



Management Committee Meeting 25 Minutes

Date: Tuesday 5 December 2017 **Time:** 1:00am to 4:00pm

Location: Leo Zussino Building, CQ University Gladstone Campus

Attendees

Name	Position	Organisation
Community		
Mr Paul Birch (Chair)	CEO	Fitzroy Basin Association
Mr Peter Brady	Management Committee Representative	Gladstone Region Environmental Advisory Network
Government		
Ms Angela Stokes	Proxy for Ms Rachel Parry	Department of Environment
Ms Kirstin Kenyon	Director Reef Partnerships	Great Barrier Reef
Councillor Desley O'Grady	Councillor	Gladstone Regional Council
Industry		
Mr Patrick Hastings	CEO	Gladstone Industry Leadership Group
Mr Gordon Dwane	Environment Manager	Gladstone Ports Corporation
Mr Andrew Tapsall	Marine Advisor	Shell/QGC
ISP Members		
Dr John Rolfe	Chair	GHHP Independent Science Panel
Presenter		
Stephen Howell		Effective Governance
Staff		
Mrs Lyndal Hansen	Media and Communication Team	Amarna Consulting
Ms Crystal McGregor	Media and Communication Team	Amarna Consulting
Ms Amy-Lee Pople	Secretariat	GHHP
Dr Uthpala Pinto	Science Team	GHHP
Dr Mark Schultz	Science Team	GHHP

Apolgies:

Mr Gerry Graham	Proxy Representative	Gladstone Region Environmental Advisory Network
Prof. Owen Nevin	Associate Vice-Chancellor	Central Queensland University

Agenda Item 1 – Welcome

Meeting Started: 1:00pm

GHHP Chair welcomed all attending Management Committee members, acknowledged the traditional land holders, and noted apologies from; Mr Gerry Graham, Professor Owen Nevin.

Agenda Item 2 – Private Committee Discussion

MC did not require this agenda item.

Agenda Item 3 – Reports

3.1 Previous Minutes and Actions

Previous minutes confirmed as a true and accurate record of the meeting.

Agenda Item 4 – Items requiring discussion

4.1 Adoption of Technical Report Executive Summary

Technical report was distributed around the room.

The Science team gave an overview of the technical report and what information/data is in the document. All grades and scores were provided for indicators and indicator groups, along with explanations and comparisons from previous scores.

MC Comments/Questions:

- Page 5- It was questioned why there are 26 partners listed when there are now only 25? It was confirmed by the communications team that there were 26 financial partners for this reporting period and that the partner will be removed after this report card is delivered.
- Page 5- The wrong QGC logo is used. Communications team to provide new logo to Science team for this to be corrected.
- Page 6- MC highlighted an issue with referring to Mr Peter Brockhurst in the technical report and all agreed for this to be changed/removed.
- Page 6- Gladstone Ports Corporation is spelt wrong. Science team to correct spelling.
- Page 11- Requested to change statement to say, 'due to the incorporation of other indicators, scores from 2016 & 2017 cannot be compared'
- Page 12- Discussion and all MC agreed to inserting a note under the Habitat table, referring to *Inner Harbour and noting an explanation as to why the score is 0.
- Page 18- It was questioned why Indigenous Cultural Heritage identifies that GHHP have two contributors to the score but no elaboration about how they are investigated? Science team confirmed it is detailed in the full report and not the summary document.
- MC identified the need to add a note to identify that indigenous elders were part of the investigation.
- Chair requested that the Communications team review the technical report after all above changes have been made.

Action Items

- 25.1 Communications team to provide new QGC logo to Science team to update technical report.**
- 25.2 Science team to update technical report with correct QGC logo.**
- 25.3 Science team to remove reference to Mr Peter Brockhurst from the technical report.**
- 25.4 Science team to correct spelling of Gladstone Ports Corporation on page 6.**
- 25.5 Science team to change the statement on page 11 to say, 'due to the incorporation of other indicators, scores from 2016 & 2017 cannot be compared'**
- 25.6 Science team to insert a note under the Habitat table (page 12), referring to *Inner Harbour and noting an explanation as to why the score is 0.**
- 25.7 Science team to review and ensure that all colours are correct in the document**
- 25.8 Science team to add a note to identify that indigenous elders were part of the investigation.**
- 25.9 Communications team to review the summary technical report after all above changes have been made.**

4.2 Adoption of 2017 Report Card

The 2017 Report Card was distributed for MC review.

MC Comments/Questions:

- MC requested that an inclusion of what the confidence ratings are and how they are determined be included in the Frequently Asked Questions document

All MC accept the 2017 Report card.

Action Items

25.10 Communications team to include what the confidence ratings are and how they are determined in the FAQ document.

4.3 Presentation- Governance Report

Effective Governance representative Stephen Howell gave an overview of the Governance review process and stepped the MC through the provided report and recommendations.

Presentation key notes:

- The partnership as it currently stands is not a genuine partnership and does not fit within the partnership act 1891.
- The reviewers have significant concerns regarding the exposure the members of the committee within the partnership have to legal issues if they were to arise.
- Based on having good governance structures to ensure a well-managed governance framework within the organisation, along with the unincorporated (not legal entity), and exposure issues, Effective Governance have the main recommendation of changing GHHP as it stands to an incorporated company with the suggestion of being limited by guarantee.

MC Comments/Questions:

- Chair requested an answer from each MC member regarding their acceptance, position or decline for recommendation 1 from Effective Governance.
 - Chair shared Owen Nevin's written agreeance with recommendation 1 in his absence
 - Patrick Hastings shared his support for recommendation 1
 - Gordon Dwane requested further information and understanding around the costs involved and questioned further explanation of the incentives for moving to a company limited guarantee (rather than an incorporated company only) for a partnership that is meant to be reporting?
 - Andrew Tapsall shared his support for recommendation 1. Although requested more clarification on the pros and cons from a legal point of view and how it improves the liability of individuals. It was also asked for more clarification on the flexibilities about numerating the new positions or how services in-kind would work within the new structure.
 - Desley O'Grady expressed that she would like to sit with this decision longer and seek assistance from Council with her decision.
 - Angela Stokes requires more time to consider this; regarding the costs associated and implications regarding the other regional funded partnerships.
 - Kristin Kenyon believes part of the report was missing and that the reviewers have failed to investigate the hosting arrangements and responsibilities of FBA. She highlighted that she believes some of the risks the reviewers are referring to are covered in the current FBA contract. Kirstin noted that her decision required investigation from her legal team and she requires more time to look at some broader options rather than a quick solution.
 - Peter Brady supports recommendation 1.
 - GHHP Chair explained to the MC committee that the current partnership was chosen because it is a cheaper option and the liability sits with the host (FBA).
 - The Chair questioned the reviewer who would own the company if it were to change?
Reviewer confirmed it would be owned by the group involved.
 - Chair questioned how would the change add value to what GHHP currently has now?
 - John Rolfe shared his concerns regarding the flow on effects of this change and requested more clarity on how the proposed change would operate.

Effective Governances answer to MC questions:

- *What are the costs/cost difference in becoming an incorporated association or a company limited by guarantee, along with a comparison of the current GHHP standing?*
There is a one off extra fee for becoming a company limited by guarantee opposed to just an incorporated association. The extra fee is an ASIC charge (reviewer not sure on fee structure) which is for the initial cost of setting up the company.
The reviewer highlighted that there would be quite a cost involved with drafting a constitution as GHHP would require a specifically tailored constitution.
It was highlighted that the main difference between the two is that a company limited by guarantee is more strictly monitored and required to meet more requirements than an incorporated association.
It was also noted that the accounting for an incorporated association is easier than a company limited by guarantee and that GHHP decided 6 years ago to not go down this path and it was recommended not pursuing the path of becoming a company limited by guarantee.
**Reviewer confirmed he was unable to disclose the exact price different or price structure for each option and will supply these figures to the MC.

- *It was questioned where the concern of risk is as there is confidence that the current risks remain with FBA as hosts under the current contract?*

The reviewer claimed that the risks sit with the individuals and not the company/government and confirmed there are no existing contracts with current agreements between individuals and FBA.

It was requested that further investigation regarding the legal risks to individuals and current contract with FBA be reviewed.

- *What are the pros and cons from the current structure, incorporated association or company limited by guarantee?*

Reviewer explained:

Current Structure:

The current arrangement is not a legal entity and not operating as a legal entity which means it is not regulated. It is relying solely upon the host organisation to ensure governance and run business. Confirmed there is no issue with the word 'Partnership' but highlighted that GHHP just does not operate as a partnership under the act.

Company limited by guarantee:

It will ensure GHHP is a legal entity through government and has a level of protection. It also has reporting requirements and is the same as any other legal entity in that it can sue and be sued, carry out business, employ people and has the same issue in respect to directors on boards and ensuring you have the right governance in place. It would be strictly regulated, and it is believed by the reviewer that funding bodies look more fondly to companies limited by guarantee. Also, as it is limited guarantee, it is limited to a low guarantee by directors/ liability of individual directors.

The state government refuted these comments and suggested the opposite was true in terms of investments by the state government.

- *Remuneration of positions*

Reviewer explained that a new entity would need to properly resource the organisation. Suggested to appoint a CEO, secretary and board etc. As far as remuneration is concerned, that is entirely a matter for the board of the new organisation to determine. Arrangement regarding the hosting and other employee arrangements may change if the partnership was to change. It was explained that the GHHP Chair currently carries out the role of the executive officer and as the chair is stepping out this would be a requirement moving forward.

- *FARM committee- would this be costly to run?*

Directors and officers Insurance- cost is unknown but they would do an analysis of the type of business and decisions making/risks involved, and they will quote on all those things. It would be an ongoing annual cost that could be up to \$50,000 a year to cover all directors. It was confirmed by the Chair that FBA insurances cover all this currently.

GHHP Chair concluded the discussion regarding recommendation 1 that all MC take the suggestion to their organisations to get any comments or feedback from their legal areas and report their final decision by mid January to enable discussion at the next MC meeting (approx. 2nd week February 2018).

Review of further recommendations (based on acceptance of recommendation one):

- The GHHP Board create a Finance, Audit and Risk Management Committee (FARM Committee)- **all MC agree**
- The ISP be made a committee of the Board- **all MC agree**
- The existing outsourcing arrangements continue under the new structure- **all MC agree**
- The GHHP Board consist of a minimum of 5 and a maximum of 10 directors
 - Community requested it be minimum of 7

- It was explained that when the partnership was setup, it was very important to have equal representation from each area (industry, community, government) and that this should continue if the structure was to change.
- Chair suggested that if there was going to be a new structure, then why not advertise the positions externally and allow high profile people to apply for positions? That way the positions are selected on the individual's ability to perform their representation/role. If the same representation was going to be held in a new organisation, then why change anything at all?
- Reviewer confirmed that boards needs to have industry experience, skills. Suggested that if there was to be a change that the strategic plan/direction of GHHP moving forward (5years) would have to be determined and select the people that make that happen. Don't want a board too small or too big so that decisions are not hindered.
- GHHP directors be appointed to the GHHP Board for a period of two years- **all MC agree**
- GHHP directors serve a maximum of three consecutive terms (a total of six years) except for a director who is nominated as Chair who may serve for four consecutive terms (a total of eight years) - **all MC agree**
- In the case of equality of votes at a Board meeting, the Chair has a casting (second) vote in addition to his or her deliberative vote.
GHHP Chair commented that the Chair does not receive a casting vote because if you do not have a clear majority a decision should not be made- **all MC agreed with Chair**
- The Board appoint a company secretary- **all MC agree**
- The Board consider:
 - a. appoints a CEO position; and
 - b. considers the CEO and the company secretary positions - not ideal situation.
 Suggested build in communications contract to take care of secretariat- **all MC agree to not have the CEO carry out the role of secretary also.**
- The Board meet at least once every second month- quarterly would be sufficient- **all MC agreed changing to quarterly**
- The Chair may convene unscheduled meetings of the Board if, in the Chair's opinion, these meetings are necessary for the efficient performance of GHHP- **all MC agree**
- The Chair may convene unscheduled meetings of the Board if, in the Chair's opinion, these meetings are necessary for the efficient performance of GHHP- **all MC agree**
- A director may at any time, and the company secretary must on request from a director, convene a Board meeting- **all MC agree**
- A quorum for a GHHP Board meeting be a majority of the directors appointed to the Board- **all MC agree**
- Each Board member including the Chair has one deliberative vote- **all MC agree**
- A resolution of the directors is passed by a majority of votes of the directors present at the meeting who vote on the resolution- **all MC agree**
- In the case of equality of votes at a meeting of directors, the Chair has a casting (or second) vote in addition to his or her deliberative vote- **MC do not agree (refer above)**
- The GHHP Board adopt the leading practice templates provided at Appendix 11 to this review- **all MC agree**
- GHHP indemnify its directors and officers against liabilities incurred in the course of their duties- **all MC agree**
- GHHP provide directors' and officers' (D&O) insurance for directors and officers- **all MC agree**
- The Board evaluates its performance annually having regard to leading practice principles of good governance- **all MC agree**
- The company secretary arranges a comprehensive induction program for new directors- **all MC agree**

- All directors on the new Board receive comprehensive governance training particularly with respect to their duties under the Corporations Act and the ACNC Act as the Board of a company limited by guarantee- **all MC agree**

Further MC comments/questions:

- MC questioned if the reviewers had delivered what was asked in the Scope of Work? It was confirmed the scope has been answered but not with enough depth of analysis.

Action Items

25.11 All MC to respond by the end of next week (21/01/18) with points of clarification for recommendation 1 for the reviewers to report on.

25.12 Chair to send out email to make consideration and schedule a meeting to be held in February.

Agenda

Agenda Item 5 – Items for noting

5.1 Management Committee Action Items

MC did not review this agenda item.

Agenda Item 6 – General/Recurring Business

Next meeting:

- Partnership meeting- 6th December 2017

Meeting closed: 3:25pm

Meeting Actions Register: GHHP and MC

(Once actions have been endorsed as complete in the meeting outcomes, they will be deleted from the list)

Action Number	Action	Who is responsible?	When it is due?	Status	Notes
MC Meeting 23					
MC 23.1	Change the fact sheet maps to show the same boundaries as the report card	Communications Team & Science Team			
MC 23.2	Edit the statement on the coral fact sheet to read "Being monitored in 2 zones" not six.	Communications Team			
MC 23.3	Follow up the mangrove data from GPC	Patrick Hastings			
MC Meeting 24					
MC 24.1	Science team to contact EHP to chase up more specific data regarding oil spills from MSQ.	ISP Chair			
MC 24.2	Science team to include a 'trend over time' table to help communicate the variability of fish recruitment.	Science Team			
MC Meeting 25					
MC 25.1	Provide new QGC logo to Science team to update technical report.	Communications team	ASAP		
MC 25.2	Update technical report with correct QGC logo.	Science team	ASAP		
MC 25.3	Remove reference to Mr Peter Brockhurst from the technical report.	Science team	ASAP		
MC 25.4	Correct spelling of Gladstone Ports Corporation on page 6.	Science team	ASAP		
MC 25.5	Change the statement on page 11 to say 'due to the incorporation of other indicators, scores from 2016 & 2017 cannot be compared'.	Science team	ASAP		
MC 25.6	Insert a note under the Habitat table (page 12), referring to *Inner Harbour and noting an explanation as to why the score is 0.	Science team	ASAP		
MC 25.7	Review and ensure that all colours are correct in the document.	Science team	ASAP		
MC 25.8	Add a note to identify that indigenous elders were part of the investigation.	Science team	ASAP		

Action Number	Action	Who is responsible?	When it is due?	Status	Notes
MC 25.9	Communications team to review the summary technical report for readability, content and presentation after all above changes have been made.	Communications team	ASAP		
MC 25.10	Include what the confidence ratings are and how they are determined in the FAQ document.	Communications team	ASAP		
MC 25.11	Respond with points of clarification for recommendation 1 of the Governance review.	All MC	15/12/17		
MC 25.12	Send out email to make consideration and schedule a meeting to be held in February.	GHHP Chair	7/12/17	Completed	