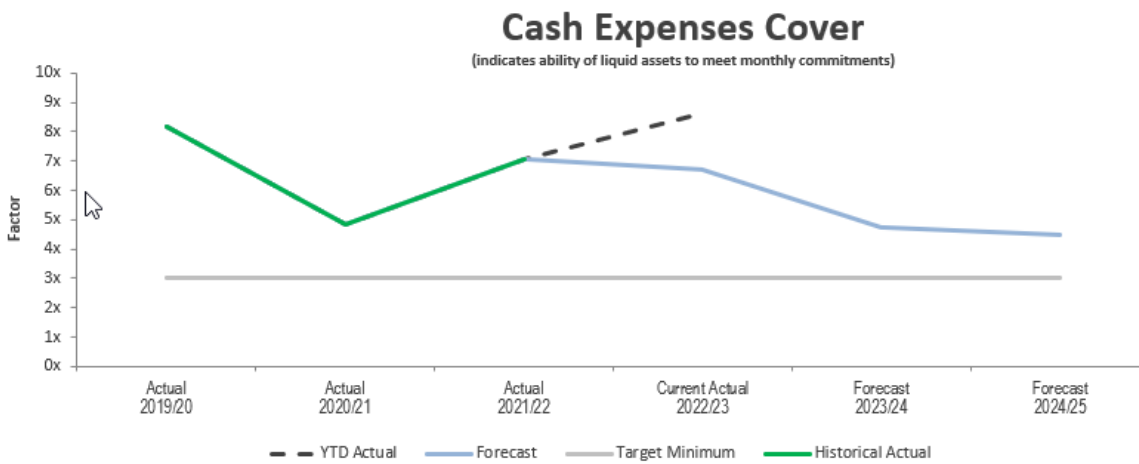
(indicates extent to which operating revenue covers net financial liabilities)



Cash Expenses Cover Ratio

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

Cash Expenses Cover Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
8.60x	5.00x	6.73x	> 3x



Stakeholder Engagement:

The report seeks specialist input from the following internal sources:

- Procurement and supply – Manager Contracts and Procurement
- Vacancies – Talent Acquisition Business Partner
- Capital expenditure – Manager Works Planning and Scheduling
- Outstanding rates and prepaid rates – Manager Revenue Services

Legal and Regulatory Implications:

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

Anticipated Resolution Completion Date:

N/A

Attachments:

1. Monthly Financial Statements for the period ending 30 June 2023
2. Operating Statements for the month end June 2023

G/4.2. EXPENDITURE APPROVAL - INSURANCE SERVICES

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Manager Contracts and Procurement

Council Meeting Date: 18 July 2023

File Ref: PE1.1

Purpose:

This report seeks resolution from Council, in accordance with Council's register of financial delegations, to approve expenditure for insurance services.

Officer's Recommendation:

That Council approve the expenditure of \$845,882.91 ex GST for insurance services provided by Local Government Mutual Liability (LGM Liability).

Link to Corporate Plan:

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

Background:

Council is a member of the Local Government Mutual (LGM) Scheme. LGM provides members with the benefit of Liability insurances.

LGM Liability continues to exist for the sole purpose of benefiting Queensland local government by providing effective and appropriate coverage for the legal liability of Members with a long-term goal of achieving cost stability and minimising the impacts of volatility experienced in the general insurance and financial sectors.

Options, Risk and Opportunity Analysis:

LGM Liability is a body entirely owned and operated by the Queensland Local Government and is therefore a Local Government arrangement which is exempt from a quote or tender process in accordance with s234 of the *Local Government Regulation 2012*. Council can engage LGM Liability directly without the requirement of a competitive process.

A failure of Council to renew or negotiate new insurance policies prior to the expiration of the current policies, would leave Council without insurance coverage and represents an Extreme Risk for Council, far beyond Councils Risk Appetite.

Stakeholder Engagement:

This report was prepared in consultation with:

- Risk and Insurance Officer;
- Manager Contracts and Procurement;
- Manager Governance and Risk; and
- General Manager Finance, Governance and Risk.

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Legal and Regulatory Implications:

Council's approval of this expenditure is in accordance with the Financial Delegation Register.

Financial and Resource Implications:

The expenditure of \$845,882.91 ex GST for the year 2023-24, is contained within the budget.

Attachments:

1. LGM Liability Membership Renewal 2023-24

G/4.3. EXPENDITURE APPROVAL - PROJECT MANAGEMENT SERVICES FOR DISASTER RECOVERY WORKS

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Manager Contracts and Procurement

Council Meeting Date: 18 July 2023

File Ref: PE1.1

Purpose:

This report seeks resolution from Council, in accordance with Council's Register of Financial Delegations, to approve expenditure for project management services supporting the delivery and reporting phase of funded disaster recovery works.

Officer's Recommendation:

That Council approve the expenditure of \$772,400 ex GST for project management services, provided by Orion Project Services, for the delivery and reporting phase of funded disaster recovery works.

Summary:

Orion Project Consulting are Council's appointed special projects coordinator for management of the disaster recovery process, for which Council is receiving funding and this paper seeks expenditure approval to allow a purchase order to be issued.

Link to Corporate Plan:

Delivering Value - We work efficiently to deliver value for your rates.

Background:

Over previous years, Central Queensland, and especially the Gladstone Regional Council local government area, has been affected by natural disasters that have caused damage to roads, bridges and infrastructure through fire, flooding and high winds. Many of these weather events have been determined to be an activated disaster event for the Gladstone Regional Council local government area under the Disaster Recovery Funding Arrangements (DRFA).

For management of the recovery process GRC has identified two distinct phases:

- Counter Disaster Operations (CDO), Emergency Works, (EW) and Immediate Reconstruction, (IRW), the 'Inspection and Funding submission' and
- Reconstruction of Essential Public Assets (REPA) and Betterment Works, (BW), the 'Project Delivery and reporting' phase.

As such, Council proactively engaged a service provider using a Request for Proposal (RFP) process conducted in October 2021 to undertake these phases of works, for any future requirements of this nature.

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In early 2022, the region was impacted by significant weather events causing extensive damage to road infrastructure throughout the region. The required rectification works qualify for funding application under the Disaster Recovery Funding Arrangements (DRFA) and as such, the Inspection and Funding Submission Phase has been completed by the pre-appointed service provider and funding approvals are currently progressing.

In preparation for the Project Delivery and reporting phase, which is set to commence as funding approvals are received, Council requires the services of the appointed service provider to meet the commitments and standards set in the funding agreement.

Risk Management Summary:

Council recovers the costs of the works from the funding body. Without the support from the service provider, the risk is that the works do not meet the requirements and standards set in the funding agreement, resulting in the funding body not reimbursing those expenses.

Options and Opportunity Analysis:

In October 2021, Council released a Request for Proposal (RFP) to Service Providers on Council's Register of Pre-Qualified Suppliers for Project Management Services (RPQS 202-21), for a project management function to oversee Council's recovery process from inspection to delivery of reconstructed works in the Special Projects Coordination Contractor role.

In December 2021, Orion Project Consulting was awarded the function of Special Projects Coordinator, based on their experience in the disaster recovery process and presenting the best value to Council. This engagement also includes the provision of an inspector and GIS/Data Analyst to support with the compilation of funding claims.

Stakeholder Engagement:

The following stakeholders have been engaged during the process to date and planning for the Project Delivery and reporting phase:

- General Manager Finance Governance and Risk
- General Manager Operations
- General Manager Strategic Asset Performance
- Disaster Response Specialist
- Revenue Services
- Project Delivery
- Strategic Asset Performance
- Queensland Recovery Authority

Legal and Regulatory Implications:

Council sought the offer from Orion Project Consulting via a Register of Pre-Qualified Suppliers in accordance Section 232 of the Local Government Regulation 2012, which states that:

A local government may enter into the contract without first inviting written quotes or tenders if the contract is entered into with a supplier from a register of pre-qualified suppliers.

Financial and Resource Implications:

The value of the engagement for this service provider to complete phase 2 'Project Delivery and reporting' is estimated to be \$772,400 ex GST. This expense will be fully reimbursable to Council in accordance with the funding arrangement for these works.

Anticipated Resolution Completion Date:

A purchase order will be issued once funding has been approved and prior to the commencement of works which is anticipated to be during August 2023.

Attachments:

Nil.

G/4.4. COUNCILLOR ATTENDANCE AT CONFERENCES 2022/23

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Executive Secretary

Council Meeting Date: 18 July 2023

File Ref: CM6.1

Purpose:

To allow Council to nominate Councillor attendance at two conferences being held outside of Queensland during 2023.

Officer's Recommendation:

That Council:

1. Nominate Cr _____ to attend the 2023 Parks and Leisure Australia National Conference; and
2. Nominate the Mayor, Cr _____ and Cr _____ to attend the 2023 National Local Roads, Transport and Infrastructure Congress.

Summary:

Throughout the 2023-24 financial year, there are a number of conferences that offer an opportunity for Councillors to enhance their knowledge, learn about new practices, network with regional and interstate colleagues and represent the interests of the Gladstone Region.

The following conferences have been identified by officers as an opportunity for Councillor attendance:

Conference	Dates	Location	Budget Allocation
National Local Roads, Transport and Infrastructure Congress	6 – 7 September 2023	Canberra	Mayor and 1 x Councillor or 2 x Councillors
Parks and Leisure Australia National Conference	22 – 26 October 2023	Adelaide	Mayor or 1 x Councillor

Link to Corporate Plan:

Accountable Council - We are providing good stewardship built on a foundation of trust.
Delivering Value - We work efficiently to deliver value for your rates.

Background:

National Local Roads, Transport and Infrastructure Congress

The theme of the National Local Roads, Transport and Infrastructure Congress for 2023 is 'Building Communities that are safer, stronger, smarter'. The National Local Roads, Transport and Infrastructure Congress provides opportunities for delegates from councils across Australia to swap and share expertise on local roads and bridges, traffic management and road safety and learn about the latest trends and developments in road safety, circular economy, decarbonizing infrastructure builds, telecommunications and technology.

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Parks and Leisure Australia National Conference

Parks and Leisure Australia (PLA) is the leading industry association for professionals in the sector supporting members to provide opportunities that strengthen communities through good use of leisure time for the social, environmental, economic and physical wellbeing of all Australians. The theme for the 2023 Conference of 'Sustainable Places, Spaces, People and Habitats' will explore how cities can be made more active, cooler, greener, wilder and inclusive.

Risk Management Summary:

One of Council's key corporate goals is delivering value and to minimise the risks associated with making decisions on value for money, decision makers must remain educated, informed and involved in the industries that Council expends a large portion of its budget on such as roads, parks and leisure facilities. Attendance at conferences of this nature provides an opportunity for Officers and Councillors who are the key decision makers for this infrastructure, to remain informed and aware of the latest developments, initiatives and technologies emerging in these fields and to learn from the experiences of others involved in these industries.

Options and Opportunity Analysis:

It is the officer's recommendation that Council:

1. Nominate the Mayor or one councillor to attend the Parks and Leisure Australia National Conference; and
2. Nominate the Mayor and one councillor or two councillors to attend the National Local Roads and Transport Congress.

Council may choose to nominate additional councillors to attend the conferences however the officer's recommendation is consistent with the 2023/24 Operating Budget as adopted by Council.

Council may also choose not to nominate any councillors to attend the conferences. In that instance, Council would miss the opportunity to enhance knowledge, learn about new practices, network with regional and interstate colleagues and represent the interests of the Gladstone Region.

Stakeholder Engagement:

Internal consultation has occurred with Councillors when establishing the 2023/24 Operating Budget for councillor attendance at conferences.

Legal and Regulatory Implications:

In accordance with Council's *Councillor Expenses Reimbursement and Provision of Facilities Policy P-2021-18*, where a councillor seeks reimbursement for attendance at a conference that was held outside of Queensland, the attendance must be supported by a resolution of Council.

Section 6.1.2 of Council's *Council Meetings Procedures Policy P-2020-19* provides that a leave of absence is automatically granted to a Councillor where Council passes a formal resolution for a Councillor to attend a conference or the Councillor is nominated to represent Council at another event.

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Financial and Resource Implications:

The below table is a summary of the estimated costs associated with the proposed attendance:

Conference	Budget Allocation	Estimate
National Local Roads and Transport Congress	\$9,600	\$5,130
Parks and Leisure Australia National Conference	\$3,400	\$3,505
TOTAL	\$13,000	\$8,635

Anticipated Resolution Completion Date:

15 August 2023

Attachments:

Nil

G/4.5. REQUEST FOR INCREASED DONATION TO PUBLIC HALLS IN BOYNE VALLEY

Responsible Officer: General Manager Strategic Asset Performance

Prepared By: General Manager Strategic Asset Performance

Council Meeting Date: 18 July 2023

File Ref: PR4.2

Purpose:

This report provides Councillors an opportunity to consider a request to increase the donation provided to Nagoorin Community Shed, Builyan and Many Peaks Community Development Association and Ubobo Progress Association.

Officer's Recommendation:

That Council continue to support the Ubobo Progress Association Inc., Nagoorin Progress Association Inc., Builyan/ Many Peaks Community Development Committee and Lowmead Hall Committee for making their hall toilets available to the public, increasing the contribution in line with CPI, including a back payment of \$1,208.60 for cumulative inflation since 2015.

Summary:

Three community associations have decided to seek tenders for the the cleaning of their hall toilets and requested that Council's \$1,500 contribution, supporting continued public access to the toilets, increase to full cost recovery.

Link to Corporate Plan:

Connecting Communities - We work with you and for you, supporting the success of our communities.
Delivering Value - We work efficiently to deliver value for your rates.
Resilient Economy - We play our part in supporting the success of our region.

Background:

In 2015 Council resolved to provide a contribution of \$1,500 per year to the Ubobo Progress Association Inc., Nagoorin Progress Association Inc., Builyan/ Many Peaks Community Development Committee and Lowmead Hall Committee towards the cleaning costs of their hall toilets.

These toilets are primarily hall toilets; however, they are made available to the public. The donation was made contingent on guaranteed opening hours and appropriate signage.

Further to a recent community meeting in the Boyne Valley, the Nagoorin Community Shed, Builyan and Many Peaks Community Development Association and Ubobo Progress Association have requested an increase in the donation for cleaning. No request has been received in relation to Lowmead.

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The increases requested by the 3 associations are essentially changing from a contribution to cleaning and supplies for allowing public usage, as resolved, to a full cost recovery for the cleaning of the toilets. The requested amounts are detailed in the table below.

Hall	Current Donation	Requested Donation	Requested Increase
Builyan	\$1,500	\$14,600	\$13,100
Nagoorin	\$1,500	\$14,300	\$12,800
Ubobo	\$1,500	\$7,490	\$5,990
Lowmead	\$1,500	\$1,500	\$0
Total	\$6,000	\$37,890	\$31,890

For comparison the value of Council's contracted cleaning for its Futter Creek eco toilets, serviced every Monday and Thursday, is \$105.50 per week (\$5,486 per year). The contract for Tannum RSL toilets before that ceased was \$5,649 per year.

The requests from the 3 associations to the Mayor are provided in attachments 2 and 3. The basis of the requests is the same and provided in attachment 4 and rests on the associations' understanding of recent law changes for Incorporated Associations in Queensland. A summary of legislative changes for Incorporated Associations is included in attachment 5.

Their requests state that the committees are *'cognisant of recent changes in law relating to the responsibilities imposed on management committee's and applicable penalties. Research has also been done regarding taxation, superannuation, workers compensation, workplace health and safety etc.'* and that they cannot *'undertake the duties involved in having employees do the work.'*

Subsequently, the associations have *'decided to let the work by tender, and will seek quotes from suitable businesses who will do the work as contractors.'*

The \$1,500 per annum payment made by Council has historically been paid as a donation to the Associations to support a service provided by volunteers, and in recognition of the value they provide to the community.

The new approach taken by the Committees to potentially outsource the cleaning of the toilets will have a significant impact on the budget for community halls, and fundamentally changes the nature of the contribution Council resolved in 2015.

Risk Management Summary:

Nagoorin and Builyan Associations have advised that if their request was not met, *'that both would do everything possible to keep facilities open in some way'*.

Options and Opportunity Analysis:

Option 1 Status Quo

Councillors could consider maintaining the current arrangement.

This option is not recommended. It fails to address the issue raised by the associations. It is unknown whether the associations would cease public access if this was the chosen option.

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Option 2 Indexed Increase and Back Payment

Councillors to acknowledge the fact that the original donation has not kept pace with inflation rises over the years, could consider readjusting the donation including a back payment to adjust for cumulative inflation of 26.94% since 2015.

The change in the value of \$1,500 and the potential back payment is shown in the table below

	Value of \$1500	Difference to 2015
2015	1,500.00	
2016	1,519.16	19.16
2017	1,548.76	48.76
2018	1,578.36	78.36
2019	1,603.79	103.79
2020	1,617.37	117.37
2021	1,663.69	163.69
2022	1,773.39	273.39
2023	1,904.08	404.08
Potential Back Payment		1,208.60

Given the original intent of the resolution from 2015, this is the recommended option.

Option 3 Increase donation to align with cost of Council providing a similar service

Councillors could choose to provide an increase commensurate with a full service delivered by Council contractors for Futter Creek and other amenities. This would recognise a change in the intent of the funding from a contribution to a benchmarked full-service payment.

If Councillors selected this option an alternative resolution is proposed below

That Council increase the annual donation to Ubobo Progress Association Inc., Nagoorin Progress Association Inc., the Builyan/ Many Peaks Community Development Committee to \$5,600 to recognise the cost of cleaning toilets available to the public.

Councillors may also consider offering an increased contribution to Lowmead Hall Committee.

Option 4 Agree to the Association's requests

This would meet the expectations of the associations, however is not recommended for the following reasons.

- It fundamentally alters the nature of the contribution as resolved, given the change to full cost recovery.
- The value to the ratepayer is not clear, given the request for the money to be budgeted before value or merits of any tender is assessed, and exceeds the cost of Council's servicing similar amenities.

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If Councillors selected this option an alternative resolution is proposed below

That Council increase the annual donation to Ubobo Progress Association Inc., Nagoorin Progress Association Inc., the Builyan/ Many Peaks Community Development Committee to \$7,490, \$14,300 and \$14,600 respectively to fully fund the cleaning costs of toilets made available to the public.

Councillors may also consider offering an increased contribution to Lowmead Hall Committee.

Stakeholder Engagement:

All associations were approached for further information to assist in the preparation of the report all of which has been included in the attachments.

Legal and Regulatory Implications:

Obligations on management committees have recently changed. There is no impact on obligations of Council.

Financial and Resource Implications:

No increased contribution has been budgeted. Any increase would be funded from the Community Halls budget, necessitating a reprioritising of some planned activity.

Anticipated Resolution Completion Date:

Council's decision will be communicated to the associations within 7 days.

Attachments:

1. Public Toilets Attached to Public Halls – General Meeting Report 16 June 2015
2. Request for increased donation – Nagoorin and Many Peaks
3. Application for Funds for Cleaning Toilets Ubobo Memorial Hall
4. Basis of Estimates
5. Law changes for incorporated associations

G/4.6. STRUCTURE AMENDMENT

Responsible Officer: Chief Executive Officer

Prepared By: Chief Executive Officer

Council Meeting Date: 18 July 2023

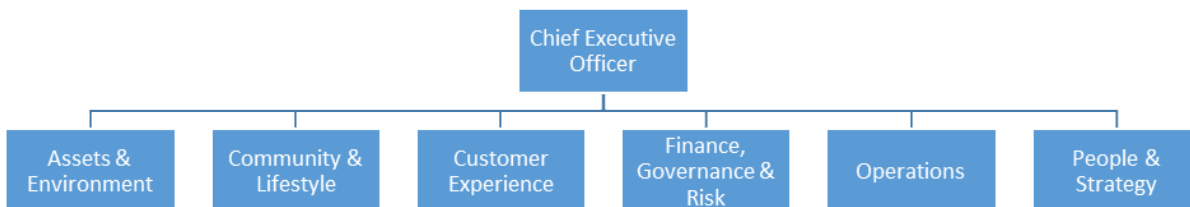
File Ref: HR15.2

Purpose:

This report seeks Council approval to amend the organisational structure.

Officer's Recommendation:

That, in accordance with section 196 (1) of the *Local Government Act*, Council adopts the proposed organisational structure presented in this report, to take effect from 22 July 2023.



Summary:

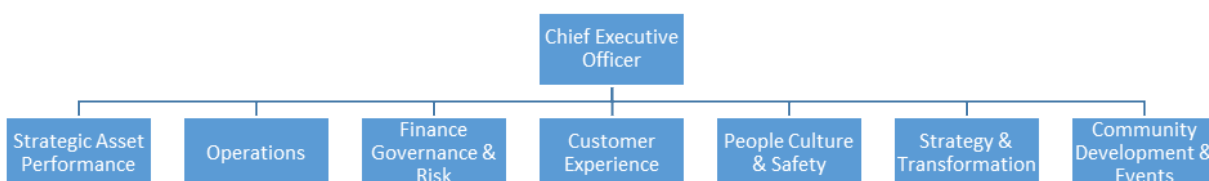
The resignation of the General Manager People, Culture and Safety presented an opportunity to consider the future allocation of the portfolio. Following evaluation of available options, integration with the Strategy and Transformation Business Unit was proposed and subsequently supported through consultation feedback. In parallel, General Managers consulted on potential changes to current Business Unit names where greater clarity on key responsibilities could be provided.

Link to Corporate Plan:

Delivering Value - We work efficiently to deliver value for your rates.
Our People - We look after our people, so they look after you.

Background:

The current organisational structure, as presented below, was approved by resolution of Council on 5 June 2018. Each of the seven Business Units is led by a General Manager, with continuity of tenure contributing to the stability of the organisation and maturity of the Executive Leadership Team.



Risk Management Summary:

The main risk of the structure amendment is the loss of capability and capacity of the General Manager People, Culture and Safety. While this loss will leave some gaps in expertise and experience, leaders within the team have complementary strengths, with a proven track record. The Executive Leadership Team collectively has strong skills in the People portfolio, being heavily involved in the development and improvement effort over the past few years. Professional support will also continue to be accessed through peak bodies such as Local Government Managers Australia and the Local Government Association of Queensland.

Risks have also been considered in relation to the workload of the General Manager People and Strategy role. The position will have nine direct reports, which is one more than the Organisation Design principles of six to eight for these types of roles. In comparison to others, however, the Business Unit will be the smallest, with 56 Full-Time Equivalent positions. The lack of depth and size reduces other aspects of workload and ensures that leaders work at level.

Overall, the proposal is well within Council's risk appetite, providing opportunities to enhance financial sustainability and service delivery through integration. If the benefits identified are not realised through implementation, the structure change could be easily undone.

Options and Opportunity Analysis:

Option 1 – Recruit and Replace the General Manager People, Culture and Safety

This would be the default response, however, has the potential to cause the greatest disruption to our people. Introducing a new General Manager has the potential for a change in direction and style. Opportunities to leverage synergies with other Business Units and reduce executive salary costs would also be missed.

Option 2 – Unbundle People, Culture and Safety

This approach would impact team dynamics and continuity of internal service delivery. Significant consultation and change management support would also be required and is considered the most disruptive option for our people.

Option 3 – Integrate People, Culture and Safety with another Business Unit

All options for integration were evaluated against the same criteria applied to options one and two. Integration with another Business Unit was assessed as the most favourable option, with Strategy and Transformation emerging as the best fit. The greatest advantage of this combination, other than the executive position cost saving, is the synergy between the Business Units. Integration of change management, business improvement and organisational development is common and effective in contemporary organisations. This combination will still result in the smallest sized Business Unit and is the least disruptive for our people.

Stakeholder Engagement:

Change consultation was undertaken with impacted teams and relevant unions in accordance with the Certified Agreement 2021 provisions. Feedback was consistently positive and confirmed that the option proposed was the least disruptive, clear synergies were recognised and a degree of excitement was expressed by teams that would be coming together. General Managers considering a Business Unit name change consulted with their teams on preferred titles.

Legal and Regulatory Implications:

In accordance with Section 196 (1) of the *Local Government Act 2009*, “A local government must, by resolution, adopt an organisational structure that is appropriate to the performance of the local government’s responsibilities”.

Financial and Resource Implications:

Amendment of the structure will result in a recurrent cost saving of the Total Remuneration Package expense of the General Manager People Culture and Safety. In accordance with Council’s Contract Staff Remuneration Policy, a slight increase in salary expenses will be required for the General Manager undertaking the integrated People and Strategy position. To responsibly support the transition to the integrated Business Unit, a portion of the salary expense saving will be allocated to accelerating business improvements that will further enable Business Partners and leaders to work at level. This is a once-off, fixed expense for the current financial year only.

Anticipated Resolution Completion Date:

The amended structure is proposed to take effect from 22 July 2023.

Attachments:

Nil

G/5. COUNCILLORS REPORT

G/6. URGENT BUSINESS

G/7. NOTICE OF MOTION

G/8. CONFIDENTIAL ITEMS