

## MINUTES OF COUNCIL SPECIAL MEETING

27 JUNE 2019

Held in the Council Chambers, Administration Building  
45 Roderick Street, Ipswich

The meeting commenced at 9.00 am

*The Interim Administrator advised that he is bound to declare Conflict of Interests and potential Conflict of Interests in all council meetings.*

**ATTENDANCE AT COMMENCEMENT** Greg Chemello (Interim Administrator)

**WELCOME TO COUNTRY OR ACKNOWLEDGEMENT OF COUNTRY** Greg Chemello (Interim Administrator)  
Ipswich City Council respectfully acknowledges the Traditional Owners as custodians of the land upon which we meet. We pay our respects to their elders, past, present and emerging, as the keepers of the traditions, cultures and stories of a proud people.

**OPENING PRAYER** Greg Chemello (Interim Administrator)  
Let us in silence pray or reflect upon our responsibilities to the people of Ipswich.  
We meet today to serve our community, to use our resources wisely and well, to represent all members of our community fairly and to make decisions that promote the common good.

**APOLOGIES AND LEAVE OF ABSENCE** Interim Management Committee Members (Jan Taylor, Simone Webbe, Stan Gallo, Robert Jones and Steve Greenwood)

### OFFICER'S REPORTS

**RIVERVIEW COMMUNITY CENTRE** The Interim Administrator of the Ipswich City Council resolves:

- A. **That the previous decision of Council, as per Item No. 5 of the Governance Committee No. 2019(05), 14 May 2019 and adopted at the Council Ordinary meeting of 21 May 2019, be repealed.**
- B. **That Council (Interim Administrator of Ipswich City Council) assume management of the Riverview Community Centre as an interim operating model, with another public Expression of Interest process to be run again on or before 1 July 2020.**

**DISCUSSION**

The Interim Administrator advised that this has been a challenging issue for council and commended the officers involved in the expression of interest campaign and the appropriate governance within that process. He stated that the issue that arose after the expression of interest process was adopted was some significant misconceptions in some parts of the community about what council's intentions were and the process involved. The Interim Administrator stated that it became clear to him after discussions with community leaders, that it was not appropriate to continue with the recommendation that council had made to proceed with a new manager but also clear from a commercial and asset management perspective that it was not appropriate to continue with the current lessee arrangements. He stated that the decision before council today is that council itself will assume management of the Riverview Community Centre as an interim model for about 12 months and then go out again with another expression of interest process. He felt this was the appropriate balance in terms of the interest that arose subsequent to the previous council decision.

The Interim Administrator made the following comments noting that this matter will continue after his term is over with council, suggesting that council communicates clearly to the local community as part of the expression of interest process. He suggested that the communication include what the process is, why council is undertaking the process, particularly with the stakeholders involved in providing services, so that everyone is clear and that the same misconceptions that occurred previously do not occur again ie; that all current users were to be evicted which was clearly not the case.

The motion was put and carried.

**DISPOSAL OF PART OF 95A BRISBANE ROAD, BOOVAL DESCRIBED AS PART OF LOT 169 ON RP24111 TO SWIFTS LEAGUES CLUB LTD**

The Interim Administrator of the Ipswich City Council resolves:

- A. That part of Council-owned land at 95A Brisbane Road, Booval (part of Lot 169 on RP24111), being approximately 1.624 hectares, as identified in Attachment 1 as "Proposed Land Disposal" (the Land) to the report by the Business Accounting and Asset Manager dated 20 June 2019, is surplus to Council's future requirements.**
- B. That the disposal of the Land and the improvements of the Land is a disposal of a valuable non-current asset.**

- C. That pursuant to section 236(3) of the *Local Government Regulations 2012* (Qld) (Regulation), that the exemption available under section 236(1)(b)(ii) of the Regulation applies to the disposal of the Land and the improvements on the Land to Swifts as a 'Community Organisation' (as defined Schedule 8 of the Regulation).
- D. That the Land and improvements on the Land can be disposed of other than by tender or auction as required by section 227 of the Regulation.
- E. That Council request Swifts Leagues Club to prepare a proposed master plan for the site that reflects their proposal and undertake appropriate community consultation to satisfy Council that their proposal has sufficient community support.  
That subject to Council being satisfied with the outcome of the community consultation process and accordingly determining that the sale to Swifts Leagues Club is in the best interest of the community, that Council sell the Land and the improvements on the Land to Swifts Leagues Club Ltd at a purchase price equal to the market value of the Land (including the market value of the improvements on the Land), as determined by a registered valuer, in compliance with section 236(3) of the Regulation.
- F. That the Chief Executive Officer be authorised to negotiate and finalise the terms of the sale contract to be executed by Council and to do any other acts necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.

## DISCUSSION

The Interim Administrator made comment that this again has been a challenging issue for council to address. He stated that the main concerns have been the lack of information and transparency in terms of the whole process. The Interim Administrator acknowledged that the club has had discussions with previous councillors and mayors and with current and previous staff of council over months and that it had dragged on longer than it should have. He stated that he thought this was an appropriate decision for council to make.

The Interim Administrator stated that in-principle the key

information that arose in the last month was that even if council fulfilled its obligations under the lease to manage and maintain the building to its appropriate standard, that was not appropriate and not sufficient for the club going forward to run a contemporary sports and recreation facility. He stated that Swifts acknowledge that it is not council's responsibility to spend that extra money. For them to do that though they need tenure on the site. Council reached the view that it was an appropriate in-principle decision to make to sell the land to Swifts but on the basis that they bring the community along with them.

The Interim Administrator stated that the recommendation today is to adopt the decision to sell the site on the provision that Swifts prepare a master plan, engage with the community in an appropriate way, produce a report to council that convinces council that there is sufficient community support, not total community support, sufficient community support for the sale to proceed.

The Interim Administrator advised that this is an appropriate balance in terms of what council is trying to achieve in that it doesn't want to stand in the way of a club that delivers valuable community services. He stated that it is appropriate for Swifts to have tenure of the site to deliver those community services under the new model and to bring the community along as well.

The motion was put and carried.

**TRANSFER OF  
PROPERTY AND  
OTHER ASSETS OF  
IPSWICH CITY  
PROPERTIES PTY LTD  
AND ASSOCIATED  
MATTERS**

The Interim Administrator of the Ipswich City Council resolves:

- A. That the Chief Executive Officer be authorised to negotiate and finalise the terms of the Deed of Release to be executed by Council and to do any other acts necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.**
- B. That the total valuation of the property assets of Ipswich City Properties Pty Ltd being \$27,795,000 be accepted by Council for the purposes of the property transfers.**
- C. That the Chief Executive Officer be authorised to negotiate and finalise the terms of all agreements, deeds, indemnities or documents ("all Documents"), for the transfer to Ipswich City Council of the property**

**(both real property and personal property) belonging to Ipswich City Properties Pty Ltd with a total cumulative value of \$27,814,565.78 (including chattels of \$19,565.78), and for Council to execute all Documents and to do any other acts necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.**

- D. That Council note that the decision of the Office of State Revenue in regards to an exemption from Stamp Duty under corporate reconstruction remains outstanding and that the approval of the exemption does not impact Council's intention to approve and enact the transfer of property and other assets of Ipswich City Properties Pty Ltd before 30 June 2019.**
- E. That Council reimburse Ipswich City Properties Pty Ltd, as outlined in the Deed of Release, for costs incurred in relation to planning, design, engineering and construction of the retail assets of Ipswich City Properties Pty Ltd to the value of \$2,300,127.95.**
- F. That Council reimburse Ipswich City Properties Pty Ltd, as outlined in the Deed of Release, for costs incurred in relation to planning, design, engineering and construction works that were intended to be acquired by Council under a development agreement to the value of \$16,875,657.28.**
- G. That Council note the request for an approval under the *Statutory Bodies Financial Arrangements Act 1982* for the provision of a performance guarantee in relation to the Crown lease for the Bremer Street Ramps has been lodged with the Department of Local Government, Racing and Multicultural Affairs.**
- H. That Council pay \$4,699,035.11 to Ipswich City Properties Pty Ltd in accordance with the Deed of Release as the GST component of the property and other assets transfer.**
- I. That the anticipated loan repayment of \$750,000.00 by Ipswich City Properties Pty Ltd, be noted.**
- J. That subsequent to all the reductions in accordance with recommendations C, E, F and I and in accordance with the Deed of Release excluding clause 6, the balance of the loan between Ipswich City Council and Ipswich City Properties Pty Ltd at close of business on**

**27 June 2019, estimated to be \$24,925,371.15, in accordance with clause 6 of the Deed of Release, be written-down to zero.**

- K. That subject to the loan between Ipswich City Council and Ipswich City Properties Pty Ltd being written-down to zero, the loan agreement between Ipswich City Council and Ipswich City Properties Pty Ltd be terminated.**
- L. That the Chief Executive Officer be authorised to negotiate and finalise the terms of any other agreement, deed, indemnity or document associated with or in conjunction to the transfer of the other assets of Ipswich City Properties Pty Ltd, in accordance with the Deed of Release, to be executed by Council and to do any other acts necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.**

#### **CONFLICT OF INTEREST**

The Interim Administrator informed the meeting that he has, or could reasonably be taken to have a perceived conflict of interest in this item titled Transfer of Property and other assets of Ipswich City Properties Pty Ltd and associated matters.

The nature of the perceived interest is that as well as being the Interim Administrator he is also the sole director of Ipswich City Properties.

The Interim Administrator confirmed that in carrying out his role as sole director of Ipswich City Properties he has taken the view in all meetings to act on behalf of the best interests of the shareholders, the shareholders being council, and the way he has resolved the potential conflict of interest is reaching the view there is no conflict because he is representing the interests of the shareholders which is council which represents the people. He also stated that given his role as Interim Administrator he really has no choice but to make these resolutions and acknowledge that this perceived conflict of interest is there.

#### **DISCUSSION**

The Interim Administrator stated that this was another milestone in the closure of Ipswich City Properties. He thanked McGrathNicol for their work and that it was much appreciated. He also passed on his thanks to council staff in-particular the Treasury Accounting Manager. The Interim Administrator acknowledged that this was and continues to be a challenge in terms of reaching the milestone to close the company and that

there was an aim to do this by 30 June 2019. He stated that council officers and advisors have done everything practically possible to achieve the target and gave his appreciation for everyone's efforts.

**AMENDMENT**

The Interim Administrator moved an amendment in relation to Clause 3 (b) and (c) of Attachment 1 of the report by replacing the figure \$16,875,675.28 with the figure \$16,875,657.28.

The motion was put and carried.

The confidential papers associated with this report are confidential as they include detailed financial information in relation to the contractual and payment arrangements which is commercial in-confidence.

**NICHOLAS STREET  
AND UNION PLACE  
LANDSCAPING AND  
SERVICES  
COMPLETION WORKS  
- NICHOLAS STREET  
IPSWICH  
RESUBMISSION**

The Interim Administrator of the Ipswich City Council resolves:

- A. That the previous decision of Council, as per Item no. 4 of the Economic Development Committee No. 5 of 14 May 2019 and adopted at the Council Ordinary Meeting of 21 May 2019, be repealed.**
- B. That Council resolve to prepare a Tender Consideration Plan to enter into a contract with the existing supplier of Contract No. 13139 for Landscaping and Services Completion Works for Nicholas Street and Union Place in accordance with section 230(1)(a) of the *Local Government Regulation 2012*.**
- C. That Council resolve to adopt the Tender Consideration Plan to enter into a contract with the existing supplier of Contract No. 13139 for Landscaping and Services Completion Works for Nicholas Street and Union Place as set out in Attachments 1 and 2 of this report, in accordance with section 230(1)(b) of the *Local Government Regulation 2012*.**
- D. That Council approve a variation to Contract No. 13139 with JMAC Constructions Pty Ltd for the provision of Landscaping and Services Completion Works as set out in Attachments 1 and 2 of this report.**
- E. That the Chief Executive Officer be authorised to negotiate and finalise the terms of the contract to be executed by Council and to do any other act necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.**

**DISCUSSION**

The Interim Administrator advised that this report is in essence JMAC who control the site in the workplace health and safety and contractual sense along Nicholas Street continuing to do all the construction work within that site that they control rather than risking another company having partial access to the site which is in-principle not a good contracting model.

The motion was put and carried.

The confidential papers associated with this report are confidential as they include detailed financial information in relation to the contractual and payment arrangements which is commercial in-confidence

**TENDER  
CONSIDERATION  
PLAN - IPSWICH CITY  
PROPERTIES PTY LTD  
SUPPLIER  
AGREEMENT  
NOVATIONS TO  
IPSWICH CITY  
COUNCIL**

The Interim Administrator of the Ipswich City Council resolves:

- A. **That a Tender Consideration Plan be prepared (Attachment 1) in accordance with section 230 (1) (a) of the *Local Government Regulation 2012 (Qld)* for the novation of the existing Supplier Contracts or Agreements (to which Ipswich City Properties Pty Ltd are a party to the Contract or Agreement), be novated from Ipswich City Properties Pty Ltd to Ipswich City Council as outlined in the report by the General Manager – Coordination and Performance dated 19 June 2019.**
- B. **That in accordance with section 230(1)(b) of the *Local Government Regulation 2012*, the Tender Consideration Plan (“TCP”) (Attachment 1) of the report by the General Manager – Coordination and Performance dated 19 June 2019 be adopted by Council. The TCP contained in Attachment 1 of the report is for the novation of existing supplier contracts or agreements (to which Ipswich City Properties Pty Ltd are a party to the contract or agreement) to be novated from Ipswich City Properties to Ipswich City Council.**
- C. **That Council accept novation of the existing nine (9) supplier/contractor agreements as listed in Attachment 2 of the report by the General Manager Coordination and Performance dated 19 June 2019, (as to which Ipswich City Properties Pty Ltd are a party to the Contract or Agreement), be novated from Ipswich City Properties Pty Ltd to Ipswich City Council for works pertaining to the Ipswich Central CBD Transformation Project as further described in the report by the General Manager – Coordination and**

**Performance dated 19 June 2019.**

- D. That Council accept novation of the existing fourteen (14) supplier/contractor agreements as listed in Attachment 3 of the report by the General Manager Coordination and Performance dated 19 June 2019, (as to which Ipswich City Properties Pty Ltd are a party to the Contract or Agreement), be novated from Ipswich City Properties Pty Ltd to Ipswich City Council, for works pertaining to the retail operations of the 2 Bell Street and Ipswich City Square properties as further described in the report by the General Manager – Coordination and Performance dated 19 June 2019.**
- E. That Council accept novation of the existing eight (8) supplier / contractor agreements as listed in Attachment 4 (previously novated from EPC Pacific Ipswich 1 Pty Ltd to Ipswich City Properties Pty Ltd) of the report by the General Manager Coordination and Performance dated 19 June 2019, (as to which Ipswich City Properties Pty Ltd are a party to the Contract or Agreement), be novated from Ipswich City Properties Pty Ltd to Ipswich City Council, for consultancy works pertaining to the design of the Administration Building Base Build as further described in the Report by the General Manager – Coordination and Performance dated 19 June 2019.**
- F. That the Chief Executive Officer be authorised to negotiate and finalise the terms and novation of the contracts to be executed by Council and to do any other acts necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.**

## DISCUSSION

The Interim Administrator thanked council officers and consultants involved in this schedule of work in terms of resolving the various supplier agreements. He stated that this was a schedule of arrangements of work to identify what supplier agreements with Ipswich City Properties need to transfer to council and what supplier agreements with Ipswich City Properties to terminate as the council has its own arrangements.

The motion was put and carried.

The confidential papers associated with this report are confidential as they include detailed financial information in relation to the contractual and payment arrangements which is commercial in-confidence

**TENDER  
CONSIDERATION  
PLAN -  
APPOINTMENT OF  
RETAIL LEASING  
AGENT - IPSWICH  
CENTRAL CBD  
TRANSFORMATION  
PROJECT**

The Interim Administrator of the Ipswich City Council resolves:

- A. That a Tender Consideration Plan be prepared (Attachment 1) in accordance with section 230 (1) (a) of the *Local Government Regulation 2012 (Qld)* for the appointment of a Retail Leasing Agent, as outlined in the report by the General Manager – Coordination and Performance dated 20 June 2019.**
- B. That the Tender Consideration Plan (Attachment 1) as set out and outlined in the report by the General Manager – Coordination and Performance dated 20 June 2019 (“the Report”) in accordance with section 230(1)(b) of the *Local Government Regulation 2012* for the appointment of a Retail Leasing Agent in relation to the Ipswich Central CBD Transformation Project be adopted by Council.**
- C. That Council appoint Ranbury Property Services Pty Ltd as retail leasing agent for the Ipswich Central CBD Transformation Project.**
- D. That the Chief Executive Officer be authorised to negotiate and finalise the terms of the appointment to be executed by Council and to do any other acts necessary to implement Council’s decision in accordance with section 13(3) of the *Local Government Act 2009*.**

**CONFLICT OF  
INTEREST**

The Interim Administrator informed the meeting that he has, or could reasonably be taken to have a perceived conflict of interest in this item titled Tender Consideration Plan – Appointment of Retail Leasing Agent – Ipswich Central CBD Transformation Project.

The nature of the perceived interest is that Ranbury Management Group is the primary consultant for the CBD Redevelopment and from 2008 to 2012 he was an employee and was a director and part owner of Ranbury but has had no association with the company since then other than through his current role.

The Interim Administrator confirmed that, as there is no personal or financial benefit to the Interim Administrator, he

would participate in the meeting in relation to the matter.

**DISCUSSION**

The Interim Administrator advised that the appointment of Ranbury was recommended by an independent consultant; Whittaker Group, some time ago and this continues the appointment of that group to run the leasing strategy for the CBD Transformation.

The motion was put and carried.

**MEETING CLOSED**

The meeting closed at 9.10 am.