



GLADSTONE
REGIONAL COUNCIL

**GENERAL MEETING NOTICE
AND AGENDA**

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

On Tuesday 17 January 2023

Commencing at 9.00am

**Leisa Dowling
CHIEF EXECUTIVE OFFICER**

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G/1. MAYORAL STATEMENT OF CURRENT ISSUES

G/2. CONFIRMATION OF MINUTES

G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 20 DECEMBER 2022

Responsible Officer: Chief Executive Officer

Council Meeting Date: 17 January 2023

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 20 December 2022.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 20 December 2022 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 20 December 2022.

Tabled Items:

Nil

Report Prepared by: Executive Secretary

G/3. OFFICERS' REPORTS

G/3.1. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 DECEMBER 2022

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 17 January 2023

File Ref: FM15.1

Purpose:

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

Officer's Recommendation:

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

Background:

The 2022-23 budget was adopted on 25 July 2022, with a projected operating surplus of \$0.5m.

To allow for greater transparency and scrutiny of Councils operating position throughout the year, annual rating revenue and service charges have been applied across the year rather than in the period of the rates generation. This represents a significant change to the way that these reports have previously been presented but will allow for more meaningful analysis.

The business is currently undertaking a forecasting process. It is anticipated that forecast figures will be included for the January report.

The percentage of year passed (pro-rata rate) as at 31 December 2022 is 50.41%.

Major movements and variances from budget are as follows:

Statement of Income and Expenditure

Income

Recurrent Revenue

Total recurrent revenue	2022-23	Actual as %
Actual	\$86.8m	
Budget	\$210.9m	41.17%
Forecast	\$210.9m	41.17%

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Of note:

Net rates and utility charges	2022-23	Actual as %
Actual	\$68.6m	
Budget	\$170.5m	40.22%
Forecast	\$170.5m	40.22%

Council's primary source of recurrent revenue is the generation of annual rates, along with access charges for water, sewerage and waste. This generation was completed in July, with notices to be issued to ratepayers in August and a payment due date of 26 October 2022. These charges have been split across the course of the year, to align with the delivery of these services.

Discounts of \$13.8m have been applied for payments received by the due date.

Water consumption revenue for 2022-23 will be raised upon completion of the water meter reading cycles during the year. Readings for the July-December cycle have been completed and will be generated in January. The full-year budget for water consumption is \$21.8m.

Total interest revenue	2022-23	Actual as %
Actual	\$2.1m	
Budget	\$1.3m	162.63%
Forecast	\$1.3m	162.63%

Interest revenue at a rate of 3.30% has been received from Queensland Treasury Corporation for the month of December and current term deposit rates are yielding up to a 4.39% return to Council. The budget for interest revenue was prepared with conservative estimates, due to ongoing economic uncertainty. The revised forecast income will be just over double the original budget in this space.

Sales revenue	2022-23	Actual as %
Actual	\$3.0m	
Budget	\$3.4m	88.02%
Forecast	\$3.4m	88.02%

Claims of \$0.7m have been made for Dawson Highway Drynan Drive Water Main Relocation this year. This project was not included in the adopted budget and will reflect additional contractor and materials expenses below.

Income tax equivalents	2022-23	Actual as %
Actual	\$0.1m	
Budget	\$5.2m	1.15%
Forecast	\$5.2m	1.15%

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The budget for 2022-23 includes \$5.0m from the Gladstone Area Water Board, which is generally confirmed and paid in the final quarter of the year.

The remaining budget relates to income tax equivalents from the Gladstone Airport Corporation, which are received and recognised after the end of each quarter, with the payment for Q2 to be received in January 2023.

General purpose grants	2022-23	Actual as %
Actual	\$1.1m	
Budget	\$8.2m	13.33%
Forecast	\$8.2m	13.33%

Council has received confirmation of the Financial Assistance Grant allocations for the 2022-23 year.

The budget was prepared based on advice received in December 2021 that Council should expect a 4% decrease in its allocation from the State Government. A further assumption has been made that Council will receive 75% of the 2023-24 allocation in the final quarter of 2022-23.

The actual allocation for 2022-23 has increased by \$0.4m on the 2021-22 allocation. This will be adjusted in the next forecast.

The second quarterly payment of \$0.5m was received in November.

Capital Revenue

Capital grants revenue	2022-23	Actual as %
Actual	\$4.2m	
Budget	\$12.4m	33.92%
Forecast	\$12.4m	33.92%

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

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Capital revenue recognised for significant projects is detailed below:

Project	Budget	Forecast	Actual
State Government Grants & Subsidies			
Gladstone Aquatic Centre Upgrade-Stage 3	\$1.0m	\$1.0m	\$0.8m
Bindaree Road, Miriam Vale	\$1.6m	\$1.6m	\$0.3m
Murphy Road, Captain Creek	\$0.8m	\$0.8m	-
Langmorn Road- Gravel Re-sheets	\$0.6m	\$0.6m	-
Toolooa St Gladstone –Pavement Renewal	\$0.5m	\$0.5m	\$0.1m
Gladstone Sewer Mains Renewals	-	-	\$0.8m
Other State Government Funding	\$1.1m	\$1.1m	\$0.4m

Project	Budget	Forecast	Actual
Federal Government Grants & Subsidies			
Round Hill Road – Pavement Renewal	\$1.6m	\$1.6m	\$0.0m
Benaraby Landfill – Capping of Cell 2	\$1.0m	\$1.0m	\$0.0m
Gorge Road, Lowmead (Baffle Creek Crossing)	\$0.6m	\$0.6m	\$0.3m
Stockbridge Road – Bridge Renewal	\$1.3m	\$1.3m	\$0.1m
Langmorn Road – Gravel Resheeting	-	-	\$0.5m
Other Federal Government Funding	\$2.4m	\$2.4m	\$0.9m

Expenditure

Recurrent expenditure

Total recurrent expenditure	2022-23	Actual as %
Actual	\$105.4m	
Budget	\$210.5m	50.07%
Forecast	\$210.5m	50.07%

Of note:

Employee benefits	2022-23	Actual as %
Actual	\$34.7m	
Budget	\$67.4m	51.45%
Forecast	\$67.4m	51.45%

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Employee benefits are the largest component of Councils recurrent expenditure. A vacancy rate of 7.5% has been factored into the 2022-23 budget. The average vacancy rate year to date is 9.6%.

Overtime expenses year to date are \$0.8m, compared to a full year budget of \$0.9m. Overtime expenses will need to be increased in the next forecast.

Contractors and consultants	2022-23	Actual as %
Actual	\$12.0m	
Budget	\$26.9m	44.64%
Forecast	\$26.9m	44.64%

Spending on contractors and consultants typically lags throughout the year. Due to the variety of areas in Council that utilise these services, only major invoices are accrued at month end. This results in a timing difference during the year that generally corrects when year-end accruals are undertaken.

Fuel	2022-23	Actual as %
Actual	\$1.2m	
Budget	\$1.7m	71.71%
Forecast	\$1.7m	71.71%

Fuel usage across Council is similar to the same period last year, however fuel prices remain volatile. Adjustments will be made in the next forecast.

Motor vehicle expenses	2022-23	Actual as %
Actual	\$1.0m	
Budget	\$1.4m	72.37%
Forecast	\$1.4m	72.37%

The cost of repairs and maintenance is still exceeding the pro-rata budget due to logistical issues with the replacement of an aging fleet. As items are replaced, these maintenance costs should reduce.

Software expenses	2022-23	Actual as %
Actual	\$1.4m	
Budget	\$3.6m	39.98%
Forecast	\$3.6m	39.98%

The timing of invoices for various software subscriptions is responsible for this lag, however the total spend for the year is still expected to be in line with the budget.

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Staff & Council associated expenses	2022-23	Actual as %
Actual	\$0.9m	
Budget	\$2.3m	39.59%
Forecast	\$2.3m	39.59%

Recruitment and onboarding costs are below the pro-rata budget, however with the high vacancy rate and tight labor market it is still possible that the budget will be realised.

Finance Costs – Queensland Treasury Corporation	2022-23	Actual as %
Actual	\$0.9m	
Budget	\$1.6m	58.83%
Forecast	\$1.6m	58.83%

A portion of the finance costs charged by Queensland Treasury corporation relate to the Gladstone Airport Corporation (GAC) runway loan. This loan agreement between Council and GAC has been renegotiated and the interest contribution will be adjusted in the forecast.

Statement of Financial Position

	Current Value	Budget	Variance (Actual to Budget)	Forecast	Variance (Actual to Forecast)
Year-to-date Assets	\$2.7b	\$2.6b	5.60%	\$2.6b	5.60%
Year-to-date Liabilities	\$267.1m	\$143.1m	86.64%	\$143.1m	86.64%
Year-to-date Liabilities (excl. unearned rates revenue)	\$184.6m	\$143.1m	29.00%	\$143.1m	29.00%

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

Due to the change in reporting for unearned rates revenue, liabilities have been presented both including and excluding this line item. The two will converge and be the same by June 2023, as all rates revenue is recognised on the profit and loss.

During the preparation of the 2021/22 financial statements, a liability was recognised relating to a financial guarantee with Council's bulk water provider for \$34.3m. This liability was not recognised at the time of budget preparation and will be accounted for in the next forecast.

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Significant balance sheet movement is still expected to occur throughout the year:

- Cash to decrease as expenses are incurred and loan repayments are made
- Property, plant and equipment to increase as the capital program is delivered, and decrease through depreciation
- Unearned rates revenue to decrease as recognised on the profit and loss each month
- Borrowings to decrease as loan repayments are made

Capital Expenditure

	Actual	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Year to date capital expenditure	\$18.7m	\$51.4m	36.38%	\$51.4m	36.38%
Commitments (open purchase orders)	\$15.2m				
Total	\$33.9m		66.06%		66.06%

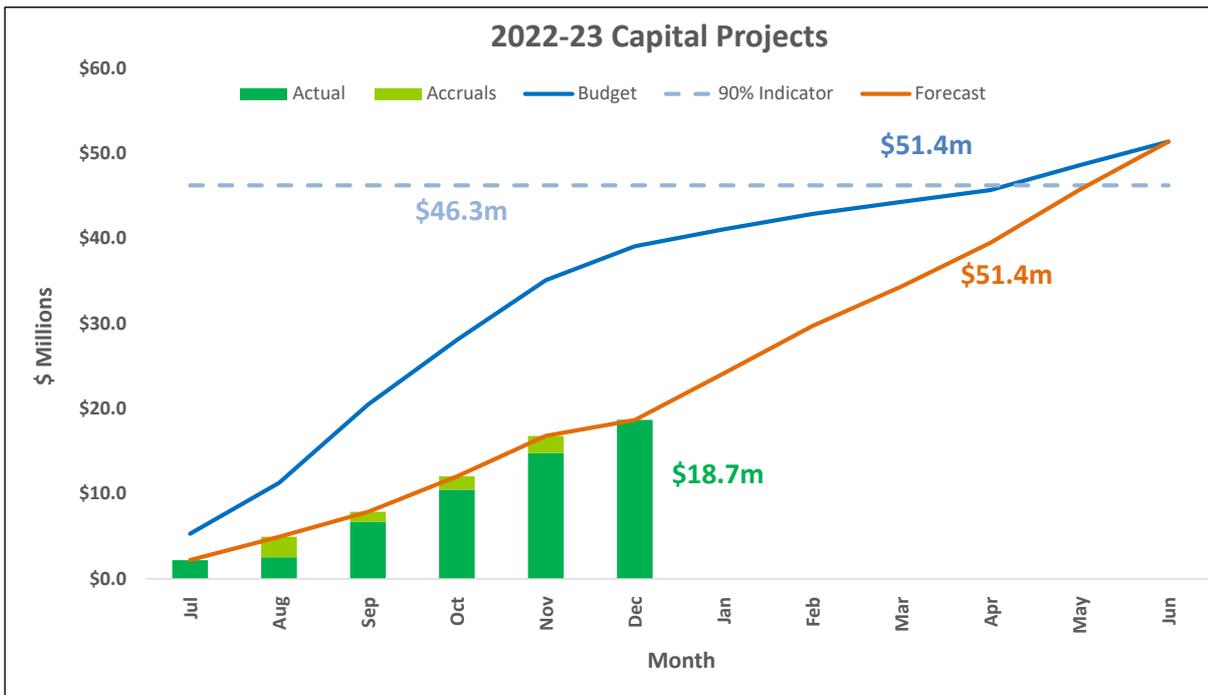
Of the \$15.2m in commitments, \$3.3m relates to Stockbridge Road bridge renewal, \$2.6m relates to the replacement of A05 Rising Main, \$2.2m relates to fleet replacement, \$1.9m relates to Gladstone WWTP Distribution tower and \$1.5m relates to Bindaree Road investigation and design work.

Accrual estimates for the month of December have not been taken up.

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

Group	YTD Actual	Commitments	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Road Assets	\$7.6m	\$6.9m	\$21.4m	35%	\$21.4m	35%
Sewerage Assets	\$3.9m	\$4.7m	\$9.9m	39%	\$9.9m	39%
Delivery Support and Performance	\$0.8m	\$2.2m	\$6.0m	13%	\$6.0m	13%
Property Assets	\$2.0m	\$0.1m	\$4.1m	49%	\$4.1m	49%
Asset Governance			\$1.0m		\$1.0m	
Waste Assets	\$2.3m		\$2.1m	109%	\$2.1m	109%
Parks & Environment Assets	\$0.1m	\$0.9m	\$1.7m	8%	\$1.7m	8%
Property Services	\$0.7m		\$1.4m	51%	\$1.4m	51%
Events & Entertainment	\$0.1m		\$1.0m	10%	\$1.0m	10%
Water Assets	\$0.5m	\$0.2m	\$1.0m	51%	\$1.0m	51%
Strategic Projects			\$0.9m		\$0.9m	
Other	\$0.6m	\$0.2m	\$0.8m	78%	\$0.8m	78%
Total	\$18.7m	\$15.2m	\$51.4m	36%	\$51.4m	36%

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The Works Planning and Scheduling team continue to monitor changes to the expected capital position for 2022-23. An updated financial forecast will be included following the completion of the forecast; however, the most current information indicates that the capital spend will be \$58.6m.

Outstanding Rates

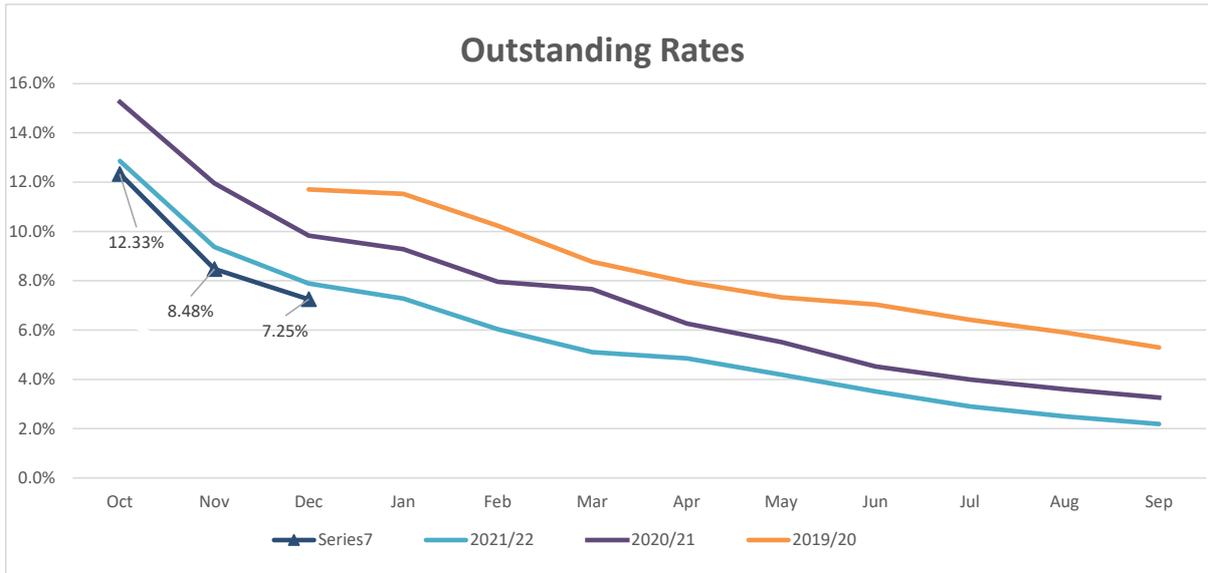
Outstanding rates, as a percentage of gross rates levied 2022-23, and collectible, is at 7.25% at the end of December 2022, compared to 7.88% for the same period last year 2021-22.

Of the \$13.7m of outstanding rates 18.32% relates to commercial/ industrial assessments and 81.68% represents residential assessments.

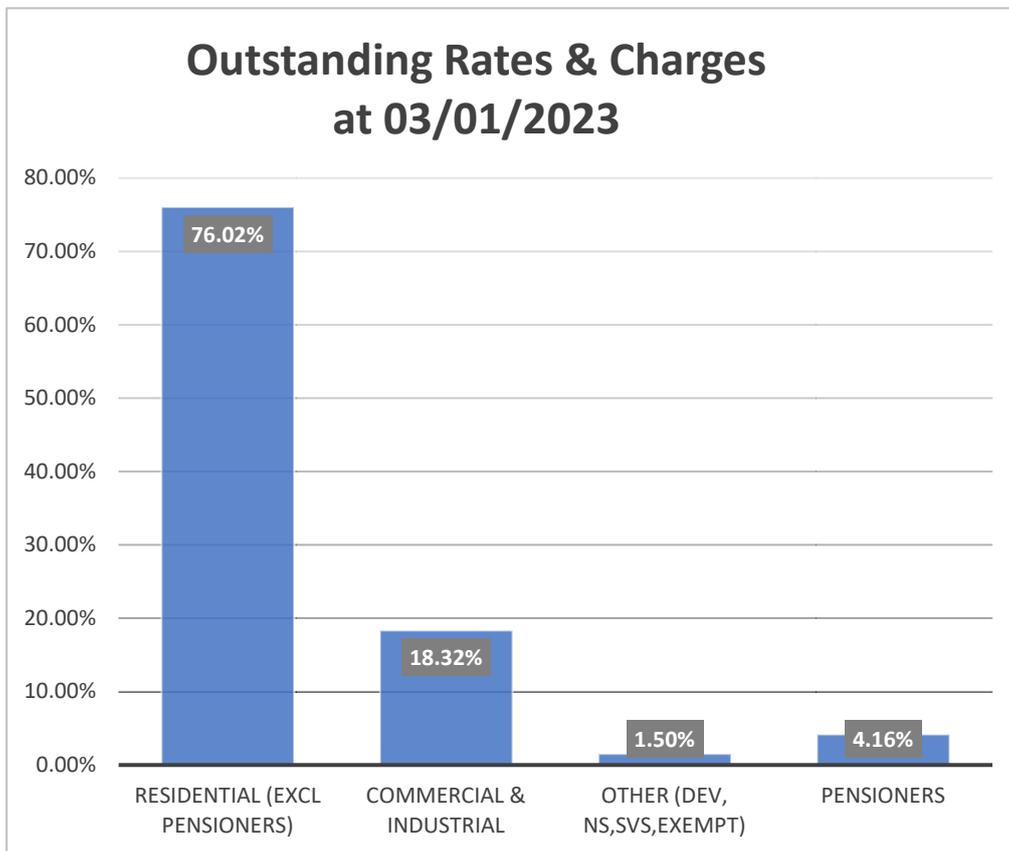
These figures include \$5.2m of rates that are currently being repaid under an authorised payment plan, for which there were 46 commercial/industrial assessments and 1,665 residential assessments. A total of 1,711 assessments, which is an increase from 1,495 assessments in November 2022 (this movement is a result of a new arrangements entered into since rates notices issued).

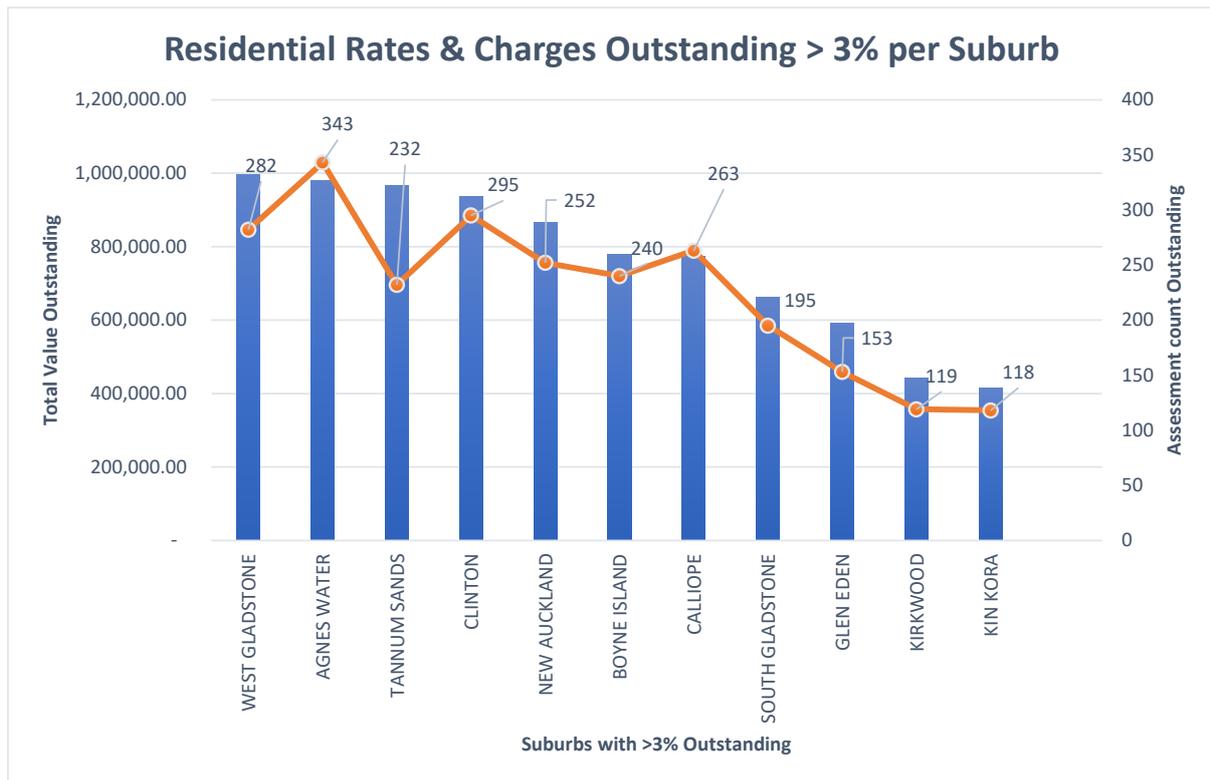
There were 5,409 ratepayers who had paid their rates in advance, totalling \$6.2m.

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*2019-20 discount date extended by 60 days





Sustainability Ratios

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

Asset Sustainability Ratio

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

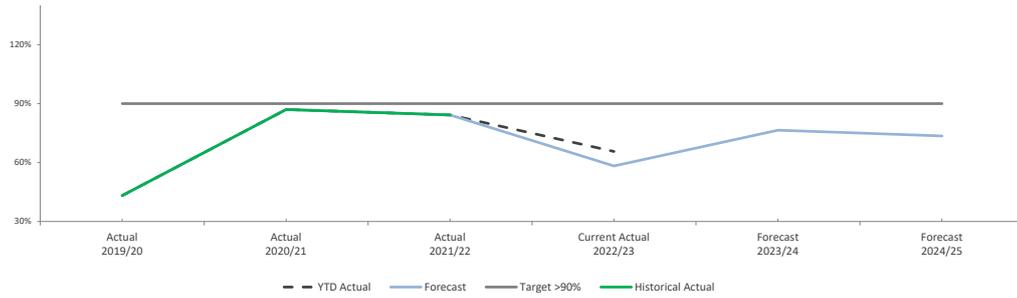
Infrastructure renewals have accounted for 72.88% of capital expenditure with the balance on new and upgrade projects. The delays in renewal expenditure are reflective of the delay in the capital program as a whole, as presented above.

Asset Sustainability Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
60.44%	58.30%	58.30%	>90%

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Asset Sustainability Ratio

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



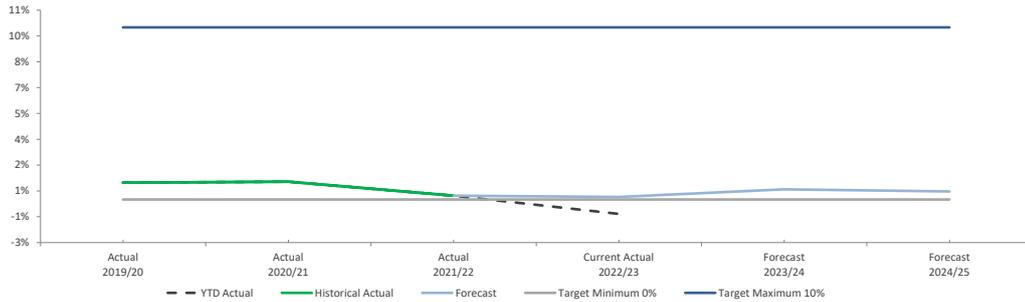
Interest Coverage Ratio

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

Interest Coverage Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
(1.33%)	0.15%	0.15%	0 - 10%

Interest Coverage Ratio

(Indicates extent of commitment of revenue to interest payments)



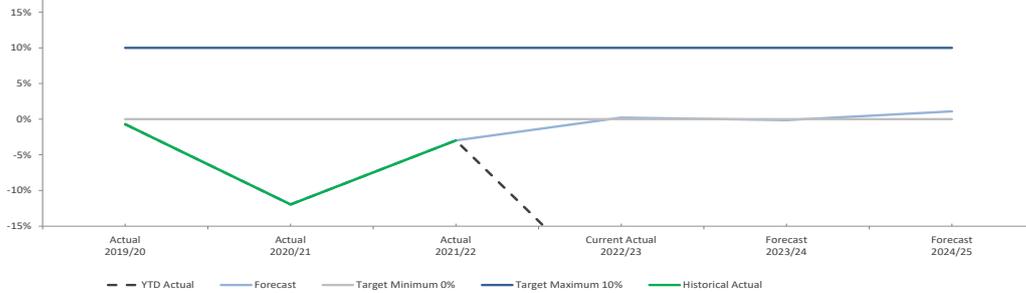
Operating Surplus Ratio

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 are negative due to the year-to-date operating deficit.

Operating Surplus Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
(21.36%)	0.22%	0.22%	0 - 10%

Operating Surplus Ratio

(Indicates availability of revenue for operational and capital spending)



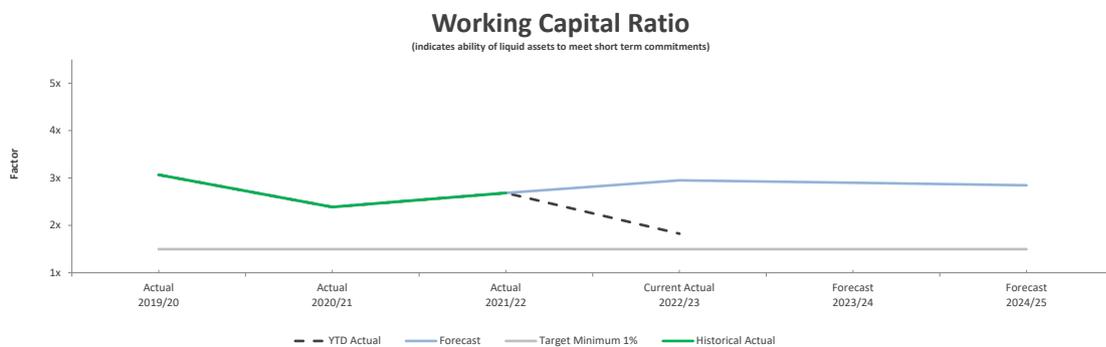
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Working Capital Ratio

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

To account for the change in reporting of rates revenue, the ratio has also been presented excluding the liability for unearned rates revenue, as this does not recognise an obligation to pay, simply an accounting adjustment for reporting. The two will converge and be the same by June 2023, as all rates revenue is recognised on the Statement of Comprehensive Income.

Working Capital Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
1.42x	2.45x	2.45x	Greater than 1:1
Working Capital Ratio (excl. unearned rates revenue)			
4.10x			



Net Financial Liabilities Ratio

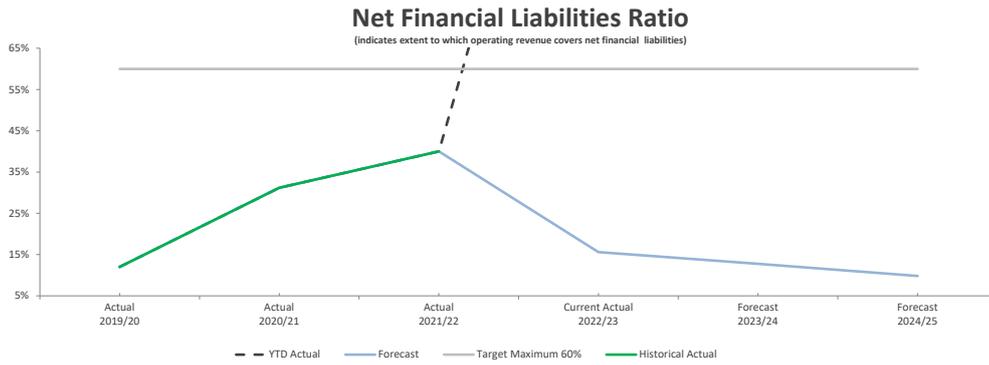
The ratio shows the extent to which operating revenue covers net financial liabilities.

To account for the change in reporting of rates revenue, the ratio has also been presented excluding the liability for unearned rates revenue, as this does not recognise an obligation to pay, simply an accounting adjustment for reporting. The two will converge and be the same by June 2023, as all rates revenue is recognised on the Statement of Comprehensive Income.

Excluding unearned rates revenue provides a clearer picture, showing that the target ratio has been well exceeded. This is to be expected at this time of year, when Council holds a large cash balance following the rates generation.

Net Financial Liabilities Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
100.78%	15.58%	15.58%	< 60%
Net Financial Liabilities Ratio (excl. unearned rates revenue)			
2.97%			

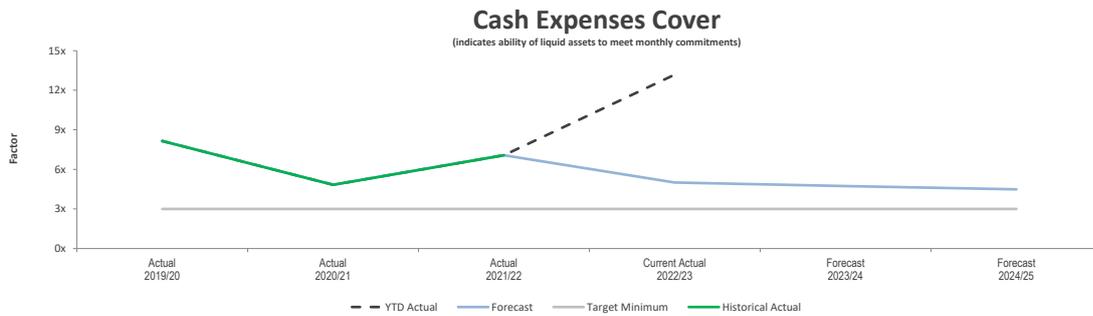
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Cash Expenses Cover Ratio

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

Cash Expenses Cover Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
12.20x	5.00x	5.00x	> 3x



Options, Risk and Opportunity Analysis:

Nil

Communication and Consultation:

The report seeks specialist input from the following internal sources:

- Investing activity – Team Leader Financial Operations
- Procurement and supply – Manager Contracts and Procurement
- Vacancies – Recruitment, Remuneration and Benefits Business Partner
- Capital expenditure – Manager Works Planning and Scheduling
- Outstanding rates and prepaid rates – Manager Revenue Services

Legal Strategy and Policy Implications:

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

Financial and Resource Implications:

Nil

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Summary:

Nil

Anticipated Resolution Completion Date:

17 January 2023

Attachments:

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

Tabled Items:

Nil

Report Prepared by: Systems Modelling and Metrics Specialist

G/3.2. PORT CURTIS CORAL COAST LIMITED AS TRUSTEE FOR THE PORT CURTIS CORAL COAST ABORIGINAL PEOPLES CHARITABLE TRUST SOLE SUPPLIER

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 17 January 2023

File Ref: PE1.1

Purpose:

This report seeks 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 cultural heritage services necessary to meet Council's obligations under the Aboriginal Cultural Heritage Act 2003.

Officer's Recommendation:

That:

1. Gidarjil Cultural Heritage Corporation Ltd is no longer the only supplier available to Council to provide cultural heritage services.
2. Council resolves, in accordance with Section 235(a) of the Local Government Regulation 2012, that it is satisfied that Port Curtis Coral Coast Limited as Trustee for the Port Curtis Coral Coast Aboriginal Peoples Charitable Trust is the only supplier available to Council to provide cultural heritage services in accordance with the Cultural Heritage Clearance Procedure within the Port Curtis Coral Coast People and Local Government Indigenous Land Use Agreement ("the ILUA);
3. Council authorises the Chief Executive Officer to undertake sole supplier purchases with Port Curtis Coral Coast Limited as Trustee for the provision of cultural heritage services in accordance with the ILUA.

Background:

Aboriginal Cultural Heritage is protected by the Aboriginal Cultural Heritage Act 2003 (Qld) ("the Cultural Heritage Act"). The Cultural Heritage Act seeks to recognise, protect and conserve Aboriginal Cultural Heritage and imposes a Cultural Heritage Duty of Care.

Council is a party to the Port Curtis Coral Coast People and Local Government Indigenous Land Use Agreement dated 30 August 2019 ("the ILUA"). The ILUA contains agreed protocols and procedures to assist Council to meet their Cultural Heritage Duty of Care to complement the requirements of the Cultural Heritage Act.

Schedule 13 of the ILUA provides a Cultural Heritage Clearance Procedure that must be followed by Council in both its operational and capital programs of work. The Cultural Heritage Clearance Procedure sets out a number of steps in which Council identifies if a proposed activity will impact cultural heritage and how potential impacts can be managed or mitigated. The clearance procedure includes works such as site inspections, cultural heritage surveys, monitoring and coordination work.

Options, Risk and Opportunity Analysis:

In December 2022, Council was advised that the Registered Native Title Body Corporate is now First Nations Bailai, Gurang, Gooreng Gooreng, Taribelang Bunda People Aboriginal Corporation RNTBC (“the RNTBC”). As a registered native title body corporate, the RNTBC is the first point of contact for native title and cultural heritage activities and is the legal entity through which Council conducts business with the traditional owners for the Port Curtis Coral Coast determination area, including activities undertaken in accordance with the ILUA.

Council have also been advised by written correspondence that the RNTBC engages the Port Curtis Coral Coast Limited as Trustee for the Port Curtis Coral Coast Aboriginal Peoples Charitable Trust (“the PCCC Trust”) to provide cultural heritage services for the RNTBC.

Under the provisions of the ILUA, Council is required to pay remuneration for the cultural heritage clearance procedure and will be required to engage the PCCC Trust.

It is impractical to obtain sole supplier approvals for each individual cultural heritage engagement required by Council, which is why sole supplier approval is being sought for the PCCC Trust, for the term of the ILUA.

Communication and Consultation:

This request has been formulated in consultation with Strategic Property Management and Environment and Conservation teams as well as the PCCC.

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.

Section 235 of the Regulation provides several exceptions to the requirement and relevant to this request is clause a) which states:

“The Council resolves that it is satisfied that there is only 1 supplier who is reasonably available.”

According to the State of Queensland (Department of Aboriginal and Torres Strait Islander Partnerships) Registered Cultural Heritage Bodies in Qld (attached), and in accordance with Schedule 14 of the ILUA, the PCCC Trust on behalf of the RNTBC are the only cultural heritage body available to undertake activities in accordance with the cultural heritage clearance procedure in the Gladstone Regional Council Area as outlined in ILUA.

Financial and Resource Implications:

Schedule 14 of the ILUA includes a schedule of rates for the work and Council must also meet the service provider’s expenses associated with the works including but not limited to accommodation, car hire and associated travel expenses.

Annual cultural heritage expenses across Council are estimated to be \$50,000 per annum, however this is entirely dependent on the nature of Council’s capital projects and operational works, and the degree of cultural heritage impacts.

Summary:

Nil

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Anticipated Resolution Completion Date:

Upon Council endorsement.

Attachments:

Nil

Tabled Items:

Nil

Report Prepared by: Manager Contracts and Procurement

G/3.3. 2022-23 GENERAL SOLE AND SPECIALISED SUPPLIERS - ADDITIONAL

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 17 January 2023

File Ref: PE1.1

Purpose:

This report seeks resolution from Council to include additional suppliers to the General Sole and Specialised Suppliers listing for the 2022/23 financial year, making use of the provisions in section 235(a) of the *Local Government Regulation 2012*, that allows for exceptions to the requirement for written quotes or tenders.

Officer's Recommendation:

That:

1. In accordance with Section 235(a) of the *Local Government Regulation 2012*, Council is satisfied that the below suppliers are the only suppliers reasonably available to deliver the relevant product/service for the 2022/23 financial year:

Farm and Garden Products Pty Ltd	Closest (Rockhampton) distributor and authorised agent for: <ul style="list-style-type: none">• Kioti Tractors• Bobcat Excavators• Twose Remote Track Mower• Kanga Mini Loader• Polaris Ranger UTVs
Seven Network (Operations) Limited	Only supplier of advertising on the Seven Network.

Background:

Due to the nature of some goods and services, there may be only one supplier who is reasonably available or who provides a specialised service. Given that a number of these types of purchases are recurring on an annual basis, it has become more typical for Councils to apply the legislation and prepare an annual report seeking resolution.

Section 225 of *Local Government Regulation (LGR) 2012* provides Council cannot enter into a medium sized contractual arrangement unless it first invites 3 potential suppliers to quote. Section 224(2) of the LGR defines medium sized contractual arrangement as a contractual arrangement with a supplier that is expected to be worth \$15,000 or more (plus GST) but less than \$200,000 over a financial year (or longer term of contract). Section 224(4) of the LGR provides expected value is the total expected value of all Council's contracts with the supplier for goods and services of a similar type under the arrangement.

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There are several exceptions in the LGR including:

- Section 231 Council can establish an approved contractor list by EOI process (this is for services only, not goods or works, and it is suggested in the King & Co commentary on LG Online that need more than 1 supplier on a list);
- Section 232 Council can establish Prequalified Supplier Register via tender process (if 1 of the points in 232(3) applies which includes that the preparation and evaluation of invitations every time would be costly);
- Section 234 where the supplier is on LGAQ contract arrangement;
- Section 235(a) where Council in general meeting resolve that Council is satisfied there is only 1 supplier who is reasonably available;
- Section 235(b) where Council in general meeting resolve that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for Council to invite quotes of tenders;
- Section 235(c) where a genuine emergency exists; and
- Section 235(f) the contract is made with or under an arrangement with a government agency.

In addition to the specific requirements of the LGR sections, Council officers are required to comply with the local government principles in section 4 of *Local Government Act 2009* and the sound contracting principles in section 104(3) of the LGR, as well as the provisions of the Council's Procurement Policy.

To support the business in meeting its obligations under the LGR requirements – Council's procurement corporate standard adds a further requirement to issue 2 or more written invitations to quote where the contract value is \$5,000 to \$15,000 and the exceptions do not apply.

Options, Risk and Opportunity Analysis:

Council's Contracts and Procurement team have identified an organisational need for the exception to be applied to the suppliers contained within this report which have the potential to exceed \$15,000 ex GST per annum thus requiring the application of the following exceptions:

- Section 235(a) where Council in general meeting resolve that Council is satisfied there is only 1 supplier who is reasonably available; and
- Section 235(b) where Council in general meeting resolve that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for Council to invite quotes of tenders.

Communication and Consultation:

Internal procurement stakeholders have been involved in the preparation of this list.

Legal Strategy and Policy Implications:

It is a requirement of the section 225 of the LGR to invite written quotations or tenders where the supply of goods or services with a cost greater than \$15,000.

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Additionally, Council's Procurement Corporate Standard requires a minimum of two (2) quotes for all purchases of goods and services greater than \$5,000 and three (3) quotes for all purchases greater than \$15,000.

Section 235 of the LGR provides the following exceptions to the requirement relevant to this request including:

- a) the local government resolves it is satisfied that there is only (1) supplier who is reasonably available.
- b) 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:

Procurement activities making use of this resolution will be subject to Council's Register of Financial Delegations.

Summary:

Nil

Anticipated Resolution Completion Date:

Exceptions granted within this report will be added to Council's Long-Term Contracts Register in January 2023.

Attachments:

Nil

Tabled Items:

Nil

Report Prepared by: Manager Contracts and Procurement

G/3.4. REVIEW OF THE LEARNING AND DEVELOPMENT POLICY

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 17 January 2023

File Ref: CM28.2

Purpose:

The purpose of this report is to present a revised Learning and Development Policy and recommend the repeal of the Engagement of Group Training Organisations Policy.

Officer's Recommendation:

That Council:

1. Repeal the following existing Policies:
 - a. P-2015-38 Learning and Development Policy; and
 - b. P-2017-44 Engagement of Group Training Organisations; and
2. Adopt P-2023-01 Learning and Development Policy tabled as Attachment 1 to this report.

Background:

A review of the business's Policies and Corporate Standards relating to Learning and Development has been prioritised for the following reasons:

- The documents are overdue for periodic review;
- A new Certified Agreement (CA) has been negotiated and registered; and
- A new Corporate Plan (2021-2026) adopted.

The Learning and Development Policy and Engagement of Group Training Organisations Policy were adopted in 2015 and 2017 respectively and do not fully reflect the more recent priorities of the Certified Agreement and Corporate Plan.

The Engagement of Group Training Organisations Policy was originally adopted as Council was more regularly engaging apprentices and trainees employed by organisations such as the former Gladstone Area Group Apprentices Limited (GAGAL) for placement for agreed periods of time. More recently Council has placed a higher priority on the direct employment of Apprenticeships and Traineeships which is a commitment in the new Certified Agreement (Section 6.4). As a result, Officers cannot identify a benefit in retaining the Engagement of Group Training Organisations (GTOs) Policy as Council's capacity to take additional apprentice and trainee placements from GTOs is very limited particularly as Council also offers student work experience programs.

In relation to the Learning and Development Policy, the Policy has been redrafted with the following changes:

- The operational information regarding funding assistance for Cadetships and external study have been removed and will be included in the Corporate Standard
- Changes to Council's position descriptions has moved away from the use of the terms Mandatory and Non-Mandatory Training, therefore these terms have been removed from the policy

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- The new policy is more focused on strategic principles drawn from the Corporate Plan and Council's new Certified Agreement.

Options, Risk and Opportunity Analysis:

Option 1 – Adopt the Recommendation

The opportunities of this option are:

- The repeal of the Engagement of Group Training Organisations Policy removes a corporate document that is not currently used
- Adopting an updated Learning and Development Policy achieves alignment with Council's Corporate Plan and Certified Agreement
- The community and our people have transparency on the focus of learning and development activity and how Council prioritises the associated funding
- The business has additional strategic guidance when developing learning and development programs and when considering budget allocations.

The risks of this option are:

- Retaining a Learning and Development Policy requires the allocation of ongoing resources for its periodic review.

Option 2 – Adopt the Recommendation with amendments

Council may consider the revised Learning and Development Policy does not fully capture its strategic position on learning and development and therefore seek to amend it. The resolution to give this option effect is:

"That Council:

1. Repeal the following existing Policies:
 - a. P-2015-38 Learning and Development Policy; and
 - b. P-2017-44 Engagement of Group Training Organisations; and
2. Adopt P-2023-01 Learning and Development Policy tabled as subject to the following amendments:
 - a. *Insert amendment*
 - b. *Insert amendment....."*

The opportunities and risks associated with this option are the same as detailed in Option 1.

Option 3 – Repeal both Policies and not adopt a revised Learning and Development Policy

Council may be comfortable to remove both policies and allow learning and development to be managed operationally under the direction of the CEO, General Manager People Culture and Safety and Executive Leadership Team. To give this option effect, the required resolution would be:

"That Council repeal the following existing Policies:

1. P-2015-38 Learning and Development Policy; and
2. P-2017-44 Engagement of Group Training Organisations

as Council considers it appropriate for learning and development activity to be developed and managed operationally."

The opportunities of this option are:

- The removal of both policies would allow the function to be managed operationally to meet the changing needs of the business
- There would be no ongoing resource commitment required to conduct periodic reviews of the policies.

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The risks of this option are:

- There would be reduced public transparency on how Council prioritises its learning and development activities and spend
- Councillors would need to communicate learning and development specific strategic guidance through alternative mechanisms should it wish to guide the activity.

Communication and Consultation:

Consultation on the Learning and Development Policy occurred late in 2022 and early 2023 with the workforce and the Joint Consultative Committee (JCC) which consists of representatives of the Unions that are party to Council's Certified Agreement. The feedback received, which will be considered in the revision of the Corporate Standard, was focused around:

- Ensuring that the annual review and development of Employee Training and Development Plans is prioritised;
- That succession planning and career paths are planned for;
- Our people are adequately trained for dealing with challenging and complex customer behaviours; and
- The form that workplace training takes (ie. face to face where appropriate).

The Executive Leadership Team has considered the policy as part of the agenda review process.

Legal Strategy and Policy Implications:

Council is not required to have a Learning and Development Policy however some councils elect to do so to set the key principles for learning and development activities and associated expenditure.

Financial and Resource Implications:

Council has a budget allocation for learning and development in the 2022/23 financial year. The adoption of the revised policy will not impact on the budget allocations.

Summary:

This report presents the opportunity for Council to provide strategic direction on learning and development activity for the business, or alternatively, repeal the policies and allow the function to be managed operationally.

Anticipated Resolution Completion Date:

31 January 2023

Attachments:

1. Proposed P-2023-01 Learning and Development Policy
2. Existing P-2015-38 Learning and Development Policy
3. Existing P-2017-44 Engagement of Group Training Organisations Policy

Tabled Items:

Nil

Report Prepared by: Governance Business Partner

G/3.5. SAIKI SISTER CITY COMMITTEE

Responsible Officer: General Manager Community Development and Events

Council Meeting Date: 17 January 2023

File Ref: CR2.14

Purpose:

This report recommends appointments to the Gladstone Saiki Sister City Advisory Committee for 2023 and presents the annual President's Report for 2022.

Officer's Recommendation:

That Council:

1. Appoint the following Saiki Sister City Advisory Committee Members for the 2023 calendar year with appointments expiring on the 31 December 2023:
 - Wendy Marsh (President)
 - Chris Moore (Vice-President)
 - Beverly Fellows
 - Howard Marsh
 - Maureen Mason
 - Yukiko Moore
 - Robina Cupitt
 - Gay SIRRIS
 - Aaron Yea
 - Jaclyn Thompson
 - Ayako Carrick
 - Carolina Bocos

2. Receive the 2022 Saiki Sister City Advisory Committee President's Report.

Background:

The objective of the sister city relationship is to provide a forum for cultural, economic, and educational interchange between communities and to encourage friendship, cooperation, understanding, goodwill and harmony. A Declaration of Friendship between Gladstone and Saiki City in Japan was first signed on 4 September 1996. The Gladstone Saiki Sister City Advisory Committee was reconstituted on 16 July 1997 operating under a Committee Constitution. On 20 August 2019, Council reaffirmed the appointment of the Gladstone Saiki Sister City Advisory Committee as an advisory committee to Council constituted under Section 264 of the Local Government Regulation 2012 and adopted a Terms of Reference.

Under the Terms of Reference, membership of the Committee is reviewed annually with appointments made for the upcoming calendar year. Council received twelve nominations for the 2023 committee, including nine return members and three new applications. In 2022 the Terms of Reference were amended to allow for an increase in the number of ordinary members, now stating 'a minimum of 4 members.' This change has allowed for consideration of all applicants to be recommended for appointment to the 2023 committee. All nine return members have a long-standing and demonstrated commitment to the values of the sister city relationship. New applicants were interviewed by a panel of three Council Officers from the Community Partnerships Team. Each person interviewed would be an asset to the committee and would bring a unique set of skills and experiences, including being of Japanese heritage, experience living and

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working in Japan near Saiki City, the ability to translate Japanese text, connections to culturally and linguistically diverse groups in the Gladstone Region and experience in event coordination and management.

The Terms of Reference for the Committee require that the President provide an annual report to Council to brief members of the activities of the Committee for the past year and to outline the Committee's activities, achievements, notable challenges, foreseeable opportunities and any proposed plans for the coming or future years. The 2022 President's Report is Attachment 1 of this report for Council's Information. Officers have extracted the following notable highlights from the report:

- *"The Shorebirds Artwork continues to be a symbolic reminder of the strength of the relationship between the Gladstone Region and Saiki City. Celebrating the 25-year anniversary of friendship, the Artwork shows different birds flying high, beginning their flight to Japan, ready to face the constantly changing conditions.*
- *The only major disappointment this year has been that the student exchanges, and other visits, have not taken place due to Covid-19 travel restrictions and precautions.*
- *It is pleasing to see that this active Committee has grown in number through the retention of members and the welcome addition of new participants. All Members are congratulated on their contribution and thanked for their commitment and I know I speak on behalf of all Members when I highlight the enormous contribution our Secretary, Rebecca, has made to the achievements of the Committee. The Phillip Street Precinct, especially with the available internet facilities, is an excellent venue for Meetings.*
- *The essential, ongoing support of the Mayor and Gladstone Regional Council is appreciated and it is hoped that a Mayoral Visit can be organised in the near future. The Book Exchange and other correspondence are important but no substitute for physical presence.*
- *The Gladstone Regional Art Gallery and Museum has continued to facilitate many key events in the calendar, including the InterCity Images Photographic Exhibition, Celebrate Australia Primary Schools Art Competition, Saiki Children's Art Competition and Children's Day Activities. The staff and volunteers are invaluable in their promotion of the Gladstone Saiki Sister City Friendship.*
- *Barry Meiring and the staff and volunteers at the Tondoon Botanic Gardens are thanked for not only maintaining the Japanese Garden but also for planning improvements, including additional water features.*
- *The Committee's active participation in Flourish was an excellent opportunity to engage with a wide range of people and will hopefully become a key annual event on our calendar. There are plans to engage more closely with the organisation of next year's Gladstone Multicultural Festival. In addition, representatives from many key organisations in the Gladstone Region, especially schools, have been invited to attend the Annual General Meeting. This communication will include the distribution of resources about the Gladstone Saiki Sister City Friendship.*
- *The shorebirds are creatures of habit. In the Gladstone Saiki Sister City relationship, traditions have been maintained. The shorebirds are tenacious. Our Committee Members have adapted to changing times and followed through with plans. Like the shorebirds and the Shorebird Artwork, we look to the future with specific plans and a vision of international cooperation."*

Options, Risk and Opportunity Analysis:

Option 1 – Adopt the Recommendation

The opportunities associated with this option are that Council can facilitate the growth of the Committee through appointing all twelve nominations for the 2023 Gladstone Saiki Sister City Committee. This will benefit further development of the relationship and share the workload across a broader number of Committee Members. It also builds the capacity of the Committee, drawing in new and varied skill sets that will broaden the perspective and experience of the Committee. The only potential risk in increasing membership is that it will require 50% plus one of the members to be present for a quorum at meetings.

Option 2 – Retain current committee without appointing new applications

Officers can see no tangible opportunities in this option. The risk of this option is disincentivising community members from volunteering with the Committee by excluding them from ordinary membership.

Communication and Consultation:

Expressions of interest for committee membership for 2023 were sought in several ways including social media, Gladstone Regional Council Website, local school newsletters, email distribution through local networks and community groups, and flyer distribution through committee members.

After consultation with the Community Partnerships Team, it was evident that from the applications received, the committee would have a strong skill set and all applicants were suitable. Following a discussion with Council’s Governance Advisor, it was decided an interview process was unnecessary for return members in this instance. The three new applicants were interviewed by a panel of three Council Officers, and it was determined that each applicant would be an asset to the committee. At the Annual General Meeting on the 17 November 2022, the committee have nominated and recommended the appointment of Wendy Marsh as President and Chris Moore as Vice President in 2023.

Legal Strategy and Policy Implications:

On 20 August 2019, Council reaffirmed the appointment of the Gladstone Saiki Sister City Advisory Committee as an advisory committee to Council constituted under Section 264 of the Local Government Regulation 2012 and adopted a Terms of Reference.

Financial and Resource Implications:

In 2022/23 Council has allocated a budget of \$15,000 for Sister Cities activities and will retain control of finances, accounting, and administration of these funds. The Committee may recommend through delegated Officers how these funds will be apportioned to the Committee’s annual program of activities.

Summary:

Not applicable

Anticipated Resolution Completion Date:

17 January 2023

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Attachments:

1. 2022 Saiki Sister City Advisory Committee President's Annual Report

Tabled Items:

Nil

Report Prepared by: Community Development Officer

G/3.6. PHILIP STREET COMMUNITIES AND FAMILIES PRECINCT PROGRESS REPORT

Responsible Officer: General Manager Community Development and Events

Council Meeting Date: 17 January 2023

File Ref: CR3.2

Purpose:

The purpose of this report is to provide Council with a progress update on the operations of the Philip Street Communities and Families Precinct Advisory Committee.

Officer's Recommendation:

That Council receive the Philip Street Communities and Families Precinct Advisory Committee Progress Report.

Background:

Council is committed to creating healthy communities that are engaged, involved, proud and connected. Council continues to demonstrate its commitment to this goal through the ongoing development of the Philip Street Communities and Families Precinct.

The Philip Street Communities and Families Precinct Advisory Committee ("the Committee") was established by resolution of Council on 2 November 2020 as an advisory committee to Council under ss264-265 of the *Local Government Regulation 2012 and operate under a Terms of Reference adopted by Council on 16 February 2021, vide resolution GM/21/4444*. The Committee's purpose is to give Council advice on strategic planning, management, and service delivery for the Precinct.

Membership of the Committee is voluntary and the current membership is as follows:

- Councillor O'Grady
- Councillor Muszkat
- Kylie Lee – General Manager Community Development and Events, Council
- Chris Ford – The Salvation Army
- Shakira Campbell – GAPDL Communities for Children
- Cecelia Eggmolesse – Ordinary member representing First Nations community
- Kate Dufty – Ordinary member representing the Disability community
- Supria Singh – Ordinary member representing the Culturally and Linguistically Diverse community
- Maxine Brushe – Ordinary member representing the Seniors community

At the time of finalising this report, the Youth Representative Committee position remains vacant. The Committee and Council officers are exploring creative solutions to bring a youth voice to the Committee.

Committee meetings are open to the public with meeting times and dates published on Council's website. Meeting agendas and meeting minutes are also available for public access via the Council website.

At the July 2022 Committee meeting, the Committee supported a change to the frequency of meetings to every second month and to continue with a rotating meeting chair.

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Recommendations to and from the Committee are tracked, monitored, and managed and provide insight into sentiment regarding the site, presentation, service delivery and facility usage. Since the March 2022 progress report, the Committee has made a further 59 (fifty-nine) recommendations for consideration and outworking by the operations and bookings group. The table below is a summary of recommendations made by the committee.

2021	38
Analysis & Programming	4
Brand & Communications	8
Governance	5
Operating Model	4
Philip Street Stage 2	1
Precinct Activation	3
Precinct Infrastructure Improvements	11
Precinct Partnerships	1
Site Activation	1
2022	41
Analysis & Programming	3
Brand & Communications	2
Governance	16
Operating Model	6
Precinct Activation	2
Precinct Infrastructure Improvements	12
Grand Total	79

A Learning and Development Plan will be developed for Committee members to support their roles on the Committee. To date, the Committee have participated in the following training:

- Governance and meeting conduct essentials – facilitated by Gladstone Regional Council
- Introduction to Asset Based Community Development – facilitated by the Jeder Institute
- Diversity and Inclusion Training – facilitated by The Salvation Army

At the September 2022 committee meeting, the committee identified an improvement opportunity to streamline the room booking process for the Maxine Brushe Community Meeting Place, whilst still aligning with the Precinct's collaborative business model and recommended: *'to centralise the booking process into Council's existing booking system, pending agreement by key stakeholders at the Precinct. Bookings group to develop a ruleset around precinct values to guide this process.'*

Following consultation with key stakeholders, the room booking system at Philip Street Communities and Families Precinct was transitioned from the Community Partnerships Team to the Events and Entertainment Team in early December.

The Committee held an AGM in November 2022, where a discussion centered around content for inclusion in the Committee's Annual Report. The Annual Report is being drafted and will be presented to Council for endorsement in early 2023.

The Committee continues to be a valuable component of the operating model of the Philip Street Communities and Families Precinct.

Options, Risk and Opportunity Analysis:

The current vacancy in the Committee, being a representative of the region's youth, presents a risk in having an under-represented cohort, and an opportunity to be creative in attracting committee members.

It is hoped that following the appointment of the 2023 Youth Council; the youth voice will be captured through regular communications with a nominated representative of the Gladstone Region Youth Council.

A report reflecting these proposed changes to the Terms of Reference will be tabled in February 2023.

Communication and Consultation:

N/A

Legal Strategy and Policy Implications:

The Philip Street Communities and Families Precinct Advisory Committee is an advisory committee to Council, constituted under ss 264 and 265 of the *Local Government Regulation 2012* and operates under a Council adopted Terms of Reference.

Financial and Resource Implications:

Administrative and secretarial costs and resources to support the Committee are absorbed as a part of the existing operational budget of Community Partnerships.

The Secretariat has established a flexible framework to support and guide the ongoing administration of the Committee and create the conditions to build capacity.

Summary:

This report summarises the activities of the Philip Street Communities and Families Precinct Advisory Committee for the period from March – December 2022

Anticipated Resolution Completion Date:

N/A

Attachments:

Nil

Tabled Items:

Nil

Report Prepared by: Community Development Specialist

G/4. DEPUTATIONS

G/5. COUNCILLORS REPORT

G/6. URGENT BUSINESS

G/7. NOTICE OF MOTION

G/8. CONFIDENTIAL ITEMS