



GLADSTONE

REGIONAL COUNCIL

GENERAL MEETING AGENDA

**TO BE HELD AT THE GLADSTONE ENTERTAINMENT CONVENTION
CENTRE, 56 GOONDOON STREET, GLADSTONE**

On 19 May 2020

Commencing at 9.00am

Notice Section 277E Local Government Regulation 2012: This meeting will be closed to the public, due to health and safety reasons associated with the public health emergency involving COVID-19.

Live streaming will be available on Council's website.

**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 5 MAY 2020

Responsible Officer: Chief Executive Officer

Council Meeting Date: 19 May 2020

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 5 May 2020.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 5 May 2020 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 5 May 2020.

Tabled Items:

Nil.

Report Prepared by: Executive Secretary

G/3. OFFICERS' REPORTS

G/3.1. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 28 APRIL 2020

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 19 May 2020

File Ref: FM15.1

Purpose:

This report seeks Council adoption of the Monthly Financial Statements for the 2019-20 year to date, for the period ended 28 April 2020.

Officer's Recommendation:

That Council adopt the Monthly Financial Statements attached to the officer's report for the 2019-20 year to date, for the period ended 28 April 2020 as required under Section 204 *Local Government Regulation 2012*.

Background:

The percentage of year passed (pro-rata rate) as at 28 April 2020 is 83.01%.

On 11 March 2020 the World Health Organisation declared COVID-19 a worldwide pandemic. Council has responded swiftly to the changing requirements of operating in this current state, and this will be reflected in the financial results for April and the following months.

Forecast

The 2019-20 budget was adopted on 17 July 2019. During the month of April, the business undertook a forecasting process to establish an expected position at 30 June, taking into consideration the year to date results and the COVID-19 situation. Commentary will focus on variances between actuals and forecast, as movement from budget to forecast was addressed in the March report.

Statement of Income and Expenditure

Income

Recurrent Revenue

Total recurrent revenue	2019-20	Actual as %
Actual	\$172.3m	
Budget	\$199.3m	86.49%
Forecast	\$193.9m	88.88%

Of note:

Net rates and utility charges	2019-20	Actual as %

GLADSTONE REGIONAL COUNCIL - GENERAL MEETING AGENDA 19 MAY 2020

Actual	\$141.1m	
Budget	\$152.0m	92.83%
Forecast	\$151.5m	93.15%

General rates and annual waste, water and sewerage charges have been levied as well as water consumption for the period July – December 2019. The remaining water consumption revenue for 2019-20 will be accrued upon completion of the water meter reading cycle for the second half of the financial year. Meter readings are scheduled to be conducted in June 2020.

Fees and charges	2019-20	Actual as %
Actual	\$11.4m	
Budget	\$18.6m	61.46%
Forecast	\$13.6m	83.71%

Tipping fees for commercial customers and internal use have not yet been raised for April. Based on the amounts received for the previous months, this could see the forecast exceeded by approximately \$0.9m by year end. Although June tipping fees for commercial customers and internal use will not be raised until July, they will be accrued back to the 2019-20 year.

Interest received from investments	2019-20	Actual as %
Actual	\$1.7m	
Budget	\$3.1m	52.70%
Forecast	\$2.3m	72.43%

Council will recognise interest earnings on term deposits as they mature in May and June, with additional interest entitlements accrued at year end.

As part of the COVID-19 support package approved by Council, there has been an effective freeze on interest on overdue rates and charges resulting in a loss of revenue totalling \$0.2m.

Sales revenue	2019-20	Actual as %
Actual	\$4.2m	
Budget	\$2.2m	188.75%
Forecast	\$4.0m	106.37%

The majority of sales revenue is received from the Queensland Government, through the RMPC program and other contract works, such as the Gladstone-Monto Road shoulder widening project.

Revenue of this nature has been receipted upon receipt; however, Council may be required to defer portions of this income based on the introduction of new Australian Accounting Standards in 2019-20. Analysis of this revenue is currently underway.

Income tax equivalents	2019-20	Actual as %
Actual	\$2.7m	

Budget	\$2.9m	94.74%
Forecast	\$2.8m	96.51%

Council has received a \$2.2m dividend from Queensland Treasury relating to the 50% share of dividends and tax equivalents from the Gladstone Area Water Board.

Gladstone Airport Corporation (GAC) is not expected to remit income tax equivalents this year, due to the impacts of COVID-19 on their business. Council will still receive a further \$0.1m in competitive neutrality fees from GAC as per their Statement of Corporate Intent.

Other recurrent revenue	2019-20	Actual as %
Actual	\$2.9m	
Budget	\$3.5m	82.79%
Forecast	\$3.2m	89.72%

This category includes revenue from the Gladstone Entertainment Convention Centre (GECC). Due to the COVID-19 situation, all events from April – June have been cancelled with refunds currently in progress. It is not anticipated that GECC will receive any further trading income in the 2019-20 financial year.

Also included in this revenue stream is rental income. As part of the COVID-19 support package, Council has waived commercial rent on Council owned properties from 1 March to 30 June to the amount of \$0.1m.

Council is expecting to receive a further \$0.1m for the container recycling scheme and \$0.1m in fines and penalties. The remaining other recurrent revenue is split across various areas of the business.

General purpose grants	2019-20	Actual as %
Actual	\$2.9m	
Budget	\$7.8m	37.22%
Forecast	\$7.8m	37.19%

The first three quarterly instalments of the Financial Assistance Grant have been received. The final quarterly payment is forecast to be received in June as well as a 50% advance payment for the 2020-21 grant.

The advance payment is forecast at \$3.9m in line with the values granted in 2019-20. The prepayment timing is in alignment with the adoption of the Federal Budget. Due to COVID-19, the Federal Budget will be delayed to later this calendar year resulting in a likelihood that this portion of the Federal Assistance Grant will not be received in 2019-20.

State grants and subsidies	2019-20	Actual as %
Actual	\$2.6m	
Budget	\$4.0m	65.49%
Forecast	\$4.0m	65.75%

An advance payment for the State Government Waste Levy was received in June 2019 to mitigate the effect on residential households. The revenue is recognised in 2019-20 as the expense is occurred, with payment of the levy due within two months of month end. As such, the levy revenue has only been recognised up until February 2020, with four months of the year remaining at an estimated total of \$0.5m.

The forecast includes \$0.4m for the QCoast program and \$0.2m for the Boyne Burnett Rail Trail Design. The remainder of the forecast is split across various areas of the business.

Commonwealth grants and subsidies	2019-20	Actual as %
Actual	\$2.1m	
Budget	\$0.6m	348.67%
Forecast	\$2.2m	94.76%

Funding related to the National Disaster Relief & Recovery Arrangements (NDRRA) was received in 2019-20 that was not included in the original budget. The forecast was adjusted to account for these receipts.

Other grants, subsidies, contributions and donations	2019-20	Actual as %
Actual	\$0.0m	
Budget	\$3.8m	0.08%
Forecast	\$1.8m	0.17%

The forecast for other contributions relates to the Gladstone City Plaza Forecourt Upgrade. This revenue will be recognised upon the completion of the project and the debtor will be reduced as repayments are made in future years. Completion has been delayed and is now expected in July 2020. Revenue will only be recognised in 2019-20 to the value of expenses incurred prior to June 2020.

Capital Revenue

Total capital revenue	2019-20	Actual as %
Actual	\$5.7m	
Budget	\$7.0m	82.92%
Forecast	\$6.6m	87.33%

Of significance:

State government grants and subsidies	2019-20	Actual as %
Actual	\$2.3m	
Budget	\$4.4m	50.90%
Forecast	\$2.2m	104.11%

A payment of \$0.3m was received from the Queensland Reconstruction Authority (QRA) relating to the 2019 bushfire event. This receipt was not included in the forecast.

Commonwealth grants and subsidies	2019-20	Actual as %
Actual	\$3.0m	
Budget	\$2.5m	119.44%
Forecast	\$3.9m	77.05%

\$0.6m is forecast to be received for bridge replacement works on crossings at Baffle Creek and Hobble Creek.

A further \$0.3m is forecast for the Phillip Street Communities Precinct under the Regional Jobs and Investment Package.

Expenditure

Recurrent expenditure

Total recurrent expenditure	2019-20	Actual as %
Actual	\$150.0m	
Budget	\$197.5m	75.98%
Forecast	\$190.9m	78.61%

Of note:

Employee benefits	2019-20	Actual as %
Actual	\$49.5m	
Budget	\$57.2m	86.54%
Forecast	\$60.5m	81.78%

Employee benefits are the largest component of Councils recurrent expenditure. At the time these reports were prepared, wages for the second fortnight of April had not been paid. Wages are likely to marginally exceed the forecast due to a decrease in the capitalisation rate of labour and also due to decrease in leave being taken during the CoVid period.

Contractors and consultants	2019-20	Actual as %
Actual	\$19.5m	
Budget	\$30.1m	64.89%
Forecast	\$25.9m	75.36%

The remaining forecast includes an additional \$1.1m for waste contractors as well as \$0.5m for the Gladstone City Plaza Forecourt Upgrade and \$0.5m for parks contractors. The remaining forecast is spread across the business.

Donations and sponsorships	2019-20	Actual as %
Actual	\$1.6m	
Budget	\$3.4m	47.41%
Forecast	\$2.8m	57.31%

The forecast includes \$0.4m for financial support for sporting and community organisations under Council's COVID-19 support package.

An additional \$0.3m expenditure is expected before 30 June, as part of Council's contributions to the completion of the Calliope & District Multi-Purpose Facility under the Works 4 Queensland program.

Equipment and software expenses	2019-20	Actual as %
Actual	\$4.0m	
Budget	\$3.9m	103.34%
Forecast	\$4.4m	90.66%

This account includes software maintenance fees incurred early in the year that cover 12 months of service. The remaining forecast allows an additional \$0.1m for the purchase of office furniture and equipment and \$0.1m for the purchase of library books and resources.

Insurance	2019-20	Actual as %
Actual	\$2.0m	
Budget	\$2.0m	99.96%
Forecast	\$1.9m	109.81%

Reversals for insurance prepayments will be taken up in May, bringing the actuals back into line with the forecast.

Other materials and services	2019-20	Actual as %
Actual	\$6.4m	
Budget	\$9.2m	69.47%
Forecast	\$9.4m	67.84%

The major expenses included in this category are repairs and maintenance and the purchase of materials. It is not unusual for this account to track slightly below pro-rata at this time of year, as invoices received in July relating to 2019-20 will be accrued back into this current year. This means that the expenditure recognised in June will likely be higher than that of any other month in the year.

Property and utilities expenses	2019-20	Actual as %
Actual	\$5.5m	
Budget	\$7.2m	76.32%

Forecast	\$6.9m	79.37%
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The forecast includes \$0.7m for electricity for April to June 2020. \$0.3m is also included for property repairs and maintenance.

Staff and Councillor expenses	2019-20	Actual as %
Actual	\$1.8m	
Budget	\$3.9m	46.16%
Forecast	\$3.3m	55.08%

The forecast includes an amount of \$0.4m for costs payable to the Electoral Commission Queensland relating to the local election. This expense will be incurred in the coming weeks.

While face to face training has decreased, Council has a number of training commitments that have moved to an online space and has forecast \$0.5m for training in the remaining months of the year. Provision has also been made for staff recognition functions that may occur prior to end of financial year.

Waste disposal and tipping fees	2019-20	Actual as %
Actual	\$6.2m	
Budget	\$10.1m	61.77%
Forecast	\$7.5m	82.93%

The remaining forecast will cover the payment of the QLD Waste Levy for March – June, which is due for payment 60 days following month end. The forecast also allows for internal waste disposal charges for the period April – June 20.

Water purchases	2019-20	Actual as %
Actual	\$12.4m	
Budget	\$18.1m	68.72%
Forecast	\$18.4m	67.43%

Payments are yet to be made for March & April water. As invoices are paid, the actuals will trend closer to the forecast.

Capital Expenditure

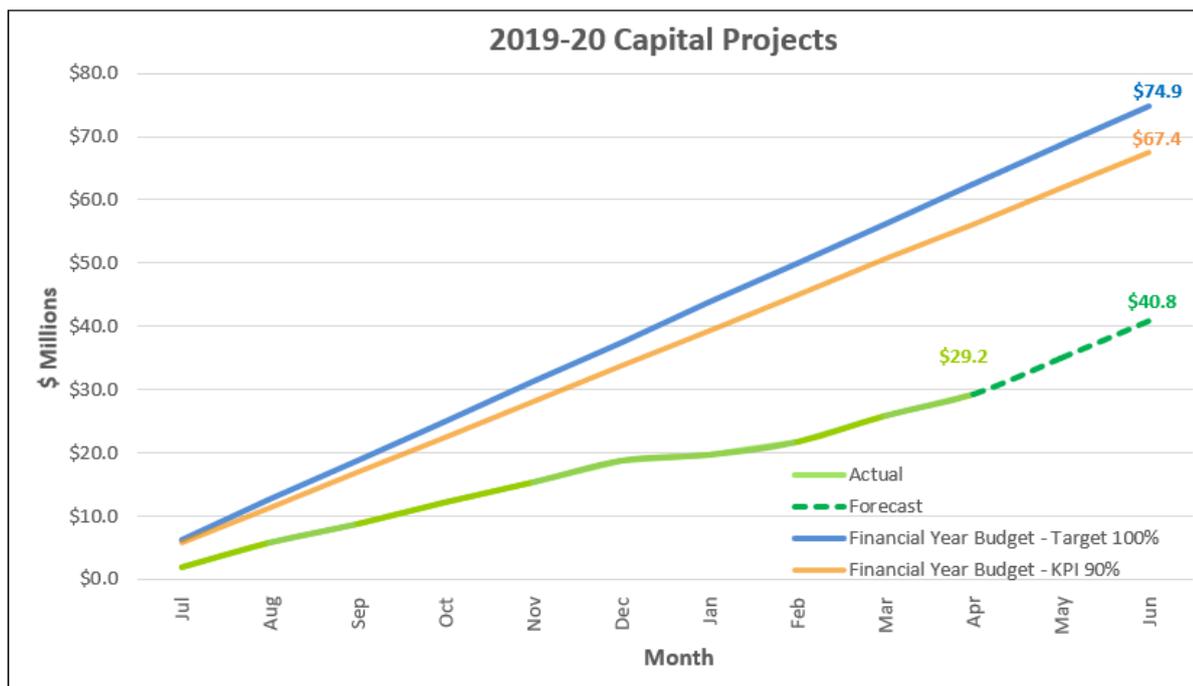
	Year to date actual expenditure	Budget	Actual as % of budget	Forecast	Actual as % of forecast
Year to date capital expenditure	\$29.2m	\$74.9m	39.03%	\$40.8m	49.33%
Including commitments (purchase orders)	\$37.0m		71.76%		90.71%

Capital expenditure (not including commitments) against groups with significant capital expenditure budgets is shown in the table below:

Group	YTD Actual	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Road Assets	\$11.332m	\$21.544m	53%	\$11.853m	96%
Major forecast movement May-June 20					
- DRC0105 - Urban Drainage (Renew/Repair/Replace) \$0.5m					
- RDC0784 - Goondoon Street Footpath & Pavement \$0.8m					
Sewerage Assets	\$8.314m	\$20.430m	41%	\$12.615m	66%
Major forecast movement May-June 20					
- SIC6002 - Yarwun Waste Water Treatment Plan \$0.5m					
- SGC4058 - A01 SPS Upgrade (Chapple St) \$0.7m					
- SGC1010 - Gladstone - Sewer Main Replacement Program \$0.5m					
- SGC6013 - Gladstone WWTP Biosolids Treatment Plant \$0.6m					
Strategy & Transformation	\$1.952m	\$9.170m	21%	\$5.090m	38%
Major forecast movement May-June 20					
- BDC0113 - Philip Street Community Precinct \$3.2m					
Water Assets	\$2.037m	\$8.263m	25%	\$2.672m	76%
Delivery Support and Performance	\$1.929m	\$6.210m	31%	\$3.018m	64%
Major forecast movement May-June 20					
- GNC0135 - Fleet Replacement Program \$0.8m					
Waste Assets	\$2.380m	\$3.820m	62%	\$2.598m	92%
Property Assets	\$0.119m	\$2.145m	6%	\$0.162m	74%
Parks & Environment Assets	\$0.521m	\$1.906m	27%	\$0.639m	81%
Community Development & Events	\$0.465m	\$0.651m	71%	\$0.528m	88%
Other	\$0.198m	\$0.804m	25%	\$0.804m	25%
Total	\$29.248m	\$74.943m	39%	\$40.759m	72%

To account for the delays experienced year to date, as well as those anticipated during the COVID-19 pandemic, Council has completed an in depth forecast to arrive at a new expected capital position at 30 June 2020. Non-essential projects have been placed on hold or deferred. Details of the variance have been provided in the Quarter 3 Capital Report.

The following graph illustrates the year to date capital expenditure compared to the adopted budget and forecast as at 28 April 2020.



Statement of Financial Position

Year to date Assets	Current Value	Adopted Budget	Percentage of Adopted Budget
	\$2.30b	\$2.31b	99.05%

Council's cash remains high following the rates generation and reduced expenditure on capital projects. Property, plant and equipment is less than the budgeted amount for 30 June 2020 as there are still capital works to be completed, as per the forecast detailed above.

Year to date Liabilities	Current Value	Adopted Budget	Percentage of Adopted Budget
	\$135.9m	\$133.05m	102.12%

The budget for liabilities is the expected position at 30 June 2020. As loan repayments are made throughout the year the balances will align closer to the budget.

Outstanding Rates

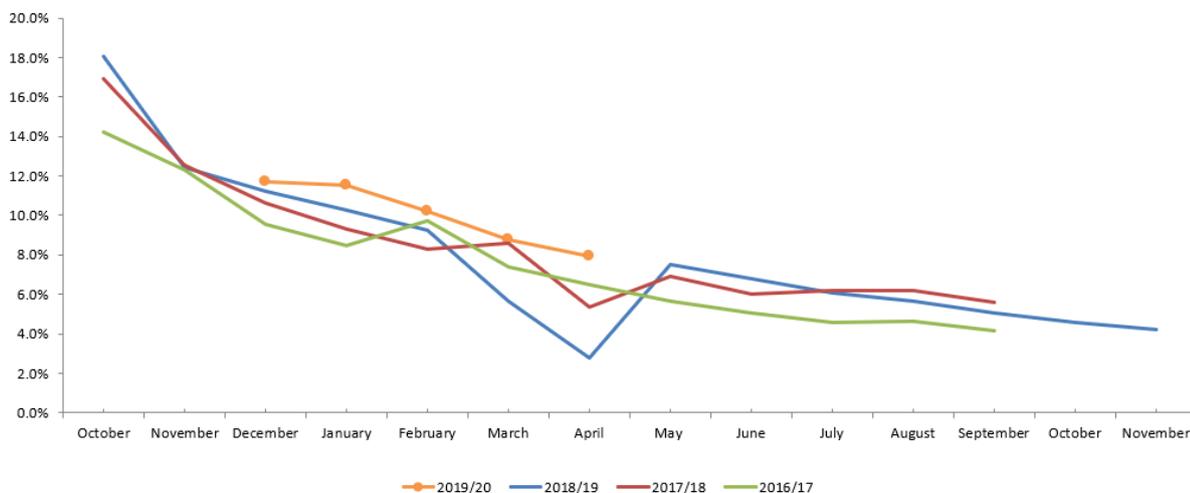
Outstanding rates as a percentage of gross rates levied and collectible for 2019-20, is at 7.95% at the end of April 2020 compared to 2.79% for the same period last year. Of the \$14.4m of outstanding rates, 14.80% relates to commercial/ industrial assessments and 85.20% represents residential assessments.

These figures include \$1.89m of rates that are currently being repaid under an authorised payment plan, for which there were 58 commercial/industrial assessments and 1,396 residential assessments. This is a total of 1,454 assessments – a decrease from 1,476 assessments in March.

There were 5,104 ratepayers who had paid their rates in advance, in the amount of \$6.6m.

The extension to the due date for the 2019-20 rates is reflected in the higher outstanding rates percentage compared to this time in previous years. A similar effect is expected going forward, following the extension of the due date for July – December 2019 water consumption due to COVID-19.

Outstanding Rates



Sustainability Ratios

Council’s Sustainability Ratios for the period are generally in line with expectations at this stage of the reporting year. Early in the financial year, ratios are typically distorted given that Council raises most of its yearly revenue early in the year but incurs expenses and delivers its capital program on an incremental basis throughout the year.

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 an important tool in analysing Council’s overall financial performance.

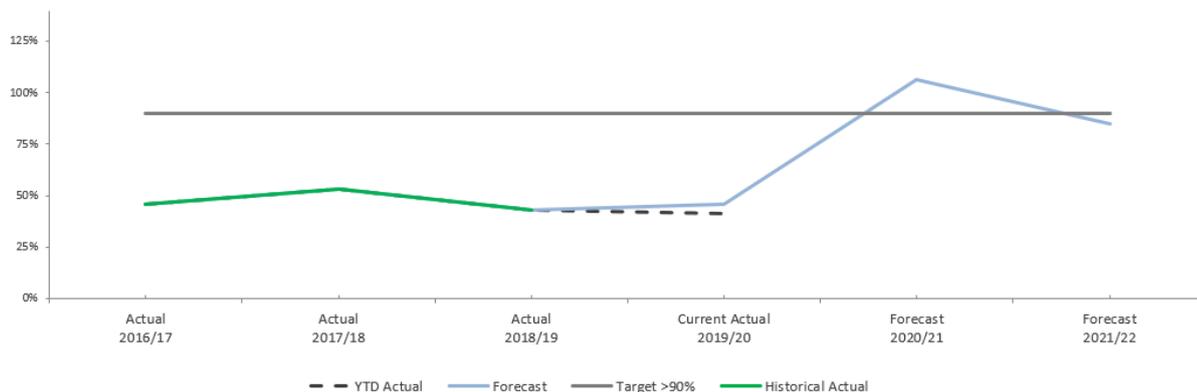
Asset Sustainability Ratio

This ratio compares Councils 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 actual results for a single year are compared to the budget for that year are dependent on the delivery of renewal projects in the capital program. The information provided in the section above indicates the expectations of completion of the capital program as a whole.

Asset Sustainability Ratio				
CURRENT YTD	PRIOR YEAR RESULT	BUDGET	FORECAST	TARGET
41.18%	42.81%	79.39%	45.96%	>90%

Asset Sustainability Ratio

(indicates rate of replacement/renewal vs consumption of assets)



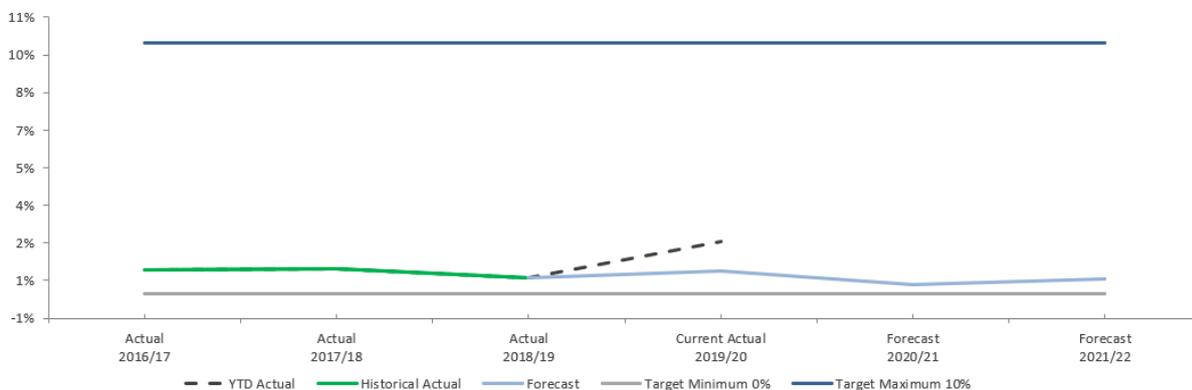
Interest Coverage Ratio

This ratio indicates the percentage operating revenue required to cover net interest costs. The results of this ratio are within the target range. The improvement from the previous year result is due to higher operating revenue as well as decreased interest costs in line with decreasing loan balances.

Interest Coverage Ratio				
CURRENT YTD	PRIOR YTD	BUDGET	FORECAST	TARGET
2.08%	2.13%	1.47%	0.90%	0 - 10%

Interest Coverage Ratio

(indicates extent of commitment of revenue to interest payments)



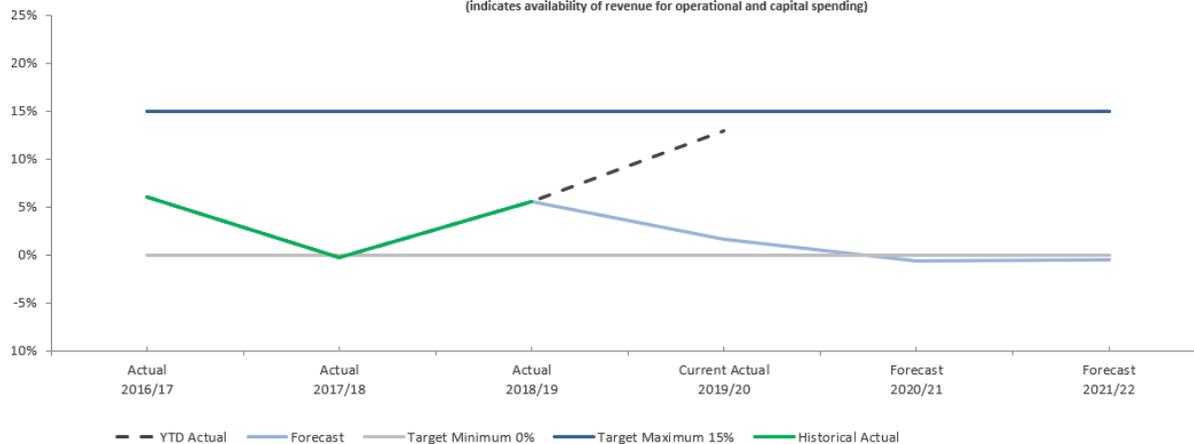
Operating Surplus Ratio

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. The results of this ratio are slightly better than this same period last year. The forecast changes shows an increase to the operating surplus that Council is expecting at year end compared to the adopted budget.

Operating Surplus Ratio				
CURRENT YTD	PRIOR YTD	BUDGET	FORECAST	TARGET
12.94%	11.48%	0.91%	1.57%	0 - 15%

Operating Surplus Ratio

(indicates availability of revenue for operational and capital spending)



Working Capital Ratio

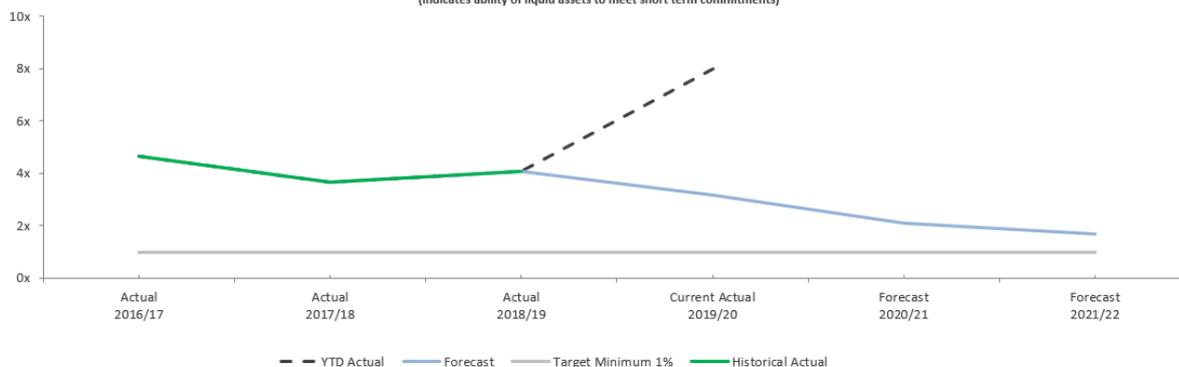
The working capital ratio shows the ability of Councils current assets, to cover the commitments of its current liabilities. Due to delays in capital expenditure, Council has a large cash balance that increases the results of this ratio. The ratio is in excess of the target minimum, reflecting a healthy position for Council.

Working Capital Ratio

CURRENT YTD	PRIOR YTD	BUDGET	FORECAST	TARGET
8.00x	8.85x	3.13x	3.17x	Greater than 1:1

Working Capital Ratio

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



Net Financial Liabilities Ratio

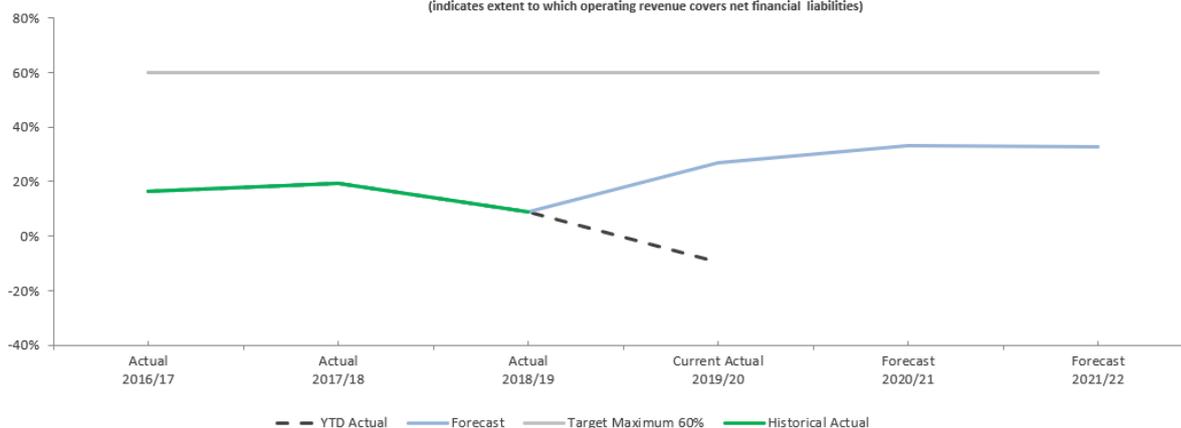
The ratio shows the extent to which operating revenue covers net financial liabilities. Where the current asset value exceeds the total liabilities, the ratio will return a negative value. The results of this ratio are negative due to the high value of cash and the operating surplus. This result is steadily aligning closer to budget as the year progresses.

Net Financial Liabilities Ratio

CURRENT YTD	PRIOR YTD	BUDGET	FORECAST	TARGET
(9.69%)	1.36%	26.70%	26.92%	< 60%

Net Financial Liabilities Ratio

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



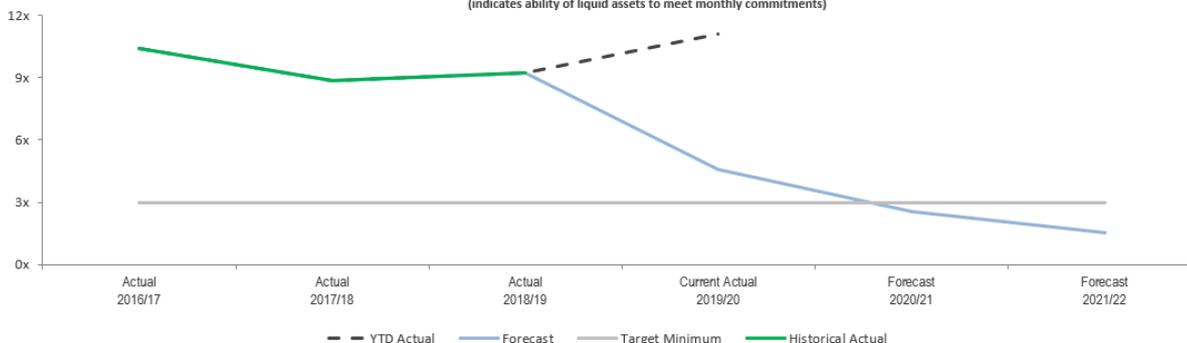
Cash Expenses Cover Ratio

This ratio indicated the number of months that Councils cash balance could cover its cash expenses. The current result reflects a continuing strong cash position proportional to operating costs. This result is well above the target ratio.

Cash Expenses Cover Ratio				
CURRENT YTD	PRIOR YTD	BUDGET	FORECAST	TARGET
11.09x	11.21x	4.32x	4.59x	> 3x

Cash Expenses Cover

(indicates ability of liquid assets to meet monthly commitments)



Options, Risk and Opportunity Analysis:

Nil.

Communication and Consultation:

The report seeks specialist input regarding budget and forecast from Systems Modelling and Metrics Specialist and Cost Analyst. Capital expenditure commentary is provided through Manager Works Planning and Scheduling and information relative to outstanding rates and prepaid rates is sought from Manager Revenue Services.

Legal Strategy and Policy Implications:

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

Financial and Resource Implications:

Nil.

Summary:

Nil.

Anticipated Resolution Completion Date:

19 May 2020.

Attachments:

1. Monthly Financial Statements for period ending 28 April 2020
2. Operating Statements for month end April 2020

Tabled Items:

Nil.

Report Prepared by: Statutory Accountant

G/3.2. REVIEW OF REVENUE POLICY

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 19 May 2020

File Ref: CM28.2

Purpose:

To consider the annual review of the Revenue Policy prior to the adoption of the 2020/2021 budget.

Officer's Recommendation:

That Council:

1. Repeal P-2019-12 Revenue Policy; and
2. Adopt P-2020-04 Revenue Policy provided as Attachment 1.

Background:

The *Local Government Regulation 2012* requires Council to review its Revenue Policy annually in advance of the budget adopted for the following financial year.

The purpose of the Revenue Policy is to set the principles by which Council will establish its rates and charges for the financial year, including the:

- levying of rates and charges;
- granting of concessions for rates and charges (including purpose);
- recovery of overdue rates and charges (including cost recovery methods); and
- extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

The Revenue Policy frames the Revenue Statement which provides the explanation of the revenue raising measures to be adopted in the budget.

Options, Risk and Opportunity Analysis:

The proposed Revenue Policy maintains the status quo with revenue raised on a similar basis as the current financial year with the exception of the following amendments to the policy:

- references to the financial year; and
- an addition to section 6.3 of the policy to reflect the concessions for rates and charges granted in addition to pensioner remission and community and sporting organisation concessions available (i.e. financial hardship).

Alternatively, Councillors may consider amending the principles within the Revenue Policy or the inclusion of additional principles.

Communication and Consultation:

Throughout the review process consultation occurred with internal subject matter experts and other internal stakeholders with no concerns identified with the draft presented for adoption.

Legal Strategy and Policy Implications:

The *Local Government Act 2009* requires Council to adopt a Revenue Policy as part of its Financial Management System. Section 19(3) of the *Local Government Regulation 2012* provides that a:

“local government must review its revenue policy annually and in sufficient time to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year”.

Financial and Resource Implications:

This document facilitates the levying of rates and charges.

Summary:

Nil.

Anticipated Resolution Completion Date:

Within two weeks of resolution.

Attachments:

1. Draft P-2020-04 Revenue Policy;
2. Draft P-2020-04 Revenue Policy (Tracked Changes version); and
3. Current P-2019-12 Revenue Policy.

Tabled Items:

Nil.

Report Prepared by: Governance Officer

G/3.3. AMENDMENT TO SUBORDINATE LOCAL LAW NO. 2 ANIMAL MANAGEMENT

Responsible Officer: General Manager Customer Experience

Council Meeting Date: 19 May 2020

File Ref: LE3.1

Purpose:

This report presents the outcome of the second round of public consultation on proposed amendments to *Subordinate Local Law No. 2 (Animal Management) 2011* and recommends that Council make *Animal Management (Amendment) Subordinate Local Law (No.1) 2020*.

Officer's Recommendation:

That Council:

- (a) proceed with the making of, and make, *Animal Management (Amendment) Subordinate Local Law (No. 1) 2020* as advertised; and
- (b) adopt, pursuant to section 32 of the *Local Government Act 2009*, in the form attached to this report (Attachment 5), a consolidated version of *Subordinate Local Law No. 2 (Animal Management) 2011*.

Background:

Council at its General Meeting on the 19 November 2019 resolved to propose to make *Animal Management (Amendment) Subordinate Local Law (No.1) 2019* as the Local Law and Subordinate were due for review. The review was triggered by new dog off-leash exercise areas which are not currently included in the subordinate local law and a number of additional issues identified as a result of internal stakeholder consultation. Council may wish to review the initial report which is publicly available on Council's website (General Meeting 19/11/2019).

The proposal to make the amending local law was publicly advertised for community feedback for the period 23 November 2019 closing on the 20 December 2019. Seventeen people provided feedback (four submissions; thirteen survey responses) which is Attachment 1 to this report.

Council considered the outcome of consultation and at its meeting on the 18 February 2020 resolved to propose further changes. The legal advice obtained at that time suggested that Council should conduct a further round of public consultation to ensure the public had an opportunity to comment on the full suite of proposed changes. A new amending subordinate local law was drafted (*Animal Management (Amendment) Subordinate Local Law (No.1) 2020*). A summary of all changes are listed below:

- (a) add stock as a category of animals that can be sold or re-homed without the need for public auction; and
- (b) clarify that miniatures of breeds are also excluded in certain areas; changes to keeping of poultry; and the number of animals permitted to be kept on land between 10,001 and 20,000m² is better defined; and
- (c) allow two dogs in multi-residential premises by permit; and

- (d) require a top cover on enclosures for animals that can fly; and
- (e) provide for animals used for commercial purposes such as camel or pony rides in some public areas via a permit system; and
- (f) include the new dog exercise areas in Calliope and Bororen to be recognised as off-leash areas and the Boyne River foreshore as dog off-leash all year round; and
- (g) remove Barney Point Park, Prince Regent Esplanade and Friend Park Barney Point from prohibited areas for dogs to on-leash areas for dogs; and
- (h) Springs Beach and the beach south through to the northern boundary of the Deepwater National Park Agnes Water be designated as a 'Prohibited Area' for dogs during turtle nesting season and remain an on-leash area for the balance of the year; and
- (i) Chinamans Beach Agnes Water remain a prohibited area for dogs during turtle nesting season but be designated off-leash for the balance of the year; and
- (j) That dogs be completely excluded from the Millennium Esplanade Parklands at Tannum Sands (except on the roadway). This exclusion to include the formed footpaths through the area; and
- (k) caravan park operators be permitted to determine how many cats and dogs they will allow within the confines of their park in the knowledge that Council can still manage enclosure and nuisance complaints if required, and set limits on the total number of animals to be kept onsite via caravan park licensing provisions should it be needed.

The second round of public consultation commenced on 29 February 2020 and closed on 31 March 2020. Council received 150 responses to its online survey and a further 33 submissions (Attachments 2 and 3 to this report).

Online Survey Results:

The online survey results showed majority support for all the proposed changes with the exception of excluding dogs completely from Millennium Esplanade Parklands, Tannum Sands. Most people appear to support the status quo which is allowing dogs to be walked through the parkland on leash on the formed footpath.

Submission Results:

The general themes that came out of the submissions are listed below. The submissions in bold below either align with the current subordinate local law or are proposed in the amending local law.

- Springs Beach through to Red Rock be designated as 'dogs prohibited' all year round and the general protection (from dogs) during turtle nesting season for all areas (4)
- dogs prohibited from Springs Beach and Chinamens Beach at night only (1)
- **Chinamens Beach be off-leash outside of turtle nesting season (1)**
- swap the proposed designations for Chinamens Beach and Springs Beach
- off-leash for dogs north of Sandcastles Agnes Water main beach (1)
- **no roosters other than on farms (2)**
- better standards for transporting dogs in utes (1)
- subsidised de-sexing and micro-chipping (cats and dogs) (1)
- commercial use of animals abolished (1)
- only 1 dog in residential and 2 in other rural residential/rural areas (1)
- **no dogs on 'main' beaches (2)**
- dogs should be allowed on beaches as they are part of the family (1)

- better control of cats (2)
- allow up to 3 cats and 3 dogs for detached dwellings (1)
- better out of hours service for lost pets (1)
- no fee for application to have more than 1 dog in multi-residential (1)
- stricter provisions for 'nuisance birds' similar to Rockhampton Regional Council (1)
- no animal registration fees for cats or dogs (2)
- more off-leash dog exercise areas for locals and tourists (1)
- no use of cat traps during daylight hours (1)
- produce a public report on animal impoundments (1)
- **stricter controls on number of larger animals on rural residential (1)**
- request for more shower/water basins (for dogs) (2)
- review processes for barking nuisance and keeping more than allowable number of dogs (2)
- Spinnaker Park Gladstone be designated off-leash (1)
- retain on-leash on footpaths for dogs – Millennium Esplanade Parklands (3)
- a perception of lack of enforcement for dog control in the Agnes Water and Seventeen Seventy area (4).

Options, Risk and Opportunity Analysis:

Option 1 – Adopt the Recommendation

Should Council support the changes proposed in *Animal Management (Amendment) Subordinate Local Law (No. 1) 2020*, Council should adopt the recommendation.

This option provides the opportunity for Council to make changes to the existing subordinate local law which, based on the survey and submissions received from the public consultation process, are largely supported.

The risk of this option is that the total exclusion of dogs from Millennium Esplanade (excluding the roadway) was not supported by those who participated in the online survey and by some who lodged submissions.

Option 2 – Adopt the Recommendation subject to a change that allows dogs to be walked through Millennium Esplanade Parklands on leash on formed footpaths

If Councillors were to adopt a position of allowing dogs to be walked through Millennium Esplanade Parklands on leash on the formed footpaths, the alternative resolution to give this option effect would be:

“That Council:

1. *proceed with the making of, and make, Animal Management (Amendment) Subordinate Local Law (No. 1) 2020 as advertised, but amended by the omission of section 8(3), and the insertion, instead, of the following:-*

‘(3) Schedule 6, column 2, item 8, after ‘dogs’—

insert—

‘, unless the owner or responsible person for the dog is walking the dog on the trafficable surface of a road or a formed footpath which passes through the area shown hatched in black and the dog is under effective control’; and

2. *adopt, pursuant to section 32 of the Local Government Act 2009, a consolidated version of Subordinate Local Law No. 2 (Animal Management) 2011, in the form attached to this report to Council, but amended as follows:-*

'Schedule 6, column 2, item 8, from 'unless' to 'control'—

omit, insert—

‘, unless the owner or responsible person for the dog is walking the dog on the trafficable surface of a road or a formed footpath which passes through the area shown hatched in black and the dog is under effective control.’”

This option provides the opportunity for community members to exercise their dogs using the footpath network without a ‘missing link’ through Millennium Esplanade Parklands. Whilst the alternative is for dog owners to use the roadway through Millennium Esplanade, some members of the public consider this to be unsafe option, particularly if they are accompanied by children.

The risks associated with this option are those that were previously discussed at Council’s meeting in February 2020, being:

- Millennium Esplanade is the venue for regular community events and gatherings which increases the risk of adverse interactions between dogs and individuals (particularly children).
- There is potential by allowing dogs to enter this area, that dog owners might do the wrong thing such as deviate from the formed footpath or stop and tie up their animals to structures adjacent to the footpath which presents issues for local laws officers in monitoring this provision.

Option 3 – Recommend further changes to the subordinate local law based on the community feedback received

Having considered all submissions Council could elect to make further changes outside of those proposed in in *Animal Management (Amendment) Subordinate Local Law (No.1) 2020*. The risk associated with this option is that it would require further Council resources to research and develop proposals. It may also require a further round of public consultation which will involve additional time and costs.

Communication and Consultation:

The proposal to make the amending local law was publicly advertised for community feedback for the first time for the period 23 November 2019 closing on the 20 December 2019. Council received four submissions and 13 responses to its online survey (Attachment 1).

As a result of the submissions, further internal stakeholder feedback, legal advice, and Council’s consideration of a report on the 18 February 2020, a second round of public consultation for the period 29 February 2020 closing on the 31 March 2020 was conducted. Council received 150 responses to the second online survey and 33 submissions (Attachments 2 & 3).

On the close of both rounds of public consultation internal stakeholders from the following areas of the business met to consider the feedback and develop recommendations to put forward to Council:

- Governance
- Environment and Conservation
- Local Laws
- Biosecurity and Environmental Health
- Customer Experience.

Legal Strategy and Policy Implications:

Chapter 3 Part 1 of the *Local Government Act 2009* and Chapter 3 Part 1 of the *Local Government Regulation 2012* governs the process for making, amending and repealing local laws and subordinate local laws.

Section 38 of the *Local Government Act 2009* provides that Council must not make a local law that contains an anti-competitive provision unless Council has complied with the procedures prescribed under a regulation for the review of anti-competitive provisions. The subordinate local law proposed to be made does not contain anti-competitive provisions.

Financial and Resource Implications:

The subordinate local law amendment process has incurred external legal costs of \$7,400 to date. Should Council adopt the recommendation it is estimated that an additional \$1,500 will be required to complete the process. This will be funded from Council's legal expenses budget.

In relation to implementing the changes proposed some costs will be incurred to update or replace signs.

Summary:

Not applicable.

Anticipated Resolution Completion Date:

To complete the legal process, public education and to update signs, a completion date of 30 September 2020 is anticipated.

Attachments:

1. Results of Round 1 of public consultation closing 23 December 2019.
2. Results of Online Survey from Round 2 of Public Consultation closing 31 March 2020.
3. Summary of Submissions received from Round 2 of Public Consultation closing 31 March 2020.
4. Gladstone Regional Council *Animal Management (Amendment) Subordinate Local Law (No.1) 2020*
5. Gladstone Regional Council *Subordinate Local Law No. 2 (Animal Management) 2011*.

Tabled Items:

Nil.

Report Prepared by: Governance Advisor

G/3.4. REQUEST FOR REDUCTION IN ADOPTED INFRASTRUCTURE CHARGE FOR DA/21/2019

Responsible Officer: General Manager Customer Experience

Council Meeting Date: 19 May 2020

File Ref: DA.21.2019 & FM7.2

Purpose:

The purpose of this report is to allow Council to consider an alternative Infrastructure Rating Charge for a Material Change of Use of Premises for a Rooming Accommodation (28 Units) and Managers Residence located at 24 William Street, Gladstone (Ref: DA/21/2019). For clarity, this is not a request under the Infrastructure Charges Economic Incentive Scheme.

Officer's Recommendation:

The request to reduce the Infrastructure Rating Charge for Development Application 21/2019 from a Residential Use – Accommodation (Long-term) to Residential Use - Accommodation (Short –term) under the Adopted Infrastructure Charges Resolution (No.1) - 2015: Amendment No.2., located at 24 William Street, Gladstone, be refused.

Background:

The owner of Harbour City Motel, in partnership with Good Life Retirement Villages, lodged to Council, Development Application 21/2019 for a Material Change of Use of Premises for a Rooming Accommodation (28 Units) and Managers Residence, and to re-purpose the existing motel to provide accommodation for aged and disability pensioners.

Figure One provides an aerial image of the subject site.



Figure One: Aerial Image of Subject Site

After assessment of the proposal against the *Our Place Our Plan Gladstone Regional Council Planning Scheme, Version 2* (the Planning Scheme), a Development Permit was issued under Delegated Authority on 19 September 2019 (Attachment 1). An Adopted Infrastructure Charge was issued on 19 September 2019. (Attachment 2).

On 21 January 2020, the Applicant lodged a request to consider an alternative Adopted Infrastructure Charge rating category. The Applicant requested the charge to be reduced with the view that the charge rate being Accommodation (Long Term) under the Adopted Infrastructure Charges Resolution (No. 1) – 2015: Amendment No.2 (the Resolution) is not an accurate rate for the use. The Applicant argues that a “suite” is a more accurate charge rate, which attracts half the infrastructure charge of Accommodation (Long Term) and aligns with calculation costs of Accommodation (Short Term) under the resolution. Under the Resolution, Accommodation (Long Term) is defined as a relocatable dwelling. Accommodation (Short Term) is defined as a bedroom cabin and suite and the Applicant requests that Council consider this definition as a more accurate alternative. The resolution states that an Adopted Infrastructure Charge may be only for additional demand placed upon trunk infrastructure.

In summary the Applicant states:

- Council's unit of measurement is flawed;
- The Council's charge rate necessarily triggers the State charge for a 'one or two bedroom relocatable dwelling site'. This is an incorrect unit of measurement. The rooming accommodation introduces no 'one or two bedroom relocatable dwelling site';
- A relocatable dwelling is a self contained residence.
- A more accurate unit of measurement is a suite.

The Applicant also highlights that the infrastructure charge of \$20,222 per unit for an Accommodation (Long Term) use involving a single person is the same as a two-bedroom detached dwelling of four people. To review the full submission, please refer to Attachment 4.

In response, the Resolution has been based off a cost analysis of expected loading on Council's infrastructure networks. This cost analysis aligns with the Local Government Infrastructure Plan (LGIP) to identify the relevant networks which enables a local government to estimate the cost of infrastructure provision to assist its long term financial planning.

A Rooming Accommodation allows occupants to stay within the facility for more than three (3) consecutive months, thus resulting in Long Term Accommodation. Whereas a Short-term Accommodation use allows occupants to stay less than three (months). The Rooming Accommodation definition allows the premises to be used for the accommodation of one or more households where each resident has a right to occupy one or more rooms.

Options, Risk and Opportunity Analysis:

The following two (2) options exist in consideration of this request. Notwithstanding this, the Applicant can apply under the Rebate Policy and seek a 50% reduction without further endorsement of Council.

Option 1 – No Amendment

The calculation was undertaken in accordance with the Resolution.

Therefore, this Option is recommended as Officer's have correctly applied the applicable Policy.

If this option is chosen by Council, the Infrastructure Charge may be requested to be paid in full immediately as this use has commenced, or negotiations can be undertaken to enter into an Infrastructure Agreement to pay the Infrastructure Charge in installments (plus interest).

If Council endorses the Office's recommendation, there will only be internal resource financial impacts to Council.

Option 2 – Amend the Infrastructure Charge Rating Category to Reduce Charge for this Development

The Applicant requests that the Infrastructure Charge rating category be amended and the Infrastructure Charge be reduced from \$20,222.40 per unit (Accommodation – Long Term) to \$10,111.15 per unit (Accommodation – Short Term). The reduced charge and total infrastructure charge are shown in the following table:

Table Three:

Infrastructure Charge Accommodation (Short Term) @\$10,111.15 per dwelling unit	\$283,112.20
Credit Accommodation (Short Term) @\$10,111.15 per unit	\$283,112.20
Total Infrastructure Charge	NIL

As no provisions exist within the Resolution to allow Officers to consider an alternative Infrastructure Charge Rating Category, the decision must be made by Council.

If Council choose to reduce the charge, the existing Adopted Infrastructure Charge Notice remains applicable and an Infrastructure Agreement must be entered into for the alternate rate being a Nil Charge.

Communication and Consultation:

During the development assessment, the Applicant and Council Officer's undertook various communications relating to the process of requesting a consideration for an alternative rating category.

Legal Strategy and Policy Implications:

If the Applicant's request is agreed to, this will not be in accordance with the Resolution.

All other requests for Council consideration under the Rebate Policy have been for a maximum rebate of 50% (inline with the Policy) albeit for developments that didn't strictly meet the eligibility criteria.

This request however, whilst compliant with the eligibility criteria, seeks a 100% reduction outside of the Rebate Policy.

The reporting and tracking of Infrastructure Charges and payment arrangements are publicly available in accordance with legislation.

Financial and Resource Implications:

Option 1 – Nil.

Option 2 – Reduced Infrastructure Charges received by Council. Should Council apply its discretion against Officer's Recommendation and decide to consider this request, the calculation of additional demand placed upon trunk infrastructure that will be generated by the development will fall to Council (i.e. ratepayers) to cover.

Furthermore, the Applicant can apply under the Rebate Policy and seek a 50% reduction without further endorsement of Council.

Summary:

As per the Resolution, Council Officers recommend a refusal to the request.

Option 1 – Refuse the Request.

That Council:-

1. Advise the Applicant that Council has decided to not change its current position and thus the request to amend the Infrastructure Charge for Rooming Accommodation and Managers Residence at 24 William Street, Gladstone (DA/21/2019) is refused.

Option 2 – Agree to the Request.

That Council:-

2. Advise the Applicant and authorise the Chief Executive Officer to prepare an Infrastructure Agreement to reduce the Infrastructure Charge to Nil.

Anticipated Resolution Completion Date:

If the request is refused, the Applicant will be informed within 10 business days of the decision.

If the request is approved, the Applicant must enter into an Infrastructure Agreement with Council.

Attachments:

1. DA/21/2019 - Decision Notice dated 19 September 2019.
2. DA/21/2019 - Adopted Infrastructure Charge Notice dated 19 September 2019
3. DA/21/2019 - Negotiated Refusal dated 11 December 2019
4. Request for determination for reduction in Adopted Infrastructure Charge for DA/21/2019.

Tabled Items:

Nil.

Report Prepared by: Planning Officer

G/3.5. POSITION PARTNERS - SOLE SUPPLIER

Responsible Officer: General Manager Operations

Council Meeting Date: 19 May 2020

File Ref: PE1.1

Purpose:

This report seeks resolution from Council to make use of the provisions in section 235 of the Local Government Regulation 2012, that allows for exceptions to the requirement for written quotes or tenders. The use of this provision is sought in relation to the monthly subscription to Position Partners Pty Ltd for the provision of monthly managed reports for landfill compaction completed by the Tana Compactor using existing installed hardware.

Officer's Recommendation:

That Council:

1. Resolves, in accordance with section 235(a) of the Local Government Regulation 2012, that Position Partners Pty Ltd is the only supplier available to Council for the provision of monthly managed reports for landfill compaction completed by the Tana Compactor using existing installed hardware; and
2. Authorise the Chief Executive Officer to enter into a subscription with Position Partners Pty Ltd as an ongoing commitment whilst the Tana Compactor is utilized at Council's Landfill facility.

Background:

Council owns and operates a Tana E450 Landfill Compactor, which is located at the Benaraby Landfill. The Tana Compactor is fitted with hardware to monitor the use of the machine, which provides managed reporting services to Council.

Options, Risk and Opportunity Analysis:

The Tana Compactor is fitted with hardware to record compaction completed during operation. Installation of comparable software would require additional investment (approximately \$50,000.00) and ongoing subscription fees.

Compaction rates are utilized by Operators during day to day activities as well as in reporting activities. Failure to maintain a subscription would jeopardize the ability of the Waste Team to ensure maximum compaction and utilization of landfill space.

Communication and Consultation:

Nil.

Legal Strategy and Policy Implications:

It is a requirement of the Local Government Regulation 2012 section 225 to invite written quotation or tenders where the supply of goods or services costs greater than \$15,000 ex GST per annum. Section 235 of the regulation provides several exceptions to the requirement and relevant to this request is clause a) which states:

The local government resolves it is satisfied that there is only 1 supplier who is reasonably available.

Financial and Resource Implications:

The current subscription cost is \$1,200.00 ex GST per month. The remaining useful life of the Tana Compactor is approximately six years.

Summary:

Nil.

Anticipated Resolution Completion Date:

A purchase order will be issued in May 2020.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Manager Contracts and Procurement

G/3.6. GARTNER - SOLE SUPPLIER

Responsible Officer: General Manager Operations

Council Meeting Date: 19 May 2020

File Ref: PE1.1

Purpose:

This report seeks a resolution from Council to make use of the provisions in s235 of the Local Government Regulation 2012 that allows for the exceptions to the requirement for written quotes or tenders. The use of this provision is sought in relation to a two-year subscription with Gartner Australasia Pty Ltd to Gartner for HR Leaders to provide unmetered support to Council's Human Resources group in development and implementation of key strategies and deliverables.

Officer's Recommendation:

That Council:

1. Resolves, in accordance with Section 235(b) of the Local Government Regulation 2012, that it is satisfied that due to the specialised nature of the services sought, Gartner Australasia Pty Ltd should be engaged via subscription for a period of two years; and
2. Authorises the Chief Executive Officer to enter into a contract with Gartner Australasia Pty Ltd for the Gartner for HR Leaders subscription.

Background:

In the next two years Council's HR Group will be developing and implementing the following key strategies/deliverables:

- People Strategy;
- HR Diagnostic – Maturity assessment;
- Business Alignment Testing – determining if HR is aligned with Business Expectations;
- Leadership Capability Framework;
- Employer Branding to improve attraction and retention;
- Talent Management: Talent classification, identification of high potential staff etc.;
- Approach to total reward;
- HR Service Delivery Model; and
- Development plans to respond to the HR Diagnostic.

As part of membership, Gartner for HR Leaders offers comprehensive data analysis, research and advisory services that align to executive leadership roles and empower clients to focus efforts, move quickly, and address emerging and recurring business challenges with confidence.

In addition to best practices research, Gartner for HR Leaders also offers unlimited 1-1 advisory services, employee / functional diagnostics and various tools and frameworks that enable efficient execution on major projects.

Options, Risk and Opportunity Analysis:

Subscription to Human Resource industry bodies was considered, however these subscriptions provide access to limited services such as compliance information, news, templates, recruitment and professional development.

Procurement of the individual key strategies/deliverables required of the HR Group was considered, however the expected cost of appointing consultants for these projects far exceeds the subscription value.

Communication and Consultation:

Nil.

Legal Strategy and Policy Implications:

It is a requirement of the Local Government Regulation 2012 section 225 to invite written quotations or tenders where the supply of goods or services with a cost greater than \$15,000 ex GST. Section 235 of the regulation does provide some exceptions, relevant to this report is section 235(b) which provides an exception where:

“The local government resolves that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tenders...”

Financial and Resource Implications:

The subscription fee for Gartner for HR Leaders is \$75,000.00 ex GST per year for a two-year subscription.

Summary:

Nil.

Anticipated Resolution Completion Date:

An agreement will be executed in May 2020.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Manager Contracts & Procurement

G/3.7. 2019/20 OPERATIONAL PLAN UPDATE REPORT - QUARTER 3

Responsible Officer: General Manager Strategy and Transformation

Council Meeting Date: 19 May 2020

File Ref: CM14.2

Purpose:

To present the quarterly progress toward implementation of Gladstone Regional Council's 2019/20 Operational Plan for the quarter ending 31 March 2020.

Officer's Recommendation:

That the information contained within the Assessment of the Implementation of the 2019/20 Operational Plan – Quarter 3 report be noted.

Background:

Endorsed 17 July 2019, the Operational Plan 2019/20 identifies what activity is necessary to deliver on the vision and objectives contained in the Gladstone Regional Council Corporate Plan 2018-2023, which was adopted on 3 July 2018.

In accordance with requirements under s. 174(3) of the *Local Government Regulation 2012*, the report for the quarter ending 31 March 2020 is presented for Council's information.

The attached report provides an assessment of the organisation's progress toward the implementation of initiatives as identified in the 2019/20 Operational Plan.

In order to continue to promote transparency across the business, the results of those items within the 2018/19 Operational Plan which were incomplete as at 30 June 2019 and not included in the formulation of the 2019/20 plan continue to be reported quarterly. The items are reported on separately to the 2019/2020 items.

Options, Risk and Opportunity Analysis:

Refer to the attached report for progress against each operational plan activity.

Communication and Consultation:

Relevant levels of management have provided the content for the attached report, which has then been reviewed and approved at General Manager level.

Legal Strategy and Policy Implications:

Section 174(3) *Local Government Regulation 2012* (Preparation and adoption of annual operational plan) states that: *The Chief Executive Officer must present a written assessment of the local government's progress towards implementing the annual operational plan at meetings of the local government held at regular intervals of not more than 3 months..*

Financial and Resource Implications:

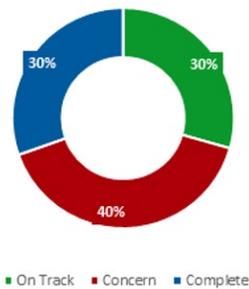
Nil.

Summary:

Quarter 3, 2019/20 Operational Plan results are as follows:

Goal	On Track	Concern	Complete	Total
Goal 1. Engaged, involved and proud communities.	7	7	2	16
Goal 2. Healthy environment, healthy community.	4	2	2	8
Goal 3. Our people, our values.	1	4	4	9
Goal 4. Ethical and responsible government.	2	10	5	17
Goal 5. Outstanding customer service.	3	2	3	8
Goal 6. Smart asset management.	2	8	5	15
Goal 7. Operational excellence.	4	5	3	12
Goal 8. Grow the region.	3	0	2	5
Goal 9. Smart investment.	4	3	5	12
Total	30	41	31	102

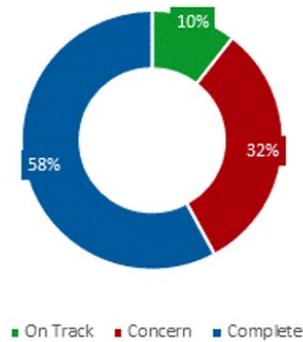
Overall Progress



2018/19 Operational Plan results are as follows:

Goal	On Track	Concern	Complete	Total
Goal 1. Engaged, involved and proud communities.	0	1	4	5
Goal 2. Healthy environment, healthy community.	1	2	1	4
Goal 3. Our people, our values.	1	0	3	4
Goal 4. Ethical and responsible government.	0	0	1	1
Goal 5. Outstanding customer service.	0	1	0	1
Goal 6. Smart asset management.	0	2	1	3
Goal 9. Smart investment.	0	0	1	1
Total	2	6	11	19

Overall Progress



Anticipated Resolution Completion Date:

Not applicable – information report.

Attachments:

1. Q3 2019-20 Gladstone Regional Council Operational Plan Assessment

Tabled Items:

Nil.

Report Prepared by: Strategy and Transformation Specialist

G/3.8. CONSIDERATION OF PROPOSAL FOR COUNCIL SUPPORT FOR SLOUCH HAT MUSEUM AT ANZAC PARK GLADSTONE

Responsible Officer: General Manager Strategy and Transformation

Council Meeting Date: 19 May 2020

File Ref: ED2.1

Purpose:

To consider Council's support for the Slouch Hat Museum requested by Mr Graham McVean and the Gladstone Bowls Club Inc.

Officer's Recommendation:

That Council provide a Letter of Support for the Slouch Hat Museum Project to Mr Graham McVean and the Gladstone Bowls Club Inc to assist the proponents to seek external funding.

Background:

The Gladstone Bowls Club Inc., championed by Mr Graham McVean, is looking to progress a Slouch Hat Museum within the eastern portion of ANZAC Park, indicated in Image One below. The current proposal is to progress from the current concept designs detailed in the below Images to a preliminary design package including capital costs and economic benefit analysis in order to advocate for funding from the State and Federal Governments. Their desire is to then continue to construction of the facility.

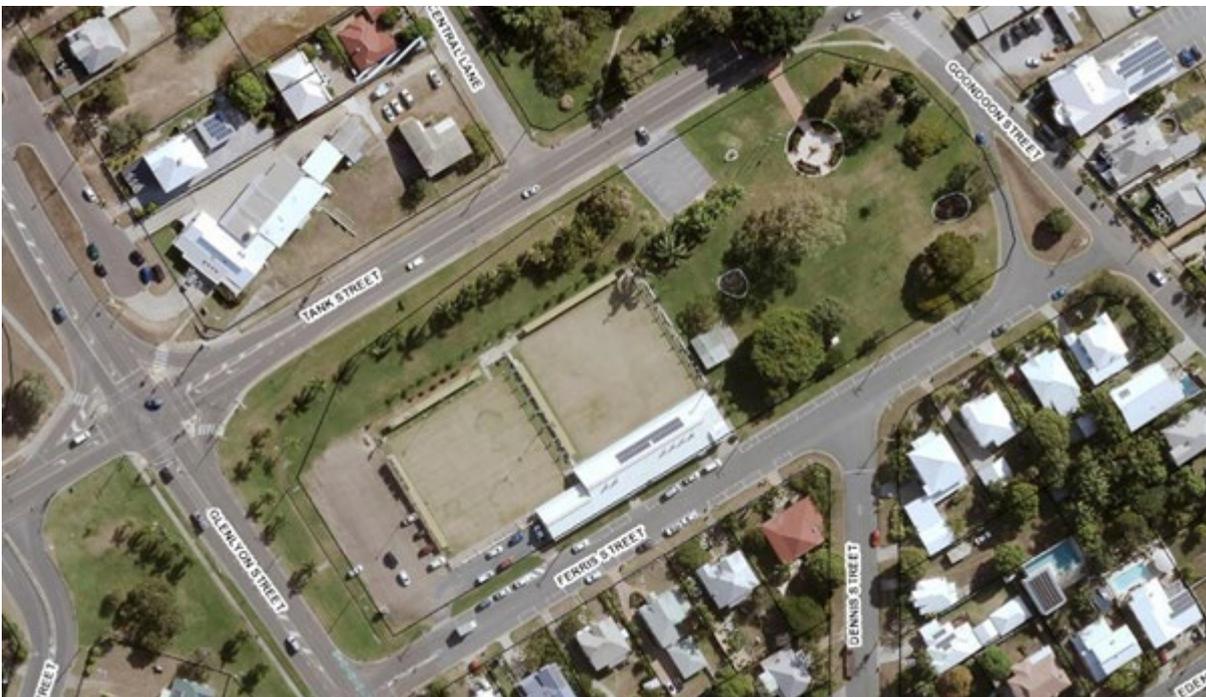


Image One: ANZAC Park & current improvements



Image Two: Concept Image of the Slouch Hat Museum

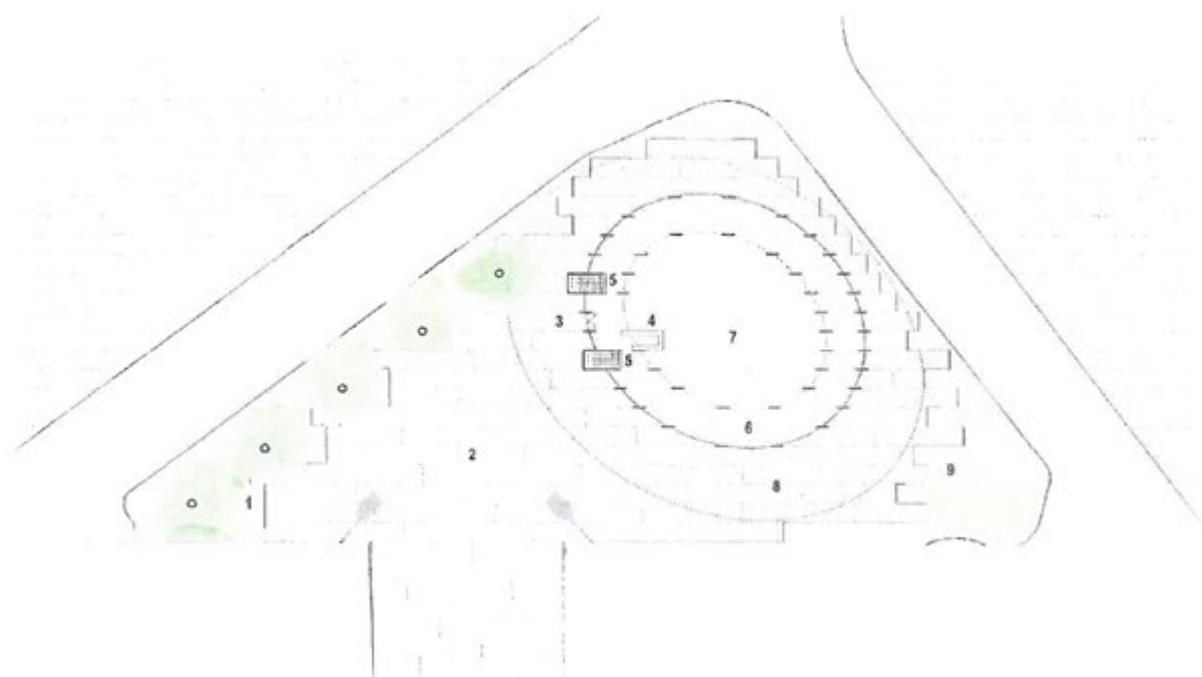


Image Three: Indicative Site Layout (eastern corner of Ferris and Goondoon Streets)

This concept has been informally presented and discussed with Council over the past 5 years. A formal request was made to Council on 26 February 2020 and is provided as an attachment.

The correspondence from the Club can be broken down into the following requests from Council to assist in the progression of the project:

1. Contribution of \$75,000 in funds to cover the costs of the preliminary design package and business case.
 - Funds administered in a Joint Venture arrangement between the Gladstone Bowls Club Inc. Graham McVean and Council.
2. Advocacy support to the State and Federal Government seeking 100% construction funding (est. \$10 - \$15 million).
 - Led by the Gladstone Bowls Club Inc. and supported by Council.
3. Resourcing assistance in the construction of the facility.

- Administered in a Joint Venture arrangement between the Gladstone Bowls Club Inc. Graham McVean and Council.
4. Council to retain trusteeship of ANZAC Park and enter into a long term leasing arrangement with the Gladstone Bowls Club Inc. for the operation and maintenance of the facility.
 - In principle agreement between Gladstone Bowls Club Inc. and Gladstone RSL subbranch to utilise volunteer workers within the facility (no formal agreement at this time).
 5. Establishment of an MOU/legal agreement between Council, the Gladstone Bowls Club Inc. and Graham McVean to clearly establish the above arrangements prior to any contribution of resources.
 - Council to facilitate this agreement.

In the immediate term, the priority from the Club is item 1; the commitment of \$75,000 from Council to cover the costs of the preliminary design package, including Business Case.

Options, Risk and Opportunity Analysis:

It is proposed that the project would benefit the Gladstone community as it will enhance the existing ANZAC Memorial on site, it will provide a one of a kind tourism experience for the region and contribute to the vibrancy of the Gladstone CBD. The proponents most desired outcome is a sense of pride and ownership for the Gladstone community within the facility. It is noted that with the project in the early stages, and not Council driven, there is no Business Case or return on investment analysis to ascertain other benefits of the project.

Whilst this project idea is not Council initiated or controlled, it is important to consider its alignment to the Corporate Plan in Councils consideration of any support to give the project. Most relevant are Strategic Goal 1: Engaged, involved and proud communities and Strategic Goal 8: Grow the Region. There are currently no Operational Plan actions that specifically align to this proposal, nor does the current Visitor Economy Strategy identify the need for an additional museum in the City or the Region.

Another element of risk is the land tenure of the site proposed. Council is currently trustee of the site, with the Department of Natural Resources, Mines and Energy the owner. The Club is the leasee, however this project would not fit within its current terms. Council would be required to confirm with the Department as to whether the proposed use would meet the current purpose of the reserve. There would be a statutory process to follow in order to secure the relevant land tenure for the project. However, this component wouldn't be required to allow for the Business Case and Preliminary Designs to be undertaken.

It is also noted that Council's Community Investment Policy allows the community to apply for funding for active recreation and sporting projects, however the proposed concept would not be eligible under the current streams.

Given the financial and resource implications of the proponent's proposal, their initial or priority request is the focus of this reports assessment. That is, item #1 above. Further Council support beyond the preliminary design and business case could be reconsidered once those documents have been finalised, providing substantial data for an informed investment

In considering this initial request, there are several varying options available to Council as follows:

1. Council commit \$75,000 in the 2020/2021 budget for the Business Case and Preliminary Design of the Slouch Hat Museum and enter into a joint venture agreement with Graham McVean and the Gladstone Bowls Club Inc. to jointly undertake the work;

2. Council commit \$75,000 in the 2020/2021 budget for the Business Case and Preliminary Design of the Slouch Hat Museum and enter into a funding agreement with Graham McVean and the Gladstone Bowls Club Inc. to deliver the work;
3. Council commit \$75,000 in the 2020/2021 budget for the Business Case and Preliminary Design of the Slouch Hat Museum and undertake the work as project lead
4. Council commit an amount deemed appropriate (ie. \$30,000) in the 2020/2021 budget to contribute to the Business Case and Preliminary Design of the Slouch Hat Museum and enter into a funding agreement with Graham McVean and the Gladstone Bowls Club Inc. to deliver the work and fund the remaining portion;
5. Council support the proposal in principle and offer advocacy support to Graham McVean and the Gladstone Bowls Club Inc. for State and Federal Government funding;
6. Council support the proposal in principle only with no funding or resource commitment.

Consideration of these options is undertaken within the summary below and attached.

Communication and Consultation:

Key stakeholders within this project will include the Gladstone Bowls Club Inc. as the proponent. Various internal Council sections will be required to provide subject matter expertise such as Strategic Asset Performance and Community Engagement. Given the potential land tenure issues, the Department of Natural Resources and Mines will also be required to be included. Given the expectation of advocacy for funding, Brand and Communications will also need to be engaged, as would Strategy & Transformation Specialist, Economic Development Specialist and Strategic Project Specialist.

Should Council determine to commit funds and/or lead the next phase of this project, a working group would need to be established to ensure all relevant subject matter experts were a part of its development and undertaking.

Legal Strategy and Policy Implications:

This request has been considered in accordance with the Council's Investment Decision Framework Policy. The IDF Policy recognises the benefit in adopting a disciplined approach for consideration of concepts or ideas, complexity and risks to ensure investment opportunities have been subjected to a reasonable level of value for money and assurance type analysis. It is noted that this project currently presents itself at the Identify phase where we need to understand and investigate the opportunity before committing to an option and further investment.

Financial and Resource Implications:

The Club has approached Council with several requests regarding the Slouch Hat Museum however in the immediate term, the priority from the Club is the commitment of \$75,000 from Council to cover the costs of the preliminary design package, including Business Case. This request entails a significant financial contribution and project management should Council agree to those terms.

As detailed in the options above and below, Council may wish to consider allocation of \$75,000, or a portion of, within the 2020/2021 budget to contribute to the next phase of the project. Dependent on Council's appetite, support for the remaining items as requested (ie. Construction support) would likely need further Council resolution at a later date to continue.

It should be noted there is risk associated with the allocation of funds in the 2020/2021 budget resulting in an implied commitment from Council of all the requested elements.

It would be prudent to ensure that if any funds are allocated, they appropriately spent and accounted for, so officers would facilitate a conditional agreement to allow this to occur, should the Council determine this option. Any funds would be issued to the Club upon signing of a funding agreement

and subsequent to the 2020/2021 Budget being adopted mid 2020. This agreement would require ongoing oversight to ensure that funds were being appropriately spent and accounted for by the Strategic Projects team.

Any of the potential options, with the exception of 6, would have further resourcing impacts to the 2020/2021 workplan for the Strategic Projects team. It is noted that given the resourcing of the current strategic projects, any additional project will require the reconsideration of prioritisation within the workplan.

Summary:

The options available to Council in its consideration has been summarised as attached. Each of the options present resource and cost impacts to Council, with the exception of option 6.

The project and request is unplanned in Council's Strategic documents. There are currently no Operational Plan actions that specifically align to this proposal, nor does the current Visitor Economy Strategy identify the need for an additional museum in the City or the Region.

The principles of the Investment Decision Framework have also been applied to ensure a robust consideration of the request. The project is considered to be in the 'Identify Phase' and given the complexity and capital cost of the project, it is recommended that Council understand the full resource implications of the project before progressing beyond this point.

As such, it is recommended that Council offer support for the proposal in principle only with no funding or resource commitment until such time as the Business Case has been finalised, to allow a well informed decision to be made.

The Gladstone Bowls Club Inc., championed by Graham McVean, is looking to progress a Slouch Hat Museum within the eastern portion of ANZAC Park. In the immediate term, the priority from the Club is the commitment of \$75,000 from Council to cover the costs of the preliminary design package, including Business Case in order to advocate for funding from the State and Federal Governments for construction funding.

There are several options available to Council in considering this request with varying levels of support including financial and resource commitments. Officers recommend that Council offer support for the proposal in principle only with no funding or resource commitment until such time as the Business Case has been finalised to allow a well informed decision to be made.

Anticipated Completion Date:

Correspondence will be issued to Graham McVean and the Gladstone ANZAC Memorial, Bowls and Citizens Club advising of the Council Resolution and issuing a letter of support within a month of the Council resolution.

Attachments:

1. Attach 1. Request from G McVean Slouch Hat Museum
2. Attach 2. Further Clarification from G McVean Slouch Hat Museum
3. Attach 3. Options Comparison and Commentary

Tabled Items:

Nil.

Report Prepared by: Strategic Projects Specialist (Acting)

G/4. DEPUTATIONS

Nil.

G/5. COUNCILLORS REPORT

Nil.

G/6. URGENT BUSINESS

Nil.

G/7. NOTICE OF MOTION

Nil.

G/8. CONFIDENTIAL ITEMS

G/8.1. TENDER 223-20 GOONDOON STREET PAVEMENT RECONSTRUCTION

Responsible Officer: General Manager Operations

Council Meeting Date: 19 May 2020

File Ref: PE1.1

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: -

(e) contracts proposed to be made by it.

ATTACHMENTS