



GLADSTONE
REGIONAL COUNCIL

GENERAL MEETING AGENDA

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

On 16 April 2019

Commencing at 9.00am

**Leisa Dowling
CHIEF EXECUTIVE OFFICER**

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G/1. MAYORAL STATEMENT OF CURRENT ISSUES

Nil.

G/2. CONFIRMATION OF MINUTES

G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 2 APRIL 2019

Responsible Officer: Chief Executive Officer

Council Meeting Date: 16 April 2019

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 2 April 2019.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 2 April 2019 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 2 April 2019.

Tabled Items:

Nil.

Report Prepared by: Executive Secretary

G/3. OFFICERS' REPORTS

G/3.1. OFFICE OF THE CEO

G/3.1.1. CHANGE TO LOCATION OF REGIONAL GENERAL MEETING

Responsible Officer: Chief Executive Officer

Council Meeting Date: 16 April 2019

File Ref: CR8.4, CM7.2

Purpose:

To seek Council's adoption of an amendment to the General Meeting Schedule for 2019, specifically related to the 7 May 2019 meeting.

Officer's Recommendation:

That Council endorse the 7 May 2019 General Meeting to be held in Ambrose.

Background:

At Council's General Meeting held 6 November 2018, the General Meeting Schedule for 2019 was adopted. The 2019 schedule currently has that the General Meeting for 7 May 2019 was to be held in Raglan. Unfortunately, when making arrangements for this meeting, there does not appear to be a suitable location in Raglan to host the meeting.

Consideration:

Council consideration is given to alternative locations for holding the 7 May General Meeting with the following locations possible:

- Ambrose Community CWA Hall – would meet desire to hold meeting in northern part of the region
- Gladstone Council Chambers – would result in no regional meeting this quarter.
- Another location nominated by Council.

Communication and Consultation (Internal/External):

Council's decision of the change of location for General Meetings will be published as required under section 277 of the *Local Government Regulation 2012*. This notice will be given published:

- In a newspaper circulating generally in the local government area;
- On the local government's website;
- In the public office in Gladstone.

Legal Environmental and Policy Implications:

Section 277 of the *Local Government Regulation 2012* requires public notification of the days and times of when Councils ordinary meetings will be held.

Financial and Resource Implications:

There are minor operational costs associated with a public notice however all options will require this expenditure.

Commentary:

Nil.

Summary:

Nil.

Anticipated Resolution Completion Date:

7 May 2019

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Manager Governance

G/3.1.2. DELEGATES FOR BIO CONFERENCES

Responsible Officer: Chief Executive Officer

Council Meeting Date: 16 April 2019

File Ref: CM6.1

Purpose:

To update Council on the proposed plans to have Council representation at the two major international BIO Conferences in 2019 and allow Council to nominate GRC representatives to attend these events if they wish to have representation.

Officer's Recommendation:

That Council:

1. Authorise _____ to attend the Bio International Convention (BIO) in Philadelphia USA, 3-6 June and delegate authority to the Chief Executive Officer to arrange travel and accommodation.
2. Authorise _____ to attend the Bio World Congress – Iowa USA, 8-11 July 2019 and delegate authority to the Chief Executive Officer to arrange travel and accommodation.

Background:

Gladstone Regional Council's Corporate Plan identifies a strong desire to actively promote and support the region and enable its growth and prosperity, particularly through Strategic Goal 8 - Grow the Region.

Key Activities identified in the Corporate Plan include

- Advocate for future job creating industries – e.g. Bio Fuels
- Incentivise investment to the region
- Promote the region
- Increase diversity of industries and occupational groups across the region

One specific action identified in the Operational Plan is the development of a Biofutures Strategy. Another is the continued investment in Economic Development to promote Gladstone as a destination to industries of the future.

Two (2) major Bio Industry conferences have been identified as opportunities to promote Gladstone to potential investors:

1. Bio International Convention (BIO) – Philadelphia USA, 3-6 June 2019

The Bio International Convention (BIO) attracts 16,000+ biotechnology and pharma leaders who come together for one week of intensive networking to discover new opportunities and promising partnerships.

The event is supported as a priority event to attend by the Queensland Government, and in particular, Queensland Premier Anastacia Palaszczuk who will be leading a Queensland delegation in 2019.

Gladstone Regional Council are also members of the Open Worldwide Innovation Network (OWIN) who are hosting a Queensland VIP Reception and a full day of networking / introduction events the day before the conference commences on 2 June 2019. It should be noted that OWIN are also leading a delegation of Belgium Bio investment companies to Gladstone in May 2019 to explore the opportunities in our region.

Gladstone Regional Council Mayor Matt Burnett has attended this event in 2017 and 2018, resulting in the attraction of investment from international company Mercurius. Mercurius have now announced they will be proceeding with a Gladstone pilot plant biorefinery.

“During a trade mission to San Diego in 2017, Mercurius made it clear they recognised Queensland was committed to developing a biofuels industry. The Gladstone Region is committed to developing and innovating within the energy sectors, whether it be hydrogen, LNG, bio-fuels, coal, solar or other forms for renewables. Projects such as this highlight the region’s strategic advantages and provide an opportunity to attract future projects.”

Mayor Matt Burnett, Gladstone News, 13 February 2019

It is recommended that both the Mayor and a Council Officer attend this opportunity for networking, promotion of the region, and upskilling in this industry that has been identified as a strategic priority for the Economic Development of our region.

2. Bio World Congress on Industrial Biotechnology – Iowa USA, 8-11 July 2019

The BIO World Congress on Industrial Biotechnology is a transformative event, bringing together business executives, government officials, and academic researchers from around the world to share expert insight on policy issues and new technologies to help create a more sustainable planet.

This event is supported as a priority event to attend by the Queensland Government, and in particular, Minister Cameron Dick who will be leading a Queensland delegation and Queensland promotional exhibit (Qld Pavillion) in 2019.

“With more than 900 global business leaders, investors and policy-makers in attendance, the BIO World Congress provided a platform to establish or strengthen direct relationships with many leading companies, individuals and institutions on behalf of our government.” – Minister for State Development, Manufacturing, Infrastructure and Planning The Honourable Cameron Dick, Queensland Government

Gladstone Regional Council will have an opportunity to participate in the exhibit and also partake in site visits – Iowa Bioeconomy site tours – alongside Life Sciences Queensland, the Queensland Government and other delegates.

International Investors Mercurius have also recommended this event as an opportunity for Gladstone to become connected with more proponents in the Industrial Bio Technology space.

It is recommended that both the Mayor and a Council Officer attend this opportunity for networking, promotion of the region, and upskilling in this industry that has been identified as a strategic priority for the Economic Development of our region.

Consideration:

Consideration should be given to Risk and Opportunities presented with attendance at these events.

Risk:

- There is potential for reputational risk with attendance overseas travel via the public purse. If travel is deemed to proceed, a communications plan would be developed to ensure the community are aware of the benefits of attendance at each event attended.
- Employee safety is also a priority with any travel, particularly overseas travel into cities unknown by the traveller. It is proposed the travel is booked by an experienced (local) travel agent.

Opportunity:

- The Bio-Fuels economy represents one of the greatest opportunities for future diversity of industry across our region. It is identified as a Council Strategic Priority, and these two (2) conferences provide connections and introductions that could prove pivotal to the success of our strategy.

Communication and Consultation (Internal/External):

Queensland Government
Open Worldwide Innovation Network
Life Sciences Queensland
Mercurius
Trade and Investment Queensland

Legal Environmental and Policy Implications:

Councillor Overseas Travel:

Policy P-2018-31, Councillor Expenses Reimbursement and Provision of Facilities Policy provides for travel outside the Gladstone Regional Council area in 6.3.1 and 6.3.3, requiring a resolution of Council to endorse the attendance of, and subsequent travel to any such conference.

Officer Overseas Travel:

Corporate Standard CS-20-2016 Learning and Development provides for Officer attendance at Non-Mandatory Training via 6.2.2 and specifically in section 5 – Attendance at a conference, seminar or forum. 6.5.2 - Travel, accommodation and meals states that any overseas travel must be approved by resolution of Council.

The Corporate Standard provides the following 6 matters that should be considered when approving Officer attendance at Non-Mandatory Training:

1. Has the training been budgeted for and does it represent value for money considering the overall costs including any associated travel, accommodation and related expenses?
2. Will the training assist in achieving organisational goals?
3. Does the training align with the Employee's Individual Development Plan?
4. Does the training align with any Directorate/Section/Unit Development Plan?
5. Are there any work commitments that would prevent attendance?
6. Does it conflict with any Mandatory Training the Employee may be required to undertake?

Council's Procurement Policy will also be adhered to when booking the expenses associated with this recommendation.

Financial and Resource Implications:

1. Bio International Convention (BIO) – Philadelphia USA, 3-6 June 2019

Registration	\$1,550 per delegate	Firm price
Premium Economy Flights at 5 April 2019	\$7,160 per delegate	Quote current as
Accommodation	\$2,790 per delegate	Quote current as at 2 April 2019
Meals and Incidentals	\$960 per delegate	Approximate

Total approximate cost to have 2 representatives = \$24,920

This amount would need to be expended in the current financial year from the below possible budget lines:

10.1.100.20310 Councillors Travel and Accommodation

10.1.100.20325 Councillors Seminars and Conferences

There are sufficient funds in the Elected Members Cost Centre to accommodate 1 Councillor attending this conference.

There are sufficient funds in the Officer budget to accommodate 1 Officer attending this conference.

2. Bio World Congress on Industrial Biotechnology – Iowa USA, 8-11 July 2019

Registration	\$1,800 per delegate	Firm price
Premium Economy Flights	\$7,510 per delegate	Quote current as at 5 April 2019
Accommodation	\$1,150 per delegate	Quote current as at 5 April 2019
Meals and Incidentals	\$720 per delegate	Approximate

Total approximate cost to have 2 representatives = \$22,360

This would be expended in 2019/2020 Financial year and so would need to be included in budget preparations.

3. Summary of costs

Total costs to Council of 2 attendees at these events is anticipated to be

- \$24,920 in the 2018/2019 Financial Year
- \$22,360 in the 2019/2020 Financial Year

Commentary:

A report summarising the conference, opportunities, learnings and connections will be required to be presented to Council within 1 month return of attendance at each Conference.

Summary:

Council to decide if it wishes for the Gladstone Region to be promoted and represented at either or both of the upcoming international Biotechnology conferences and if representation should be Mayor/Councillor, Officer or a combination of both.

Anticipated Resolution Completion Date:

31 July 2019

Attachments:

1. BIO Philadelphia – OWIN Program – 3-6 June 2019
2. BIO 2019 Schedule – 3-6 June 2019
3. BIO World Congress Schedule of Events – Des Moines, Iowa – 8-11 July 2019

Tabled Items:

Nil.

Report Prepared by: General Manager Strategy and Transformation

G/3.1.3. NATIONAL GENERAL ASSEMBLY OF LOCAL GOVERNMENT 2019 ATTENDANCE REQUEST

Responsible Officer: Chief Executive Officer

Council Meeting Date: 16 April 2019

File Ref: CM6.1

Purpose:

Approval is sought for a Councillor to attend the National Assembly of Local Government Conference in Canberra 16-19 June 2019.

Officer's Recommendation:

That Council:

1. Authorise Councillor _____ to attend the National Assembly of Local Government Conference in Canberra 16-19 June 2019.

Background:

The Australian Local Government Association's (ALGA) National General Assembly, held annually in Canberra, attracts more than 870 representatives from councils across the states and territories. The theme for the 2019 Conference is Future Focused. This assembly will consider what councils can do today to get ready for the challenges, opportunities and changes that lie ahead.

Consideration:

It should be noted that at the 26 March 2019 General Council Meeting, Council resolved to submit a total of seven motions to the National General Assembly of Local Government held by ALGA in Canberra at the 2019 Conference 16-19 June. Although it is not essential, it may be beneficial for a Gladstone Regional Council representative to attend and support GRC's motions and partake in any debate if required.

Council has consistently approved delegate attendance at this national peak body conference each year, and Council's Chief Executive Officer will also be attending the conference.

Communication and Consultation (Internal/External):

Mayor, Councillors, Chief Executive Officer, Strategy & Policy Specialist, General Manager Strategy and Transformation.

Legal Environmental and Policy Implications:

Approval by resolution for attendance at this conference is required under Section 6.2 of P-2018-31 Councillor Expenses Reimbursement and Provision of Facilities Policy as the following criteria has not been met:

- The seminar/conference is to be held in Queensland.

Under section 6.1.1 of P-2018-27 Council Meetings Procedures Policy a leave of absence is automatically granted to a Councillor where the Council passes a formal resolution for a Councillor

to attend a conference or event. Approval to attend this conference will also grant a leave of absence from a General or Committee Meeting.

Financial and Resource Implications:

Total estimated costs including registration of \$1,484.00, travel, accommodation, and some meals and incidentals is estimated at \$3,500.00.

The 'Councillors - Seminars and Conferences' budget is currently at 92.9 percent expenditure. Therefore, a budget revision of \$2,000.00 will be required to ensure enough funds are available to cover conference registration. This revision can be accommodated from within the Elected Members budget without requiring an increase to the overall Operating Expenses of the cost centre.

'Travel and Accommodation – Councillors' 2018/2019 budget will not require a budget revision due to the current expenditure being 73.6 percent and there being sufficient funds to cover this event.

Commentary:

Nil

Summary:

Nil.

Anticipated Resolution Completion Date:

19 June 2019.

Attachments:

1. National Assembly of Local Government Conference Program

Tabled Items:

Nil.

Report Prepared by: Executive Assistant to the Office of the Chief Executive Officer

G/3.1.4. CENTRAL QUEENSLAND REGIONAL ORGANISATION OF COUNCIL (CQROC) PROPOSED CHANGE TO RULES OF INCORPORATION

Responsible Officer: Chief Executive Officer

Council Meeting Date: 16 April 2019

File Ref: GR9.1

Purpose:

For Council to decide on the proposed change to the Rules of Incorporation for the Central Queensland Organisation of Councils (CQROC) under consideration by the group. The proposed change seeks the inclusion of unanimous voting for criteria in relation to two local governments competing for jobs, grants, development and economic development along with decisions impacting the local government's assets (the owner of the asset impacted by the decision must support the decision).

Officer's Recommendation:

That Council advise the Central Queensland Organisation of Councils (CQROC) of its decision in relation to the proposed change to Rules of Incorporation as _____.

Background:

The Chair of CQROC has circulated a Flying Minute regarding a proposed change to their Rules of Incorporation. The Flying Minutes seeks Council's position on the proposed draft Rules of Incorporation as follows (viz):-

10.8 Voting and Decision Making

Questions arising at a meeting of the Executive shall be determined by a majority of vote of members of the Executive present at the meeting except where:

- Two Local Governments are competing for jobs (a unanimous decision will be required.)
- Two Local Governments are competing for grants (a unanimous decision will be required)
- Two Local Governments are competing for a development (a unanimous decision will be required)
- Two Local Governments are deciding on a matter that is in regard to economic development (a unanimous decision will be required)
- Where any decision is made about the assets of any individual Local Government, the decision will require the support of the owner of the asset impacted by the decision (being the Local Government).

The proposed change has been brought about by a change to voting and decision making of the group under their Rules of Incorporation. Previously all Councils in the group had to be unanimous when making decisions. Essentially member Councils have agreed to "the majority of members" to be in agreement for decision making. Rockhampton Regional Council is seeking to add the above exceptions to the "majority decision making".

Officers are seeking the Council's decision on whether to support the above inclusions. The decision will be communicated to the CQROC in response to the Flying Minute circulated.

Consideration:

The Chair of CQROC has indicated that he will support the majority view and has asked questions on the interpretation of the inclusion of the "exceptions to the majority vote". Councillors will need to look at these exceptions and how these apply to the Gladstone Region both in the present and from a future Region perspective.

Communication and Consultation (Internal/External):

The Flying Minute was circulated to the Mayor, Deputy Mayor and Council's Chief Executive Officer on 22 March 2019. It was also distributed to Member Councils of the CQROC.

A response will be sent to the Chair of the CQROC once a decision has been determined.

Legal Environmental and Policy Implications:

The CQROC is a group that enables its member Councils to share information and resources and develop strategies and projects for the benefit of their members. There are no known legal, environmental or policy implications by supporting or not supporting these inclusions.

Financial and Resource Implications:

There are no known financial and resource implications by supporting or not supporting these inclusions. The group does not have a budget available to draw from.

Commentary:

Nil.

Summary:

Nil.

Anticipated Resolution Completion Date:

23 April 2019

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Executive Assistant to the Chief Executive Officer and the Acting Chief Executive Officer

G/3.2. STRATEGY AND TRANSFORMATION

Nil.

G/3.3. STRATEGIC ASSET PERFORMANCE

G/3.3.1. COMMUNITY CONSULTATION FOR LOW PRESSURE SEWERAGE SYSTEM - 1770

Responsible Officer: General Manager Strategic Asset Performance

Council Meeting Date: 16 April 2019

File Ref: CR8.4

Purpose:

The purpose of this report is to advise Councillors on the outcomes of community consultation undertaken with property owners connected to the Town of Seventeen Seventy (1770) Low Pressure Sewerage System (LPSS) and allow a decision to be made on the future operation and maintenance model for the system.

Officer's Recommendation:

That Council:

1. Endorse Option1 to continue with the current operating and maintenance model for the Town of Seventeen Seventy Low Pressure Sewerage System, whereby the property owner, with the exception of property owners in receipt of signed agreements with Miriam Vale Shire Council, retains responsibility for operating, maintaining and replacing low pressure sewerage infrastructure located within their property boundary up to but not including the boundary kit;
2. In recognition of feedback from the community, delegate to the Chief Executive Officer to draft and negotiate appropriate agreements with property owners for installation, ownership, operation, maintenance and renewal;
3. In recognition of feedback from the community, develop a policy to cover new connections to the low pressure sewerage system.

Background:

Property owners connected to the 1770 LPSS have raised concerns over the cost and reliability of the pumping systems located within their property boundary. It is also perceived that the on-site pumping systems represent an unfair impost on property owners.

In response to the concerns, Council has been investigating a number of options to address the community concerns. Following receipt of a report by GHD Pty Ltd (GHD) in November 2017 (see Attachment 1), Council agreed to seek community feedback on three nominated options.

The following options were presented to the community in December 2018:

Option 1 – Status Quo

Property owners continue to operate and maintain infrastructure located within the property boundary. Council continues to maintain and operate infrastructure outside the boundary.

Option 2 – Council to replace pumps with more than 10 Years service

Property owners retain responsibility for operating and maintaining infrastructure located within their property, however Council will repair/replace any faulty pumps provided they have seen more

than 10 years of service since installation. Council will continue to operate and maintain infrastructure outside of property boundary. The additional annual cost to Council of this option was estimated to be \$514 per property.

Option 3 – Council replace existing low pressure sewer with new gravity system

This option replaces the LPSS with a gravity sewer system. Under this option, property owners would be responsible for house lines within their property boundary, with Council responsible for operating and maintaining the gravity sewer mains, sewer rising mains and sewer pumping stations. The additional annual cost to Council of this option was estimated to be \$6,550 per property.

Consideration:

Community Consultation Feedback

Council currently have 77 properties connected to the LPSS in 1770. Council received 55 completed ballot forms, or a 71% response rate. A breakdown of the voting is provided in the following table.

Table 1: Summary of Community Preferences

Option	Total Number	% of Respondents	% of Property Owners
1 – Status Quo	7	13%	9%
2 – 10 Year pump replacement	0	0%	0%
3 – New Gravity system	6	11%	8%
4 – Council to own and maintain all sewer infrastructure	42	76%	55%
No response	22	-	28%

76% of the respondents nominated a fourth option as their preferred option. This option involves transferring the ownership, operation and maintenance of on-site infrastructure to Council. This option is similar to Option 4 investigated by GHD.

Prior to the consultation process, where the cost of a new gravity sewer system was presented, the majority of property owners who had been in contact with Council had been in favour of a new gravity system. Community feedback however now suggests that only 11% of respondents are in favour of a gravity system.

In addition to voting for a preferred option, a number of respondents provided general feedback. A summary of the key concerns raised by property owners is provided below:

- Property owners were generally not satisfied with the 3 options presented by Council.
- Property owners are generally requesting that Council assume total responsibility for all maintenance, repair and replacement and want no additional cost to property owners.
- Not enough notice was given for all property owners to attend the community consultation on 13 December 2018. Note that invitations were issued on 28 November 2018.
- Property owners believe that Council should adopt the recommendation provided in a 2005 GHD report, which recommended Council assume responsibility for on-site infrastructure.
- Property owners state they have never been in receipt of any paperwork/agreement from Council in regards to ownership and responsibilities of the pump.
- Property owners believe Council installed an inadequate system.

Preferred Community Options

The two preferred options identified by the community are Options 4 and 1. The risks to Council with these two options are considered in more detail in Attachment 2 and summarised in the commentary section below.

Communication and Consultation (Internal/External):**External**

External consultation was undertaken with impacted Seventeen Seventy property owners and Councils that have experience with low pressure sewerage systems.

Details of the community consultation process and feedback from other councils is provided in Attachment 3.

Internal

Internal communication and consultation has occurred with the General Manager Strategic Asset Performance, Community Engagement, Asset Performance and Monitoring Manager.

Legal Environmental and Policy Implications:

Various aspects of the LPSS are licensed under the Environmental Protection Act 1994 and the Water Supply (Safety and Reliability) Act 2008.

Financial and Resource Implications:

The 2018 GHD report (Attachment 1) provided details on the additional capital and annual operating and maintenance (O&M) costs associated with each option. These costs can be recovered from the rating base by a number of options including:

- Sharing the annualised cost across all rate payers.
- Sharing the annualised costs only across rate payers within the Agnes Water and 1770 sewered area.
- Sharing the annualised costs only across properties connected to the LPSS.

These additional costs and recovery options are summarised in the following table.

Option	Additional Costs to Council				
	Capital Cost	Annual O&M Cost	Additional Annualised Costs for Rating Group		
			Shared Across the Regional	Shared Across Agnes Water and 1770 Connections	Properties Connected to the LPSS
1	\$ 299,000	-	-	-	-
2	\$ 1,424,000	-	-	-	\$ 514
3	\$ 5,957,000	\$ 927,000	\$ 21.77	\$ 420	\$ 6,550
4	\$ 2,340,000	\$ 1,942,000	\$ 3.60	\$ 69	\$ 1,083

Commentary:

Option 1 – Maintain Status Quo - property owners continue to own and maintain all infrastructure located within their boundary up to but not including the boundary kit and Council will operate and maintain infrastructure outside the boundary

Strengths	Weaknesses
No increase in cost to wider rating base. Consistent with current level of service. No changes to Council resourcing levels required.	Does not address concerns of property owners particularly absentee landlords.
Opportunities	Threats
Property owners have the ability to control their costs and expenditure through managing what enters the system.	Lack of documented agreements between Council and property owners. Two agreements between residents and the then Miriam Vale Shire Council in 2007, stating that Council will take responsibility for owning and maintaining infrastructure within the property boundary, with the exception of electricity costs, have been located. Others may exist that we are not aware of.

Community feedback has highlighted that while this is not their preferred option, adjustments to the way Council is implementing the option could be made. Improvements include:

- Drafting and implementing agreements between Council and property owners to formally recognise responsibilities for ownership, maintenance, operation and renewal of infrastructure.
- Drafting and implementing a LPSS policy statement covering requirements for new builds and connections (which will avoid the need for formal agreements by utilising development approval provisions).
- Establishing systems and procedures to:
 - Capture and record Issues with on-site infrastructure to better inform any future decisions.
 - Update property information so that the presence of on-site LPSS infrastructure is more transparent, so that future potential property owners are made aware of their responsibilities during due diligence searches.
 - Assist residents manage on-site pump stations in the event of extended power failures.

It should also be noted that Council currently has an obligation to maintain and renew the on-site infrastructure supplied by Council to the two property owners party to signed agreements with Miriam Vale Shire Council.

Option 2 - Property owners own, operate and maintain infrastructure located within their property, however Council will repair/replace faulty pumps provided they have seen more than 10 years of service since installation

Strengths	Weaknesses
Partially addresses community concerns regarding the cost of replacement pumps. Assists with bill shock.	Does not fully address concerns of property owners particularly absentee landlords. Will result in higher rates. Some property owners claim that their pumps do not last 10 years.
Opportunities	Threats
Property owners retain the ability to control their costs and expenditure through managing what enters the system. Agreements can be drafted to take into account individual property owner circumstances.	Lack of documented agreements between Council and property owners. Depending on the cost recovery model adopted, non impacted residents may raise concerns over increased rates for a small benefit.

Based on community consultation feedback this is not the preferred option as there were no registered votes for this option.

Option 3 - Council replaces the LPSS with a new gravity system sewer collection network

Strengths	Weaknesses
Addresses community concerns Consistent with other sewerage systems in the region.	High capital cost to implement.
Opportunities	Threats
	Disruption to the community whilst the construction works are undertaken. Odour complaints due to location of pump stations and age of sewage in non peak seasons. Depending on the cost recovery model adopted, non impacted residents may raise concerns over increased rates for a small benefit.

This is not the preferred option as the high cost to Council and the timeframe to design and construct a new gravity system would be significant.

Option 4 – Property owners transfer ownership, operation and maintenance responsibilities back to Council

Strengths	Weaknesses
Addresses community concerns All impacted property owners are treated in the same.	Increased operating and maintenance costs for Council which will need to be passed onto rate payers. The on-site systems were not constructed for centralised responses to failures. Council current resource strategy for Agnes/1770 area will need to be revised to include fitters and electricians. Disaster response processes will need to be updated.
Opportunities	Threats
	Council may inherit on-site infrastructure that has been built over, leading to higher than anticipated maintenance and renewal costs. Unable to reach agreement between Council and property owners regarding access including time to register easements. Depending on the cost recovery model adopted, non impacted residents may raise concerns over increased rates for a small benefit.

To facilitate this option, Council would be required to undertake the following steps:

- Register easements for each property that clearly outline Council and property owner responsibilities.
- Develop agreed level of services for on-site pump stations to cover reactive and planned maintenance activities and response times.
- Establish and implement procedures for residents to report failures and Council to respond to on-site infrastructure failure in accordance with agreed levels of services. Consideration will also need to be given to dealing with callouts resulting from mis-use of the system (i.e. flushing prohibited items down the system).
- Develop and implement resourcing plans to ensure adequate coverage of fitters and electricians to respond to planned and reactive maintenance activities.

Under this option, the property owner would continue to pay for the power supply to the pump.

Summary:

All 77 impacted property owners of 1770 were provided with the opportunity to provide feedback on three options identified by Council to address concerns with the existing LPSS. Council received 55 responses, with the majority of responses nominating a fourth option as their preferred option. Under this option, the ownership of LPSS infrastructure located within private property would transfer to Council and Council would become responsible for operation, maintenance and renewal of on-site infrastructure. The property owner would remain responsible for electricity costs.

Option 4 represents a significant additional annual cost to Council of around \$1,083 per connect. This Option is also out of line with approaches taken by other Councils that allow LPSS, with one Council recently looking to return operation and maintenance responsibilities back to the property owner.

Subsequent to the community consultation period, concerns have been raised by some property owners regarding the legality of Council transferring ownership of on-site infrastructure to the property owner. Council's legal advisor has sought advice and this advice indicates that, with the exception of property owners in receipt of signed agreements with Miriam Vale Shire Council, the property owner is responsible for the operation and maintenance of on-site infrastructure that was effectively gifted to them by Council.

If Council prefers the option recommended by the majority of community respondents, an alternate resolution may read:

That Council:

- 1. Rescinds resolution 08/542 and based on community feedback, endorses Option 4 to transfer responsibility for ownership, operation and maintenance of the Town of Seventeen Seventy low pressure sewerage system infrastructure located within private properties to Council from July 2019;*
- 2. Consider the appropriate cost recovery mechanism through the annual budget process;*
- 3. Delegate to the Chief Executive Officer to draft, negotiate and register Easement Documents to set out Property Owner and Council responsibilities around access;*
- 4. Develop a policy that outlines the responsibilities of the Property Owner and Council for any future Low Pressure Sewer connections within the Seventeen Seventy catchment.*

Anticipated Resolution Completion Date:

If Council endorses Option 1, approximately 12 months would be required to draft and finalise appropriate agreements and policy documentation.

If Council endorses Option 2, approximately 12 months would be required to draft and finalise appropriate agreements and policy documentation. Replacement pumps would be made available immediately.

If Council endorses Option 3, it may take up to 3 years to complete the construction and commissioning of the new gravity system.

If Council endorses Option 4, it will take approximately 3 months to transition to the new operating model, taking into consideration budget constraints. Finalisation of easement documents to manage access and risks may take 12 months to complete.

Attachments:

1. GHD 2018 GRC 1770 Low Pressure Sewer Options and Costs Review
2. Risks associated with Options 1 and 4
3. External communication undertaken for LPSS

Tabled Items:

Nil.

Report Prepared by: Senior Technical Officer

G/3.3.2. PHILIP STREET COMMUNITIES AND FAMILIES PRECINCT - ASSET NAMING

Responsible Officer: General Manager Strategic Asset Performance

Council Meeting Date: 16 April 2019

File Ref: RD5.1, PRJ-076

Purpose:

The purpose of this report is to allow the Council to allocate names for the two roads to be constructed as part of the Stage 1 Philip Street Communities and Families Precinct development.

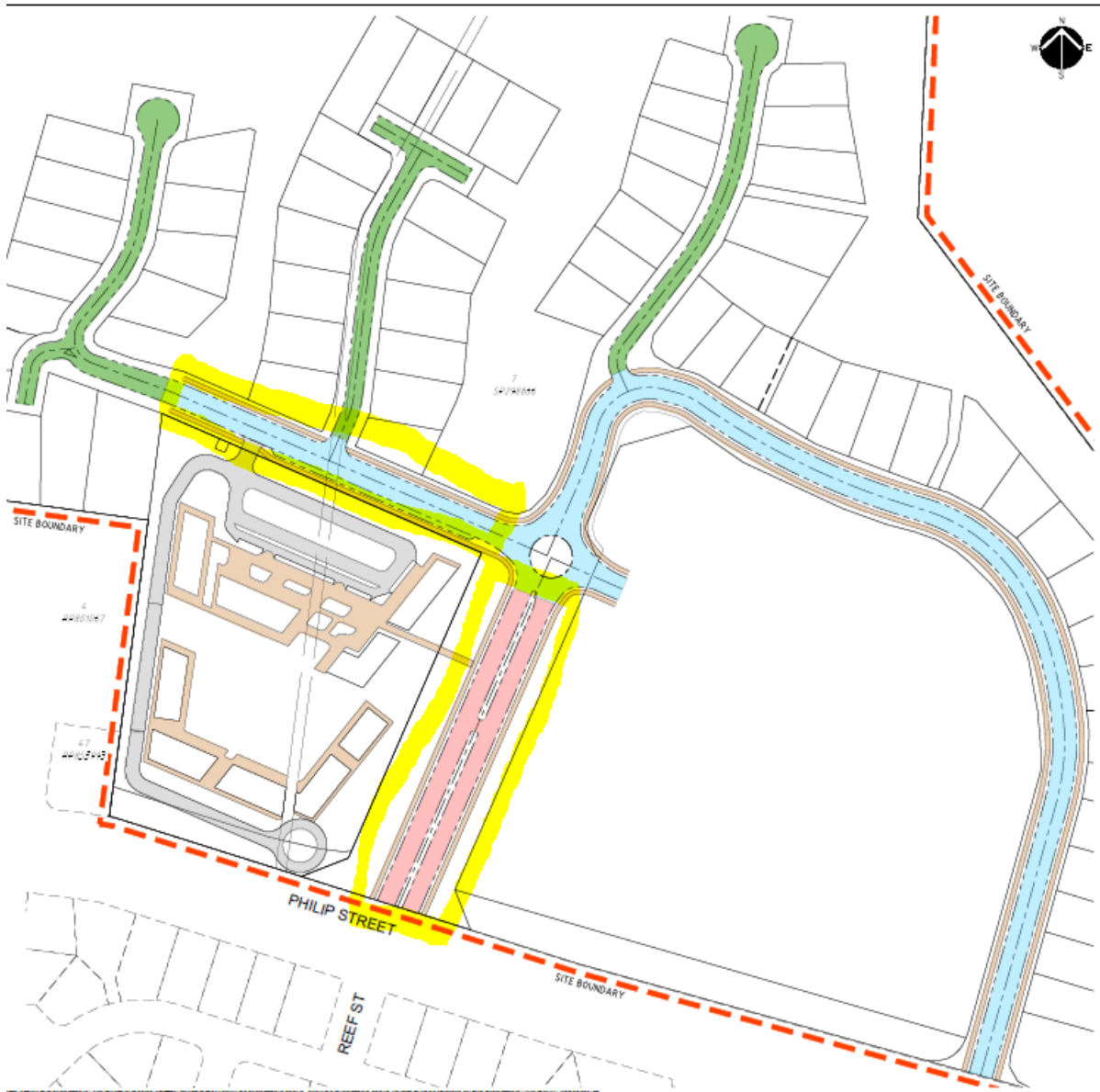
Officer's Recommendation:

That Council utilise the Approved Place Names Register and apply the following names to the two roads to be constructed as part of Stage 1 of the Philip Street Communities and Families Precinct:

1. (insert name) – Entrance road
2. (insert name) – Northern road

Background:

The updated master plan for the Philip Street Communities and Families Precinct has now been finalised and the road hierarchy plan has been submitted to Council for inclusion in the Operational Works application (External Works) assessment. As part of the Stage 1 development, two roads will be constructed - the main entrance road and the northern road as indicated in the below figure.



Road Suffix

Entrance Road – In accordance with the Corporate Standard the options are ‘street’ or ‘avenue’.

Northern Road – In accordance with the Corporate Standard the only option is ‘street’.

Consideration:

The following two options are presented for Council’s consideration.

Option 1 – Allocate from Approved Place Names Register

Council’s policy states that names of proposed infrastructure assets will be chosen from the Approved Place Names Register.

When it comes to naming road assets the name selected should consist of one word that is easily read, spelt and pronounced; however, in the case of indigenous languages it is accepted that a traditional name which might appear at first to be complex will, over time, become more familiar and easier to use. This requirement has been included in the policy to assist in communicating with emergency service agencies. The name should also be appropriate to the location (approved by GCC or GRC, not intended for a different location within GRC, not based on a theme used elsewhere in GRC).

Attached is an extract from the Approved Place Names Register containing the approved place names that meet the above criteria – refer Attachment 1.

Option 2 – Consider a New Name

Where assets are being created as part of a Development Application, names other than those on the Approved Place Names Register may be used. Proposed names however still need to comply with the *Naming of Infrastructure Assets Policy (P-2018-09)* including complying with the following criteria:

- Diversity of place names within the local government area;
- Compliance with Australian Standard AS4819:2011 (this standard sets out numerous specific spelling and formatting requirements e.g. not using suffixes, the use of Mount as opposed to Mt, not using hyphens or apostrophes);
- Consist of less than 35 characters (including spaces and excluding infrastructure asset type);
- The source of the name: Where an indigenous name is proposed, consultation must occur with the Port Curtis Coral Coast Trust Limited (PCCC) or prescribed entity and written permission obtained from the prescribed entity approving the use of the proposed name. The English meaning of the name must be supplied for reference purposes.
- Propriety of the name; and
- For the naming of roads, communication (consist of one word, easily read, spelt and pronounced) in order to assist Emergency Services, service providers and the public.

Names will not be considered where:

- For persons still active in their service, position or community;
- Offensive or likely to give offence;
- Inappropriate sounding when pronounced;
- Considered as a commercial or company name;
- Deemed to be incongruous – out of place;
- A given name, except where it is necessary to identify an individual to avoid ambiguity; and
- For the naming of roads, unduly long and composed of more than one word.

The *Naming of Infrastructure Assets Corporate Standard (CS-2018-16)* states a number of criteria including:

- Uniqueness of Name
- Source of Name
- Spelling
- Form
- Road Type Suffix and Prefix

Alternative recommendation:

If Council is supportive of using new names and thereby adding names to the Approved Place Names Register, then an alternative recommendation could be:

1. That Council add the following names to the Approved Place Names Register:
 - a. Insert Name
 - b. Insert Name
2. That Council utilise the Approved Place Names Register and apply the following names to the two roads to be constructed as part of Stage 1 of the Philip Street Communities & Families Precinct:
 - a. Insert Name – Entrance road
 - b. Insert Name – Northern road

Communication and Consultation (Internal/External):

Nil

Legal Environmental and Policy Implications:

P-2018-09 – Naming of Infrastructure Assets Policy
CS-2018-16 – Naming of Infrastructure Assets Corporate Standard

Financial and Resource Implications:

Nil apart from supply and delivery of street signs as part of construction.

Commentary:

Nil

Summary:

Nil

Anticipated Resolution Completion Date:

Upon completion of Stage 1 Civil Works.

Attachments:

1. Approved Place Names Register Extract

Tabled Items:

Nil.

Report Prepared by: Strategic Projects Specialist

**G/3.3.3. TRAFFIC ENVIRONMENT ADVISORY COMMITTEE (TEAC) MEETING
7 MARCH 2019**

Responsible Officer: General Manager Strategic Asset Performance

Council Meeting Date: 16 April 2019

File Ref: RD4.4

Purpose:

The purpose of this report is to allow Council to note the minutes from the Traffic Environment Advisory Committee (TEAC) meeting held on the 7 March 2019.

Officer's Recommendation:

That Council note the adopted Traffic Environment Advisory Committee minutes from the meeting held on 7 March 2019.

Background:

The 7 March 2019 TEAC agenda was electronically distributed to all Councillors and TEAC members on the 28 February 2019 for their review.

The minutes from the TEAC meeting (Confidential Attachment 1) were adopted by the attending TEAC members on the 22 March 2019.

Consideration:

Nil.

Communication and Consultation (Internal/External):

Minutes were circulated to the attending TEAC members for review on 15 March 2019 and adopted by the Committee on 22 March 2019.

Legal Environmental and Policy Implications:

Nil.

Financial and Resource Implications:

Nil

Commentary:

Minutes were circulated to the attending TEAC members for review on 15 March 2019 and adopted by the Committee on 22 March 2019.

Summary:

Nil.

Anticipated Resolution Completion Date:

Not applicable as noting report.

Attachments:

1. Adopted TEAC Minutes 070319

Tabled Items:

Nil.

Report Prepared by: Senior Technical Officer

**G/3.3.4. CONSIDERATION OF THE REPLACEMENT OF THE IRRIGATION SYSTEM
WITHIN THE BOYNE ISLAND TANNUM SANDS GOLF CLUB INC LEASE
AREA**

Responsible Officer: General Manager Strategic Asset Performance

Council Meeting Date: 16 April 2019

File Ref: CP8.2, SR4.1

Purpose:

To allow Council to consider the replacement of the Irrigation System within freehold land at Jacaranda Drive, Boyne Island (Lease B on SP 253030 in Lot 1 on SP 150256 and Lease E on SP 253030 in Lot 3 on SP 150256) currently leased to Boyne Island Tannum Sands Golf Club Inc.

Officer's Recommendation:

That Council:

1. Resolves not to contribute to the cost of replacing the Irrigation System within land leased by Boyne Island Tannum Sands Golf Club Inc described as Lease B on SP 253030 in Lot 1 on SP 150256 and Lease E on SP 253030 in Lot 3 on SP 150256.
2. Authorise the Chief Executive Officer to negotiate and effect the renewal of the Lease for Boyne Island Tannum Sands Golf Club Inc on the same terms as the current lease for a term expiring on 31 December 2022.
3. Continues to operate and maintain the existing Irrigation System in accordance with the terms of the Lease to the earlier of:
 - (a) the expiry of the lease; or
 - (b) the irreparable failure of the Irrigation System.
4. Officers investigate the most appropriate use of the land.

Background:

The Irrigation System within land leased from Council by Boyne Island Tannum Sands Golf Club Inc is failing regularly and is in disrepair. Council must decide whether to invest in the replacement of the Irrigation System. In doing so, consideration must be given to the sustainability of the golf facility and Council's appetite to make a financial contribution to the ongoing operation of that facility.

1. The Lease

Council and Boyne Island Tannum Sands Golf Club Inc (BITS Golf) are a party to a lease commencing on 1 January 2013 ("the Lease"). The Lease permits BITS Golf to occupy Council's freehold land at Jacaranda Drive, Boyne Island, otherwise described as Lease B on SP 253030 in Lot 1 on SP 150256 and Lease E on SP 253030 in Lot 3 on SP 150256 ("the Premises"). The Premises, shown in Attachment 1, consists of a 13-hole golf course and a clubhouse. The current rental on this lease is \$1.00 per annum payable on demand.

The golf course, together with the adjoining AFL/Cricket field and nearby Dennis Park is watered with treated effluent from the Tannum Sands Waste Water Treatment Plant via an underground irrigation system ("the Irrigation System"). While BITS Golf is responsible for the general

maintenance and repair of the Premises, the Lease (clause 5.9(5)) expressly provides that Council is responsible for carrying out all repairs and maintenance of the Irrigation System.

The Lease was for an initial term of 4 years, expiring on 31 December 2017 with a further option of 5 years. In order to exercise their option, BITS Golf were required to provide Council with written notice of their intention by 31 September 2017. While Council did not receive formal notice from BITS Golf, given the nature of the discussions over the past 4 years between Council officers and BITS Golf, it would be reasonable for Council to grant BITS Golf a further lease on at least the same terms for the option period, expiring on 31 December 2022.

2. The Irrigation System

Treated effluent is pumped from the Tannum Sands Waste Water Treatment Plant to three (3) 47.3m³ poly tanks for irrigation at the BITS Golf Club and Sporting Grounds and two (2) 47.3m³ poly tanks for irrigation at Dennis Park. Treated effluent is then pumped from the respective poly tanks via an underground irrigation system. The Irrigation System consists of underground irrigation pipes, pumps, tanks and controls.

The use of the treated effluent must be in accordance with the conditions of Council's Environmental Authority EPPR00959913 ("the EA"). In order to comply with the conditions of the EA, Irrigation can only occur between the hours of 8:30pm and 2:00am. An automated system has also been installed to cease irrigation during wet weather and high winds. Other compliance measures include signage and monitoring of soil condition.

The maintenance and monitoring of the Irrigation System is undertaken by Council's Parks Program Delivery Team. Over the past 4 years, the Irrigation System has had a number of issues:

1. *Increased repairs and maintenance activities* – due to maintenance as a result of aging infrastructure (the system is approximately 30 years old).
2. *Unreliability of water supply* – due to failing irrigation system. This makes it difficult for BITS Golf to undertake course maintenance particularly the application of fertilisers and chemicals.
3. *Insufficient volumes of water* – due to both the capacity of the system and restrictions due to the quality of the treated effluent. As the effluent can only be irrigated during limited hours the volume of treated water has been insufficient to maintain the golf course in the standard sought by BITS Golf. This has been exacerbated by the relatively dry, hot and windy conditions experienced throughout late 2018 and into 2019.
4. *Deteriorating soil condition* – recent monitoring has revealed that the soil condition has deteriorated and will require remediation.

It is important to note that even if BITS Golf accepted responsibility for the operation and maintenance of the Irrigation System, as Council is the holder of the EA, the liability for compliance with the conditions of the EA will ultimately rest with Council.

If treated effluent was no longer required at the Premises, any surplus treated effluent could be redirected to the QAL's Red Mud Dam with no cost implications to Council.

It is noteworthy that the irrigation system would have to be replaced regardless of the availability of an alternative source of water besides the treated effluent.

3. Council's current position:

Council has considered options for the irrigation system on several occasions, copies of the reports are contained in Attachment 2. On each occasion that Council has passed a resolution regarding the irrigation system, BITS Golf have been unable to satisfy the conditions of the resolution.

Council's last resolution on this matter was adopted at the General Meeting on 20 December 2016 (vide resolution no. G/16/2943):

1. *Council will make one-off investment of approximately \$460,000 to upgrade/replace the irrigation system with no contribution required from the club on the proviso that:*
 - (a) *No financial contribution is required from the club;*
 - (b) *The Club acknowledging that Council must invite tenders for the purchase of the equipment;*
 - (c) *The club accepts responsibility for the management and maintenance of any upgraded irrigation reticulation system, subject to Council providing training to club personal;*
 - (d) *The club accepting the finite volume of treated effluent available from the Council system;*
 - (e) *The club acknowledging that responsibility for any supplementary water source additional to that provided via Council's treated effluent system rests entirely with the club;*
 - (f) *The club agreeing to work collaboratively with Council and other clubs accessing the irrigation system to ensure that no undue disadvantage is created for one or other club as part of this proposal;*
 - (g) *Council reserves its rights to not proceed with the project unless a satisfactory and affordable tender can be accepted;*
 - (h) *The club consider restoring usage rights (revenue raising opportunities) of the licenced clubhouse for other BITS sporting clubs (AFL, cricket, soccer); and*
 - (i) *The club consenting to a termination/renewal of its current lease to better reflect the conditions outlined above;*
2. *Council has no forecast plans to further invest in expansion of the Boyne Island/Tannum Sands Golf Club Facility, including additional holes.*

4. Discussions with BITS Golf

BITS Golf are of the view that the current Irrigation System is not capable of delivering sufficient water to meet the requirements of the golf course.

Council Officers presented the current resolution to BITS Golf who have subsequently advised that while they are prepared to take on responsibility for the maintenance of a new irrigation system, they are unable to meet the full operating costs of the irrigation system, in particular, the costs of the electricity to operate the system and environmental testing (associated with the conditions of the Permit). BITS Golf have advised that they are prepared to take on these costs during the second year post commissioning.

BITS Golf have advised Council officers that the price point for their membership fees are low and they feel that they are unable to generate additional income from membership fees as they have a substandard facility which they are not able to improve due to the issues with the Irrigation System. BITS Golf's long-term plan for the facility is to expand the course to 18 holes.

BITS Golf have been unable to secure funds to make a capital contribution to the replacement of the Irrigation System.

In addition to golfing, BITS Golf have advised that their clubhouse hosts up to 25 functions a year from which the association generates income. The clubhouse does include a commercial kitchen however this is not in use. There are some concerns about the condition of the clubhouse. (Note: Council are yet to conduct a condition assessment on the clubhouse.)

5. Comparable sporting facilities with the Region

There are five other golfing facilities within the Gladstone Regional Council area (refer to table below). Council makes no contributions to the operation of these facilities (with the exception of any rates concessions or grants that may be available to these organisations from time to time). There has been no investigation into the membership, patronage or financial positions of these clubs.

Facility Name	Location	Tenure/Council Contribution	Council Operating Costs
Yaralla Sports Club	1 Hickory Avenue, Kin Kora	Privately owned freehold land	\$0
Calliope Country Club	Stowe Road, Calliope	Privately owned freehold land	\$0
Miriam Vale Golf Club	13 Claude Wharton Drive, Miriam Vale	Privately owned freehold land	\$0
1770 Golf Course	2366 Round Hill Road, Round Hill	Privately owned freehold land	\$0
Baffle Creek Golf Club	Coast Road, Baffle Creek	Privately owned freehold land	\$0

Most of Council's sporting facilities are maintained by the relevant lessees with no support from Council (with the exception of any rates concessions or grants that may be available to these organisations from time to time). The only other sporting facility that Council currently maintains is Gerald Mylne Park situated at Blain Drive, West Gladstone. Football Central Queensland Inc. uses this facility under a hire arrangement and Council recovers part of its costs to maintain the field by charging the user a fee.

Consideration:

At this point in time, BITS Golf are unable to meet the requirements of Council's resolution (G/16/2943) in that they are unable to accept the full costs for the operation of the new system from the outset. There is also no guarantee that it will be sustainable for BITS Golf to absorb the costs of operating and maintaining the Irrigation System into the future as the associated costs are largely unknown.

The Officer's Recommendation recognises that the financial contribution required of Council to replace the Irrigation System is inconsistent with the general approach taken by Council in managing leased community property assets. A detailed Options Analysis of all proposed options, including the Officer's Recommendation is contained in Attachment 3.

Communication and Consultation (Internal/External):

Internal:

- Manager Engagement and Partnerships
- Manager Parks Program Delivery
- Manager Asset Performance and Monitoring
- Manager Asset Planning

External:

- Representatives from BITS Golf Club

Legal Environmental and Policy Implications:

Council obtained advice and on the basis of that advice, while Council is required to repair and maintain the irrigation system, the conditions of Lease do not require Council to replace the irrigation system. Council is not obliged to replace the irrigation system.

Financial and Resource Implications:

Current operating costs

In order for Council to fulfill its obligations under the current Lease, the budgeted operating costs for the 2018/2019 financial year are \$114,000 plus approximately 1 FTE in staff salaries. Additional costs of up to \$100,000 are forecast to address the remediation of the soil. At this stage, it is unknown whether the soil issues will be resolved after an initial treatment or whether this will be an ongoing requirement. It is likely that if the irrigation system falls into further disrepair, the operational costs will increase.

Costs to replace the Irrigation System

It is proposed that a contribution from Council of \$460,000 will be insufficient to replace the Irrigation System. There is currently \$750,000 included in Council's Long-Term Financial Plan for the 2019/2020 financial year. This amount is an estimate only and it is anticipated that the actual costs to replace the Irrigation System may be in excess of the allocated amount. Further investigation with regards to system design and capacity is necessary before a more accurate estimate can be determined.

Refer to Option Analysis for additional detail.

Commentary:

A similar treated effluent irrigation system is established for irrigation at Dennis Park. It is important to note that this report does not include this site as part of the eventual irrigation system replacement. Officers advise that the irrigation system at Dennis Park is a newer asset with less maintenance and sprinkler repairs undertaken.

Summary:

The issues with the Irrigation System will not be resolved unless the Irrigation System is replaced. While the costs of operating the failing system will continue to escalate, the cost of the replacement of the Irrigation System is substantial.

In effect, Council currently contributes over \$100,000 per year towards the operation of the golf course and this is inconsistent when compared to Council's contribution to other Council owned sporting facilities where the Lessee is responsible for the cost of the water and the system to deliver that water.

Consideration must be given to the sustainability of BITS Golf in the long term and Council's appetite to subsidise golf in Boyne Island Tannum Sands.

Anticipated Completion Date:

That a new lease between Council and BITS Golf expiring 31 December 2022 be registered by 30 June 2019.

Attachments:

1. Attachment A – Map of Premises
2. Attachment B – Reports and Council Resolutions
3. Attachment C – Option Analysis and Risk Profile

Tabled Items:

Nil.

Report Prepared by: Property Acquisition and Disposal Specialist

G/3.4. OPERATIONS

Nil.

G/3.5. COMMUNITY DEVELOPMENT AND EVENTS

Nil.

G/3.6. CUSTOMER EXPERIENCE

Nil.

G/3.7. PEOPLE CULTURE AND SAFETY

Nil.

G/3.8. FINANCE GOVERNANCE AND RISK

G/3.8.1. MONTHLY REPORT FOR THE PERIOD ENDING 31 MARCH 2019

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 16 April 2019

File Ref: FM15.1

Purpose:

This report seeks Council adoption of the Monthly Financial Statements for the 2018-19 year to date, for the period ended 31 March 2019, as required under Section 204 *Local Government Regulation 2012*.

Officer's Recommendation:

That Council adopt the Monthly Financial Statements attached to this report for the 2018-19 year to date, for the period ended 31 March 2019 as required under Section 204 *Local Government Regulation 2012*.

Background:

Nil.

Consideration:

Budget Variations

Since the adoption of the 2018-19 budget on 24 July 2018, a number of variations to budget have been processed in line with emergent needs. Furthermore, Council departments have recently reviewed their anticipated positions for the 18/19 year and revisions have been processed to align with new expectations.

Whilst the variations, in number were numerous, the operating result has shifted from a surplus of \$0.5m to a deficit of \$1.0m.

The primary reasons for these variations are:

- Net reduction in operating position due to removal of allocations of \$3m;
- An increase in GAWB Dividend and tax Equivalent receipts \$3.8m;
- Allocation of additional resources to ensure delivery of asset data and water quality projects \$0.9m;
- \$1.8m of Strategic Projects, classified to operating rather than capital.

A reduction in anticipated capital expenditure of \$26m to \$77m, summarised by asset group below, is also reflected in lower capital income with related grant receipts for capital projects down \$5.8m due to the delay in capital delivery by \$5.8m.

Overall, Council's cash position is anticipated to be \$11.4m greater based on current estimates at \$61.5m.

Revisions are visible through the Program Budgets and Aggregated Financial Statements with both Adopted and Revised Budget columns displayed.

Statement of Income and Expenditure

The pro-rata rate as at 28 February 2019 is 75.34%

Income – Recurrent Revenue

Recurrent revenue is reporting within expectations at \$160.8m or 83% of the revised budget of \$193.4m. Notable variations from expectations include:

Sales – Contract and Recoverable Works	Percentage of Revised Budget
	51%

Currently at \$2.1m of the revised budget of \$4.2m. Recoverable work undertaken for the year has been less than originally anticipated, resulting in both income and expenditure of this nature reporting below budgets. The budget for this revenue type has been reduced from \$5.3m to \$4.2m.

Grants, Subsidies, Contributions and Donations	Percentage of Revised Budget
	30%

Currently at \$6.2m of the revised budget of \$20.5m. The largest instalment of the Financial Assistance Grant is received in June in advance for next year. This year Council is expecting approximately \$3.8m for this payment. A claim has been lodged for the Works 4 Queensland program including operating income of \$1.02m and it is expected that this will be received during the month of April. The rest of the variance can be explained by a significant difference in the amount budgeted versus the amount received of NDRRA funding. Additional claims for NDRRA funding are expected to be lodged and paid in the coming months.

Interest Received	Percentage of Revised Budget
	68%

The total interest earned for the year is \$2.1m which is in line with pro-rata. However, the sources of the interest received show variances from the budgeted amounts.

Interest received from investments is currently \$1.5m compared to a revised budget of \$2.6m which equates to 53%. Council has several investments that are expected to reach maturity between now and the end of the year.

Conversely, interest from overdue rates and utility charges is sitting at \$0.6m compared to a revised budget of \$0.4m equaling 148%. It appears that the amount for interest received from ratepayers will be closer aligned to the 17/18 amount of \$0.8m than it will to the revised budget.

Other Recurrent Income	Percentage of Revised Budget
	35%

This category includes a budgeted amount of \$5.3m for dividends to be paid to Council from the Gladstone Area Water Board. Once this is taken into consideration, the percentage of revised budget is 80% which is in line with pro-rata.

Income – Capital Revenue

Capital revenue is reporting at 22% of the revised budget, totalling \$3.2m of an expected \$14.3m for the year. Included in this category are:

Grants, Subsidies, Contributions and Donations	Percentage of Revised Budget
	21%

Currently at \$2.6m of the revised budget of \$12.3m. A claim has been lodged for the Works 4 Queensland program including capital income of \$1.4m and it is expected that this will be received during the month of April. Funding of \$1.5m is expected to be received in this financial year for capital sewerage projects as well as \$1.2m for the Red Rover Road reconstruction project. The rest of the variance can be explained by a significant difference in the amount budgeted versus the amount received of NDRRA funding. Additional claims for NDRRA funding are expected to be lodged and paid in the coming months.

Developer Contributions	Percentage of Revised Budget
	28%

Currently at \$0.6m of a revised budget of \$2.0m. This time last year, Developer Contributions received was at \$0.2m.

Expenses – Recurrent Expenses

Year to date expenditure is tracking in line with expectations, currently sitting at 66% of the revised budget of \$194.4m. Included in this category are:

Employee Benefits	Percentage of Revised Budget
	64%

The final staff pay run for March was not processed at the time of this report. The inclusion of this pay (approximately \$2m) will bring the employee benefits expense back in line with pro-rata.

Materials and Services	Percentage of Revised Budget
	63%

Currently sitting at \$44m of a revised budget of \$70.3m. Materials and services expenditure was at 68% of the revised budget for the same period last year.

The net operating result for the year to date is \$32.3m compared to \$32.2m for the same period last year.

Statement of Financial Position

Year to Date Assets	Current Value	Revised Budget	Percentage of Revised Budget
	\$2.57b	\$2.58b	99%
Year to Date Liabilities	Current Value	Revised Budget	Percentage of Revised Budget
	\$149.2m	\$144.9m	103%

Assets and liabilities are within expectations for this time of year.

Capital Expenditure

Year to Date Capital Expenditure	Year to Date	Revised Budget	Percentage of Revised Budget
	\$31.5m		41%
Including Commitments	\$50.6m	\$77m	66%

Capital works expenditure up to 31 March was 41% of the revised budget. However, when outstanding purchase orders (commitments) are included, the total capital spend is increased to 66% of budget.

Significant actual capital expenditure (not including commitments) is presented by group in

the table below:

Group	Adopted Budget	Revised Budget	YTD Actual	Actuals as % of Revised Budget
Road Assets	\$36.937m	\$29.512m	\$15.584m	53%
Water Assets	\$14.263m	\$7.534m	\$3.107m	41%
Sewerage Assets	\$29.535m	\$21.500m	\$5.834m	27%
Waste Assets	\$1.645m	\$2.654m	\$0.265m	10%
Parks & Environment Assets	\$2.875m	\$2.838m	\$1.178m	42%
Asset Planning	\$2.276m	\$0.000m	\$0.000m	0%
Delivery Support & Performance	\$6.815m	\$8.259m	\$4.624m	56%
Property Assets	\$0.000m	\$1.522m	\$0.457m	30%
Strategy & Transformation	\$6.752m	\$2.456m	\$0.376m	15%

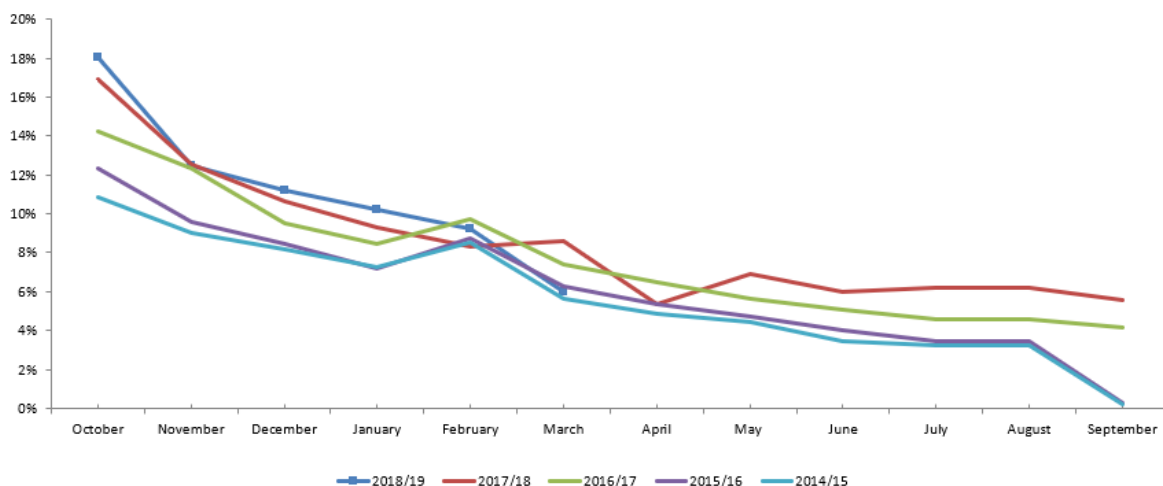
Outstanding Rates

Outstanding rates as a percentage of gross rates levied is at 6.01% at the end of March compared to 8.6% for the same period last year. Due to the recent rates generation, there is a total of \$24.8m rates not yet due.

Of the \$6.8m of outstanding rates 16% relates to commercial / industrial assessments and 84% represents residential assessments.

These figures include \$2.6m of rates that are currently being repaid under an authorised payment plan, for which there were 60 commercial/industrial assessments and 1,657 residential assessments. This is a total of 1,717 assessments, which is a decrease from 1,775 assessments in February.

Outstanding Rates



Sustainability Ratios

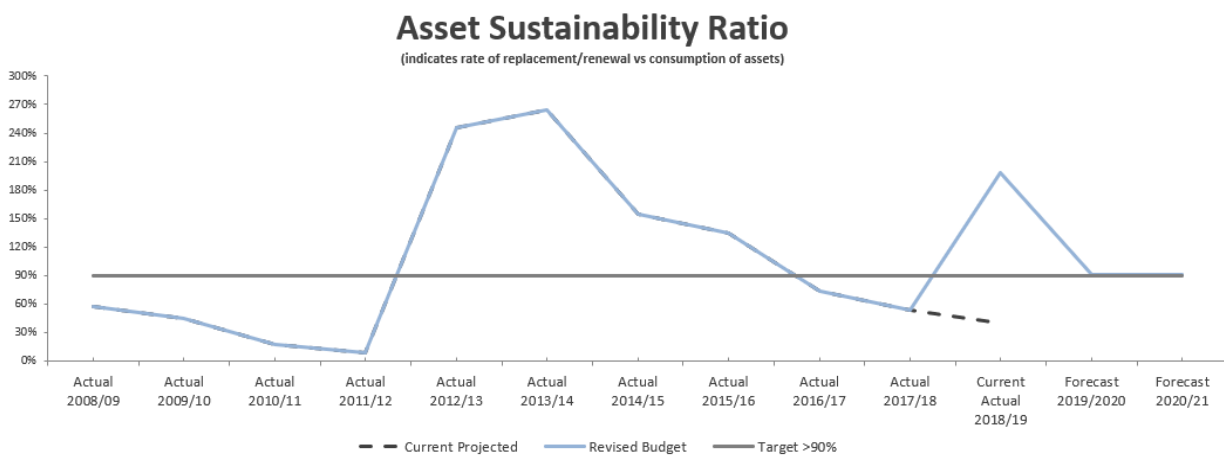
Councils Sustainability Ratios for the period are generally in line with expectations at this

stage of the reporting year. Throughout the year the ratios are distorted as revenue is raised in stages and not evenly across the year. Capital and operating expenditure is incurred on an incremental basis throughout the year.

Asset Sustainability Ratio

This ratio compares Councils expenditure on capital renewal or replacement assets with the rate at which our assets are depreciating. A slower rate of capital spending has produced a lower result compared to the same period in the previous year. Council has not achieved the target range since the 2015/16 financial year.

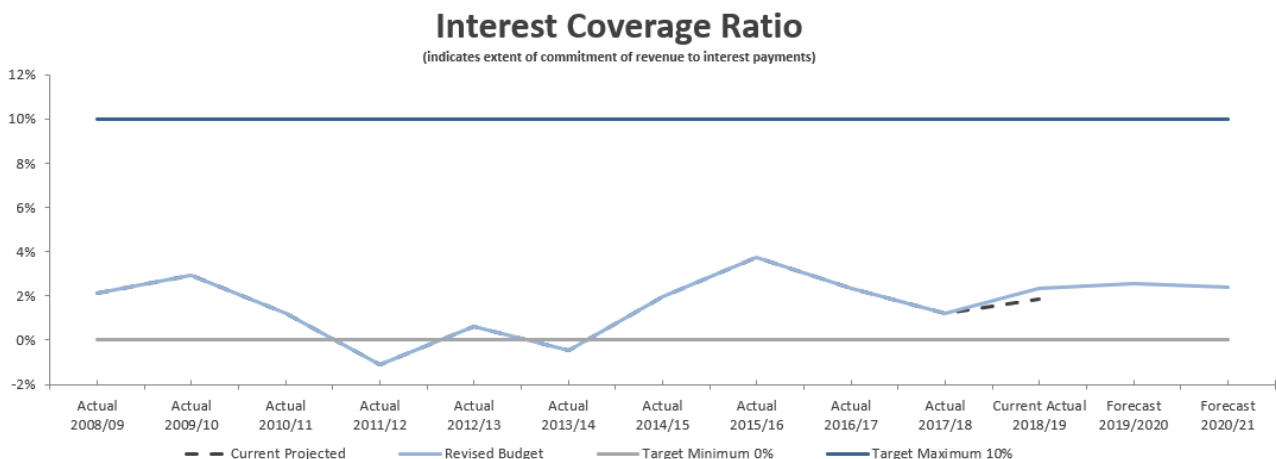
Asset Sustainability Ratio			
Current Year to Date	Prior Year to Date	Budget	Target
39.70%	55.31%	208.19%	>90%



Interest Coverage Ratio

The interest coverage ratio for the year to date is within the target range. The gap between budgeted income and income received is the cause of the variance between the budgeted and actual result of this ratio. As the revenue received is less than expected at this stage, a higher percentage of that revenue is needed to cover Councils interest commitments.

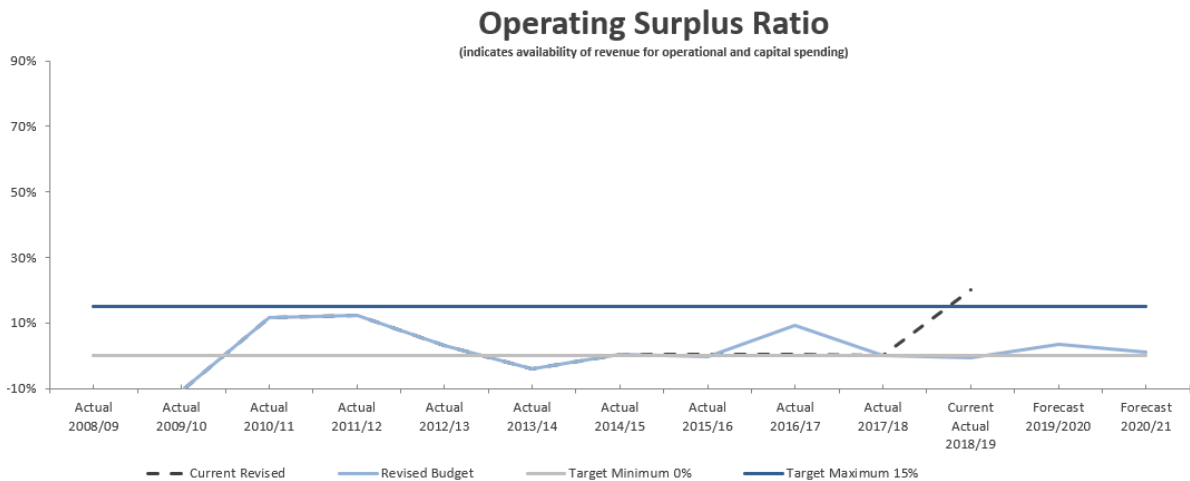
Interest Coverage Ratio			
Current Year to Date	Prior Year to Date	Budget	Target
1.84%	1.82%	2.51%	0-10%



Operating Surplus Ratio

The generation of rates at the beginning of financial year causes the operating surplus ratio to exceed the current year revised budget ratio. While the current results of this ratio are sitting well above the target range, it is expected to align closer to budget as the year progresses and operating expenditure requirements are met. The budget revisions processed according to anticipated position have caused the budgeted ratio to fall below the target range.

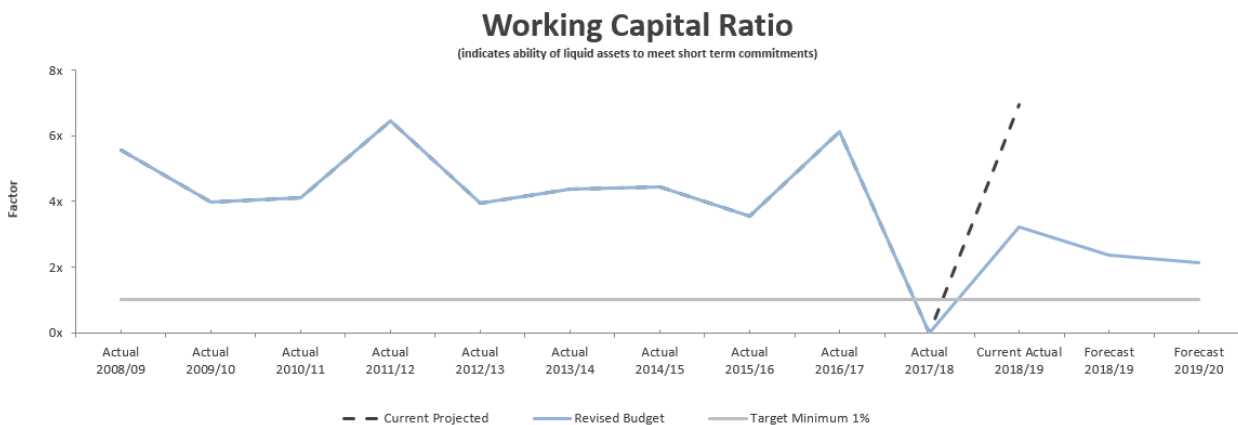
Operating Surplus Ratio			
Current Year to Date	Prior Year to Date	Budget	Target
20.10%	20.96%	-0.53%	0-15%



Working Capital Ratio

As the annual rates have been generated, Council has a large balance of current assets including cash and receivables that increase the results of this ratio. The ratio remains in excess of the target minimum, reflecting a healthy position for Council.

Working Capital Ratio			
Current Year to Date	Prior Year to Date	Budget	Target
6.96x	2.85x	3.22x	>1:1

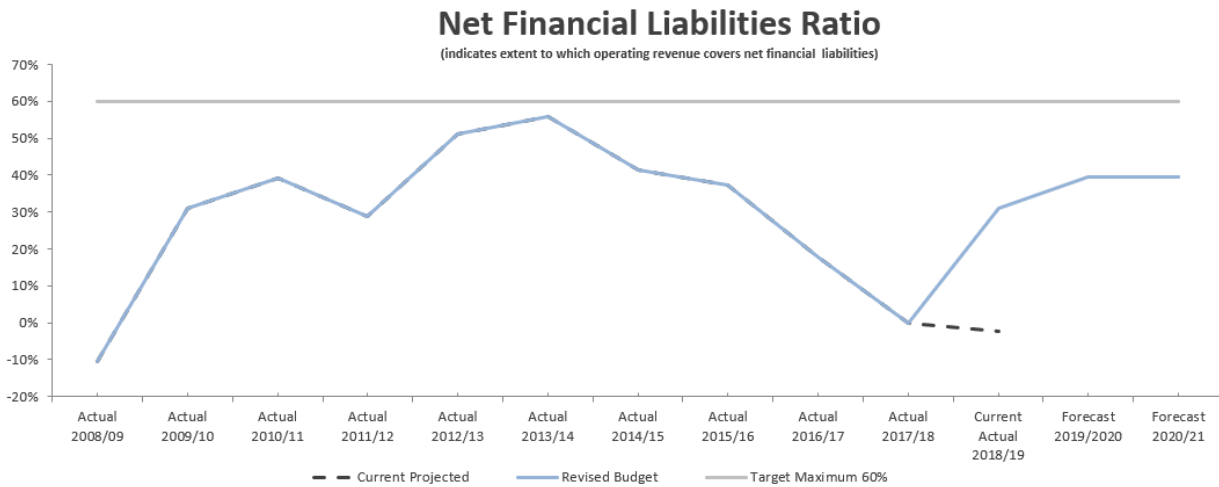


Net Financial Liabilities Ratio

This ratio is also affected by a strong current asset value. It is anticipated to align to budget as expenditure targets are met. The results are in line with the same period last year.

Net Financial Liabilities Ratio
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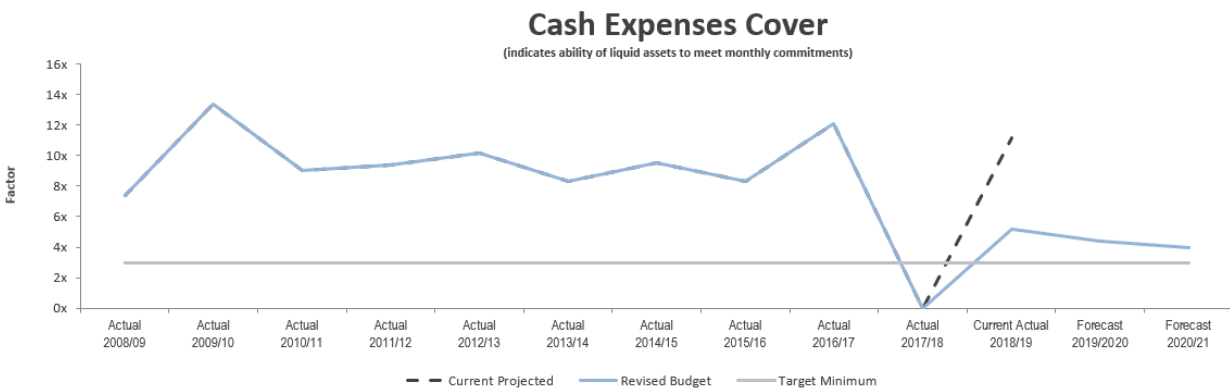
Current Year to Date	Prior Year to Date	Budget	Target
-2.38%	-2.16%	30.97%	<60%



Cash Expenses Cover Ratio

The current result reflects a continuing strong cash position proportional to operating costs. This result is well above the target ratio.

Net Financial Liabilities Ratio			
Current Year to Date	Prior Year to Date	Budget	Target
11.1x	13.05x	5.19x	>3x



Communication and Consultation (Internal/External):

Input regarding budget variations sought from Systems Modelling and Metrics Specialist. Input regarding unpaid and prepaid rates sought from Manager Revenue Services.

Legal Environmental and Policy Implications:

Nil.

Financial and Resource Implications:

Nil.

Commentary:

Nil.

Summary:

Nil.

Anticipated Resolution Completion Date:

Nil.

Attachments:

1. Operating Statement for Month End March
2. Monthly Financial Statements period ending 31 March 2019

Tabled Items:

Nil.

Report Prepared by: Statutory Accountant

G/3.8.2. BUSINESS IMPROVEMENT COMMITTEE MEETING MINUTES 20 MARCH 2019

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 16 April 2019

File Ref: CM26.2

Purpose:

Pursuant to Section 211 of the Queensland *Local Government Regulation 2012* presentation of a written report about the matters reviewed at the Business Improvement Committee Meeting held on 20 March 2019.

Officer's Recommendation:

That the minutes of the Business Improvement Committee Meeting held on 20 March 2019 be received and accepted.

Background:

Pursuant to Section 211 of the Queensland *Local Government Regulation 2012* an Audit Committee (our Business Improvement Committee) must as soon as practicable after a meeting of the Committee, give the local government a written report about the matters reviewed at the meeting and the committee's recommendations about the matters.

Consideration:

The Business Improvement Committee met on the 20 March 2019. The minutes of this meeting are attached for Councillor consideration.

The Committee did not have any specific recommendations emanating from its consideration of the agenda items.

Officers have precised a number of issues of significance discussed by the Committee for Member's information / discussion.

Item 6.1 - 2017/18 Financial Statements and Adoption of the Annual Report

Members will note that Council is now in a position to finalise its 2017/18 Financial Statements and move forward with the formal adoption of 2017/18 Annual Report.

Council will note the BIC's major concerns regarding this item were focused around:

1. The delays with completing the financial statements which has resulted in the late adoption of Council's Annual Report. As a result, Council will receive a mention in the report that is presented to the Queensland State Parliament and will receive a 'red light' for timing for the audit and annual report completion. The Committee flagged this as a potential reputational risk for Council.
2. BIC were also concerned that the errors in asset values and associated depreciation costs could potentially adversely impact the amount of rates that Council has raised from its rates base. Officers did however, allay these concerns providing advice that there had been no significant reliance on the depreciation costs in the formulation of the 2017/18 financial year's

budget.

3. The Committee also sought some assurances that these delays will not occur again in the future.
4. It was also noted that the delays associated with the Annual Report adoption has impacted receipt of grant monies.

Item 5.4 – Capital Works Program

Members will note the questions and queries raised by BIC members in relation to the Capital Works Program (page 7).

The Committee wished to flag with Council the potential reputational risks for Council when ratepayers are levied rates based on a capital program and then Council is unable to deliver the full scope of works.

Item 5.1 – 2019/20 Annual Work Plan

Council will note that the proposed BIC Work Plan for 2019/20 will include some additional reports not previously tabled for the Committee in past years. These include:

1. An additional ICT Strategic Report scheduled for September 2019.
2. A written synopsis from the CEO on any high-level strategic issues affecting the organisation and local government generally.
3. A legal report informing the Committee of current litigations, particularly those that may impact the financial statements.

Item 5.5 – Quarry Operation Update Report

The Committee offered some suggestions that Members may wish to consider when deciding on the timing of rehabilitation works for Council operated quarries and borrow pits throughout the region. Council will note that a suggestion has been made on extending the time period for its rehabilitation program over a longer period (page 8 - point 3) subject to there being good monitoring and maintenance plans in place to mitigate any adverse environmental impacts in the interim.

Item 5.6 – Contracts and Procurement Report

Council Members on the BIC have requested that regular reports be presented to Councillor Information Sessions to keep all elected members updated on all contracts awarded including information on local and non-local expenditure (page 9 decision).

Item 9.2 - Ethics Integrity and Audit Plan 2019/2022

The draft 2019/2022 Ethics Integrity and Audit Plan and supporting materials were considered and the committee endorsed the proposed plan. The 2019/2022 audit planning considered:

- a) the way in which the operational risks have been evaluated; and
- b) the most significant operational risks identified from the evaluation; and
- c) the control measures that the local government has adopted, or is to adopt, to manage the most significant operational risks.

The proposed plan was endorsed and includes the following:

Year 2019/2020 Specific Audit Activity	Resourced	Duration (weeks)	Lead Business Unit
Review of our complaints management processes and customer culture (including for escalated complaints) in relation to the efficiency and effectiveness and include an assessment of how well GRC learns and adjusts our processes to mitigate these complaints	Internal	3	Finance Governance and Risk
Managing conflicts of Interest	Internal	4	Finance Governance and Risk
Records Management – gap analysis on record keeping locations and compliance with record keeping processes	Internal	5	Finance Governance and Risk
Safety Management System	External	4	People Culture and Safety
Recruitment and Selection, Succession planning, capability	External	4	People Culture and Safety
Fraud Risk – review internal controls for procurement/transactions	Internal	4	Operations
Credit Card utilisation – review of internal controls, reconciliation, authorisation process and relevant information provided on reconciliations.	Internal	3	Finance Governance and Risk
Information Technology – managing and monitoring ICT projects	External	4	Strategy and Transformation
Community Facility Management	External	4	Operations
Environmental compliance	Internal	4	Strategic Asset Performance
Total Internally resourced		23 weeks	
Total Externally resourced		16 weeks	
Total		39 weeks	
Year 2020/2021 Specific Audit Activity	Resourced	Duration (weeks)	Lead Business Unit
Review implementation on new asset management system and internal controls	External	7	Strategic Asset Performance
Stocktake processes	Internal	4	Operations
Park Maintenance, Playgrounds inspection and maintenance, renewals, development program	Internal	6	Operations
Review procedures and processes for portable and attractive equipment	Internal	5	Operations/Strategic Asset Performance
Community Engagement Policy and Corporate Standard requirements	External	3	Community Development and Events
Cash handling	Internal	3	Community Development and Events
Safety reporting and incident management system	External	4	People Culture and Safety

Sample - new and amended legislation, regulations, and Council related by-laws and directives are operational across the applicable areas of Council	Internal	3	Finance Governance and Risk
Total Internally resourced		21 weeks	
Total Externally resourced		14 weeks	
Year 2021/2022 Specific Audit Activity	Resourced	Duration (weeks)	Lead Business Unit
Review Implementation of ISO55000 and effectiveness of controls for continued compliance	External	6	Strategic Asset Performance
Review Engineering & Design team structure, function and activities to assess if we are achieving best value to Council.	Internal	4	Finance Governance & Risk
Cash Handling	Internal	4	Community Development & Events
Strategic Projects, priority planning implementation	Internal	5	Strategy and Transformation
Review CCTV processes and procedures	External	4	Strategy and Transformation
Asset recognition and CW project finalization processes	Internal	4	Strategic Asset Performance
Contractor selection and on boarding	External	4	People Culture and Safety
Regulatory Services - compliance animals	Internal	4	Customer Experience
Total Internally resourced		21 weeks	
Total Externally resourced		14 weeks	
		35 weeks	

Item 14.2 - BIC Member attendance at Councillor Information Session 23 April 2019

Council will be aware that BIC members have been invited to attend two Council Information Sessions during 2019 to provide the opportunity for Council and the Committee to discuss relevant issues in more detail. The first of the delegations is scheduled for next week (23 April 2019 at 10am). Consideration is sought to move this informal meeting due to one of the external BIC members being unavailable on this day.

Communication and Consultation (Internal/External):

Business Improvement Committee
 External Audit
 Queensland Audit Office
 Manager Governance
 Governance Advisor

Legal Environmental and Policy Implications:

It is a legislative requirement that Council's Business Improvement Committee (acting in its capacity as an 'Audit Committee') oversee audit, annual financial reporting and other relevant governance functions to provide Council with an additional level of assurance that systems and controls are in place to assist Council in minimising its risk exposures.

Financial and Resource Implications:

Business Improvement Committee External Member fees are included within the annual operational budget each year.

Commentary:

Nil.

Summary:

Nil.

Anticipated Resolution Completion Date:

30 April 2019.

Attachments:

1. Business Improvement Committee Meeting Minutes 20 March 2019.

Tabled Items:

Nil.

Report Prepared by: Ethics Integrity and Audit Specialist.

G/4. DEPUTATIONS

G/4.1. DEPUTATIONS

G/4.1.1. GLADSTONE CHAMBER OF COMMERCE AND INDUSTRY - PRESENT PLANS FOR PROJECTS INCLUDING ECONOMIC DEVELOPMENT

Responsible Officer: Chief Executive Officer

Council Meeting Date: 16 April 2019

File Ref: CM7.6, ED2.1

Purpose:

A Deputation will be held for Gladstone Chamber of Commerce and Industry (GCCCI) to present GCCCI's plans for projects that are currently being undertaken and proposed. The plans to be discussed will include economic development for the Gladstone Region.

Officer's Recommendation:

That the Deputation from the Gladstone Chamber of Commerce and Industry be received with the Chief Executive Officer to communicate with the group further in regards to the projects, economic development and funding.

Background:

Joe Smith on behalf of Gladstone Chamber of Commerce and Industry (GCCCI) has made an application for a Deputation Request to Council which has been approved by the Mayor. The Deputation is to present plans for GCCCI regarding their projects that are planned and are in progress. The group would also like to align with Council's economic strategy moving forward and plan to lodge a funding application to work in partnership with Council.

Gladstone Chamber of Commerce and Industry are an incorporated association funded through membership base and business development activities. Presenters participating in the Deputation will be Joe Smith – President, Carl Carter – Vice President and Alicia Williams – Secretary.

Projects discussed will be GCCCI's Buy Local program, economic development, partnering with a local event organisation and setup of a proposed business incubation hub. GCCCI are wanting to align their plans for economic development with Council and present their ideas regarding small to medium business segment in the Gladstone Region. Thus, hoping for increased economic activity that may provide additional jobs, improved conditions for businesses and residents and diversify the local economy without relying industry.

The group is seeking funding for their ongoing Buy Local program also assistance with economic development.

The responsibility of economic development sits with the General Manager Strategy and Transformation. An internal review is being held on Council's approach to economic development and implementation of the Gladstone Region Economic Strategy. There may be value in what other organisations such as GCCI can deliver for the Region in this field.

Attachments:

Nil.

Tabled Items:

Nil.

Reported Prepared by: Executive Assistant to the Chief Executive Officer

G/5. COUNCILLORS REPORT

Nil.

G/6. URGENT BUSINESS

Nil.

G/7. NOTICE OF MOTION

Nil.

G/8. CONFIDENTIAL ITEMS

G/8.1. CESSATION OF GLADSTONE DEVELOPMENT BOARD

Responsible Officer: Chief Executive Officer

Council Meeting Date: 16 April 2019

File Ref: ED2.1

Reason for Confidentiality:

This report is **CONFIDENTIAL** in accordance with Section 275 (1) of the Local Government Regulation 2012, the meeting is to be closed to the public to discuss business relating to the following: -

(h) other business for which a public discussion would be likely to prejudice the interest of the local government or someone else, or enable a person to gain a financial advantage.

G/8.2. FUTURE DIRECTION FOR ECONOMIC DEVELOPMENT

Responsible Officer: General Manager Strategy and Transformation

Council Meeting Date: 16 April 2019

File Ref: ED2.1

Reason for Confidentiality:

This report is **CONFIDENTIAL** in accordance with Section 275 (1) of the Local Government Regulation 2012, the meeting is to be closed to the public to discuss business relating to the following: -

- (a) the appointment, dismissal or discipline of employees.

G/8.3. PHILIP STREET COMMUNITIES AND FAMILIES PRECINCT - THE SALVATION ARMY LEASING MATTERS

Responsible Officer: General Manager Strategy and Transformation

Council Meeting Date: 16 April 2019

File Ref: PRJ-076, CM12.1

Reason for Confidentiality:

This report is **CONFIDENTIAL** in accordance with Section 275 (1) of the Local Government Regulation 2012, the meeting is to be closed to the public to discuss business relating to the following: -

- (h) other business for which a public discussion would be likely to prejudice the interest of the local government or someone else, or enable a person to gain a financial advantage.

ATTACHMENTS