



GLADSTONE
REGIONAL COUNCIL

GENERAL MEETING AGENDA

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

On 15 September 2020

Commencing at 9.00am

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

Live streaming will be available on Council's website.

**Leisa Dowling
CHIEF EXECUTIVE OFFICER**

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G/1. MAYORAL STATEMENT OF CURRENT ISSUES

Nil.

G/2. CONFIRMATION OF MINUTES

G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 1 SEPTEMBER 2020

Responsible Officer: Chief Executive Officer

Council Meeting Date: 15 September 2020

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 1 September 2020.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 1 September 2020 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 1 September 2020.

Tabled Items:

Nil.

Report Prepared by: Executive Secretary

G/3. OFFICERS' REPORTS

G/3.0. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 25 AUGUST 2020

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 15 September 2020

File Ref: FM15.1

Purpose:

This report seeks Council adoption of the Monthly Financial Statements for the 2020-21 year to date, for the period ended 25 August 2020.

Officer's Recommendation:

That Council adopt the Monthly Financial Statements attached to the officer's report for the 2020-21 year to date, for the period ended 25 August 2020 as required under Section 204 *Local Government Regulation 2012*.

Background:

The percentage of year passed (pro-rata rate) as at 25 August 2020 is 15.62%.

The 2020-21 budget was adopted on 7 July 2020 and has taken into consideration the current COVID-19 pandemic and the expected impacts on the year ahead.

End of year processing for 2019-20 is underway and preliminary comparative figures have been provided in the financial statements. The figures are still subject to change until final sign off (expected mid October).

Statement of Income and Expenditure

Income

Recurrent Revenue

Total recurrent revenue	2020-21	Actual as %
Actual	\$151.4m	
Budget	\$189.3m	79.95%

Items of interest:

Net rates and utility charges	2020-21	Actual as %
Actual	\$147.4m	
Budget	\$152.1m	96.96%

General rates and annual waste, water and sewerage charges for 2020-21 have been levied. Discounts are applied when payments are received from customers, resulting in a decrease to net rates and utility charges. Discounts processed year to date are \$1.0m.

The water consumption revenue for 2020-21 will be raised upon completion of the water meter reading cycles during the year.

Fees and charges	2020-21	Actual as %
Actual	\$1.5m	
Budget	\$13.8m	10.76%

Tipping fees for commercial customers and internal use will be raised in September.

Interest received from investments	2020-21	Actual as %
Actual	\$1.5m	
Budget	\$13.8m	10.76%

Investing is expected to resume as rates are paid and cash balances increase. The discount date this year is the 19th of October 2020. Therefore, the bulk of the interest earnings will be recognised later in the year.

Income tax equivalents	2020-21	Actual as %
Actual	\$0.0m	
Budget	\$0.5m	0.00%

The budget for income tax equivalents refers to the Competitive Neutrality payments receivable from the Gladstone Airport Corporation. These payments are made at the end of each quarter.

Other recurrent income	2020-21	Actual as %
Actual	\$0.2m	
Budget	\$2.0m	10.69%

The budget includes \$0.7m in revenue for the Gladstone Entertainment & Convention Centre and \$0.4m for rental income. Receipts year to date in both areas have been minimal.

State Government subsidies and grants	2020-21	Actual as %
Actual	\$0.1m	
Budget	\$3.5m	3.32%

The budget includes \$1.6m for the Queensland Government Waste Levy. The first quarterly payment was received, but it treated as a liability until such time that the waste levy expense occurs. Upon payment of the waste levy (due 2 months from the end of the applicable month). The corresponding amount is recognised as revenue.

Capital Revenue

Total capital revenue	2020-21	Actual as %
Actual	\$4.6m	
Budget	\$27.3m	16.72%

Significant amounts have been received year to date for the following projects:

- \$0.9m – Upgrade to pump station SPS A06 (*State*)
- \$0.6m – Gladstone Aquatic Centre - Rejuvenation & upgrade (*State*)
- \$0.4m – Blackmans Gap Road - Safety Improvements (*Federal*)
- \$0.4m – Philip Street Communities Precinct Stage 1a (*Federal*)
- \$0.4m – Works for Queensland - Multiple parks project (*State*)
- \$0.4m – Dawson Highway - Batter restoration/Stabilisation (*Federal*)
- \$0.3m – Tannum Sands State School - Bus Bay project (*State*)
- \$0.3m – Round Hill Road - Safety improvements (*State*)
- \$0.2m – Benaraby Landfill - Installation of second weighbridge (*State*)

The following projects have budgeted capital revenue greater than \$1.0m:

- \$4.6m - Philip Street Communities Precinct Stage 1a (*Federal*)
- \$3.2m - Benaraby Landfill - Stage 3 Landfill Cell Development (*Federal*)
- \$1.6m - Gravel Road Resheeting - Various locations (*Federal*)
- \$1.8m - Upgrade to pump station SPS A06 (*State*)
- \$1.6m - Goondoon Botanic Gardens - Electrical upgrade of external lighting (*State*)
- \$1.3m - Gladstone Aquatic Centre - Rejuvenation & upgrade (*State*)

Expenditure

Year to date expenditure remains lower than pro-rata rate however, this result is tracking in line with expectations for this time of year.

Recurrent expenditure

Total recurrent expenditure	2020-21	Actual as %
Actual	\$22.7m	
Budget	\$193.7m	11.71%

Of note:

Employee benefits	2020-21	Actual as %
Actual	\$7.3m	
Budget	\$60.9m	11.96%

Employee benefits are the largest component of Councils recurrent expenditure. The second pay for the month of August was not yet posted at the time this report was prepared. This would bring the total to approximately \$9.7m which is 15.9% of budget, in line with pro rata budget expectations.

Contractors and consultants	2020-21	Actual as %
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Actual	\$1.6m	
Budget	\$25.0m	6.56%

The largest component of the budget is \$3.4m for JJ Richards domestic waste collection. Invoices for July and August were not yet paid at the time this report was prepared.

Equipment and software expenses	2020-21	Actual as %
Actual	\$1.0m	
Budget	\$4.7m	20.85%

Contract work relating to roadside slashing has been incorrectly allocated as hire of external equipment. This will be corrected before the production of the September report. This issue also reflects in the low spending on contractors above.

Other materials and services	2020-21	Actual as %
Actual	\$1.0m	
Budget	\$10.1m	9.47%

This category includes budgets for materials, general repairs, fees & charges as well as all other expenses not specifically identified in the Statement of Income and Expenditure.

Property and utility expenses	2020-21	Actual as %
Actual	\$0.5m	
Budget	\$7.2m	6.34%

At the time this report was prepared, August invoices for electricity and contract cleaning were yet to be processed as well as telephone invoices for both July and August.

Staff and Councillor associated expenses	2020-21	Actual as %
Actual	\$0.1m	
Budget	\$2.5m	5.07%

This category includes a budget of \$0.9m for training and seminars / conferences. Minimal expenditure has been incurred year to date.

Waste disposal and tipping fees	2020-21	Actual as %
Actual	\$0.6m	
Budget	\$8.5m	7.45%

July and August invoices for the State Waste Levy are yet to be processed (due 2 months from the end of the applicable month).

Water purchases	2020-21	Actual as %
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Actual	\$1.7m	
Budget	\$18.7m	9.34%

Bulk water purchases for August were not processed at the time this report was prepared.

Statement of Financial Position

Year to date	Current Value	Adopted Budget	Percentage of Adopted Budget
Assets	\$2.38b	\$2.27b	104.88%

The budget represents the expected position at 30 June 2021. Trade and other receivables reflect a high balance following the rates generation. The total asset balance will decrease during the year as cash is expensed on operating costs and capital works.

Year to date	Current Value	Adopted Budget	Percentage of Adopted Budget
Liabilities	\$1.37b	\$123.3b	110.99%

Council's borrowing repayments are made quarterly throughout the year. As loan repayments are made, the balance will align closer to the budget.

Capital Expenditure

	Year to date actual expenditure received in TechOne	Budget	Actual as % of budget
Year to date capital expenditure	\$3.5m	\$64.8m	5.41%
Including commitments (open purchase orders)	\$26.8m		41.31%

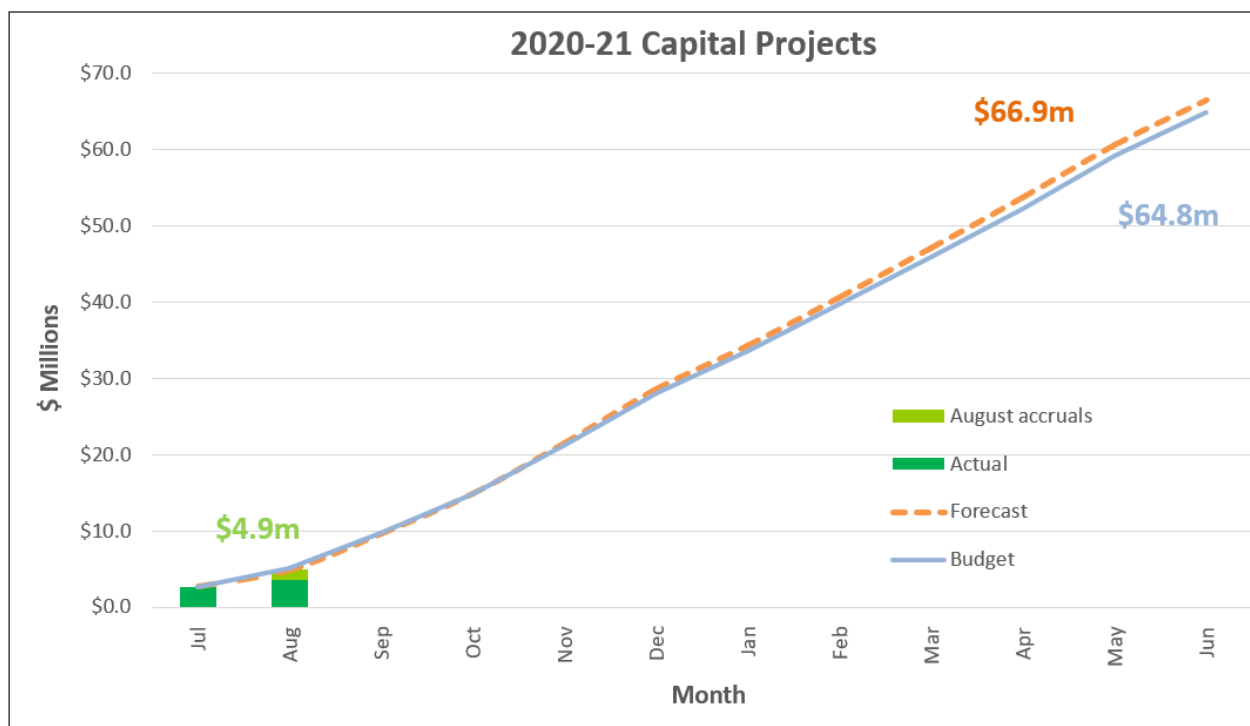
Of the \$23.3m committed, \$11.4m relates to the Philip Street Communities Precinct.

Accruals of \$1.4m have been recognised in the actuals below, to account for claims relating to August work that was not processed in the financial system at the reporting date. This brings the total capital expenditure from \$3.5m to \$4.9m.

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

Group	Budget	YTD Actual	Actual as % of Budget	Actual incl. accruals	Actual incl. accruals as % of Budget
Road Assets	\$16.922m	\$0.630m	4%	\$0.630m	4%
Sewerage Assets	\$11.689m	\$0.974m	8%	\$1.244m	11%
Strategy & Transformation	\$12.808m	\$1.255m	10%	\$2.262m	18%
Water Assets	\$6.200m	\$0.368m	6%	\$0.420m	7%
Delivery Support and Performance	\$5.070m	\$0.171m	3%	\$0.171m	3%
Waste Assets	\$4.382m	\$0.008m	0%	\$0.049m	1%
Property Assets	\$4.589m	\$0.025m	1%	\$0.025m	1%
Parks & Environment Assets	\$1.886m	\$0.005m	0%	\$0.005m	0%
Community Development & Events	\$0.455m	\$0.053m	12%	\$0.053m	12%
Other	\$0.800m	\$0.018m	2%	\$0.018m	2%
Total	\$64.801m	\$3.506m	5%	\$4.876m	8%

Regular forecasting is undertaken by the project delivery team. The latest estimate of capital expenditure for the 2019-20 year is \$66.9m.



Although the capital expenditure is currently in line with forecast, significant emphasis is still required on projects to achieve expenditure. Regular detailed updates are provided to the Elected Members by the project delivery team.

Outstanding Rates

Outstanding rates, as a percentage of gross rates levied (2019-20), and collectible, is at 5.90% at the end of August 2020, compared to 5.63% for the same period last year (2018-19).

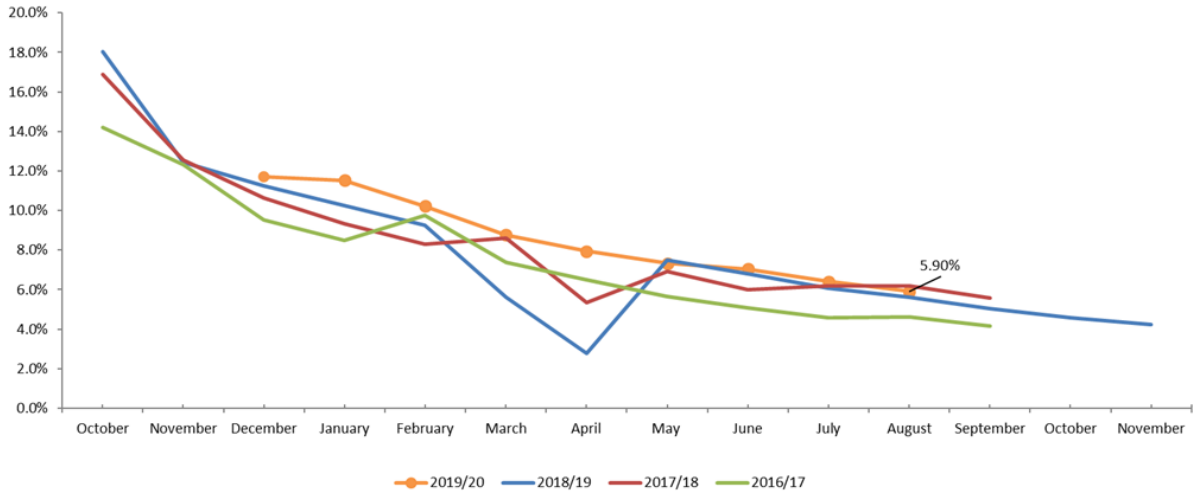
Of the \$10.8m of outstanding rates 15.4% relates to commercial / industrial assessments and 84.6% represents residential assessments

These figures include \$2.29m of rates that are currently being repaid under an authorised payment plan, for which there were 22 commercial/industrial assessments and 666 residential assessments. A total of 688 assessments, which is an increase from 470 assessments in July 2020.

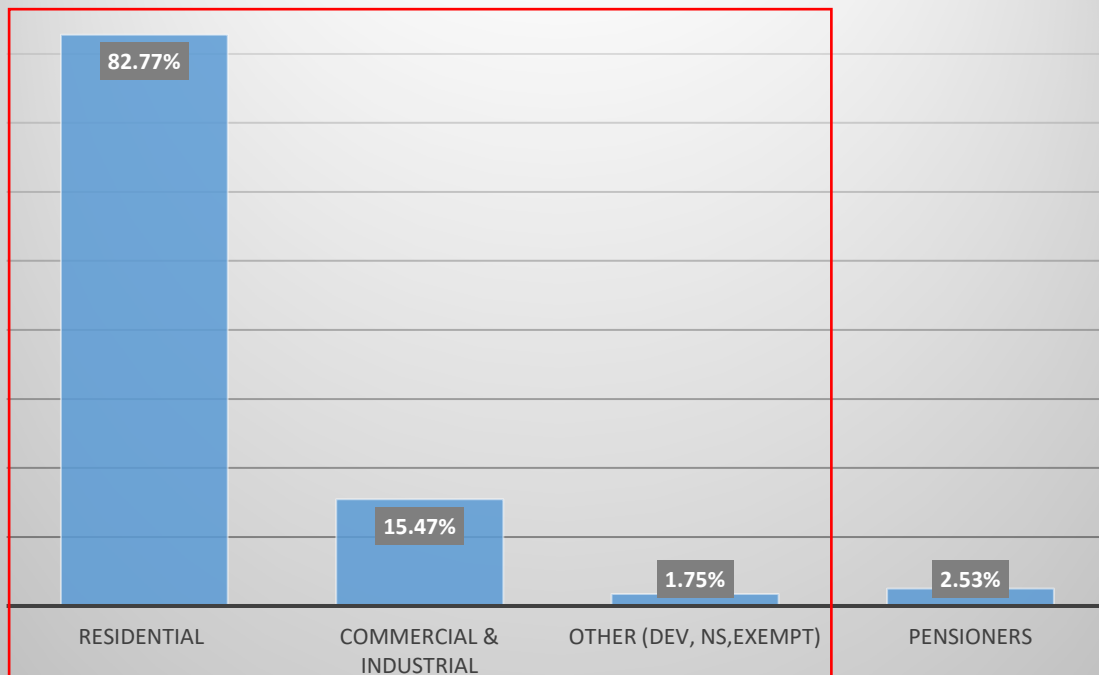
There were 1,668 ratepayers who had paid their rates in advance, in the amount of \$1.52m.

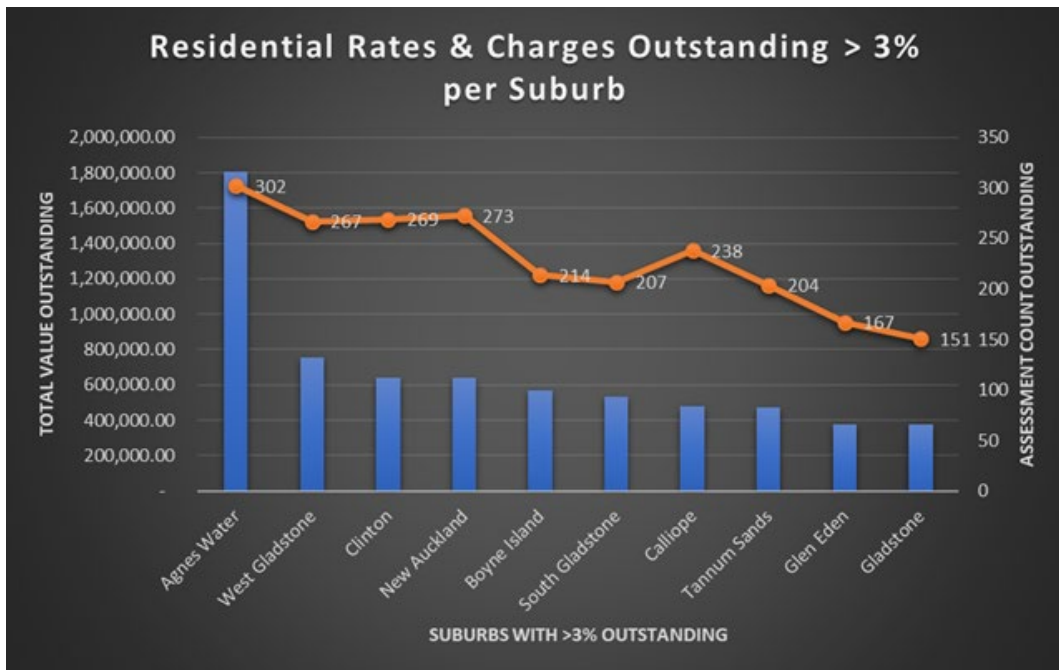
Rates for 2020-21 are not yet due and therefore have not been included in these figures.

Outstanding Rates



Outstanding Rates & Charges at 30/08/2020





Sustainability Ratios

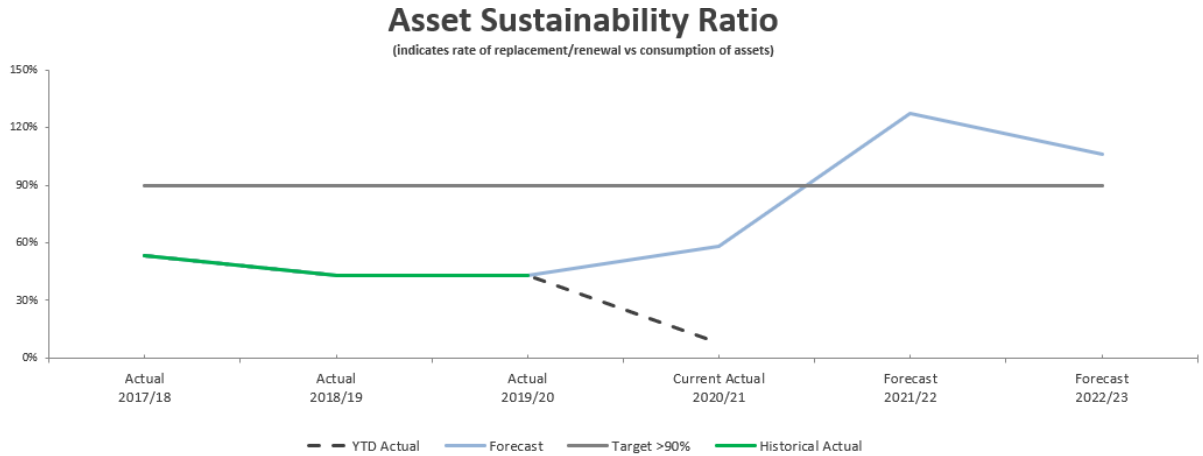
Council's Sustainability Ratios for the period are generally in line with expectations at this stage of the reporting year. Early in the financial year, ratios are typically distorted given that Council raises most of its yearly revenue in a lump sum but incurs expenses and delivers its capital program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

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

Asset Sustainability Ratio

This ratio compares 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. The information provided in the section below indicates the expectations of completion of the capital program as a whole in 2020-21.

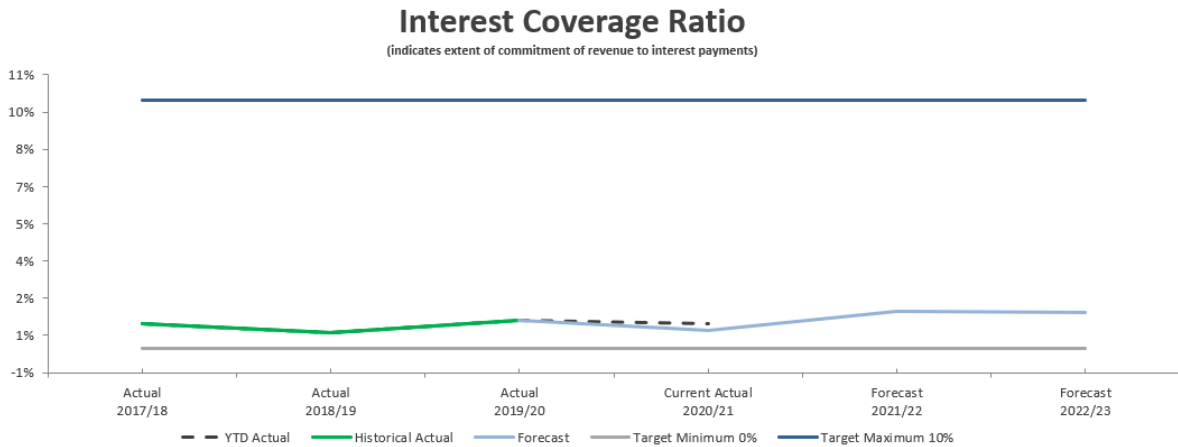
Asset Sustainability Ratio			
CURRENT YTD	PRIOR YTD	BUDGET	TARGET
7.79%	43.60%	57.90%	>90%



Interest Coverage Ratio

This ratio indicates the percentage of operating revenue required to cover net interest costs. The ratio is currently reflecting a positive result and is in line with historical performance at this time of year.

Interest Coverage Ratio			
CURRENT YTD	PRIOR YTD	BUDGET	TARGET
0.23%	0.24%	0.69%	0 - 10%

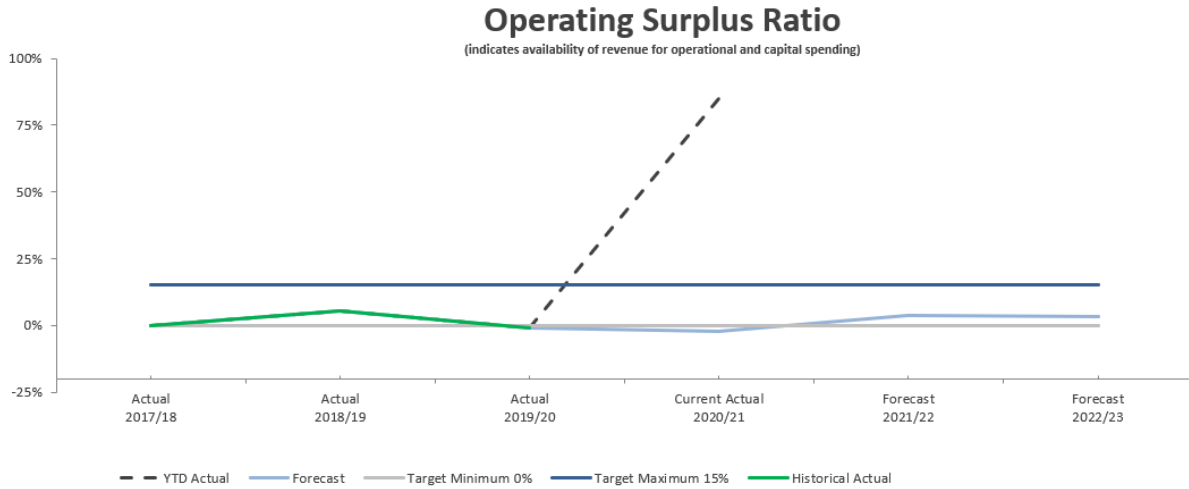


Operating Surplus Ratio

A positive result for this ratio indicates that operating revenue can be used to fund capital expenditure, on top of the operational costs of Council. The results of this ratio are more favorable in the beginning of the financial year due to the rates generation occurring in July.

Operating Surplus Ratio			
CURRENT YTD	PRIOR YTD	BUDGET	TARGET

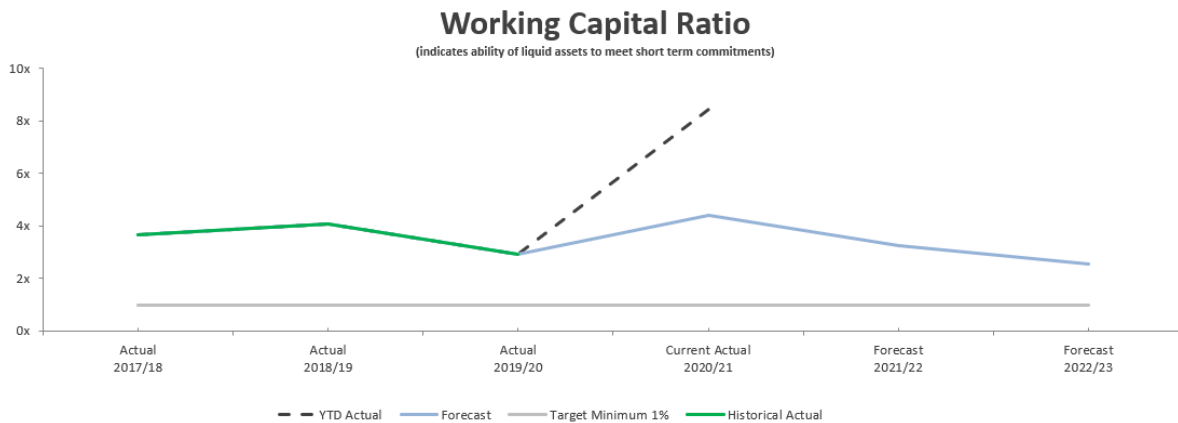
85.02%	84.93%	(2.29%)	0 - 15%
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Working Capital Ratio

The working capital ratio shows the ability of Councils current assets, to cover the commitments of its current liabilities. Due to delays in capital expenditure from 2019-20, Council has a large cash and receivables balance, which increases the results of this ratio. The ratio is in excess of the target minimum, reflecting a healthy position for Council.

Working Capital Ratio			
CURRENT YTD	PRIOR YTD	BUDGET	TARGET
8.46x	7.07x	4.41x	Greater than 1:1

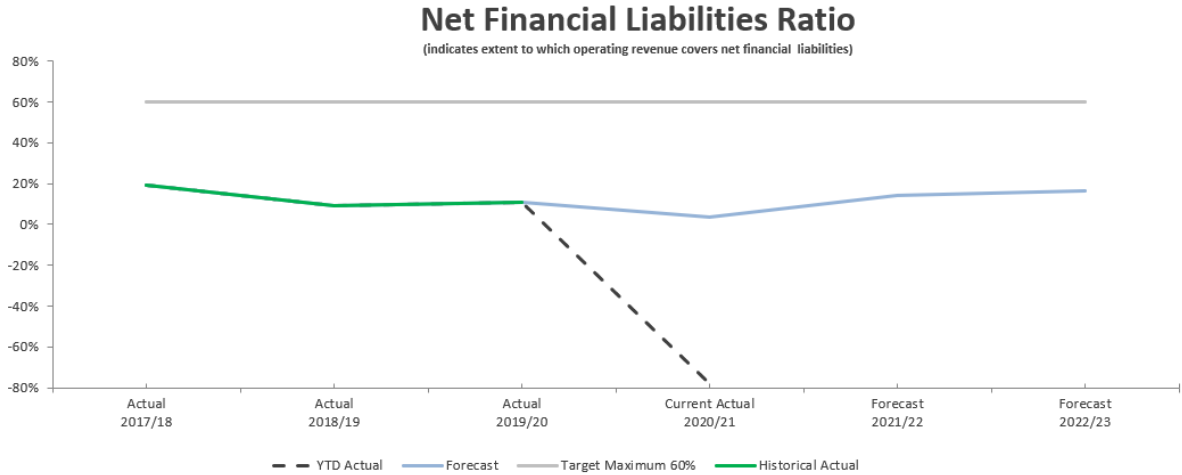


Net Financial Liabilities Ratio

The ratio shows the extent to which operating revenue covers net financial liabilities. The results of this ratio are negative due to the high value of receivables and the operating surplus following the rates generation.

Net Financial Liabilities Ratio			
CURRENT YTD	PRIOR YTD	BUDGET	TARGET

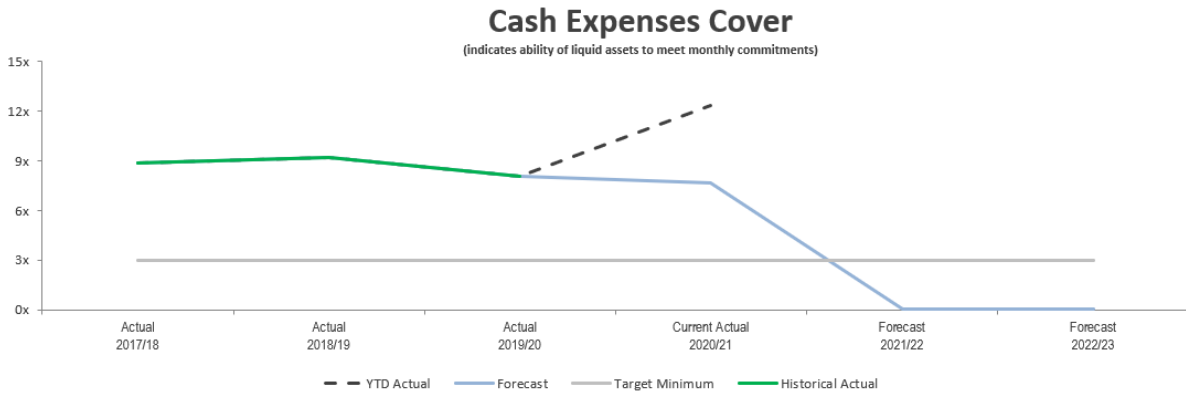
(77.85%)	(69.87%)	3.45%	< 60%
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Cash Expenses Cover Ratio

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

Cash Expenses Cover Ratio			
CURRENT YTD	PRIOR YTD	BUDGET	TARGET
12.31x	11.87x	7.69x	> 3x



Options, Risk and Opportunity Analysis:

Nil.

Communication and Consultation:

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

Legal Strategy and Policy Implications:

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

Financial and Resource Implications:

Nil.

Summary:

Nil.

Anticipated Resolution Completion Date:

15 September 2020.

Attachments:

1. Monthly Financial Statements for period ending 25 August 2020
2. Operating Statements for month end August 2020

Tabled Items:

Nil.

Report Prepared by: Statutory Accountant

G/3.1. REPRESENTATION ON THE LOCAL AUTHORITIES WASTE MANAGEMENT ADVISORY COMMITTEE

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 15 September 2020

File Ref: CM8.3

Purpose:

This report seeks Council direction on membership and representation on the Local Authorities Waste Management Advisory Committee (LAWMAC).

Officer's Recommendation:

That Council:

1. Resolve to become a member of the Local Authorities Waste Management Advisory Committee;
2. Appoint Cr _____ on the Local Authorities Waste Management Advisory Committee as Council's representative to exercise voting rights;
3. Authorise the Chief Executive Officer to appoint an Officer representative on the Local Authorities Waste Management Advisory Committee; and
4. Authorise the appointed representatives to attend the next Local Authorities Waste Management Advisory Committee Meeting to be held in Townsville on the 19th and 20th November 2020.

Background:

The Local Authorities Waste Management Advisory Committee is a sub-committee of the Northern Alliance of Councils. The sub-committee was formed with the following objectives:

1. To achieve sustainable use of resources through continuous improvement of waste management practices by regional cooperation.
2. To facilitate positive environmental change.
3. To collaborate and develop partnerships in the implementation of sustainable waste management solutions.
4. To advocate and influence environmental policy and waste management industry practices at all levels of government and industry.
5. To continue to enhance and develop the professionalism of LAWMAC.

A copy of the LAWMAC Rules of Operation are Attachment 1 to this report.

Gladstone Regional Council was invited to become a member of the Local Authorities Waste Management Advisory Committee in July 2019 and again by verbal invitation from the Chair in recent months. The membership area of the Committee currently covers Cook Shire in the north; to Rockhampton, Livingstone and the Central Highlands region in the south; and extends inland to

Mount Isa, Burke and Cloncurry Shires. The Committee is seeking to extend its membership with a particular focus on regional areas.

Council membership representation under the Rules of Operation 2019 is generally one Councillor and one Officer with one of those representatives to hold the voting rights on behalf of the member Council. The Council must be a financial member to obtain voting rights. The annual subscription fee for the 2020/2021 financial year is \$440.

The Committee meets at least three times per annum with the most recent meeting held in Mackay on the 20th and 21st August 2020. Cr. Hansen and the Manager Waste Program Delivery attended the meeting as observers as an information gathering delegation to assist in assessing whether there is value in Council becoming a financial member. A report from Cr Hansen is Attachment 3 to this report. In addition, the following is a summary of key findings/comments provided by Council's Manager Waste Program Delivery for Council's information:

- *LAWMAC is the peak regional Queensland waste management association and is widely represented by local governments throughout Central Queensland, North Queensland and Far North Queensland.*
- *The group also has members from waste management companies and consultancies.*
- *LAWMAC meetings and forums are an essential medium for waste managers to share ideas and learn from other local government authorities in relation to waste management trends and changes.*
- *As a regionally based group, it is ideally placed to understand the specific challenges faced by Councils around transport, market share, available technologies and shared services.*
- *LAWMAC has been instrumental in providing information to waste regulators, government and other peak waste bodies to support waste and resource recovery initiatives including product stewardship schemes such as: waste oil collection, tyre recycling and hazardous waste tracking legislation.*
- *From a waste management professional's perspective, it is vitally important to participate in these regional bodies, particularly as diversion of waste from landfill and the management of recyclable commodities continues to present regional difficulties.*

The next meeting of the Committee is scheduled for the 19 & 20 November 2020 in Townsville.

Options, Risk and Opportunity Analysis:

Option 1 – Recommendation

This option would see Council become a member of LAWMAC and appoint a Councillor as one of Council's two representatives. The Chief Executive Officer will be responsible for appointing an officer representative in line with Council's Operating Model.

The opportunities associated with this option is that Council will have access to the networking, support, information sharing and lobbying value as a member of the Committee. The risks of this option are that there will be some resources required for Council representatives to prepare, attend, participate and report on the Committee's activities in addition to the annual membership fee. However, the feedback from GRC attendees at the August meeting, is that the benefits obtained from the forum would exceed the costs of involvement.

Option 2 – Council decline Membership to LAWMAC

This option does not involve resource costs for Council, however, it does not provide the opportunity for Council to leverage the benefits of membership as outlined in the background of this report.

Communication and Consultation:

Cr Hansen and the Manager of Waste Program Delivery were invited to attend the August Committee meeting to gauge first-hand the work of the Committee and were able to network with meeting attendees. A summary of the benefits of membership has been provided in the background section of this report.

Legal Strategy and Policy Implications:

There are no legal or policy implications of joining LAWMAC. The body is a sub-committee of the Northern Alliance of Councils Incorporated which binds the Committee to the governing bodies constitution. A copy of the constitution is Attachment 2 to this report. In terms of the strategic implications, membership to LAWMAC will provide Council with access to the collective information and contacts of its membership and networks.

Financial and Resource Implications:

The 2020/2021 membership fee for LAWMAC is \$440. In addition, if Council resolves to become a member, resources would be required for Council representatives to prepare, travel, participate and report on Committee meetings and activities.

Summary:

Based on the feedback from the information gathering process, it has been assessed there is considerable value in Council becoming a member of LAWMAC in terms of the networking, support, information sharing and lobbying value for Council.

Anticipated Resolution Completion Date:

30 September 2020.

Attachments:

1. Local Authorities Waste Management Advisory Committee, Rules of Operation 2019
2. Constitution – Northern Alliance of Councils Incorporated
3. Report from Cr Hansen – LAWMAC August Committee Meeting attendance Report

Tabled Items:

Nil.

Report Prepared by: Governance Advisor

G/3.3. GLADSTONE REGION ECONOMIC DEVELOPMENT STRATEGY WORKING GROUP - COUNCILLOR REPRESENTATION

Responsible Officer: General Manager Strategy & Transformation

Council Meeting Date: 15 September 2020

File Ref: CM8.3

Purpose:

To allow Council to consider the appointment of a Councillor to the Economic Development Strategy Working Group.

Officer's Recommendation:

That Cr _____ be appointed to the Economic Development Strategy Working Group.

Background:

Council has engaged consultants SC Lennox & Associates to work with Council to develop a new Economic Development Strategy for the Gladstone Region (the EDS).

It is essential that the EDS aligns with Council's Corporate Plan and draws on the knowledge and experience of Council.

The Gladstone Regional Economic Development Strategy Working Group (the Working Group) is being established to foster engagement and garner input from across Council's various business units. A copy of the draft Terms of Reference for the Working Group (the ToRs) is attached as Attachment 1. The Terms of Reference will be finalised by the Working Group in consultation with the General Manager Strategy and Transformation.

It is anticipated that the Working Group would be operational for a period of 6 months.

Council is asked to consider appointing a Councillor to chair the Working Group.

Options, Risk and Opportunity Analysis:

Option 1 – Appoint Councillor Representative(s) (Officer's Recommendation)

Participation in the Working Group would provide the nominated councillor with the opportunity to engage with the business on the development of the EDS and the ability to provide feedback to Council.

In addition, Council will be invited to participate in workshops to contribute to the development of the EDS.

Option 2 – Not appoint a Councillor Representative(s)

If Council is of the view that councillor representation on the Working Group is not warranted, the Working Group will consult with Council through workshops and regular reporting on progress.

Communication and Consultation:

Input has been provided by the Economic Development Specialist.

Legal Strategy and Policy Implications:

The Working Group will have no legislative standing and will operate within the scope of the Terms of Reference.

Financial and Resource Implications:

The development of the EDS is included in the 20/21 Operational Plan and budget.

Attendance by member officers is accommodated within current workplans.

Summary:

N/A.

Anticipated Resolution Completion Date:

18 September 2020

Attachments:

1. Gladstone Region Economic Development Strategy Working Group - Terms of Reference

Tabled Items:

Nil.

Report Prepared by: Manager Governance

G/3.4. PRINCIPLE CYCLE NETWORK PLAN, PRIORITY ROUTE MAPS UPDATE

Responsible Officer: General Manager Strategic Asset Performance

Council Meeting Date: 15 September 2020

File Ref: TT6.2

Purpose:

The purpose of this report is to seek formal endorsement of Department of Transport and Main Roads' (DTMR) updated Priority Route Maps that form part of the Principle Cycle Network.

Officer's Recommendation:

That Council endorse the following Priority Route Maps for inclusion in Department of Transport and Main Roads (DTMR) 2020 Principle Cycle Network Plan:

- Priority Route Map 14 (Yarwun)
- Priority Route Map 15 (Gladstone)
- Priority Route Map 16 (Burua)
- Priority Route Map 17 (Boyne Island/Tannum Sands)
- Priority Route Map 18 (Calliope)
- Priority Route Map 19 (Agnes Water)

Background:

In Queensland, Department of Transport and Main Roads (DTMR) has three (3) levels of cycle planning:

- Queensland Cycle Strategy 2017-2027
- Queensland Cycling Action Plan 2017-2019
- Principle Cycle Network Plans (PCNP).

There are Seven (7) different PCNP's across Queensland, Gladstone Regional Council is represented in the Central Queensland Principle Cycle Network Plan. It is a requirement (under the action plan) for DTMR to review the Priority Route Maps (PRM) every two years which is the trigger for this report.

The purpose of the PCNP is to identify priority routes where Councils and DTMR have committed to installing cycling infrastructure (on-road and/or off-road) as part of any significant upgrade as well as enable local governments to access the Cycle Network Local Government Grants Program (CNLGGP). Local Governments must have an endorsed PCNP to access the grants program. The CNLGGP is a funding program run by the state government that allows local governments to apply for 50/50 funding for cycling infrastructure that is identified in the PCNP. To date Council has been awarded \$1,071,372 in funding under this program.

Gladstone Regional Council (GRC) endorsed the Gladstone Region portion of the Central Queensland Principle Cycle Network Plan on the 15 October 2013 (vide Resolution No. G/13/1753) with the PCNP being endorsed/published by the State Government in September 2014. The priority route maps (PRM) were then endorsed by GRC at the General Meeting on the 15 March 2016 (Vide Resolution G/16/2771). The current endorsed maps can be seen in Attachment 1.

The purpose of the PRMs is to further support DTMR in the allocation of funding with higher priority routes scoring better in the application process. As part of this review DTMR has changed how the priority system works to align the priorities with when the link is anticipated to be constructed, these priorities are;

- Priority A (Delivery in the next 10 years)
- Priority B (10-15 years)
- Priority C (15 to 20 years)
- Priority D (20+ years)
- Unprioritised (delivered)

It should also be noted that recreational routes have been removed from the PRMs as they are not considered principle routes. This does not impact the routes ability to apply for funding as they are still in the PCNP (just not the Priority Route mapping).

Following the development of the PCNP (2016), Council developed the Gladstone Regional Council Pedestrian and Cycle Strategy which was adopted by the Executive Team on the 22 May 2018. The strategy covers Council's entire pedestrian and cycle network and incorporates community feedback in setting routes and priorities.

On the 06 August 2020 the Director-General of the Department of Transport and Main Roads (DTMR) wrote to Council seeking endorsement of the updated PRMs for the Central Queensland Principle Cycle Network Plan (PCNP).

The PRM review process has been ongoing for some time and is at the second last stage. The milestones for the review process are:

- March 2019 - Local government to complete worksheet to document delivery of current high priority routes (Route Priority A). **Complete.**
- April 2019 - Local Government Review Priority Route Maps (PRMs). **Complete.**
- May 2019 - Local government to review updated PRMs and populate action plans. **Complete.**
- September 2020 - Department of Transport and Main Roads (TMR) to request local government formal endorsement of PRMs. **Underway.**
- Late 2020 - TMR to progress publication of PRMs on TMR website. Please note action plans are internal documents. **Not Started.**

The review of the PRMs undertaken by Council officers focused primarily around aligning the PRMs with Council's Strategy. No routes were added or removed as part of the review (other than recreational routes). The only changes were the priorities were adjusted to align with Councils strategy, the updated PRMs can be seen in Attachment 2.

It should be noted that Council's Pedestrian and Cycle Strategy has not been reviewed as part of this process. Only the review of DTMR documents were undertaken.

Options, Risk and Opportunity Analysis:

If Council was to not endorse the revised maps, then the 2016 Priority Route Maps relevant to the Gladstone Region would remain in effect and Councils funding opportunities would be limited to priorities of the routes shown on the 2016 maps.

If Council endorses the revised maps Council will be able to apply for funding for cycle routes shown on the new maps, using the revised priorities which more closely aligns with Councils strategy and long-term financial plan.

Communication and Consultation:

Through the review process there has been communication within Strategic Asset Performance and TMR.

Legal Strategy and Policy Implications:

N/A, the PCNP is already endorsed by Council and no routes are being proposed to be added or removed, priorities have been aligned with Gladstone Regional Council Pedestrian and Cycle Strategy.

Financial and Resource Implications:

The PCNP and PRMs are linked to the state funding applications and changes to the PRMs may impact future funding opportunities. Higher priority routes are more likely to get funding.

Summary:

Nil.

Anticipated Resolution Completion Date:

Letter to be sent back to DTMR by 6 October 2020.

Attachments:

1. GRC - Priority Route Maps – 2016 (current)
2. GRC - Priority Route Maps – 2020 (new)

Tabled Items:

Nil.

Report Prepared by: Engineer – Asset Planning

G/3.5. 2020-21 GENERAL SOLE SUPPLIERS - ADDITIONAL**Responsible Officer: General Manager Operations****Council Meeting Date: 15 September 2020****File Ref: PE1.1**

Purpose:

This report seeks resolution from Council to include additional suppliers to the General Sole/Specialised Suppliers listing for 2020/21 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 in accordance with s235(a) of the *Local Government Regulation 2012*, Council is satisfied that the below suppliers are the only suppliers reasonably available to deliver the respective product/service for the 2020/21 financial year:

Supplier	Relevant Product/Service
Spirac Solid Handling Solutions	Sole supplier (OEM) of Spirac conveyor parts
Motech Parkland Pty Ltd	Sole importer and supplier of IRRInet smart controller parts
Key Cut Services Pty Ltd	Only supplier reasonably available to council to provide EKA (electronic keys) services
Harbour Software	Only supplier available to supply Council with Software as a Service access to Doc Assembler and Docs on Tap software

Background:

Section 225 of the *Local Government Regulation (LGR) 2012* provides that a local government cannot enter into a medium sized contractual arrangement unless it first invites 3 potential suppliers to quote.

A *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). The *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.

Due to the nature of some goods and services, there may be only one supplier who is reasonably available. In recognition of this, s235 of the LGR provides an exception to the requirement to obtain 3 quotes where a local government resolves it is satisfied that there is only 1 supplier who is reasonable available.

After investigation, it has been determined that the following suppliers meet the requirements of s235(a) of the LGR for the relevant product or service set out below:

Supplier	Relevant Product/Service	Rationale
Spirac Solid Handling Solutions	Spirac conveyor parts	Sole supplier (OEM). A Spirac conveyor is installed at the Tannum Sands Waste Water Treatment Plant (WWTP) requiring replacement parts to be sourced from the OEM).
Mottech Parkland Pty Ltd	IRRInet smart controller parts	Sole importer and supplier. Council has installed 22 IRRInet Irrigation controllers over time, and it is not possible to use other software brands of irrigation controllers without replacing the current IRRInet irrigation assets).
Key Cut Services Pty Ltd	EKA (electronic keys) services.	Only supplier reasonably available to council as they are the only authorised dealer located in Gladstone and the nearest competing authorised dealer is in Brisbane.
Harbour Software	Service access to Doc Assembler and Docs on Tap software.	Sole Supplier of Doc Assembler and Docs on Tap currently utilised by Council.

Options, Risk and Opportunity Analysis:

Option 1 - Officer's Recommendation

Should Council adopt the officer's recommendation, the identified suppliers will be added to Council's General Sole/Specialised Supplier and the goods/services can be procured on an as required basis without the need for Council to obtain multiple quotations.

With respect to Harbour Software, this supplier is the sole supplier of Doc Assembler and Docs on Tap software. This software is used by Council's Governance Team to prepare agendas and minutes for corporate meetings. Whilst there are other software solutions available to create agendas and manage meeting minutes and actions, Doc Assembler and Docs on Tap are embedded within the organisation and meet the organisation's current requirements. Whilst the Council may wish to explore alternate options in the future, officers are not in a position to scope and evaluate an alternative to Doc Assembler at this point in time.

Option 2 – Council does not resolve that the suppliers meet the requirements of s235(a) i.e. that the suppliers are not sole suppliers

Should Council elect not to resolve that the suppliers meet the requirements of s235(a) of the LGR, there will likely be significant interruption to operational activities as well as impacts to Council's ability to deliver key services to the community and to meet regulatory requirements.

Communication and Consultation:

Purchasing data from Technology One has underpinned the identification of goods and services provided in this paper and the application of these exceptions has been confirmed by Council's Senior Legal Advisor.

Legal Strategy and Policy Implications:

The officer's recommendation is consistent with Councils Procurement Policy, Procurement Corporate Standard and legislative requirements.

Financial and Resource Implications:

Nil.

Summary:

Nil.

Anticipated Resolution Completion Date:

Exceptions granted within this report will be added to Council's contracts register by 30 September 2020.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Manager Contracts and Procurement

G/3.6. COMMUNITY INVESTMENT PROGRAM - IGNITE EVENT - OUT OF ROUND APPLICATION

Responsible Officer: General Manager Community Development and Events

Council Meeting Date: 15 September 2020

File Ref: GS3.1

Purpose:

To allow Council to consider the recommendation of the Community Investment Panel on a revised application received as an out of round submission under the Community Investment Program's Community Celebration Fund.

Officer's Recommendation:

That Council adopt the Community Investment Panel's recommendation and approve the recommendation in the below table:

Applicant	Event	Date	Location	Recommendation	
				Funds	In-kind
Gladstone Harbour City BMX Club Inc	Qld Country Championships	11, 12, 13 December 2020	Gladstone	\$0.00	\$573

Background:

Following the assessment of applications to Council's Community Investment Program's Community Celebration Fund – Ignite Event on August 18, unsuccessful applicant, Gladstone Harbour City BMX Inc was invited to resubmit an application for consideration by Council's Community Investment Panel.

Council's Community Investment Officer provided feedback to the President of Gladstone Harbour City BMX Club, including comments from the Panel regarding the application, the assessment scores against the approved key selection criteria, and advice from the Council meeting relating to the focus areas requiring further information. This information was provided to support the organisation in producing a higher quality application that met the program's criteria for assessment.

The Community Celebration Fund – Ignite Event stream aims to support events that will showcase and foster community pride, boost our local economy and actively promote visitation across the region. The fund is also intended to leverage the objectives of Council's Gladstone Regional Events Strategy 2019 – 2024.

The applicant was also provided with a copy of Council's Fund Seeker toolkit via email, a document that provides clarity around the application process, advice on the information required to prepare an application and tips on writing a successful submission.

The resubmitted application has been assessed by the Community Investment Assessment Panel (the Panel) with a recommendation presented to Council for resolution within this report.

Applicant	Event	Date	Location		
Gladstone Harbour City BMX Club Inc	Qld Country Championships	11, 12. 13 December 2020	Gladstone	\$10,000	

Panel Assessment Process

In accordance with the Community Investment Policy (P-2019-08) and Community Investment Corporate Standard (CS-2019-09), eligible applications are assessed by the Panel.

Panel assessment is undertaken using an assessment matrix to score each application against Key Selection Criteria (KSC) to decide an order of merit. The overall score (ranking) is used to inform the recommendation. The tables below define the KSC, weighting and definition of score applied in the assessment matrix.

KEY SELECTION CRITERIA (KSC)

Ignite Event funding supports events that contribute to community pride/social outcomes and regional economy and attract up to 2,500 participants.

To be eligible to apply for Ignite Event funding, the organisation:-

Must be one of the following:

- a not-for-profit community organisation based in or servicing the Gladstone Regional Council area.
- a business based in or servicing the Gladstone Regional Council area.
- a not-for-profit sporting organisation/active recreation group based in the Gladstone Regional Council area.

And must:

- be incorporated (not applicable for businesses);
- have an Australian Business Number (ABN) or complete and attach a "Statement by a supplier" form; and
- be financially solvent.

Key Selection Criteria	Weighting (Out of 100%)
Must meet at least two criteria	Ignite
Social & Community - Drives social and community outcomes, including community pride and cohesion	35
Destination - Enhance the profile and appeal of the Gladstone region	30
Financial Sustainability - Generates economic activity in the Gladstone region	10
Economic Impact - Demonstrates financial sustainability	7.5
Environmental Sustainability - Demonstrated environmental sustainability	7.5
Overnight Visitation – Attracts external visitation specifically generating overnight visitor expenditure.	10

Overall Score	Definition
65% and above	An overall score of 65.5% and above demonstrates that an application has met or exceeded all KPIs. The Assessment Panel may favourably recommend the application.
Between 50.5% to 65%	An overall score between 51% to 65% demonstrates that an application has met or exceeded a KPI(s) but mostly marginal evidence in others. The Assessment Panel may choose to recommend funding the application based on scores received for KPIs with high weighting and overall alignment to Community Celebration Fund objectives.
50% or Less	An overall score of 50% or less demonstrates that an application has mostly provided marginal evidence across all KPIs. The Assessment Panel may still choose to recommend the application

for part funding based on some evidence of meeting the objectives of the Community Celebration Fund objectives.

Options, Risk and Opportunity Analysis:

This application was assessed by the panel in July 2020 with scoring captured in the Assessment Matrix. Panel comments and recommendations can be found below. The complete assessment matrix is attached to this report.

Whilst the Panel could not support the financial investment for the event, Council may offer a marquee for the three day period as an in-kind donation.

Applicant	Event	Date	Location	Request		Panel Score	Recommendation	
				Funds	In-kind		Funds	In-kind
Gladstone Harbour City BMX Club Inc	QLD Country Championships	11, 12, 13 December 2020	Gladstone	\$10,000	0.00	47%	0.00	\$573

QLD Country BMX Championships	
Date:	11, 12, 13 December 2020
Location:	Gladstone
Applicant:	Gladstone Harbour City BMX Club Inc
Sponsorship Request:	<p>\$10,000 for use toward.</p> <ul style="list-style-type: none"> • Hire of professional BMX Host/Commentator • Promotion of Event • Night Entertainment – local • Marquee Hire – local • Hire Lighting Towers – local • Medics • Additional Toilet Blocks • Cold Room Hire • Scaffolding <p><i>Sponsorship request equates to 31% of the total event cost.</i></p>
Event Summary:	<ul style="list-style-type: none"> • Gladstone Harbour City BMX Club Inc will be hosting the 2020 Queensland Country BMX Championships and the Gladstone Harbour City BMX Club's CQ Series. • This will be a double header weekend of BMX Racing. • Over 500 riders and around 2400 people are expected to attend for the 3-day event. • The tournament is an open event to all BMX riders in Australia, plus the QLD Country Championships forms part of the QLD Championship series with double points on offer. • This event will be held on the first weekend of the December school holidays. • The application states this event 'will go a long way to secure the 2021 State BMX Championships.'
Participation Projection	<p>50 Volunteers 6 Store Holders 12 Paid Suppliers</p>

	<p>500 Gladstone Region Residents 1800 Intrastate Visitors 0 Interstate Visitors 0 International Visitors</p>
Assessment Score	47%
Assessment Comments	<p>The overall KSC score of 47% supports the Panel's assessment that this application provides limited if any evidence of meeting funding objectives across all Key Selection Criteria. The Panel were challenged to identify where feedback had been taken on board and commented there had been a cursory attempt at trying to upgrade the application. The panel noted many inconsistencies and the answers to meeting key selection criteria were not articulated well.</p> <p>Whilst there appeared to have been an attempt at updating the event budget, the application failed to adequately explain the areas requested to be focused on, such as benefit to the region through meeting event objectives, local business engagement and community need and interest.</p> <p>The Panel remained perplexed that the applicant had again submitted Council's own strategies as supporting documentation.</p> <p>The Panel agreed that despite the feedback provided to the applicant, there appeared to be no focus on improving the quality of the submission. The Panel agreed that it was disappointing that the lack of attention to the guidelines and information presented jeopardised an event that could potentially deliver economic benefit to the region.</p> <p>The Panel also noted the submission contained many bold statements with no factual evidence to support them. Language used such as 'we believe,' 'we are in the process of' and 'we have no doubt' provided very little evidence to instill the Panel's confidence in supporting the event to the value requested.</p> <p>The Panel was unanimous in its opinion that, despite feedback and support, the application did not address the criteria Council indicated in its previous meeting, those being benefit to the region through meeting event objectives, local business engagement and community need and interest.</p>
Panel Recommendation	<p>Unfortunately, due to the lack of information provided and alignment to the sponsorship criteria and key selection criteria, the Panel remains unable to recommend funding toward this event.</p> <p>Considerable feedback was provided to the applicant in the form of panel comments, assessment scoring against KSC, Council feedback and focus areas, relevant funding guidelines and a copy of the Fund Seeker Toolkit. Despite the feedback provided to the organisation, this</p>

	<p>submission continues to fail in meeting the funding criteria to an acceptable minimum standard.</p> <p>The Panel recommended that should the event proceed; Council would provide its marquee at an in-kind value of \$573.</p> <p>The Panel were unable to recommend financial support for this event and would encourage the organisation to reconsider their approach to applying to the Community Investment Program to support future events.</p>
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Communication and Consultation:

The Assessment Panel that undertook assessment consisted of the following officers:

- General Manager Community Development & Events
- General Manager Customer Experience
- Manager Engagement & Partnerships (Acting)
- Manager Events & Entertainment
- Manager Brand

Additional communications/consultation was undertaken with the following internal stakeholders:

- Economic Development Specialist

Legal Strategy and Policy Implications:

All applications are assessed against Council’s Community Investment Policy (P-2019-08) Community Investment Corporate Standard (CS-2019-09) and published funding guidelines.

On favorable adoption of the Panel’s recommendations detailed in this report, authorised officers will proceed to inform the applicant of their unsuccessful application

Financial and Resource Implications:

In 2020/21, Council budgeted \$460,000 to support recommended applications received through the Community Celebration Fund. The applications in this round will be funded through this budgeted amount. Council’s in-kind support granted to successful applicants are covered through the budgeted in-kind support allocation for the Community Investment Program of \$170,000.

As part of the Community Celebration Fund budget, \$80,000 of funds was allocated to the Ignite Event funding stream. Following implementation of the Officer’s recommendation resolved at the General Meeting on 18 August, and further advice of an event cancellation from the approved list of events, \$36,500 of Ignite Event funding will remain for future funding rounds.

The Community Celebration Fund – Ignite Event funding stream is currently open to applications for events scheduled to be held from January to July 2021. This funding round closes on September 31. It is expected a report containing application details and Panel recommendations for this round will be presented at a General Meeting in mid to late November.

Summary:

Following assessment of eligible applications seeking funding under Council’s Community Investment Program, Community Celebration Fund - Ignite Events, one (1) application was not supported due to its misalignment with the key selection criteria, guidelines and evidence of information to support the submission.

The applicant was provided with comprehensive feedback to support an improved application and invited to resubmit an out-of-round funding submission.

Despite the support and feedback provided by Council, the applicant failed to submit an application that addressed the issues raised by the Panel and as such does not align with the approved key selection criteria. The application received an application score of 47% and therefore not recommended to invest.

Should the event proceed, Council would provide in-kind support of a marquee for the period of the event, valued at \$573.

Anticipated Resolution Completion Date:

30 October 2020.

Attachments:

1. Out of Round Gladstone Harbour City BMX Assessment Matrix
2. Ignite Event Guidelines
3. Community Investment Program - Fund Seeker Toolkit

Tabled Items:

Nil. **Report Prepared by:** Community Investment Officer

G/3.7. AUDIT RISK AND IMPROVEMENT COMMITTEE MEETING 24 JUNE 2020

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 15 September 2020

File Ref: CM26.2

Purpose:

To present a written report about the matters reviewed at the Audit Risk and Improvement Committee Meeting held on 24 June 2020 in accordance with s211 of the *Local Government Regulation 2012*.

Officer's Recommendation:

That Council receive the minutes of the Audit Risk and Improvement Committee Meeting held on 24 June 2020.

Background:

Council's audit committee, the Audit Risk and Improvement Committee (ARIC), met on 24 June 2020.

An audit committee is required to provide Council with a written report about the matters reviewed at the meeting and the committee's recommendations about the matters as soon as practical after a meeting of the committee (*s211(1)(c) of the Local Government Regulation 2012*).

The minutes of the meeting of 24 June 2020 is attached for Council's consideration.

Options, Risk and Opportunity Analysis:

The following is a summary of business from the meeting:

Recommendations from ARIC for consideration by Council

Item 8.1 Progress Report on Compliance and Audit Recommendations

The committee recommended that the Business Improvement Committee Policy be reviewed prior to the Review Date of 4 December 2021.

It is noted that the Business Improvement Committee Policy states that the Policy may be reviewed if determined by resolution of Council or the CEO. A review of the Business Improvement Committee Policy has commenced and will be presented to Council for consideration at a future meeting.

Issues of Significance for information

8.1. Progress Report on Compliance and Audit Recommendations

The Committee discussed a number of outstanding audit actions and the need to reduce this number, particularly with regards to overdue actions.

10.1 Monthly Financial Statements for Period Ending 28 April 2020

The Committee discussed the Capital Works Program and noted the need to have a strong pipeline of projects so that there are shovel ready projects for the following year with the Chair noting that it was best practice to have the design and concept work two years in advance.

12.2 Risk Management Quarterly Update

Draft Risk Management Policy and Corporate Standards were presented to the Committee.

The Committee subsequently provided feedback on the Policy and Corporate Standard in an out of session workshop attended by all committee members.

12.5 Verbal Report on Response to COVID-19

The Committee was provided with an update on Council's response to COVID-19. The Committee noted the importance of capturing lessons learnt from the BCP process as this will assist Council in the future.

A further out of session workshop was held between ARIC and Council's Finance Team to provide ARIC with the opportunity to review and provide feedback on the financial statements prior to review by external auditors.

Communication and Consultation:

Audit Risk and Improvement Committee

Legal Strategy and Policy Implications:

The *Local Government Act 2009* requires Council to have an audit committee that oversees audit, annual financial reporting and other relevant governance functions as outlined in Council policy to provide Council with an additional level of assurance that systems and controls are in place to assist Council in minimising risk.

The Audit Risk and Improvement Committee operates in accordance with Council's Business Improvement Committee Policy.

Financial and Resource Implications:

The Audit Risk and Improvement Committee's external member fees are incorporated within the 2019/20 operational budget.

Summary:

Nil.

Anticipated Resolution Completion Date:

Nil.

Attachments:

1. Audit Risk and Improvement Committee Minutes – 24 June 2020

Tabled Items:

Nil.

Report Prepared by: Manager Governance (Acting)

G/4. DEPUTATIONS

Nil.

G/5. COUNCILLORS REPORT

Nil.

G/6. URGENT BUSINESS

Nil.

G/7. NOTICE OF MOTION

G/7.1. NOTICE OF MOTION - POSITIONING THE GLADSTONE REGION AS A POWERHOUSE FOR MANUFACTURING IN THE POST-COVID ECONOMY

Notice of Motion - Council Meeting Date: 1 September 2020

Purpose:

To allow Council to consider the need to position Gladstone Region as a powerhouse for manufacturing for the Post-COVID economy.

Councillor's Recommendation:

That Council:

1. Note the report from the Australia Institute – A Fair Share for Australian Manufacturing: Manufacturing Renewal for the Post-COVID Economy;
2. Facilitate a Gladstone leader's group roundtable of stakeholders to discuss the findings of the Australia Institute report and identify policy and/or advocacy gaps and opportunities; and
3. Endorse the Mayor to invite key stakeholders to a roundtable discussion including: Member for Gladstone, Glenn Butcher – Minister for Regional Development and Manufacturing, Gladstone Ports Corporation, industry bodies, trade unions and other key stakeholders.

Background:

On the 28th July 2020 the Australia Institute, an independent and non-partisan public policy think tank, released the report: *A Fair Share for Australian Manufacturing – Manufacturing Renewal for the Post-COVID Economy*.

The 8 page summary of the reports main findings can be found here:

https://d3n8a8pro7vhm.cloudfront.net/theausinstitute/pages/3332/attachments/original/1595694401/Fair_Share_for_Manufacturing_Summary_FINAL.pdf?1595694401

The full 81 page comprehensive report can be found here:

https://d3n8a8pro7vhm.cloudfront.net/theausinstitute/pages/3332/attachments/original/1595693276/A_Fair_Share_for_Australian_Manufacturing.pdf?1595693276

The following extracts and summaries are from the report:

“While the report documents the decline of domestic manufacturing in recent years, it also reveals the enormous potential benefits that would be generated by rebuilding manufacturing back to a size proportional to our national needs: including \$180 billion in new sales, \$50 billion in additional GDP, and over 400,000 new jobs. If Australia were to produce as much manufactured output as we consume (just like most other industrial countries do), this would drive welcome and substantial growth and benefits in all areas of our national economy.”

“Australia ranks last in manufacturing self-sufficiency among all OECD countries. Australians use \$565 billion worth of manufactures each year, however, we only produce \$380 billion. Therefore, Australia produces only 68% (just over two-thirds) of what we use: less than any other OECD economy.”

“It is often suggested that as a remote, resource-abundant, high-wage economy, Australia is not suited to manufacturing, and there is no point trying to compete with low-wage manufacturing

jurisdictions. Economic evidence strongly refutes that pessimistic assumption. Other OECD countries, with equal or even higher wages, have grown their manufacturing. And Australia possesses many strategic advantages that could contribute to stronger manufacturing for decades to come.”

“Since the COVID-19 pandemic began, Australians have been reminded of the importance of being able to manufacture goods domestically. Inter-national shortages of medical equipment and personal protective equipment, made worse by restrictions on exports from several countries, sparked fears Australia might run out of essential supplies. Australia’s government and manufacturers scrambled to convert domestic facilities to produce medical equipment and supplies. Even supplying simple products like masks proved to be a challenge. Thankfully critical shortages did not emerge, but this crisis has reminded Australians that our ability to produce a full range of essential manufactures is a matter of national wellbeing. The health of our economy is not separable from the health of our people.”

“It is impossible to imagine an economy *without* manufacturing: human beings will always have material needs and wants that can only be met through the production and transformation of material goods.”

“Manufactured products are essential for extracting and harvesting resources and agricultural output. And they are also vital to the production of all services (called ‘tertiary’ industries). In short, there is no job in society that can be performed without the use of manufactured goods. So manufacturing is not just ‘another’ sector of the economy. For several concrete reasons, manufacturing carries a strategic importance to our broader economy, society and security.”

“Australians purchase and use more manufactured goods over time; and manufacturing output is growing around the world. Allowing domestic manufacturing to decline, while our use of manufactured products grows, undermines national output and trade performance.”

“Manufacturing is the most innovation-intensive sector in the whole economy. No country can be an innovation leader without manufacturing. Manufactured goods account for over two-thirds of world merchandise trade. A country that cannot successfully export manufactures will be shut out of most trade.”

“Manufacturing anchors hundreds of thousands of other jobs throughout the economy, thanks to its long and complex supply chain. Billions of dollars’ worth of supplies and inputs are purchased by manufacturing facilities, which support many other sectors of the economy.”

“Manufacturing offers relatively high-quality jobs, more likely to provide fulltime hours and above-average incomes. And thanks to strong productivity growth and the capacity to apply modern technology, manufacturing offers the prospect of rising incomes in the future.”

The report outlines how Australia has focused on extracting and exporting raw resources such as raw lithium (spodumene) and bauxite which yield low value returns, rather than refining, processing and manufacturing those materials into higher value add products which yield much higher returns such as vehicles, aluminium parts for vehicles, batteries and electric vehicles and components etc.

The report outlines the flaws in our vocational education training system and the need to prepare our people with knowledge, skills and qualifications that will be beneficial in future advanced manufacturing industries such as Industry 4.0 and the ‘internet of things,’ additive manufacturing and 3D-printing, and application of robotics and automation.

“The bigger structural problem facing businesses in manufacturing is the failure of small businesses to *survive* and *grow* – to become larger, more capable firms with the potential to innovate, accumulate capital, adopt new technologies, boost productivity, and sell into export markets. Comparative international studies have confirmed that the presence of a vibrant

economic 'ecosystem' of growing, innovation-intensive medium-sized enterprises is vital to international success in specialised advanced manufacturing.”

Countries with successful manufacturing industries with vibrant medium-sized industrial ecosystems include Germany, Switzerland, Austria, Sweden, Korea, and Japan.

“A key focus of future policy interventions must therefore be providing midsized manufacturers with support of all kinds (including sources of long-term capital, innovation and research support, and partnerships to increase exports) to help them survive and grow.”

“Management expertise is another area in which Australian manufacturing businesses must lift their performance. International economic evidence confirms that management knowledge and technological capacity is a critical factor in explaining lags (relative to global leaders) in total factor productivity performance. And qualitative and quantitative data indicate that the education level, technological expertise, and leadership qualities of Australian managers lag behind those of their peers in countries with superior productivity and innovation performance. Investments in management training, leadership development, and faster diffusion of technical and economic knowledge among top managers and executives may be among the most cost-efficient of strategies for enhancing the capabilities of Australian manufacturing enterprises in the future.”

The report outlines the large and chronic trade deficit in manufactured products due to a number of negative pressures including one-sided trade deals and currency fluctuations which discouraged manufactured exports from Australia.

Principles for Modern Industry Policy

The document sets out the principles for modern industry policy that should become the focus of government and industry to ensure a thriving manufacturing sector that is proportional to our countries needs moving forward.

The detail of these policy areas can be found on page 66 of the full report but the principles set out are Sector Strategies, Domestic Content in Public Procurement, Networks, Eco-Systems and Clusters, Innovation, Targeted Fiscal Supports for Investment, Industrial Infrastructure, Mobilising Capital, Leveraging Energy, Skills and Capacities and Trade that goes both ways.

Action Plan: Six Immediate Priorities for Industrial Rejuvenation

The in depth Action Plan can be found on Page 72 of the full report but the steps are as follows:

1. Establish a network of Advanced Manufacturing Councils
2. Capitalise a new Advanced Manufacturing Investment Fund
3. Establish a manufacturing advanced vocational educational training board
4. Implement an Australian-Made Medical Equipment Strategy
5. Establish a Buy Australian Infrastructure Council
6. Implement Accelerated depreciation provisions

The complacent theory of successive leaders and governments that Australia does not need to be a country that 'makes stuff' anymore has led to Australia having the most undersized manufacturing industry of any industrial country in the world. The benefits of a vibrant manufacturing industry in our economy stretch out across all states and are especially important in anchoring regional communities.

The biggest question is whether our leaders have the political will and imagination to seize the opportunity presented by the current moment, and start the process of revitalising our domestic value-added industrial base.

As the industrial and manufacturing powerhouse of our state and nation, the Gladstone Region is uniquely positioned to spearhead the campaign to lead the way in ensuring our country can once again be a nation that makes things. Revitalising our economy, bringing jobs to our people, creating commercial opportunities and ensuring our country's self-sufficiency moving forward in uncertain times.

Attachments:

Nil.

Tabled Items:

Nil.

Notice of Motion Prepared by: Councillor Goodluck

G/8. CONFIDENTIAL ITEMS

G/8.1. 45-21 BOYNE ISLAND WASTEWATER TREATMENT PLANT PUMP STATION

Responsible Officer: General Manager Operations

Council Meeting Date: 15 September 2020

File Ref: PE1.1

Reason for Confidentiality:

This report is **CONFIDENTIAL** in accordance with Section 275 (1) of the Local Government Regulation 2012, the meeting is to be closed to the public to discuss business relating to the following: -

(e) contracts proposed to be made by it.

G/8.2. TENDER 148-20 SEWER PUMP STATION A06 REFURBISHMENT

Responsible Officer: General Manager Operations

Council Meeting Date: 15 September 2020

File Ref: PE1.1

Reason for Confidentiality:

This report is **CONFIDENTIAL** in accordance with Section 275 (1) of the Local Government Regulation 2012, the meeting is to be closed to the public to discuss business relating to the following: -

(e) contracts proposed to be made by it.

**G/8.3. PSA 02-21 BIOSOLIDS REMOVAL/REUSE AND DEWATERING
ACTIVITIES**

Responsible Officer: General Manager Operations

Council Meeting Date: 15 September 2020

File Ref: PE1.1

Reason for Confidentiality:

This report is **CONFIDENTIAL** in accordance with Section 275 (1) of the Local Government Regulation 2012, the meeting is to be closed to the public to discuss business relating to the following: -

(e) contracts proposed to be made by it.

G/8.4. MOWING & SLASHING CONTRACT EXTENSIONS

Responsible Officer: General Manager Operations

Council Meeting Date: 15 September 2020

File Ref: PE1.1

Reason for Confidentiality:

This report is **CONFIDENTIAL** in accordance with Section 275 (1) of the Local Government Regulation 2012, the meeting is to be closed to the public to discuss business relating to the following: -

(e) contracts proposed to be made by it.

ATTACHMENTS