

BUSINESS PAPER

Special Meeting

Thursday 7 February 2019

Roma Administration Centre

NOTICE OF MEETING

Date: 7 February 2019

Mayor:

Councillor T D Golder

Deputy Mayor:
Councillors:

Councillor J L Chambers
Councillor N H Chandler
Councillor P J Flynn
Councillor G B McMullen
Councillor W M Newman
Councillor C J O'Neil
Councillor D J Schefe
Councillor J M Stanford

Chief Executive Officer:

Ms Julie Reitano

Senior Management:

Mr Rob Hayward (Deputy Chief Executive Officer/Director
Corporate, Community & Commercial Services)
Ms Sharon Frank (Director Corporate, Community & Commercial
Services)

Please find attached agenda for the **Special Meeting** to be held at the Roma Administration Centre on **February 7, 2019 at 10.00AM.**



Julie Reitano
Chief Executive Officer

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OFFICER REPORT

Meeting: Special 7 February 2019

Date: 7 February 2019

Item Number: 3.1

File Number: D19/8539

SUBJECT HEADING: Funding Available through Local Government Grants & Subsidies Program

Classification: Open Access

Officer's Title: Regional Grants & Council Events Development Coordinator

Executive Summary:

Council is eligible to apply for funding under the State Government's Local Government Grants & Subsidies Program (LGGSP).

At its meeting on 12 December, Council resolved to apply for funding for the following two projects.

- a) New Bore for Mitchell
- b) Yuleba Water Facility

Following the recent water issues in Roma, it was recommended that Council apply for three water projects under the program, with the addition of-

- c) McGrath Park Bore

Officer's Recommendation:

That Council:

1. Apply for funding under the State Government's Local Government Grants & Subsidies Program (LGGSP) for:
 - a) Mitchell Bore
 - b) Yuleba Water Facility
 - c) Bore at McGrath Park, Roma
 2. Make necessary co-contributions (a minimum of 40%) for each project in the 2019/20 budget, and 2020/21 budget if required.
 3. Authorise the CEO to sign the funding agreement for any successful project/s.
-

Individuals or Organisations to which the report applies:

Are there any individuals or organisations who stand to gain a benefit, or suffer a loss, (either directly or indirectly) depending on the outcome of consideration of this matter?

(Note: This is to assist Councillors in identifying if they have a Material Personal Interest or Conflict of Interest in the agenda item - i.e. whether they should participate in the discussion and decision making).

N/a

Acronyms:

Are there any industry abbreviations that will be used in the report?

Note: This is important as particular professions or industries often use shortened terminology where they refer to the matter on a regular basis. However, for individuals not within the profession or industry it can significantly impact the readability of the report if these aren't explained at the start of the report).

Acronym	Description
LGGSP	Local Government Grants & Subsidies Program

Context:

Why is the matter coming before Council?

The 2019–21 Local Government Grants and Subsidies Program (LGGSP) is a competitive grant program available to all Queensland Local Governments.

The 2019–21 LGGSP budget is \$57.906 million, delivered over two financial years. Funding for approved projects will be allocated a subsidy of up to 60% of the Total Eligible Project Costs:

Total Eligible Costs = Total Project Cost – Ineligible Costs and other Financial Contributions.

The primary aim of this program is to provide funding assistance to support Local Governments to deliver priority infrastructure and essential services that meet the identified needs of their communities.

The objectives of the 2019–21 LGGSP are to support eligible projects that:

- align with State, regional and local priorities
- contribute to building safe, connected and liveable communities
- contribute to economic growth and employment
- maintain and extend the functional life of existing and future infrastructure assets through sustainable asset management
- build resilience against future natural disasters
- encourage collaboration and resource sharing between Local Governments.

Key Dates:

- Applications open 9 am Monday 14 January 2019
- Applications close 5 pm Friday 8 February 2019
- Approvals are expected in March/April 2019
- Works commence from 1 July 2019, but must be completed by 30 June 2021.

Background:

Has anything already happened in relation to this matter?

At its meeting on 12 December, Council resolved to apply for funding for the following two projects.

1. New bore for Mitchell.

Mitchell only has two bores and both are old and could fail. A private bore was previously used as a backup but this failed, leaving no back up supply. It is intended to sink a new bore on the south side of town, which will provide the extra redundancy and also feed into the large reservoir there and gravity feed into town reducing

ongoing power costs. This could mean doing away with the tower reservoir which is showing signs of structural failure.

Estimated cost of \$1,000,000 (includes contingency). 60% contribution = \$600,000.

2. Yuleba Water Facility

The water tower at Yuleba is failing structurally and it is intended to replace it with a booster system and ground reservoir. The existing reservoir will be checked structurally and relined. A second reservoir will be constructed. There will also be a new building, booster pumps, switchboard, generator and treatment plant.

Estimated cost of \$690,000 (includes contingency and dependent on location). 60% contribution = \$414,000

Following the recent water issues in Roma, it is now proposed to add another project to our applications.

McGrath Park Bore – estimated cost of \$450,000

This is the site of the Old Bore 5 (decommissioned) which was an old oil well and of very bad quality. The new bore would be able to use existing reticulation and feed directly into the tower. The problem experienced recently is that due to the demand the water was disappearing through the reticulation network before sufficient volumes got to the tower

Legislation, Local Laws, State Policies & Other Regulatory Requirements:

What does the legislation and other statutory instruments include about the matter under consideration? (Include an extract of the relevant section's wording of the legislation – please do not just quote the section number as that is of no assistance to Councillors)

Successful applications will be required to enter into a funding agreement with the State Government.

Council Policies or Asset Management Plans:

Does Council have a policy, plan or approach ordinarily followed for this type of decision?

What are relevant sections of the policy or plan?

(Quote/insert the relevant section's wording / description within the report)

If successful, projects will be included in Council's Asset Management Plan.

Input into the Report & Recommendation:

Have others' views or input been sourced in developing the report and recommendation to Council? (i.e. other than the report author?) What did each say? (Please include consultation with the funding body, any dates of critical importance or updates or approvals required)

Director of Development, Facilities and Environmental Services – provided information on energy saving project.

Manager Water, Sewerage, Gas – provided information on water projects.

Department of Local Government teleconference – recommended submitting a maximum of 2 projects. It is better to submit quality projects for major (priority) projects. Can allow up to 15% contingency.

Funding Bodies:

Is the project externally funded (or proposed to be)? If so, are there any implications in relation to the funding agreement or grant application. (Please do not just include names)

As per the body of the report.

This Financial Year's Budget:

Will the matter under consideration impact how much Council collects in income or how much it will spend? How much (\$)?? Is this already included in the budget? (Include the account number and description).

If the matter under consideration has not been included in the budget, where can the funds be transferred from? (Include the account number and description) What will not be done as a result?

Future Years' Budgets:

Will there need to be a change in future years' budgets to cater for a change in income or increased expenditure as a result of Council's decision? How much (\$)?? (e.g. estimate of additional maintenance or operating costs for a new or upgraded project)

With the early release of the 2019–21 LGGSP program guidelines, Councils will have time to plan and submit funding applications from mid-January. Projects will be approved before Council budgets are finalised, thus providing additional financial certainty for eligible projects.

Any successful projects will start after 1 July 2019, and must be finished before 30 June 2021, which will possibly impact 2019/20 and 2020/21 budgets.

Impact on Other Individuals or Interested Parties:

Is there anyone who is likely to be particularly interested in or impacted by the decision, or affected by the recommendation if adopted? What would be their key interests or concerns?
(Interested Parties Analysis - IS9001:2015)

Yuleba Development Group will be interested in what is happening to the water tower.

Risks:

What could go wrong if Council makes a decision on this matter? (What is the likelihood of it happening and the consequence if it does) (List each identified risk in a table)

Risk	Description of likelihood & consequences
Missed opportunity	There is a risk of missing an opportunity to reduce the cost for the ratepayer for this essential infrastructure if funding is not sought.
Source of matching funds	If project/s are successful, Council must find the appropriate co-contribution/s (minimum 40%) in the 2019/20 budget.
Project exceeds budget	There is a risk that the project could exceed the budget. A contingency will be included to alleviate this risk – up to 15% as per advice from Department.

Advice to Council:

What do you think Council should do, based on your skills, qualifications and experience, your knowledge of this and related matters, and the facts contained in the report?

(A summary of what the employee thinks Council needs to hear, not what they think individual Councillors want to hear – i.e. employees must provide sound and impartial advice – the employee's professional opinion)

According to the guidelines, Assessment will be conducted against the Program Aim and Objectives, including the following Key Assessment Criteria required to be addressed by the applicants:

- delivery of essential public infrastructure, e.g. water and sewerage infrastructure
- financial soundness and value for money
- whole of asset life costs and the ability to manage such responsibilities
- community and/or economic need
- full time equivalent (FTE) jobs supported by the project
- capacity to deliver the project by 30 June 2021.

The 2 water projects fulfil the criteria, and are in accordance with previous advice submitted to the Department regarding the importance of funding for essential infrastructure projects. Based on feedback from the Manager – Water, Sewerage and Gas, the Mitchell Bore is Priority 1, with Yuleba Facility Priority 2.

Recommendation:

What is the 'draft decision' based on the advice to Council?

Does the recommendation suggest a decision contrary to an existing Council policy? If so, for what reason?

(Note: recommendations if adopted by Council become a legal decision of government and therefore must be clear and succinct about the action required by employees (unambiguous)).

Does this recommendation suggest a decision contrary to an existing Council policy? If so, for what reason?

That Council:

1. Apply for funding for projects under the State Government's Local Government Grants & Subsidies Program (LGGSP):
 - a) Mitchell Bore
 - b) Yuleba Water Facility
 - c) McGrath Park Bore, Roma
2. Make necessary co-contributions (a minimum of 40%) for each project in the 2019/20 budget, and 2020/21 budget if required.
3. Authorise the CEO to sign the funding agreement for any successful project/s.

Link to Corporate Plan:

Corporate Plan 2018-2023

Strategic Priority 1: Getting the basics right

1.1 Supply water to our towns

1.1.5 Monitor the condition of the water network, plan and undertake maintenance, renewal and upgrade works through the 10 year asset management plan and annual budget process.

Supporting Documentation:

- [1](#) Local Government Grants & Subsidies 2019-21 Program D18/97318
- eligible and ineligible projects

Report authorised by:

Chief Executive Officer



Attachment 1 – Examples of Eligible Projects

Essential public infrastructure:

Sewerage infrastructure

- Sewerage infrastructure from the wastewater treatment plant including the treatment plant and disposal of the treated effluent, e.g. treatment works, distribution of treated wastewater and beneficial wastewater re-use.
- Upgrades to components of sewerage infrastructure that will reduce operating costs and/or extend the life of existing infrastructure

Water infrastructure

- Untreated water from the source to the treatment plant then to the first distribution reservoir, e.g. new source of supply, enhancement of existing weirs and bores, treatment works, pump stations, rising mains and delivery main up to the first distribution reservoir.
- Upgrades to components of water infrastructure that will reduce operating costs and/or extend the life of existing infrastructure.

Social and cultural infrastructure

- Community centres, halls, libraries, heritage sites, museums and cultural centres
- Modifications to public facilities

Economic and Tourism infrastructure

- Facilities such as camping grounds, heritage or natural attractions; foreshore developments,
- Streetscape enhancements
- Rest areas and amenities
- Technology such as internet kiosks and wireless access
- Resurfacing of Council owned and maintained airport runways
- Foreshore enhancement

Security and community safety infrastructure

- Security cameras
- Lighting in public places
- Emergency contact systems

Asset Management*

- Asset condition assessments
- Asset geocoding
- Fit-for-purpose asset management software
- Other improvements to asset management systems

* Every local government must prepare a long-term asset management plan as part of its system of financial management (*Local Government Act 2009*). This should be kept up to date as a result of Council's asset management system.

Disaster Resilience and Preparedness

Works that protect existing essential public infrastructure and/or build resilience to future natural disaster events.



Attachment 2 – List of Ineligible Projects and Costs

The following list provides examples of **ineligible projects** that are not eligible to receive funding under the 2019-21 LGGSP:

- Feasibility and planning studies, including town planning schemes
- House raising or relocation
- Sewerage infrastructure to the treatment plant, e.g. household connections, manholes, pump stations and sewer lines
- Treated water from the first distribution reservoir and distribution network to household connections

Pre-planning activities

- Conceptual design
- Works that have already commenced or been completed. This includes pre-planning and planning activities, and pre-construction, that commence prior to the date of formal advice of funding approval.

Plant and equipment

- Purchase or lease of core business capital equipment such as motor vehicles and office equipment
- Furnishings and supplies
- Purchase of plant and equipment
- Leasing of vehicles or plant and other equipment unless directly associated with the project e.g. water trucks, excavators

Core business costs (business as usual)

- Core business for an organisation, including ongoing costs for administration, operation and maintenance or engineering
- General overhead charges relating to the administration of project costs
- Ongoing costs for administration, operation and maintenance or engineering
- Corporate overheads and oncosts, including technical, professional and clerical salaries of Council employees
- Remuneration of Executive Officers
- Costs of preparing the Project Proposal for funding or associated supporting material
- Development of an Asset Management Plans (In accordance with the *Local Government Act 2009*, Councils must prepare a long-term asset management plan as part of its system of financial management)

Project costs

- Official opening expenses (excluding permanent signage)
- Statutory fees, charges and costs associated with obtaining regulatory and/or development applications
- Temporary works, except where required as part of the construction of the eligible works or required to enable completion of the proposed project
- Land acquisition and associated costs (unless directly associated with the proposed project) or land buy back schemes

Other costs

- Works on land that is not controlled or owned by Council
- Duplication of existing initiatives
- Legal expenses
- In-kind contributions, including contributions from Commonwealth or other State agencies

The above list identifies the most common examples of ineligible projects/costs and is not intended to be comprehensive. If there is any doubt about ineligible costs, please contact the Department.