



GLADSTONE
REGIONAL COUNCIL

GENERAL MEETING NOTICE AND AGENDA

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

On 17 November 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 SPECIAL MEETING MINUTES FOR 2 NOVEMBER 2020

Responsible Officer: Chief Executive Officer

Council Meeting Date: 17 November 2020

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the Special Meeting held on 2 November 2020.

Officer's Recommendation:

That the minutes of the Special Meeting of Council held on 2 November 2020 be confirmed.

Attachments:

1. Minutes of the Special Meeting of Council held on 2 November 2020.

Tabled Items:

Nil.

Report Prepared by: Executive Secretary

**G/2.2. CONFIRMATION OF GENERAL MEETING MINUTES FOR 3
NOVEMBER 2020**

Responsible Officer: Chief Executive Officer

Council Meeting Date: 17 November 2020

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 3 November 2020.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 3 November 2020 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 3 November 2020.

Tabled Items:

Nil.

Report Prepared by: Executive Secretary

G/3. DEPUTATIONS

Nil

G/4. OFFICERS' REPORTS

G/4.1. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 OCTOBER 2020

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 17 November 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 31 October 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 31 October 2020 as required under Section 204 *Local Government Regulation 2012*.

Background:

The percentage of year passed (pro-rata rate) as at 31 October 2020 is 33.97%.

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

Forecasting for the remaining months of 20-21 is currently under review with a forecast position to be included in these reports by the end of November.

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.

Statement of Income and Expenditure

Income

Recurrent Revenue

Total recurrent revenue	2020-21	Actual as %
Actual	\$144.3m	
Budget	\$189.3m	76.20%

Items of interest:

Net rates and utility charges	2020-21	Actual as %
Actual	\$134.8m	
Budget	\$152.1m	88.65%

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 \$12.7m.

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	\$4.4m	
Budget	\$13.8m	32.01%

Tipping fees for commercial customers and internal use for October are yet to be raised.

Interest received from investments	2020-21	Actual as %
Actual	\$0.2m	
Budget	\$1.9m	7.99%

A large sum of cash has been invested in the Queensland Treasury Corporation (QTC) cash fund after the rates discount date. QTC interest rates are currently higher than other investment options but are well below budgeted and modelled levels.

It is likely that this forecast will need to be revised downward to reflect the lower income.

General purpose grants	2020-21	Actual as %
Actual	\$1.0m	
Budget	\$8.3m	11.83%

The budget consists of \$8.3m for the Federal assistance grant (FAG). The next instalment of \$1.0m is expected to be received in November. The largest instalment is typically received towards the end of the financial year.

State Government subsidies and grants	2020-21	Actual as %
Actual	\$0.7m	
Budget	\$3.5m	21.27%

The largest portion of the budget is \$1.6m for the Queensland Government Waste Levy offset. QAO have provided advice to Council as a part of preparing the 2019-20 financial statements that this should be offset against the waste levy expense and not treated as revenue. The forecast that is currently being prepared will reflect this change resulting in a decrease to forecast income and waste disposal expense.

The remainder of the budget is across multiple areas, amounts in excess of \$0.3m include libraries, bushfire funding and strategic projects. During October \$0.3m was received from the Department of Employment Small Business and Training for the First Start Program.

Capital Revenue

Total capital revenue	2020-21	Actual as %
Actual	\$5.0m	
Budget	\$27.3m	18.33%

The budget is primarily state and federal funding. Projects with a funding budget greater than \$0.5m are listed in the table below.

State Funding

Description	Budget	Actual
Upgrade to pump station SPS A06	\$1.8m	\$0.9m
Goondoon Botanic Gardens - Electrical upgrade of external lighting	\$1.6m	-
Gladstone Aquatic Centre - Rejuvenation & upgrade	\$1.3m	\$0.6m
Toolooa Street pavement renewal	\$0.8m	-
Goondoon Street Footpath	\$0.7m	-
Agnes Street - New carpark	\$0.7m	-
Charnwood Road, Lowmead - Bridge renewal	\$0.6m	-
Tannum Sands State School - Bus Bay project	\$0.6m	\$0.3m
Gladstone Region pedestrian and cycle strategy	\$0.5m	-
Other (Multiple projects with Budget <\$0.5m)	\$5.8m	\$1.2m
	\$14.4m	\$3.0m

Federal Funding

Description	Budget	Actual
Philip Street Communities Precinct Stage 1a	\$4.6m	\$0.4m
Benaraby Landfill - Stage 3 landfill cell development	\$3.2m	-
Gravel Road Resheeting - Various locations	\$1.6m	-
Blackmans Gap Road - Safety improvements	\$0.9m	\$0.4m
Dawson Highway - Batter restoration/stabilisation	\$0.9m	\$0.4m
John Clifford Way, Lowmead - Bridge investigation/repair	\$0.7m	-
Gorge Road, Lowmead - Baffle Creek crossing	\$0.7m	-
Goondoon Street - Pavement/sinkhole	-	\$0.4m
Calliope - Install traffic islands and line marking to intersections	-	\$0.2m
Claude Wharton Drive, Miriam Vale - Safety improvements	-	\$0.1m
	\$12.4m	\$1.9m

Expenditure

Year to date expenditure remains slightly below 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	\$58.9m	
Budget	\$193.7m	30.40%

Of note:

Employee benefits	2020-21	Actual as %
Actual	\$20.2m	
Budget	\$60.9m	33.22%

Employee benefits are the largest component of Councils recurrent expenditure. All payroll transactions for October had been processed at the time this report was prepared.

Fuel	2020-21	Actual as %
Actual	\$0.5m	
Budget	\$1.9m	24.71%

Curtis Island has seen a large reduction in fuel usage year to date due to a new generator being commissioned. The forecast will be reduced to reflect this change.

Contractors and consultants	2020-21	Actual as %
Actual	\$6.8m	
Budget	\$25.0m	27.32%

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

Other materials and services	2020-21	Actual as %
Actual	\$2.7m	
Budget	\$10.1m	26.42%

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	\$1.6m	
Budget	\$7.2m	22.13%

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

Staff and Councillor associated expenses	2020-21	Actual as %
Actual	\$0.3m	
Budget	\$2.5m	13.79%

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	\$2.0m	
Budget	\$8.5m	23.00%

As above, QAO have provided advice to Council that the waste levy offset should be offset against the expense and not treated as revenue. The forecast currently being prepared will reflect this change, resulting in a decrease to forecast expenditure in this category.

The first two quarterly instalments of the waste levy offset have been received to a value of \$0.4m, reducing the actual figure in this category.

The waste levy charges have been processed for July to September, for a total of \$0.4m compared to a budget of \$0.7m for the three-month period.

Water purchases	2020-21	Actual as %
Actual	\$5.3m	
Budget	\$18.7m	28.17%

Bulk water purchases for October 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	\$2.65b	\$2.27b	116.72%

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

Year to date	Current Value	Adopted Budget	Percentage of Adopted Budget
Liabilities	\$151.5m	\$123.3m	122.88%

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

	Actual	Budget	Actual as % of budget
Year to date capital expenditure	\$15.0m	\$64.8m	23.10%
Including commitments (open purchase orders)	\$34.1m		52.58%

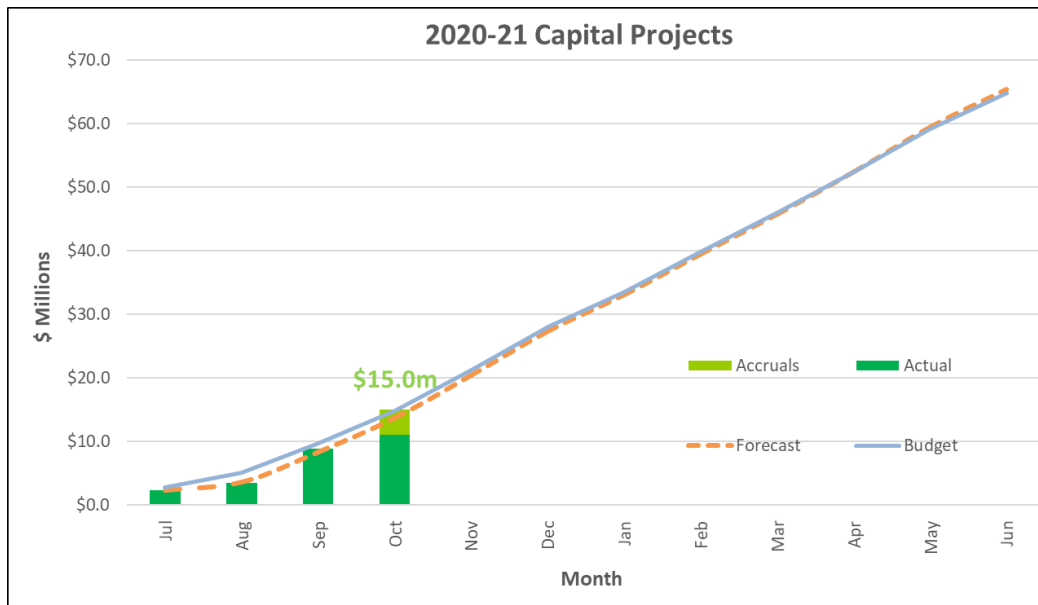
Of the \$34.1m committed, \$8.9m relates to the Philip Street Communities Precinct.

Accruals of \$3.9m have been included in the actuals, to account for major claims relating to October work.

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

Group	YTD Actual	Budget	Actual as % of Budget
Road Assets	\$2.329m	\$16.922m	14%
Sewerage Assets	\$4.250m	\$11.689m	36%
Strategy & Transformation	\$3.992m	\$12.808m	31%
Water Assets	\$2.110m	\$6.200m	34%
Delivery Support and Performance	\$0.589m	\$5.070m	12%
Waste Assets	\$0.883m	\$4.382m	20%
Property Assets	\$0.418m	\$4.589m	9%
Parks & Environment Assets	\$0.003m	\$1.886m	0%
Community Development & Events	\$0.056m	\$0.455m	12%
Other	\$0.339m	\$0.800m	42%
Total	\$14.968m	\$64.801m	23%

Regular forecasting is undertaken by the project delivery team. The latest estimate of capital expenditure for the 2020-21 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.

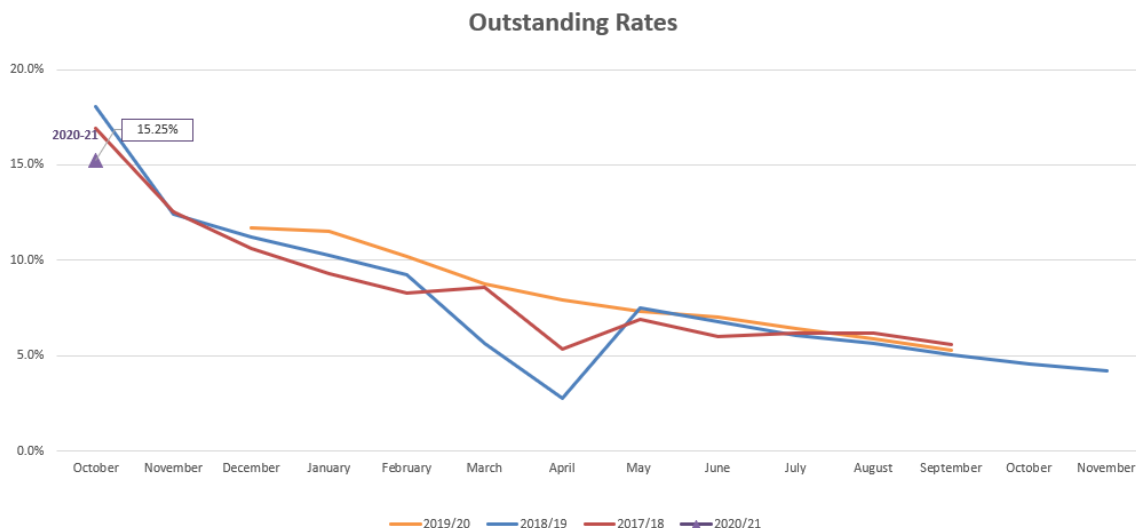
Outstanding Rates

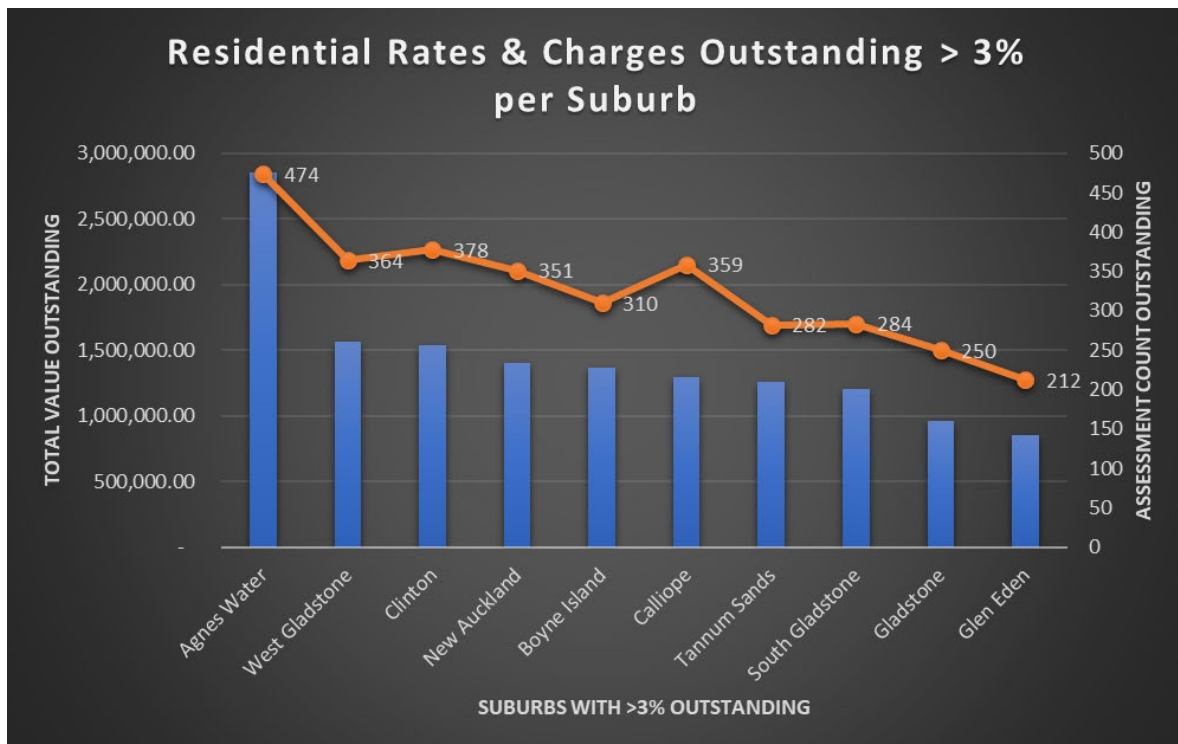
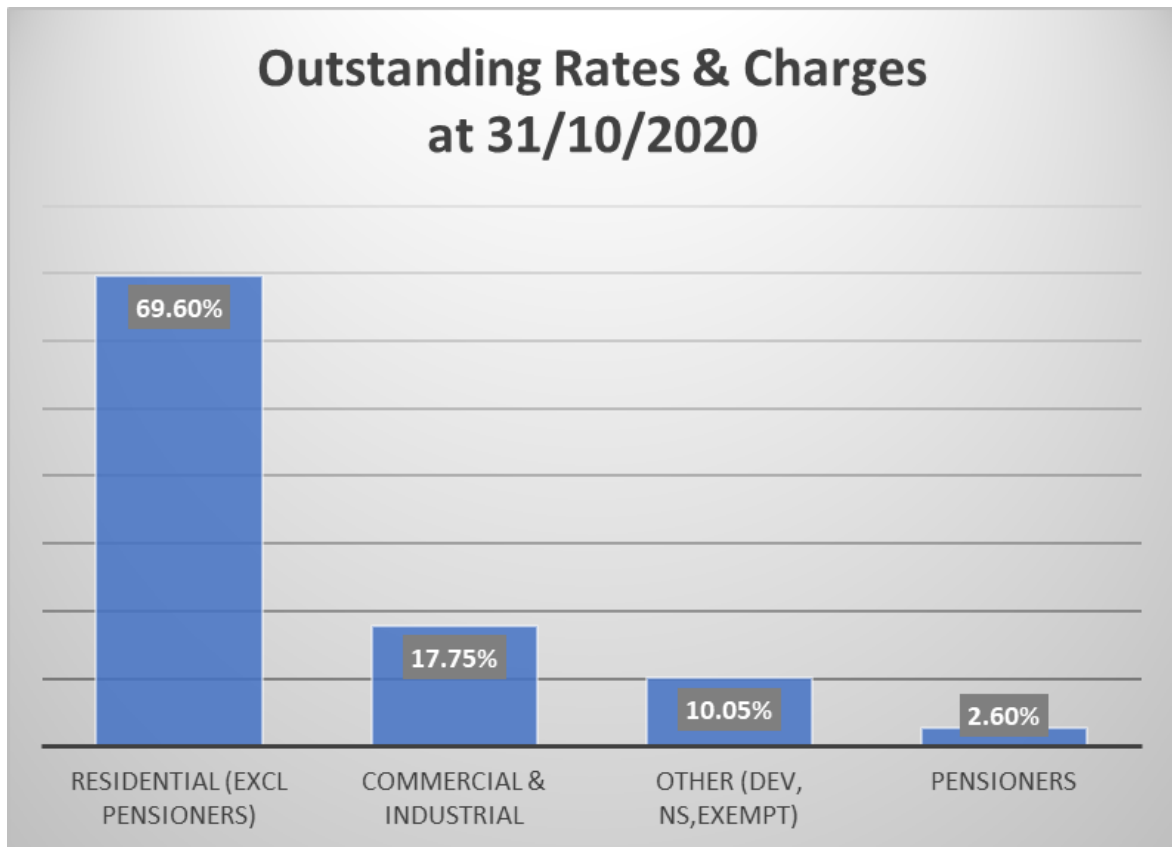
Outstanding rates, as a percentage of gross rates levied (2020-21), and collectible, is 15.25% at the end of October 2020. This period is not comparable with the 2019-20 rates, as the due date was extended by 60 days. As at 31 October 2018 outstanding rates were 18.04% and at 31 October 2019 outstanding rates were 16.89%.

Of the \$27.1m of outstanding rates 17.8% relates to commercial / industrial assessments and 82.2% represents residential assessments.

These figures include \$3.64m of rates that are currently being repaid under an authorised payment plan, for which there were 35 commercial/industrial assessments and 1,227 residential assessments. A total of 1,262 assessments, which is an increase from 1,002 assessments in September 2020.

There were 4,188 ratepayers who had paid their rates in advance, in the amount of \$3.4m.





Sustainability Ratios

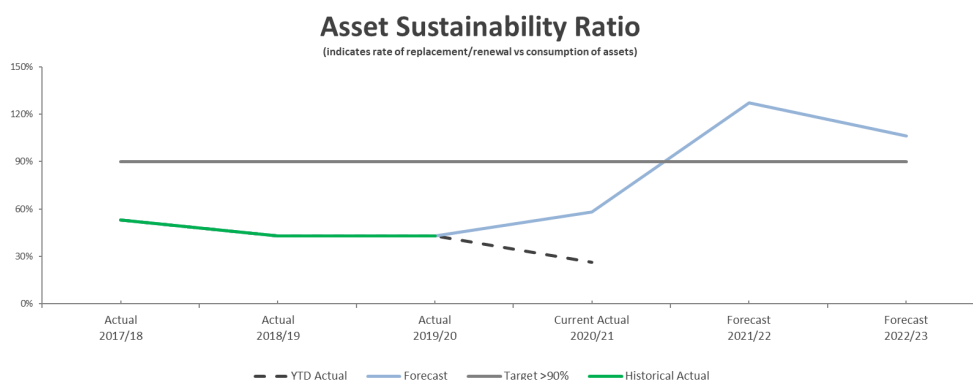
Council's Sustainability Ratios for the period are generally in line with expectations at this stage of the reporting year. Early in the financial year, ratios are typically distorted given that Council raises most of its yearly revenue in a lump sum but incurs expenses and delivers its capital program 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. The majority of expenditure year to date has been focused on new capital projects, with the renewal projects forecast to be undertaken later in the year.

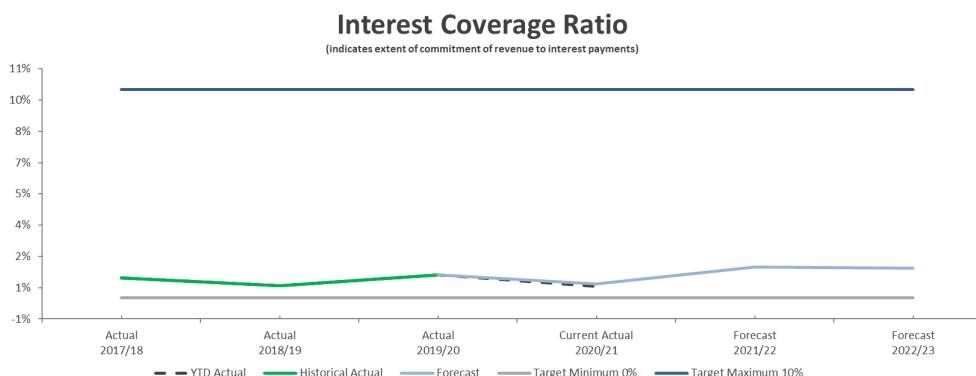
Asset Sustainability Ratio			
CURRENT YTD	PRIOR YTD	BUDGET	TARGET
26.15%	44.76%	57.90%	>90%



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 budget for 2020/21. The ratio is lower in comparison to this time last year due to a reduction in interest costs.

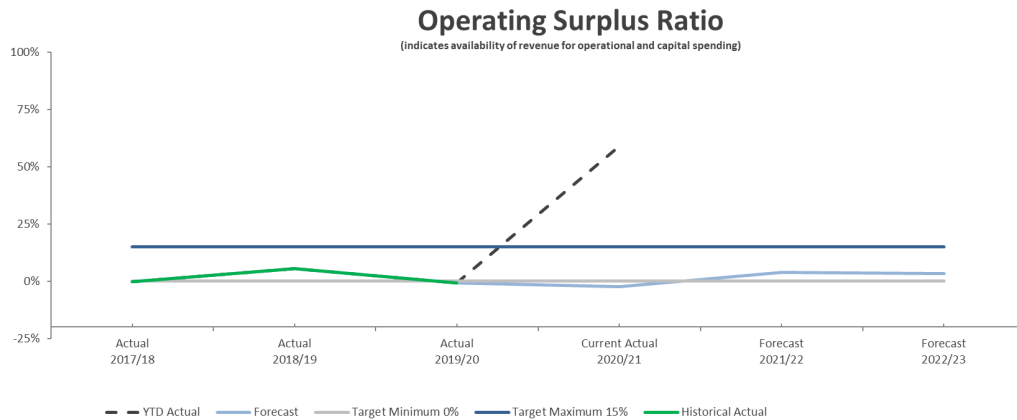
Interest Coverage Ratio			
CURRENT YTD	PRIOR YTD	BUDGET	TARGET
0.56%	3.27%	0.69%	0 - 10%



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.

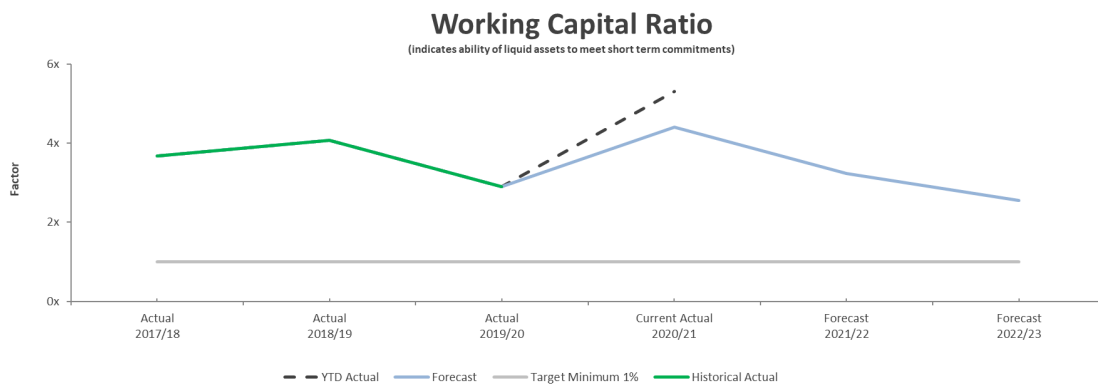
Operating Surplus Ratio			
CURRENT YTD	PRIOR YTD	BUDGET	TARGET
59.19%	62.41%	(2.29%)	0 - 15%



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.

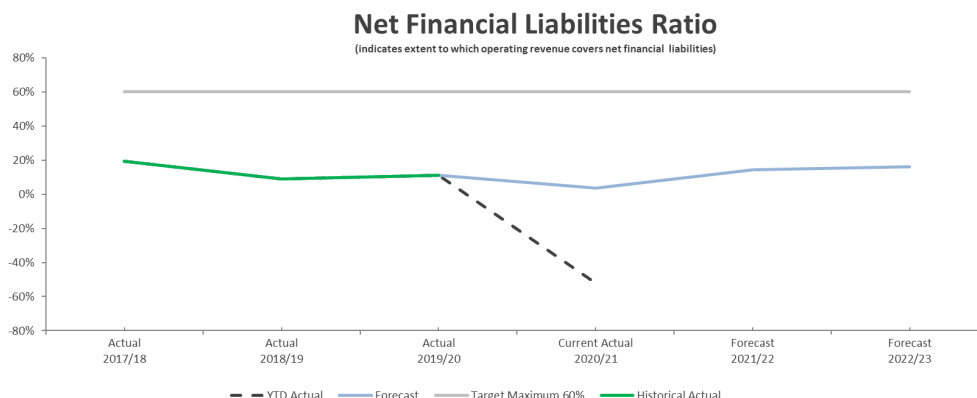
Working Capital Ratio			
CURRENT YTD	PRIOR YTD	BUDGET	TARGET
5.31x	6.75x	4.41x	Greater than 1:1



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. The results are expecting to align closer to budget as the year progresses.

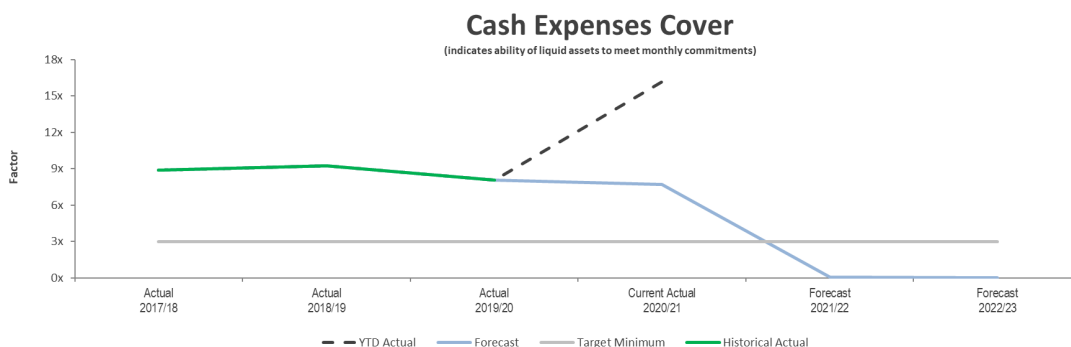
Net Financial Liabilities Ratio			
CURRENT YTD	PRIOR YTD	BUDGET	TARGET
(52.07%)	(52.97%)	3.45%	< 60%



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
16.17x	14.76x	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:

17 November 2020

Attachments:

1. Monthly Financial Statements for period ending 31 October 2020
2. Operating Statements for month end October 2020

Tabled Items:

Nil.

Report Prepared by: Accountant

G/4.2. FINANCIAL NON-CURRENT ASSET ACCOUNTING POLICY

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 17 November 2020

File Ref: CM28.2

Purpose:

To consider the changes proposed to the Non Current Asset Threshold Policy.

Officer's Recommendation:

That Council:

1. Repeal P-2016-16 Non Current Asset Threshold Policy;
2. Adopt P-2020-18 Financial Non-Current Asset Accounting Policy provided as Attachment 1; and
3. In accordance with section 206(2) of the *Local Government Regulation 2012* set the following amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense:

Asset Class	Asset Recognition Threshold (\$)
Freehold Land	1
Plant and Equipment	5,000
Major Plant	350,000
All Other Asset Classes	10,000

Background:

The Non Current Asset Threshold Policy was scheduled for review earlier this year. This policy seeks to meet Council's obligations under section 206(2) of the *Local Government Regulation 2012*:

"The local government must, by resolution, set an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense."

The thresholds apply to the individual value of each standalone asset or where the asset is part of a networked asset, the combined value.

Options, Risk and Opportunity Analysis:

Officers do not propose any amendments to the intent of the policy or to the threshold amounts, however do recommend a number of amendments including:

- change in name;
- inclusion of a policy statement;
- inclusion of the criteria which must be met prior to recognition of an asset in Council's financial statements;
- general wording amendments to provide greater clarity to intent.

All amendments proposed to the current policy are reflected in Attachment 2.

Communication and Consultation:

Subject matter experts from Asset Governance and Financial Operations Teams have contributed to the development of the draft documents. Furthermore, minor feedback was received during the consultation process from subject matter experts and leaders.

Legal Strategy and Policy Implications:

Section 206(2) of the *Local Government Regulation 2012* requires Council to set an asset recognition threshold amount via resolution. There is no legislative obligation for Council to have a policy in relation to non-current assets.

Financial and Resource Implications:

Nil.

Summary:

Nil.

Anticipated Resolution Completion Date:

Within two weeks of resolution.

Attachments:

1. Draft P-2020-18 Financial Non-Current Asset Accounting Policy;
2. Draft P2020-18 Financial Non-Current Asset Accounting Policy (Tracked Changes version);
3. Current P-2016-16 Non Current Asset Threshold Policy.

Tabled Items:

Nil.

Report Prepared by: Governance Officer

G/4.3. PROPOSED AMENDMENTS TO THE P2017-17 INVESTMENT POLICY**Responsible Officer: General Manager Finance Governance and Risk****Council Meeting Date: 17 November 2020****File Ref: FM8.1, CM28.2****Purpose:**

This report seeks Council's endorsement of an amendment to the Investment Policy.

Officer's Recommendation:

That Council amend the P-2017-17 Investment Policy to:

1. Reflect the maximum percentage limits of overall funds invested within a financial institution not exceeding:

Long Term Rating (Standards & Poors)	Short Term Rating(Standard & Poors)	Individual Counterparty Limit	Total Portfolio Limit
AAA to AA-	A1+	Maximum 50 %	No Limit
A+ to A	A1	Maximum 40%	Maximum 50%
QTC Cash Management Fund		No Limit	No Limit

2. Reflect that application to the Treasurer should be made if an opportunity arises whereby Council wishes to invest outside the minimum rating set out in the *Statutory Bodies Financial Arrangements Regulation 2019*.

Background:

The Investment Policy is scheduled for periodic review in July-December 2021, however a need to amend the acceptable minimum financial institution ratings has been identified.

Whilst the full impact of the Coronavirus (COVID-19) pandemic is not yet known, a downward shift in financial institution ratings has been seen. Council is now limited in terms of which financial institutions it can invest with and the amount which can be invested.

Further, institutions which Council has previously made deposits with are now not meeting the minimum requirements of the policy or the minimum ratings as set out in the *Statutory Bodies Financial Arrangements Regulation 2019*.

Options, Risk and Opportunity Analysis:

Section 8 of the *Statutory Bodies Financial Arrangements Regulation 2019* sets the minimum ratings for Category 1 investment powers, which Council has been categorised as.

For a short term rating set by Standard & Poor's, the rating prescribed for an investment arrangement is A-1+, A-1, AAm or AAAm. The Investment Policy currently exceeds these amounts, with the ratings set as:

Long Term Rating	Short Term Rating	Individual	Total Portfolio Limit
-------------------------	--------------------------	-------------------	------------------------------

(Standards & Poors)	(Standard & Poors)	Counterparty Limit	
AAA to AA-	A1+	Maximum 30%	No Limit
A+ to A	A1	Maximum \$5m	Maximum 50%
Below A- including unrated	A2	Maximum \$2m	Maximum 25%
QTC Cash Management Fund		No Limit	No Limit

Attachment 2 provides a list of commonly used banks engaged to invest business funds and their current associated ratings.

The 2020/21 budget for interest revenue was set at \$1.9million. The COVID-19 pandemic has impacted on the ability to invest in accordance with the current policy, resulting in the business receiving only \$0.1m in actual interest revenue year to date. As a percentage of budget this is sitting at 5.53% compared to a year passed pro-rata rate of 25.21% as at 29 September. By amending the counterparty limits the business will be enabled to invest larger amounts in institutions that are still considered as having adequate capacity to pay.

Council may consider it appropriate to hold a further review of the Investment Policy in 2021 to allow for further assessment of the impacts of Coronavirus (COVID-19).

Communication and Consultation:

The development of this report is following discussions with the General Manager Finance Governance and Risk and financial subject matter experts.

Legal Strategy and Policy Implications:

Under section 191 of the *Local Government Regulation 2012*:

- (1) A local government must prepare and adopt an investment policy.
- (2) The investment policy must outline -
 - (a) the local government's investment objectives and overall risk philosophy; and
 - (b) procedures for achieving the goals related to investment stated in the policy.

Council's investment powers are determined by the *Statutory Bodies Financial Arrangements Act 1982* (SBFAA), in accordance with section 101 of the *Local Government Act 2009*.

Council has been allocated a Category 1 Investment Power under the SBFAA, which limits Council's investment authority to the following:

- deposits with a financial institution;
- investment arrangements accepted, guaranteed or issued by or for the Commonwealth or State or a financial institution;
- other investment arrangements secured by investment arrangements accepted, guaranteed or issued by or for the Commonwealth or a State or a financial institution;
- investment arrangements managed or offered by QIC or QTC.

Furthermore, investments must be at call, or alternatively, for a fixed period of not more than one (1) year.

Under section 8 of the *Statutory Bodies Financial Arrangements Regulation 2019*:

Category 1 investment power – Act, s44

(1) For section 44 (1)(e) of the Act, the rating prescribed for an investment arrangement is-

- (a) a rating by Fitch Ratings of F1+ or F1; or
- (b) a rating by Moody's Investors Service of Prime-1 (P-1); or
- (c) a rating by Standard or Poor's or A-1+, A-1, AAm or AAAm.

Financial and Resource Implications:

Endorsement of these proposed changes will see the ability of the business to invest slightly larger investments in institutions with a rating that is considered as having adequate capacity to pay. This may see an increase in interest revenue of up to \$15k a month based on current interest rates and financial institution ratings.

Summary:

Nil.

Anticipated Resolution Completion Date:

Within two (2) weeks of resolution.

Attachments:

- 1. Current P-2017-17 Investment Policy;
- 2. Banks and Current Ratings.

Tabled Items:

Nil.

Report Prepared by: Governance Officer / Team Leader Financial Operations

G/4.4. CEMETERY AND CREMATORIUM POLICY AMENDMENT**Responsible Officer: General Manager Finance Governance and Risk****Council Meeting Date: 17 November 2020****File Ref: CM28.2****Purpose:**

Approval is sought to amend the Cemetery and Crematorium Policy to exclude reservations of burial plots at Boyne Tannum Memorial Parklands.

Officer's Recommendation:

That Council amend the table in Section 6.14 of Council's P-2019-03 Cemetery and Crematorium Policy, to temporarily exclude the reservation of burial plots at Boyne Tannum Memorial Parklands to allow sufficient time for additional planning and construction of burial plots at this facility.

Background:

Boyne Tannum Memorial Parklands (BTMP) was opened in 2007, offering three interment options: crypt burials, freestanding stone ashes plots and walkway ashes plots.

Crypts were installed at BTMP as earth burials were unsuited to the soil geology, being located on a water plain. Crypts are a prefabricated geopolymer structure installed in the ground, complete with lid and headstone. They are locked together in configurations suitable to the site, which is done en-masse during installation. Prior to a burial, a crypt-cutter is attached to a tractor, and lifts the grass, headstone and lid to allow the coffin to be placed in the crypt.

Council's policy allows crypt reservations at BTMP. One quarter of stock (ie. 25 crypts) is currently reserved, representing almost 3 years supply (based on an average 8 burials p.a.). Due to a higher than usual increase in reservations and burials, 5 crypts remain vacant which is expected to last 6-8 months if crypt reservations are temporarily halted.

Strategic Asset Performance (SAP) is progressing opening additional crypt locations and bringing forward the existing works program in the 21/22 Budget. However, crypts will likely reach capacity prior to completion, and therefore consideration is being given to the potential for burials to be redirected to Port Curtis when crypts fill. There is sufficient capacity at Port Curtis Cemetery.

Section 6.14 of Council's P-2019-03 Cemetery and Crematorium Policy identifies where reservation of plots is currently allowed (see extracted table below).

Cemetery	Burial Plots	Ashes Plots
Bororen Cemetery	✓	✓
Boyne Tannum Memorial Parklands	✓	✓
Calliope Cemetery	x	✓
Mount Larcom Cemetery	✓	x
Port Curtis Cemetery	x	✓
Rosedale Cemetery	✓	x

As an interim measure, approval is sought to amend Council policy to temporarily exclude reservations of burial plots at BTMP. This will be reviewed once construction of the new crypts is

completed or alternative direction from the Cemetery Asset Growth Plan (currently being developed by officers) is adopted.

Options, Risk and Opportunity Analysis:

Option 1 – Amend Policy (Recommended)

The proposed policy amendment will enable more time to establish additional crypt locations. This will reduce the time burials are redirected to Port Curtis or alternative. It will also align with Calliope Cemetery where crypt reservations are not permitted.

Option 2 – Maintain Current Policy

Crypts will likely reach capacity earlier, which will create a need to redirect burials to Port Curtis earlier.

Communication and Consultation:

Internal consultation undertaken with Governance Advisor and Manager Parks Program Delivery.

Legal Strategy and Policy Implications:

Section 6.14 of Council's P-2019-03 Cemetery and Crematorium Policy will require amendment to exclude BTMP from burial plot reservations.

Corporate Standard CS0-3-2019 for Management of Council Controlled Cemeteries and Crematorium (section 6.7.4) will also require amendment in due course.

Financial and Resource Implications:

Construction of additional crypts at BTMP will be brought forward as part of the 21/22 budget process.

Summary:

Nil

Anticipated Resolution Completion Date:

1 December 2020 to update Policy

Attachments:

Nil

Tabled Items:

Nil.

Report Prepared by: Manager Asset Planning

G/4.5. REQUEST TO CONSIDER WAIVING ADOPTED INFRASTRUCTURE CHARGES ASSOCIATED WITH DEVELOPMENT APPLICATION 50/2019 FOR A MATERIAL CHANGE OF USE OF PREMISES FOR A TOURIST PARK (14 SITES AND LODGE (12 GUESTS)) LOCATED AT 135 NEWTONS ROAD, ROSEDALE

Responsible Officer: General Manager Customer Experience

Council Meeting Date: 17 November 2020

File Ref: DA.50.2019 and FM7.2

Purpose:

The purpose of this report is to allow Council to consider waiving the associated Adopted Infrastructure Charge for a Material Change of Use of Premises for a Tourist Park (14 Sites and Lodge (12 Guests)) located at 135 Newtons Road, ROSEDALE QLD 4674 (Ref: DA/50/2019).

Officer's Recommendation:

That Council refuse the request to waive the Adopted Infrastructure Charge for Development Application 50/2019 located at 135 Newtons Road, ROSEDALE QLD 4674.

Background:

Subject Site

The site is located at 135 Newtons Road, Rosedale, otherwise described as Lot 15 on RP619121. The site comprises a single, rectangular shaped lot with an existing access point to Newtons Road. The subject site is also serviced by an existing boat ramp located along the rear boundary of the property in an Esplanade Reserve. In terms of size, the site has an area of 16.08 hectares and is relatively flat.

The subject site is located within the Rural Zone under the Planning Scheme. The site is currently occupied by a Dwelling House known as 'Midskinrick Lodge' with associated structures and an unlawful camping grounds.

The site does not have access to Council's infrastructure such as water and sewerage. The site has vehicular access to/from Newtons Road which is an unsealed Rural Access Road under Council's Road Hierarchy Policy.



Figure One: Aerial View of the Subject Site

The current Material Change of Use of Premises for a Tourist Park (14 Sites and Lodge (12 Guests) on land at 135 Newtons Road, Rosedale was Confirmed on 19 November 2019 and approved at Council Meeting on 7 July 2020 with a Decision Notice and Adopted Infrastructure Charge Notice issued (Attachments 1 and 2). The Applicant lodged representation against the Decision Notice, with Council issuing a Negotiated Decision Notice endorsed at Council Meeting on 20 October 2020 (Attachment 3).

The Negotiated Decision included the following changes;

- Amend the approved Plans to include an additional toilet block and Camp Kitchen; and
- Change the toilets to be uni-sex.

An image of the approved site plan is shown below in Figure Two.

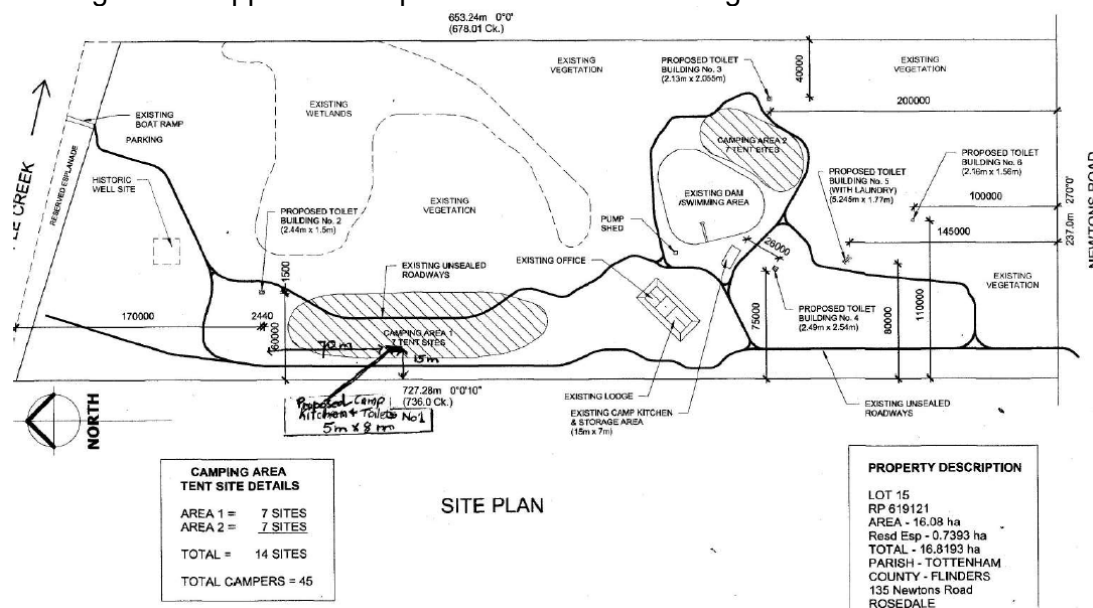


Figure Two: Approved Site Plan

Adopted Infrastructure Charge Calculation

The infrastructure charge areas for Gladstone Regional Council have been identified based on the 'calculated cost' of servicing a 3 bedroom house with trunk infrastructure. This cost analysis aligns with the Local Government Infrastructure Plan (LGIP) to identify the relevant networks which enables a local government to estimate the cost of infrastructure provision to assist its long term financial planning.

The subject site is located within Charge Area 6 which is rural and small rural townships (Miriam Vale surrounds) that can be serviced with transport and parks trunk infrastructure. These areas only contribute to the existing trunk infrastructure.

As per the *Gladstone Regional Council Adopted Infrastructure Charges Resolution (No.1) – 2015 Version 2* (Resolution), a Tourist Park (14 Sites and Lodge (12 Guest)) will attract the following charge rate:

Planning Scheme Use	Category	Rate
Tourist Park (14 Sites and Lodge (12 Guests))	Accommodation (Short Term)	\$8,900 per 3 tent/caravan sites; \$6,350 per 1 or 2 tent/caravan sites; and \$8,900 per 3+ bedroom cabin

As part of the Decision Notice, an Adopted Infrastructure Charge Notice (AICN) was issued in accordance with the Act. As per the AICN, the proposed development charge is \$33,050.00.

Applicant's Request

On 21 August 2020, the Applicant lodged a request to Council in regard to receiving a significant reduction on the Adopted Infrastructure Charge Notice (Attachment 4). This request was never formally decided by Council with the applicant further submitting a request for a NIL Infrastructure Charge (Attachment 5). The Applicant requests a reduction to assist in delivering economic development and growth to the Rosedale area, and to provide a low-cost family friendly park with plenty of space.

Options, Risk and Opportunity Analysis:

The following two (2) options exist in consideration of this request.

Option 1 – Refuse Applicant's Request

The calculation was undertaken in accordance with the Resolution. As such, the Applicant's request is recommended for refusal.

Option 2 – Approve Applicant's Request

The Infrastructure Charge for the Tourist Park (14 Sites and Lodge (12 Guests)) approval be waived.

As there are no provisions within the Resolution or Rebate Scheme to allow Officers to consider the request, the decision must be made by Council. The development is located outside of the Priority Infrastructure Area and therefore does not qualify for officer consideration under the Rebate Scheme.

If Council choose to waive the charge, the existing Adopted Infrastructure Charge Notice remains applicable and an Infrastructure Agreement must be entered into. The Agreement will align with the currency period of the associated Development Permit.

Communication and Consultation:

The Applicant and Council Officers undertook various communications relating to the process of requesting a reduced Adopted Infrastructure Charge and other items relating to Development Application process and fees. The Applicant has stated that they are currently working through the conditions on the Development Approval and are hoping to be compliant by December 2020. To date the status of the approvals required over the site are as follows:-

Application Type	Status
Building Works – Reclassify the existing Dwelling House to Class 1b	Notice of engagement of a Private Certifier Approval document outstanding
Building Works – Construction of Toilet Blocks and Camp Kitchen	Notice of engagement of a Private Certifier Approval document outstanding
Plumbing Works – Toilet Blocks	Plumbing Approval issued on 15 September 2020.
Building Works – Waste Management Plan	The owner provided a Waste Management Plan on 4 October 2020.
Property Pest Management Plan	The Pest Management Section has undertaken the required the inspection and provided the owner with a Property Pest Management Plan.

Legal Strategy and Policy Implications:

If the Applicant's request is agreed to, this will not be in accordance with the Resolution.

As such, the reporting which is publicly available in accordance with the legislation will reflect the correct charge calculation and any Infrastructure Agreement that is applied, as per the Rebate Scheme or any request that departs from the Resolution.

Financial and Resource Implications:

Option 1 – Nil.

Option 2 – Nil Infrastructure Charges received by Council. Should Council apply its discretion against Officer's Recommendation and decide to consider this option, the calculation of additional demand placed upon trunk infrastructure that will be generated by the development will fall to Council to cover. A breakdown of the Adopted Infrastructure Charge cost has been included below:

	Applicant Cost	Council Cost	Total
Infrastructure Charge	\$33,050.00	-	\$33,050.00
Waived Infrastructure Charge	-	\$33,050.00	\$33,050.00

Summary:

As the Applicant's request does not meet the requirements outlined in the Resolution, it is recommended that the request be refused.

Option 1 – Refuse Applicant's Request

Option 2 – Approve Applicant’s Request

Anticipated Resolution Completion Date:

If Option 1 is endorsed and the request is refused, the Applicant will be informed within 5 business days of the decision via formal correspondence.

If Option 2 is endorsed, the Applicant must enter into an Infrastructure Agreement with Council. The Agreement will reflect the Negotiated Decision Notice currency period.

Attachments:

1. DA/50/2019 – Decision Notice approved at Council Meeting on 7 July 2020;
2. DA/50/2019 – Negotiated Decision Notice approved at Council Meeting on 20 October 2020;
3. DA/50/2019 – Adopted Infrastructure Charge Notice;
4. Request for determination under the Infrastructure Charges Rebate Scheme for DA/50/2019; and
5. Amended Request for determination under the Infrastructure Charges Rebate Scheme for DA/50/2019 received on 21 October 2020.

Tabled Items:

Nil.

Report Prepared by: Development Services

G/4.6. COMMUNITY INVESTMENT PROGRAM - REGIONAL ENHANCEMENT FUND - SPORT & ACTIVE RECREATION - COMMUNITY PROJECTS

Responsible Officer: General Manager Community Development and Events

Council Meeting Date: 17 November 2020

File Ref: GS3.1

Purpose:

Consider the recommendations of the Community Investment Panel on applications received under the Regional Enhancement Fund – Sport and Active Recreation – Community Projects

Officer's Recommendation:

1. Adopt the Community Investment Panel recommendation of funding for applications received under the category of funding tabled below:

Regional Enhancement Fund – Sport & Active Recreation – Community Projects

Applicant	Project	Recommendation
Gladstone Horse Performance Club Inc	The Day Yards	\$30,000.00
Boyne Tannum Football Club Inc	Lighting Project	\$23,521.60
Gladstone Kart Club Inc	Gladstone Kart Club - Track Re-Surfacing	\$30,000.00
Mt Larcom District Youth and Community Recreation Group	Overhead lighting for Mt Larcom Tennis Courts	\$10,000.00
1770 Bowls Club Inc	Renewal of Shades over seating areas	\$16,478.40
	TOTAL	\$110,000.00

2. Authorise the Chief Executive Officer (or delegate) to finalise and execute a grant and/or funding agreement (detailing entitlements and conditions) with each successful applicant.

Background:

On 1 August, the Regional Enhancement Fund – Sport and Active Recreation – Community Projects fund was opened for application and closed 31 August. A total of 21 applications were assessed including fourteen (14) applications in the current round, and a further seven (7) received in the previous round and not assessed due to COVID-19. One application that had been submitted to the Sport and Active Recreation – Strategic Projects fund has been moved across to be assessed as a Community Project as the scope of the application best aligned to Community Project funding criteria.

Eligible applications are assessed by a Community Investment Panel (the Panel) with recommendations presented to Council at a General Meeting for decision. A total of twenty-one (21) applications were assessed. Applications received in the Jan/Feb round are marked with an * for Council's reference.

Regional Enhancement Fund – Sport & Active Recreation – Community Projects

Sport & Active Recreation Community Projects funding is to support sport and active recreation Applicants that own, lease or control land to enhance their facilities to enable increased sporting participation.

The Sport & Active Recreation – Community Projects objectives are;

- *Increase community participation through maintenance and enhancement projects.*
- *Create a safer, more accessible and more user-friendly facility for participants, spectators and the wide community.*
- *Enhance the sustainability and effectiveness of the Club through the purchase of significant equipment.*
- *Encourage multiuse or shared capability of a facility.*

The details of the applications are tabled below;

Applicant	Project	Location	Request	Applicant Contribution	Total Project Cost
Gladstone Horse Performance Club Inc*	The Day Yards	South Gladstone	\$30,000.00	\$3,300.00	\$33,000.00
Boyne Tannum Football Club Inc	Lighting Project	Boyne Island	\$23,521.60	\$6,600.00	\$65,024.00
Gladstone Kart Club Inc*	Gladstone Kart Club - Track Re-Surfacing	South Trees	\$30,000.00	\$3,900.00	\$33,900.00
Mt Larcom District Youth and Community Recreation Group	Overhead lighting for Mt Larcom Tennis Courts	Mount Larcom	\$10,000.00	\$1,500.00	\$12,000.00
1770 Bowls Club Inc	Renewal of Shades over seating areas	Agnes Water	\$19,512.00	\$2,168.00	\$21,680.00
Gladstone Calliope Equestrian Group	Competition Arena Boundary fence upgrade / install and upgrade trot up entrance/ Movable Lunging Round Yard / Spectator improvements/Flood Mitigation	Mount Larcom	\$28,164.00	\$3,500.00	\$31,164.00
Curtis Coast Trail Riders Club*	Fitout of New Custom Build Command Trailer and Rapid Response Emergency Vehicle	Benaraby	\$22,913.94	\$2,500.00	\$22,913.94
Gladstone Auto Club Inc	Install demountable Prefabricated Ablution Facility	Benaraby	\$30,000.00	\$10,800.00	\$40,800.00
Central Football Club Gladstone Inc	Replace Field Irrigation System	Toooloa	\$30,000.00	\$8,876.70	\$38,876.70
Baffle Creek Golf Club Inc*	Concrete Flooring Outdoor Area & Weatherproofing Blinds	Baffle Creek	\$6,300.00	\$700.00	\$7,000.00
Central Queensland Motorsports – Benaraby Inc	Elevating Motorsports in the Gladstone Region	Benaraby	\$17,785.00	\$3,000.00	\$20,785.00
Calliope Rodeo Association	Calliope Rodeo Facilities Upgrade 2020	Calliope	\$2,916.00	\$324.00	\$3,240.00

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Gladstone Men's Shed Association Inc	3D Printing Project	Barney Point	\$2,600.00	\$459.00	\$3,059.00
Clinton Football Club Inc	Upgrade Electrical switchboards	Clinton	\$13,108.00	\$1,457.21	\$14,565.21
Gladstone Gymnastics Club*	Uneven Bars Apparatus Replacement	Gladstone Central	\$6,817.00	\$7,500.00	\$7,567.00
Gladstone Thistle Pipe Band Inc	2020 And Beyond	West Gladstone	\$30,000.00	\$5,446.00	\$35,446.00
Curtis Coast Dolphins Netball Association Inc*	Purchase of Significant Training & Playing Equipment	Boyne Island	\$5,000.00	\$550.00	\$5,443.27
Miriam Vale Golf Club Incorporated	Extension to Existing Storage Shed for Golfing Carts and Buggies	Miriam Vale	\$18,200.00	\$2,146.20	\$20,346.20
Tannum Sands Surf Life Saving Club	Tannum Sands SLSC - External Clubhouse Painting	Tannum Sands	\$8,590.00	\$955.45	\$9,545.45
Gladstone & District Hockey Association Inc	Forza Championship Hockey Goals	Gladstone Central	\$16,320.00	\$1,813.00	\$18,133.00
Gladstone Croquet Club	Semi Permanent Line Marking	South Gladstone	\$2,240.00	\$560.00	\$2,800.00

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) - derived from the funding objectives to determine an order of merit.

The overall score (ranking) is used to inform the recommendation. The tables below define the KSC, weighting and definition of scores applied in the assessment matrix.

Funding Category		Key Selection Criteria	Weighting (Out of 100%)
Sport & Active Recreation - Community Projects	KSC 1: Increase community participation through maintenance and enhancement projects.	25	
	KSC 2: Create a safer, more accessible and user-friendly facility for participants, spectators and the wider community.	25	
	KSC 3: Enhance the sustainability and effectiveness of the Club through purchase of significant equipment.	25	
	KSC 4: Encourage multi-use or shared capability of a facility.	25	
Overall Score	Definition		
65% and above	An overall score of 65.5% and above demonstrates that an application has met or exceeded all KSCs. 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 KSCs 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 KSCs. 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:

Panel assessment was undertaken in October 2020. Individual Panel scores are captured in the Assessment Matrix attached. Due to the number of applications that have scored 65% and above the panel have recommended funding toward projects with the top scoring applications only until the Community Projects budget has been expended.

OPTION 1 – Officer’s Recommendation – Combination of full and partial funding to highest scoring applications.

While the panel has recommended the top five (5) applications are fully funded, Council’s current budget is limited to \$110,000 for the Regional Enhancement Fund – Sport and Active Recreation – Community Projects initiative. If Council were of a mind to fully fund as many applications as possible, the four top scoring applications could be full funded, leaving the amount of \$16,478.40 available for the 1770 Bowls Club Inc.

The below summary is reflective of the outcomes associated with Option 1.

Applicant	Project	Location	Recommendation
Gladstone Horse Performance Club Inc	The Day Yards	South Gladstone	\$30,000.00
Boyne Tannum Football Club Inc	Lighting Project	Boyne Island	\$23,521.60
Gladstone Kart Club Inc	Gladstone Kart Club - Track Re-Surfacing	South Trees	\$30,000.00
Mt Larcom District Youth and Community Recreation Group	Overhead lighting for Mt Larcom Tennis Courts	Mount Larcom	\$10,000.00
1770 Bowls Club Inc	Renewal of Shades over seating areas	Agnes Water	\$16,478.40
		TOTAL	\$110,000.00

OPTION 2 – FULLY FUND THE TOP FIVE SCORING APPLICATIONS

If Council were of a mind to fully fund the top five (5) highest scoring applications the additional funds to support this could be transferred from an undersubscribed funding initiative, namely the Community Education and Development Fund – Educational Development initiative. This initiative is open to applications once per year and following the assessment of four successful applications in September has a remaining budget of \$4220.00.

The below summary is reflective of the outcomes associated with Option 2.

Applicant	Project	Location	Recommendation
Gladstone Horse Performance Club Inc	The Day Yards	South Gladstone	\$30,000.00
Boyne Tannum Football Club Inc	Lighting Project	Boyne Island	\$23,521.60
Gladstone Kart Club Inc	Gladstone Kart Club - Track Re-Surfacing	South Trees	\$30,000.00
Mt Larcom District Youth and Community Recreation Group	Overhead lighting for Mt Larcom Tennis Courts	Mount Larcom	\$10,000.00
1770 Bowls Club Inc	Renewal of Shades over seating areas	Agnes Water	\$19,512.00
		TOTAL	\$113,033.60

The Panel Assessment outcome is summarised within this table;

Applicant	Project	Location	Request	Panel Recommendation
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				Score	
Gladstone Horse Performance Club Inc	The Day Yards	South Gladstone	\$30,000.00	90%	\$30,000.00
Boyne Tannum Football Club Inc	Lighting Project	Boyne Island	\$23,521.60	77%	\$23,521.60
Gladstone Kart Club Inc	Gladstone Kart Club - Track Re-Surfacing	South Trees	\$30,000.00	75%	\$30,000.00
Mt Larcom District Youth and Community Recreation Group	Overhead lighting for Mt Larcom Tennis Courts	Mount Larcom	\$10,000.00	75%	\$10,000.00
1770 Bowls Club Inc	Renewal of Shades over seating areas	Agnes Water	\$19,512.00	75%	\$16,478.40
Gladstone Calliope Equestrian Group	Competition Arena Boundary fence upgrade / install and upgrade trot up entrance/ Movable Lunging Round Yard / Spectator improvements/Flood Mitigation	Mount Larcom	\$28,164.00	73%	-
Curtis Coast Trail Riders Club	Fitout of New Custom Build Command Trailer and Rapid Response Emergency Vehicle	Benaraby	\$ 22,913.94	73%	-
Gladstone Auto Club Inc	Install demountable Prefabricated Ablution Facility	Benaraby	\$30,000.00	73%	-
Central Football Club Gladstone Inc	Replace Field Irrigation System	Toolooa	\$30,000.00	73%	-
Baffle Creek Golf Club Inc	Concrete Flooring Outdoor Area & Weatherproofing Blinds	Baffle Creek	\$6,300.00	69%	-
Central Queensland Motorsports – Benaraby Inc	Elevating Motorsports in the Gladstone Region	Benaraby	\$17,785.00	69%	-
Calliope Rodeo Association	Calliope Rodeo Facilities Upgrade 2020	Calliope	\$2,916.00	63%	-
Gladstone Men's Shed Association Inc	3D Printing Project	Barney Point	\$2,600.00	63%	-
Clinton Football Club Inc	Upgrade Electrical switchboards	Clinton	\$13,108.00	63%	-
Gladstone Gymnastics Club	Uneven Bars Apparatus Replacement	Gladstone Central	\$6,817.00	58%	-
Gladstone Thistle Pipe Band Inc	2020 And Beyond	West Gladstone	\$30,000.00	56%	-
Curtis Coast Dolphins Netball Association Inc	Purchase of Significant Training & Playing Equipment	Boyne Island	\$5,000.00	54%	-
Miriam Vale Golf Club Incorporated	Extension to Existing Storage Shed for Golfing Carts and Buggies	Miriam Vale	\$18,200.00	52%	-
Tannum Sands Surf Life Saving Club	Tannum Sands SLSC - External Clubhouse Painting	Tannum Sands	\$8,590.00	50%	-
Gladstone & District Hockey	Forza Championship Hockey Goals	Gladstone Central	\$16,320.00	40%	-

Association Inc					
Gladstone Croquet Club	Semi Permanent Line Marking	South Gladstone	\$2,240.00	35%	-

Individual panel comments are attached to this report.

Communication and Consultation:

The Panel membership that undertook the assessment consisted of the following delegated Officers:

- General Manager Community Development & Events
- Manager Engagement & Partnerships
- Property Acquisitions and Disposals Specialist delegation from General Manager Operations.

Additional communication/consultation was undertaken with the following.

- Community Development Officer
- Senior Program Support Officer
- Listed applicants (external)

Legal Strategy and Policy Implications:

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

On favorable adoption of the either of the Panel's recommendations detailed in this report the budget for this funding will be fully expended and authorised officers will proceed to enter into a grant/and or one-year funding agreement (detailing entitlements and conditions) with successful applicants.

Financial and Resource Implications:

In 2020/21, Council budgeted \$268,000 to fund recommended applications received through the Regional Enhancement Fund, with specifically \$110,000 allocated to the Sport & Active Recreation Community Projects initiative.

Upon endorsement of Option 1, the officer's recommendation the budget for this fund will be exhausted.

If Council prefer to endorse Option 2, Officers will arrange for the transfer of additional funds of \$3033.60 from the Connected Communities Fund – Community Education and Development Fund Educational Development initiative budget to the Regional Enhancement Fund – Sport & Active Recreation - Community Projects budget.

Summary:

Nil.

Anticipated Resolution Completion Date:

30 November 2021

Attachments:

1. Regional Enhancement Fund – Sport & Active Recreation – Community Projects Funding Guideline
2. Regional Enhancement Fund – Sport & Active Recreation – Community Projects – Panel Comments
3. Regional Enhancement Fund Sport Active Recreation Community Projects Assessment Matrix

Tabled Items:

Nil.

Report Prepared by: Community Investment Officer

G/4.7. COMMUNITY INVESTMENT PROGRAM - COMMUNITY CELEBRATION FUND - IGNITE & IMPACT

Responsible Officer: General Manager Community Development and Events

Council Meeting Date: 17 November 2020

File Ref: GS3.1

Purpose:

Consider the recommendation of the Community Investment Panel on applications received under the Community Investment Program's Community Celebration Fund, Ignite & Impact initiatives for events to be held in 2021.

Officer's Recommendation:

That Council:

1. Adopt the Community Investment Panel recommendation and approve the funding in the below table:

Ignite Event

Applicant	Event	Date	Location	Recommendation	
				Funds	In-kind
Rugby League Gladstone Ltd	Jason Hetherington Cup	9, 10, 11 July 2021	Clinton	\$3000.00	\$ -
Gladstone Road Runners	Gladstone Harbour Festival Fun Run	26 April 2021	Gladstone	\$1000.00	\$ -
Gladstone Road Runners	Australia Day Fun Run	26 January 2021	Tannum Sands	\$300.00	\$ -
Capricorn Film Festival Inc	CAPS Short Film Tour Gladstone	02 May 2021	Gladstone	\$7500.00	\$2500.00
Gladstone Calliope Equestrian Group	GCEG 1 Star CQ Regional Championships and AAOR Leader board Event	24 & 25 July 2021	Mount Larcom	\$3000.00	\$ -
			TOTAL	\$14,800.00	\$2500.00

Impact Event

Applicant	Event	Date	Location	Recommendation	
				Funds	In-kind
Discovery Coast Tourism and Commerce Inc	Agnes Blues, Roots & Rock Festival – 2021	19 - 21 February 2021	Agnes Water	\$24,000.00	\$1000.00
			TOTAL	\$24,000.00	\$1000.00

2. Authorise the Chief Executive Officer to enter into funding agreements (detailing entitlements and conditions) with the successful applicants.

Background:

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 Community Celebration Fund – Impact Event stream aims to support events that demonstrate tourism and regional economy benefits and attract 2500 – 5000 participants, with 10% out of region visitors. The fund is also intended to leverage the objectives of Council’s Gladstone Regional Events Strategy 2019 – 2024.

Applications received to both Ignite and Impact Event funds we initially assessed for eligibility by the Community Investment Officer, these checks include ensuring if mandatory documents required for panel assessment have been included or can be obtained. Following this the applications that remained valid were assessed by the Community Investment Assessment Panel (the Panel) with recommendations presented to Council for resolution within this report. A summary of all applications received is tabled below;

Ignite Event

Applicant	Event	Date	Location	Request	
				Funds	In-kind
Rugby League Gladstone Ltd	Jason Hetherington Cup	9, 10, 11 July 2021	Clinton	\$3000.00	\$ -
Gladstone Road Runners	Gladstone Harbour Festival Fun Run	26 April 2021	Gladstone	\$1000.00	\$ -
Gladstone Road Runners	Australia Day Fun Run	26 January 2021	Tannum Sands	\$300.00	\$ -
Capricorn Film Festival Inc	CAPS Short Film Tour Gladstone	2 May 2021	Gladstone	\$7500.00	\$2500.00
Gladstone Calliope Equestrian Group	GCEG 1 Star CQ Regional Championships and AAOR Leader board Event	24 & 25 July 2021	Mount Larcom	\$3000.00	\$ -
Boyne Burnett Inland Rail Trail Inc	Pedal in the Park - Family Adventure Day	21 March 2021	Gladstone	\$7500.00	\$750.00
Agnes Water Skateboarding	Rumble to the Reef	24 April 2021	Agnes Water	\$10,000.00	\$ -

Impact Event

Applicant	Event	Date	Location	Request	
				Funds	In-kind
Discovery Coast Tourism and Commerce Inc	Agnes Water Blues, Roots & Rock Festival – 2021	19-21 Feb 2021	Agnes Water	\$24,000.00	\$1000.00
Rotary International District 9570 Inc	International District 7570 Inc District Conference	30 April – 2 May 2021	Gladstone	\$15,000.00	\$10,000.00
Gladstone Show Society Inc	2021 Gladstone Show	4-5 June 2021	Gladstone	\$25,000.00	

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 determine 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.

Impact Event funding supports events that demonstrate tourism and regional economy benefits and attract 2500 – 5000 participants, with 10% out of region visitors.

Key Selection Criteria	Weighting (Out of 100%)	
	Ignite	Impact
Must meet at least two criteria		
Social & Community - Drives social and community outcomes, including community pride and cohesion	35	20
Destination - Enhance the profile and appeal of the Gladstone region	30	20
Financial Sustainability - Generates economic activity in the Gladstone region	10	20
Economic Impact - Demonstrates financial sustainability	7.5	10
Environmental Sustainability - Demonstrated environmental sustainability	7.5	10
Overnight Visitation – Attracts external visitation specifically generating overnight visitor expenditure.	10	20

Overall Score	Definition
65% and above	An overall score of 65.5% and above demonstrates that an application has met or exceeded all KSCs. 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 KSC(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 KSCs. 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:

Applications were assessed by the panel in October 2020 with scoring captured in an Assessment Matrix. Panel comments and recommendations are attached.

Ignite Event

Applicant	Event	Date	Location	Request		Panel Score	Recommendation	
				Funds	In-kind		Funds	In-kind
Rugby League Gladstone Ltd	Jason Hetherington Cup	9, 10, & 11 July 2021	Clinton	\$3,000.00		93%	\$3,000.00	
Gladstone Road Runners Inc	Gladstone Harbour Festival Fun Run	26 April 2021	West Gladstone	\$1,000.00		74%	\$1,000.00	
Gladstone Road Runners Inc	Australia Day Fun Run	26 January 2021	West Gladstone	\$300.00		70%	\$300.00	
Capricorn Film Festival Inc	CAPS Short Film Tour Gladstone	2 May 2021	Gladstone Central	\$7,500.00		69%	\$7,500.00	

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Gladstone Calliope Equestrian Group Inc	GCEG 1 Star CQ Regional Championships and AAOR Leader board Event	24 & 25 July 2021	Mount Larcom	\$3,000.00		63%	\$3,000.00	
Boyne Burnett Inland Rail Trail Inc	Pedal in the Park - Family Adventure Day	21 March 2021	Boyne Valley	\$7,500.00	\$750.00	61%	0.00	0.00
Agnes Water Skateboarding	Rumble to the Reef	24 April 2021	Agnes Water	\$10,000.00		NO SCORE	0.00	0.00

Impact Event

Applicant	Event	Date	Location	Request		Panel Score	Recommendation	
				Funds	In-kind		Funds	In-kind
Discovery Coast Tourism and Commerce Inc	Agnes Blues, Roots and Rock Festival – 2021	19-21 February 2021	Agnes Water	\$24,000.00	\$1,000.00	84%	\$24,000.00	\$1,000.00
Gladstone Show Society	2021 Gladstone Show	4-5 June 2021	Gladstone	\$25,000.00		48%	0.00	0.00
Rotary International District 9570 Inc	International District 9570 Inc District Conference	30 April – 2 May 2021	Gladstone	\$15,000.00	\$10,000.00	NO SCORE	0.00	0.00

Communication and Consultation:

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

Ignite Event Assessment Panel

- General Manager Community Development & Events
- Manager Brand, delegation from General Manager Customer Experience
- Manager Engagement & Partnerships
- Manager Events & Entertainment

Impact Event Assessment Panel

- General Manager Community Development & Events
- Manager Brand, delegation from General Manager Customer Experience
- Manager Engagement & Partnerships
- Manager Events & Entertainment
- Economic Development Specialist

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

- Cultural Project Specialist – Gladstone Regional Art Gallery & Museum
- Events Specialist
- Events Booking Officer
- Senior Legal Advisor
- Listed applicants
- Community Investment Officer

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 enter into a grant and/or one-year (1) sponsorship agreement (detailing sponsor entitlements and funding conditions) with each successful applicant.

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 were allocated as Ignite Event funding. Following the endorsement of the officer's recommendation as detailed in this report, \$10,700 will remain in the Ignite Event budget.

There are two remaining rounds of Ignite event funding in 2021, Round 2, open January 1 – 31 and Round 3, 01 May to 31 May.

As part of the Community Celebration Fund budget, \$80,000 of funds were allocated as Impact Event funding. Following the endorsement of the officer's recommendation as detailed in this report, \$56,000 will remain in the Impact Event budget.

There are two remaining rounds of Impact event funding in 2021, Round 2, open January 1 – 31 and Round 3, 01 May to 31 May.

Summary:

Nil

Anticipated Resolution Completion Date:

30 September 2021

Attachments:

1. Ignite Panel Comments - October 2020
2. Impact Panel Comments - October 2020
3. Impact Event Guidelines
4. Ignite Event Guidelines

Tabled Items:

Nil.

Report Prepared by: Community Investment Officer

G/4.8. COMMUNITY INVESTMENT PROGRAM - REGIONAL ENHANCEMENT FUND - SPORT & ACTIVE RECREATION - STRATEGIC PROJECTS

Responsible Officer: General Manager Community Development and Events

Council Meeting Date: 17 November 2020

File Ref: GS3.1

Purpose:

Consider the recommendations of the Community Investment Panel on applications received under the Regional Enhancement Fund – Sport and Active Recreation – Strategic Projects.

Officer's Recommendation:

1. Adopt the Community Investment Panel recommendation of funding for applications received under the category of funding tabled below:

Applicant	Project	Recommendation
The Scout Association of Australia, Queensland Branch Inc. Calliope Scout Group	Roof and Guttering Replacement	\$10,947.88
Gladstone & District Hockey Association Inc	Upgrade existing Metal Halide lights on existing poles to LED	\$89,052.12
	TOTAL	\$100,000.00

2. Authorise the Chief Executive Officer (or delegate) to finalise and execute a grant and/or funding agreement (detailing entitlements and conditions) with each successful applicant.

Background:

On 1 August, the Sport and Active Recreation – Strategic Projects funding round was opened for applications and closed 31 August. Eligible applications are assessed by a Community Investment Panel (the Panel) with recommendations presented to Council at a General Meeting for decision.

A total of five (5) applications were received. One application was moved to be assessed as a Community Project application as it did not align to the Strategic Projects fund criteria.

Following initial application checklist completion and review by the Community Investment Officer, each applicant was provided with an opportunity to clarify unclear details within the application prior to presentation for panel review, this included the opportunity to clarify the budget of the proposed projects.

Regional Enhancement Fund – Sport & Active Recreation – Strategic Projects

Sport & Active Recreation – Strategic Projects funding is to support sport and active recreation organisations with funding to upgrade existing or build new facilities where the organisation has land tenure.

The Sport & Active Recreation – Strategic Projects objectives are:

- *Increase community participation and organisation sustainability through major upgrades or new facilities*
- *Provide or build a facility that encourages multi-use or shared capability*

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- Create a safer, more accessible and user friendly facility for participants, spectators and the wider community
- Aligns/identified within Council's strategic plans i.e. Council's [Amalgamation of Open Space & Recreation Plans](#) and [Operational Plan](#)
- Provide opportunities to increase the region's sport and recreation profile.

The details of the remaining four (4) applications are tabled below;

Applicant	Project	Location	Request	Applicant Contribution	Total Project Cost
The Scout Association of Australia, Queensland Branch Inc. Calliope Scout Group	Roof and Guttering Replacement	Calliope	\$10,947.88	\$10,947.88	\$13,684.88
Gladstone & District Hockey Association Inc	Upgrade existing Metal Halide lights on existing poles to LED	Gladstone	\$100,000.00	\$36,740.00	\$183,700.00
Tannum Sands Rugby League Inc	First Aid and Broadcast Box with attached Machinery and Storage Area	Boyne Island	\$100,000.00	\$28,702.00	\$108,702.00
Baffle Creek Community Inc	Improvements to Community Centre - Stage 4	Baffle Creek	\$100,000.00	\$272,729.53	\$372,729.53
					\$569,414.41

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) - derived from the funding objectives to determine an order of merit.

The overall score (ranking) is used to inform the recommendation. The tables below define the KSC, weighting and definition of scores applied in the assessment matrix.

Funding Category	Key Selection Criteria	Weighting (Out of 100%)
Sport & Active Recreation - Strategic Projects	KSC 1: Increase community participation and organisation sustainability through major upgrades or new facilities	20
	KSC 2: Provide or build a facility that encourages multi-use or shared capability	20
	KSC 3: Create a safer, more accessible and user friendly facility for participants, spectators and the wider community	20
	KSC 4: Aligns/identified within Council's strategic plans i.e. Council's Amalgamation of Open Space & Recreation Plans and Operational Plan	20

	KSC 5: Provide opportunities to increase the region's sport and recreation profile	20
Overall Score	Definition	
65% and above	An overall score of 65.5% and above demonstrates that an application has met or exceeded all KSCs. 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 KSCS 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 KSCs. 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:

Panel assessment was undertaken in October 2020. Individual Panel scores are captured in the Assessment Matrix attached.

OPTION 1 – Officer's Recommendation – Combination of full and partial funding to highest scoring applications.

Council's current budget is limited to \$100,000 for the Regional Enhancement Fund – Sport & Active Recreation – Strategic Projects initiative. While the Panel has scored The Scouts Association of Australia, Queensland Branch Inc, Calliope Scout Group highest, solely recommending funding for this project would result in the fund being undersubscribed. It is for this reason the panel has recommended full funding for the top scoring applicant and partial funding toward the second highest scoring application.

Applicant	Project	Recommendation
The Scout Association of Australia, Queensland Branch Inc. Calliope Scout Group	Roof and Guttering Replacement	\$10,947.88
Gladstone & District Hockey Association Inc	Upgrade existing Metal Halide lights on existing poles to LED	\$89,052.12
Tannum Sands Rugby League Inc	First Aid and Broadcast Box with attached Machinery and Storage Area	\$ -
Baffle Creek Community Inc	Improvements to Community Centre - Stage 4	\$ -
	TOTAL	\$100,000.00

OPTION 2 – FULLY FUND THE TOP TWO SCORING APPLICATIONS

If Council were of a mind to fully fund the two (2) highest scoring applications the additional funds to support this could be transferred from an undersubscribed funding initiative, namely Connected Communities Fund – Historical and Heritage Museums. This fund is open to applications once per year and following the assessment of two applications in August has a remaining budget of \$12,712.00.

The below table is reflective of the outcomes associated with Option 2

Applicant	Project	Recommendation
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The Scout Association of Australia, Queensland Branch Inc. Calliope Scout Group	Roof and Guttering Replacement	\$10,947.88
Gladstone & District Hockey Association Inc	Upgrade existing Metal Halide lights on existing poles to LED	\$100,000.00
Tannum Sands Rugby League Inc	First Aid and Broadcast Box with attached Machinery and Storage Area	\$ -
Baffle Creek Community Inc	Improvements to Community Centre - Stage 4	\$ -
TOTAL		\$110,947.88

The Panel Assessment outcome is summarised within this table.

Applicant	Project	Location	Request	Panel Score	Recommendation
The Scout Association of Australia, Queensland Branch Inc. Calliope Scout Group	Roof and Guttering Replacement	Calliope	\$10,947.88	84%	\$10,947.88
Gladstone & District Hockey Association Inc	Upgrade existing Metal Halide lights on existing poles to LED	Gladstone	\$100,000.00	79%	\$100,000.00
Tannum Sands Rugby League Inc	First Aid and Broadcast Box with attached Machinery and Storage Area	Boyne Island	\$100,000.00	58%	\$-
Baffle Creek Community Inc	Improvements to Community Centre - Stage 4	Baffle Creek	\$100,000.00	38%	\$-

Individual panel comments that support the panel recommendation are included below.

Project Name: Roof and Guttering Replacement	
Location:	Calliope
Applicant:	The Scout Association of Australia, Queensland Branch Inc – Calliope Scout Group
Funding Request:	\$10,947.88 toward a total project cost of \$13,684.88 Organisation to contribute \$2737.00. 20% of total project cost.
Project Summary:	This project will replace the roof, guttering and damaged fascia of what we call the rock block building. The roof itself is in a poor condition, primarily due to the age of the building and falling tree limbs from nearby trees. Guttering is heavily deteriorated especially on the south western side and there are rotted fascia's as a byproduct of the roof and guttering that need to be fully replaced.
Assessment Score	84%

Panel Comment	<p>The panel commended this organisation on the quality and detail within this application. This application is fully complete and contained all required mandatory documents for a complete assessment.</p> <p>This application was detailed and provided evidence as to why this project is needed and how this project will benefit the Organisation moving forward. There were also comprehensive answers on how this project will meet Strategic Project guidelines.</p> <p>The panel scored this application highly across all KSC.</p>
Panel Recommendation	The panel recommends full funding for this project to the value of \$10,947.88.

Project Name: Upgrade existing Metal Halide lights on existing poles to LED	
Location:	Gladstone
Applicant:	Gladstone & District Hockey Association
Funding Request:	<p>\$100,000 toward a total project cost of \$183,000 Organization to contribute \$36,740.00. 20% of total project cost. Information was requested by the Community Investment Officer regarding the additional \$46,260 in remaining costs and the source of the funding. The applicant has advised applications for support have been made to the Federal Government Grants Program amongst other programs.</p>
Project Summary:	<p>Upgrade existing Metal Halide lights on existing poles to LED. This will reduce electricity costs and maintenance.</p>
Assessment Score	79%
Panel Comment	<p>The Panel scored this application highly across all KSC reflecting the Organisation's genuine intent to lodge an eligible application for the sustainability of the Club and promotion of the region.</p> <p>The Panel commented that the project aligns with all Strategic Project objectives particularly how this project has the potential to attract State and National Hockey events to the region. The Panel also highlighted potential reduction in ongoing operational costs the lighting upgrade would provide for the Hockey Association.</p> <p>The Panel did note that a Letter of Consent from Council to undertake the project was not included, however were happy to recommend funding for this project conditional upon a letter of support being provided.</p>
Panel Recommendation	The panel recommends full funding of this project of \$100,000.00.

Project Name: First Aid and Broadcast Box with attached Machinery and Storage Area	
Location:	Boyne Island
Applicant:	Tannum Sands Rugby League Inc
Funding Request:	<p>\$100,000 toward total project cost of \$108,702.00 Organisation to contribute \$21,740.00. 26% of total project cost. Based on funding guidelines this application should be for the total project cost, less the organisation's co-contribution. Therefore \$86,260.00 should be the requested amount.</p>
Project Summary:	<p>This project will deliver the club a new First Aid Centre with a Broadcast Box above along with a new shed and storage area for the club's machinery. The old broadcast box will be demolished. The machinery shed will be 18mt x 12mt and 4.5mt high to fit in a bus. For security reasons this building will have 3 roller doors only. A 4.5mt x 3mt 2 story shed will be erected directly beside and in front of the main shed. This building will accommodate a First Aid Facility on the lower level and a Commentary Box on the upper level. Access</p>

	to the main shed will only be via the First Aid Facility. This project aims to deliver Tannum Sands Rugby League a superior sporting facility whilst retaining as much open space as possible at Dennis Park.
Assessment Score	58%
Panel Comment	<p>The Panel commented that the application lacked supporting evidence to support claims made as to how the project will meet the funding objectives. The application does not demonstrate how this project will increase participation or increase user groups.</p> <p>The Panel noted that the application did stand out from a Safety perspective however there is only a very tentative link as to how the shed will contribute to keeping the grounds tidy. The Panel scored this application strongest against KSC relating to creating a safe, more accessible and user-friendly facility for participants, spectators and the wide community.</p> <p>The Panel commended the organisation for their efforts in diversification of the usage of the grounds but did question if the activities listed were within the permitted use of the organisations current lease.</p> <p>The Panel also noted the organisation had submitted a comprehensive application and commended them for their efforts and time in maintaining their leased area. While unable to support his application financially at this time the panel encourages to continue their good work.</p>
Panel Recommendation	The panel does not recommend funding toward this project.

Project Name: Improvements to the Community Centre – Stage 4	
Location:	Baffle Creek
Applicant:	Baffle Creek Community Inc
Funding Request:	\$100,000 toward total project cost of \$372,729.53 The applicant has detailed Category C Flexible Funding Grants equaling \$262,729 as their financial contribution to this project. This funding was provided to the organisation by the State Government
Project Summary:	<p>This project proposes to add a room where interviews and private conversations can be undertaking to members of the community. To line the floor of the Community Centre with vinyl flooring, to install air conditioning, lining of walls in Community Centre, install storage facilities, fit internal doors.</p> <p>The project also includes a costing for a shed to be built but this information was not included within the project summary.</p>
Assessment Score	38%

Panel Comment	<p>The low score of this application reflects the panel assessment that the applicant's project is misaligned with the objectives of the fund, particularly objectives related to increasing community participation and providing opportunities to increase the region's sport and recreation profile.</p> <p>While the panel recognises the project would support the organisations with funding to upgrade existing or build new facilities the application lacks evidence to support claims as to how these improvements would meet the objectives of the fund.</p> <p>The panel commented that the application was lacked sound explanation of project need and made note that at no stage did the application address the need for the building of a shed which was included in the project budget. The panel also raised concerns that the description of items to be covered by the funding, didn't seem to include all the scope of works that were detailed in the project description.</p>
Panel Recommendation	The panel does not recommend this project.

Communication and Consultation:

The Panel membership that undertook the assessment consisted of the following delegated Officers:

- General Manager Community Development & Events
- General Manager Operations
- Manager Engagement & Partnerships
- Community Development Specialist
- Property Acquisitions and Disposals Specialist

Additional communication/consultation was undertaken with the following.

- Community Development Officer
- Senior Program Support Officer
- Listed applicants (external)

Legal Strategy and Policy Implications:

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

The funding guidelines state there will only be one (1) funding round offered each financial year, and Council will only choose (1) successful applicant/project (not multiple), however the panel were unanimous in agreeance that both applications were of significant benefit to the community.

On favorable adoption of the either of the Panel's recommendations detailed in this report the budget for this funding will be fully expended and authorised officers will proceed to enter into a grant/and or one-year funding agreement (detailing entitlements and conditions) with successful applicants.

Financial and Resource Implications:

In 2020/21, Council budgeted \$268,000 to fund recommended applications received through the Regional Enhancement Fund, with specifically \$100,000 allocated to the Sport & Active Recreation Strategic Projects initiative.

Upon endorsement of Option 1, the officer's recommendation the budget for this fund will be exhausted.

If Council prefer to endorse Option 2, Officers will arrange for the transfer of additional funds of \$10,948.00 from the Connected Communities Fund – Educational Development initiative budget to the Regional Enhancement Fund – Sport & Active Recreation - Strategic Projects budget.

Summary:

Nil.

Anticipated Resolution Completion Date:

30 November 2021

Attachments:

1. Regional Enhancement Fund – Sport and Active Recreation – Strategic Projects Guidelines
2. 2020 Panel Assessment Matrix – Strategic Projects

Tabled Items:

Nil.

Report Prepared by: Community Investment Officer

G/4.9. ANNUAL REPORT 2019/2020

Responsible Officer: General Manager Strategy and Transformation

Council Meeting Date: 17 November 2020

File Ref: CM18.1

Purpose:

To present the 2019/20 Gladstone Regional Council Annual Report for adoption.

Officer's Recommendation:

That the 2019/20 Gladstone Regional Council Annual Report be adopted.

Background:

Section 104(3)(a) of the Local Government Act 2009 and s182 of the Local Government Regulation 2012 requires local government to prepare an Annual Report for each financial year.

The Annual Report is Council's primary progress report to the community, documenting the progress and achievements of the 2019/20 financial year and relating this progress to the Operational and Corporate Plans.

This report also includes the final audited financial statements for the reporting period 1 July 2019 to 30 June 2020, as audited by Queensland Audit Office.

Options, Risk and Opportunity Analysis:

New interactive links are embedded within this report to enhance the reader's experience. By clicking on links within the Table of Contents the reader can instantly move to that content. By clicking on icons, they can be linked to the detailed expose on our website.

Within the report we demonstrate our resilience and partnership with the Region by presenting challenges faced by the Region along with Council's action to answer these challenges.

Communication and Consultation:

The Annual Report Committee was formed in July 2020 consisting of officers from Brand and Communications, Strategy and Transformation, and Finance Governance and Risk with a purpose to produce the Annual Report in accordance with legislation.

Relevant officers have supplied the content for inclusion in the report. The CEO and General Managers provided feedback on the draft report.

Appreciation is extended to Council staff for their contribution to the content of the 2019/2020 Gladstone Regional Council Annual Report.

Legal Strategy and Policy Implications:

Local Government Regulation 2012 s182 legislates the requirement for Council to prepare an Annual Report within one month from the date the Auditor General certifies the annual financial statements.

Local Government Act 2009 s104(5)(b) requires the preparation of the Annual Report to be a core integrated part of Councils financial management systems.

Financial and Resource Implications:

The 2019/20 Annual Report has been completed internally by Council officers and has not required additional budget.

Summary:

The Annual Report showcases the performance, achievements and challenges faced by our organisation during the 2019/20 financial year. It demonstrates the second year of performance against the delivery of Council's Corporate Plan 2018-2023 and highlights our financial position for 2019/20.

This report explains how Council has used partnerships with industry, other levels of government and the community, to explore its vision to 'Connect. Innovate. Diversify.' and to achieve a balance of lifestyle and opportunity.

The theme for the year's report is Partnerships. Council has engaged with residents, business and political representatives to develop an empowered region together, where opportunities can be generated to boost economic growth and meet future challenges.

Anticipated Resolution Completion Date:

24 November 2020

Attachments:

Nil

Tabled Items:

1. 2019/20 Gladstone Regional Council Annual Report

Report Prepared by: Corporate Planning Business Partner

G/4.10. TENDER 81-21 PURCHASE OF HEAVY RIGID TRUCKS & TRAILERS

Responsible Officer: General Manager Operations

Council Meeting Date: 17 November 2020

File Ref: PE1.1

Purpose:

This report seeks resolution from Council to enter into a contract with Western Truck Group Pty Ltd for the supply of four (4) heavy rigid trucks and two (2) trailers.

Officer's Recommendation:

That Council:

1. Endorse the Tender Evaluation Panel's recommendation and accept the offer from Western Truck Group Pty Ltd for Tender 81-21 Purchase of Heavy Rigid Trucks & Trailers; and
2. Authorise the Chief Executive Officer to enter into a contract with Western Truck Group Pty Ltd for Tender 81-21 Purchase of Heavy Rigid Trucks & Trailers.

Background:

In accordance with Council's fleet replacement program, four (4) heavy rigid trucks and two (2) dog trailers are required to support the Roads Services Department and Landfill to assist in their daily duties.

Three (3) of the trucks required are rear tipper trucks (6x4 single steer) and one (1) is a water truck (8x4 twin steer). The dog trailers will be paired with two (2) rear tippers.

All trucks and trailers are replacing current assets and are part of the fleet replacement program, with the exception of one (1) trailer which is being purchased to transport an 8T excavator which presents savings on external float costs. Replaced assets will be disposed via auction.

In-line with the current practice of standardising Council's fleet, Volvo has been identified as the preferred brand for heavy rigid fleet on the basis of:

- Current HR fleet size is 40 vehicles (5 different manufactures), number of Volvo vehicles are 13 (32.5%);
- Operators inducted, trained and competent on Volvo machinery;
- Workshop staff inducted, trained and competent on Volvo machinery;
- No requirement for further components or consumables to be held as stock for maintenance;
- Workshops currently equipped with tooling and diagnostic equipment appropriate to Volvo equipment, for example:
 - Tooling provides engine data related to (fault code details), directly linked to Volvo to allow remote access to provide repair and fault-finding assistance; and
 - Tooling provides database of authorised Volvo task processes related to equipment repairs inclusive of (risk management, implemented controls, required tooling/consumables and diagrams/schematics).
- Gladstone based authorised Volvo service agent available;
- Volvo equipment is suitable to be entered in NHVR mass management without modification;
- Volvo equipment emissions standards meet or exceed current Australian requirements of Euro 5;

- Volvo awarded previous 2 HR truck evaluations (1 Vacuum truck & 4 tippers and 6 water trucks); and
- Current specifications are the same as the previous competitive market approaches for tippers and water trucks.

Volvo is the only major OEM to provide Gladstone based service/specialist support and as with the majority of modern equipment other brands/makes do offer remote diagnostic ability, however not to the technical detail of Volvo (inclusive of risk management and manual assistance). Retooling with additional specific diagnostic equipment would be costly and demanding on workshop team time (training and exposure to equipment). Compliance to NHVR requirements is assisted/maintained with online service backup and OEM support giving clear indication of completed maintenance programs to required standards.

Options, Risk and Opportunity Analysis:

On 6 October 2020, Council released an Invitation to Tender ('ITT') to Western Truck Group Pty Ltd for Volvo equipment, in accordance with the LGA Arrangement exception for quotes and tenders, as set out in section 234 of the *Local Government Regulation 2012*. The invitation closed on 20 October 2020.

The offer for Volvo equipment from Western Truck Group Pty Ltd was evaluated by a panel of subject matter experts, based on the criteria disclosed in the ITT which included:

Objective Evaluation Criteria	Weighting
Proposed Program/Schedule meets GRC timing requirements	30%
Offer demonstrates understanding of the scope and GRC's requirements	30%
Proposed resourcing addresses all aspects of the scope and GRC's requirements	20%
Price	10%
Local Content	10%

The offer scored against the evaluation criteria as follows:

	Score (before Local Preference)	Score (after Local Preference)
WESTERN TRUCK GROUP PTY LTD	51.0	55.0

The submission for Volvo equipment from Western Truck Group Pty Ltd ('Western') was assessed by the panel as a detailed conforming tender. Western demonstrated capability to supply the trucks and trailers required and within the timeframe required by Council.

The tender evaluation panel recommends the submission for Volvo equipment from Western as it presents the best overall value offer to Council, with value for money confirmed in recent, comparable open market tests.

Communication and Consultation:

Communication will commence between the project team and supplier following contract execution.

Legal Strategy and Policy Implications:

Council sought the offer via VendorPanel in accordance with the Local Government Regulation 2012, Local Government Act 2009 and Council's Procurement Policy P-2018-12, making use of Section 234 of the *Local Government Regulation 2012*, states that:

A local government may enter into a contract for goods and services without first inviting written quotes or tenders if the contract is entered into under an LGA arrangement.

Council's endorsement of this tender award is in accordance with the Register of Delegations - Exercise of Statutory Powers and Financial Delegation Register.

Financial and Resource Implications:

The offer made by Western for \$1,341,030.67 ex GST is within existing allocated funds for this project.

Summary:

Nil.

Anticipated Resolution Completion Date:

The contract will be awarded in November 2020.

Attachments:

1. CONFIDENTIAL - Tender 81-21 Purchase of Heavy Rigid Trucks & Trailers

Tabled Items:

Nil.

Report Prepared by: Manager Contracts and Procurement

G/4.11. TENDER 97-21 SUPPLY OF IT WHEEL LOADERS

Responsible Officer: General Manager Operations

Council Meeting Date: 17 November 2020

File Ref: PE1.1

Purpose:

This report seeks resolution from Council to enter into a contract with Hastings Deering (Australia) Limited for the supply of two (2) Caterpillar IT Wheel Loaders with attachments and onsite equipment operator awareness training.

Officer's Recommendation:

That Council:

1. Endorse the Tender Evaluation Panel's recommendation and accept the offer from Hastings Deering (Australia) Limited for Tender 97-21 Supply of IT Wheel Loaders; and
2. Authorise the Chief Executive Officer to enter into a contract with Hastings Deering (Australia) Limited for Tender 97-21 Supply of IT Wheel Loaders.

Background:

In accordance with Council's fleet replacement program, two (2) IT wheel loaders are required to support the Roads Services Department and Quarries to assist in their daily duties and enhance equipment availability levels.

Both IT wheel loaders are replacing current assets and are part of the fleet replacement program. Replaced assets will be disposed via auction.

In-line with the current practice of standardising Council's fleet, Caterpillar ("CAT") has been identified as the preferred brand for loaders on the basis of:

- Current loader fleet consists of 12 loaders (4 different manufactures), number of CAT Loaders are 4 (33%), the requested loaders will replace 2 Komatsu loaders, if allowed to direct engage and have CAT will increase fleet to 50% CAT;
- Operators inducted, trained and competent on CAT machinery;
- Workshop staff inducted, trained and competent on CAT machinery;
- No requirement for further components or consumables to be held as stock for maintenance;
- Workshops currently equipped with tooling and diagnostic equipment appropriate to CAT equipment;
- Tooling provides engine data related to (fault code details), directly linked to CAT to allow remote access to provide repair and fault finding assistance;
- Tooling provides database of authorised CAT task processes related to equipment repairs inclusive of (risk management, implemented controls, required tooling/consumables and diagrams/schematics);
- Hastings Deering have field services based in Gladstone; and
- Hastings Deering (Aust) awarded previous IT Wheel Loader tender following competitive market approach.

Options, Risk and Opportunity Analysis:

On 9 October 2020, Council released an Invitation to Tender ('ITT') to Hastings Deering (Australia) Limited, in accordance with the LGA Arrangement exception for quotes and tenders, as set out in section 234 of the *Local Government Regulation 2012*. The invitation closed on 23 October 2020.

The offer from Hastings Deering (Australia) Limited for CAT equipment was evaluated by a panel of subject matter experts, based on the criteria disclosed in the ITT which included:

Objective Evaluation Criteria	Weighting
Proposed Program/Schedule meets GRC timing requirements	40%
Offer demonstrates understanding of the scope and GRC's requirements	40%
Price	10%
Local Content	10%

The offer scored against the evaluation criteria as follows:

	Score (before Local Preference)	Score (after Local Preference)
HASTINGS DEERING (AUSTRALIA) LIMITED	74.0	79.0

The submission for CAT equipment from Hastings Deering (Australia) Limited ('Hastings') was assessed by the panel as a detailed conforming tender. Hastings demonstrated capability to supply the IT wheel loaders required and within the timeframe required by Council.

The tender evaluation panel recommends the submission from Hastings as it presents the best overall value offer to Council, with value for money confirmed in recent, comparable open market tests.

Communication and Consultation:

Communication will commence between the project team and supplier following contract execution.

Legal Strategy and Policy Implications:

Council sought the offer via VendorPanel in accordance with the Local Government Regulation 2012, Local Government Act 2009 and Council's Procurement Policy P-2018-12, making use of Section 234 of the *Local Government Regulation 2012*, states that:

A local government may enter into a contract for goods and services without first inviting written quotes or tenders if the contract is entered into under an LGA arrangement.

Council's endorsement of this tender award is in accordance with the Register of Delegations - Exercise of Statutory Powers and Financial Delegation Register.

Financial and Resource Implications:

The offer made by Hastings for \$864,200.00 ex GST is within existing allocated funds for this project.

Summary:

Nil.

Anticipated Resolution Completion Date:

The contract will be awarded in November 2020.

Attachments:

1. CONFIDENTIAL - Tender 97-21 Supply of IT Wheel Loaders

Tabled Items:

Nil.

Report Prepared by: Manager Contracts and Procurement.

G/4.12. TENDER 51-21 GAC AQUATIC PLAY PARK UPGRADE

Responsible Officer: General Manager Operations

Council Meeting Date: 17 November 2020

File Ref: PE1.1

Purpose:

This report seeks resolution from Council to enter into a contract with M&N Enterprises Pty Ltd, trading as Playscape Creations for the GAC Aquatic Play Park Upgrade.

Officer's Recommendation:

That Council:

1. Endorse the Tender Evaluation Panel's recommendation and accept the offer from M&N Enterprises Pty Ltd, trading as Playscape Creations for tender 51-21 GAC Aquatic Play Park Upgrade; and
2. Authorise the Chief Executive Officer to enter into a contract with M&N Enterprises Pty Ltd, trading as Playscape Creations for tender 51-21 GAC Aquatic Play Park Upgrade.

Background:

The Gladstone Aquatic Centre ('GAC') is a significant Gladstone Regional Council asset and is used by the Gladstone community on a daily basis. The original Memorial Swimming Centre was constructed in circa 1975, followed by a major upgrade to the toddlers' pool and the addition of a waterplay area later in 2014.

The aquatic play area is now nearly eight (8) years old and although structurally sound, this area needs rejuvenation to bring it back to its original colourful and playful status.

Council requires a suitably qualified Contractor to undertake the supply and installation of a new aquatic activity tower including the replacement and renewal work required for the soft fall and concrete surface finishes.

Options, Risk and Opportunity Analysis:

On 15 August 2020, Council released an Invitation to Tender ('ITT') to the open market via LG Tenderbox and advertising in the Gladstone Observer, in accordance with the tender process requirements set out in section 228 of the *Local Government Regulation 2012*.

A non-mandatory briefing was held on 27 August 2020 and the tender closed on 15 September 2020, with four (4) submissions received.

The offers were evaluated by a panel of subject matter experts, based on the criteria disclosed in the ITT which included:

Criteria	Description	Weighting
Submitted Program		20%
Schedule Suitability	Proposed program meets GRC requirements.	
Program detail	The submitted program displays a suitable level of detail and includes all activities to be completed, including the required timeframes, milestones and critical paths.	
Project Understanding & Methodology		25%
Understanding of Scope of Works	Methodology demonstrates an adequate planning and include specific details to support an understanding of the Scope of Works.	
Subcontractors/ Suppliers	Project Procurement Plan and supporting information proposed is sufficiently detailed and demonstrates an adequate understanding of requirements for subcontracting of Contractors and goods.	
Major Machinery and equipment	Provision of a detailed list of project specific plant and equipment intended for use shows an understanding of the Scope of Works.	
Previous experience		30%
Past performance/ Project history	Successful completion of a number of projects as a Principal Contractor within the last five years, which are of a similar scale and nature.	
Key Personnel (Allocation)	Key personnel are proposed with satisfactory allocation of time to the project.	
Key Personnel (Quality)	Key personnel hold appropriate qualifications and demonstrate a satisfactory level of relevant project experience.	
Price	Whole of Contract Pricing	15%
Local Preference (1)	Geographical Location (Vendor head/branch offices)	5%
Local Preference (2)	% of Locally sourced resources and products	5%
TOTAL		100%

The offers were scored against the evaluation criteria as follows:

	Score (before Local Preference)	Score (after Local Preference)
M&N Enterprises Pty Ltd, trading as Playscape Creations (conforming)	49.00	52.00
M&N Enterprises Pty Ltd, trading as Playscape Creations (non-conforming)	30.50	34.50
BEAU HOMES PTY LTD	26.00	29.00
DCG Company Pty Ltd	23.50	27.50

The conforming submission from M&N Enterprises Pty Ltd, trading as Playscape Creations ('Playscape') scored the highest overall, with a detailed conforming tender. Playscape provided a detailed program, well-considered resourcing requirements and nominated sub-contractors with relevant experience.

The tender evaluation panel recommends the submission from Playscape as it presents the best overall value offer to Council.

Communication and Consultation:

Regular meetings between the project team, stakeholders and contractor will take place throughout the delivery of the project.

Legal Strategy and Policy Implications:

Council sought offers via LG Tenderbox and advertising in the Gladstone Observer in accordance with the Local Government Regulation 2012, Local Government Act 2009 and Council's Procurement Policy P-2018-12.

Council's endorsement of this tender award is in accordance with the Register of Delegations - Exercise of Statutory Powers and Financial Delegation Register.

In accordance with the probity plan established for Council's tendering process, offers have been evaluated based on the evaluation criteria as set out in the ITT. This is consistent with:

- Office of the Chief Advisor- Procurement's guideline - Probity and Integrity in Procurement - including ensuring the tender documentation includes the criteria and evaluation methodology and criteria weightings and that evaluation of all offers occurs objectively under the documented criteria
- CCC's Corruption Prevention Advisory Procurement and Contract Management recommendations to treat all offers and offerors consistently and using the same offer process and evaluation criteria as disclosed in the ITT
- Ensuring evaluation under agreed selection criteria and tender processes and ensuring good faith and dealing consistent with the implied obligation as directed by courts in the cases Hughes Aircraft Systems International v Airservices Australia [1997] and Cubic Transportation Systems v NSW [2002]

Should Council seek to award a contract that is contrary to the application of the evaluation methodology and criteria which was in the ITT, it is recommended that the contract team go back to the tenderers with that variation so they can have the opportunity to make any changes to their offers having regard to the amended criteria and the offers be evaluated in accordance with that amended criteria. If not, there is a risk of claim against Council for unfair practice, plus reputational risk to Council.

Financial and Resource Implications:

The conforming offer made by Playscape for \$745,640.00 ex GST is within existing allocated funds for this project.

Summary:

Playscape's conforming submission was evaluated as presenting the best value to Council.

Anticipated Resolution Completion Date:

The contract will be awarded in November 2020.

Attachments:

1. CONFIDENTIAL - GAC Aquatic Play Park Upgrade

Tabled Items:

Nil.

Report Prepared by: Manager Contracts and Procurement.

G/4.13. PSA 47-21 MAINTENANCE OF TRAFFIC LIGHTS, SCHOOL FLASHING AND FLOOD SIGNS

Responsible Officer: General Manager Operations

Council Meeting Date: 17 November 2020

File Ref: PE1.1

Purpose:

This report seeks resolution from Council to enter into a preferred supplier contract with Pedtek Pty Ltd for the maintenance of traffic lights, school flashing and flood signs.

Officer's Recommendation:

That Council:

1. Endorse the Tender Evaluation Panel's recommendation and accept the offer from Pedtek Pty Ltd for PSA 47-21 Maintenance of Traffic Lights, School Flashing and Flood Signs; and
2. Authorise the Chief Executive Officer to enter into a preferred supplier agreement for one (1) year with the option to extend for a further two (2), one (1) year terms, with Pedtek Pty Ltd for PSA 47-21 Maintenance of Traffic Lights, School Flashing and Flood Signs.

Background:

Council requires a Service Provider who can provide scheduled inspections and maintenance on various traffic lights, pedestrian lights, school zone flashing signs and electronic flood signs throughout the region.

Options, Risk and Opportunity Analysis:

On 16 September 2020, Council released an Invitation to Tender ('ITT') to the open market via LG Tenderbox and advertising in the Courier Mail, in accordance with the tender process requirements set out in section 228 of the Local Government Regulation 2012. The tender closed on 13 October 2020, with two (2) submissions received.

The offers were evaluated by a panel of subject matter experts, based on the criteria disclosed in the ITT which included:

Criteria	Description	Weighting
Submitted Program		10%
Schedule Suitability	Proposed program meets GRC requirements.	
Program detail	The submitted program displays a suitable level of detail and includes all activities to be completed, including the required timeframes, milestones and critical paths.	
Project Understanding & Methodology		15%
Understanding of Scope of Works	Methodology demonstrate satisfactory planning and include specific details to support an understanding of the Scope of Works.	
Previous experience		30%
Past performance/ Project history	Completion of a number of services within the last five years, which are of a similar scale and nature.	
Reports	Reports show experience in servicing equipment of the same specifications and demonstrate an understanding of the Scope of Works.	
Key Personnel (Quality)	Key personnel hold appropriate qualifications and demonstrate a satisfactory level of relevant project experience.	
Price	Whole of Contract Pricing	35%
Local Preference	Local Preference	10%
TOTAL		100%

The offers were scored against the evaluation criteria as follows:

	Score (before Local Preference)	Score (after Local Preference)
Pedtek Pty Ltd	64.00	70.00
Betta Group of Companies	41.00	47.00

The submission from Pedtek Pty Ltd ('Pedtek') scored the highest overall, with a detailed conforming tender. Pedtek demonstrated a clear understanding of Council's requirements and evidenced capability to undertake the required works. All key personnel nominated are suitably qualified and have relevant experience performing the services required.

The tender evaluation panel recommends the submission from Pedtek as it presents the best overall value offer to Council.

Communication and Consultation:

Regular meetings between the contract owner and contractor will take place throughout the duration of the contract.

Legal Strategy and Policy Implications:

Council sought offers via LG Tenderbox and advertising in the Gladstone Observer in accordance with the Local Government Regulation 2012, Local Government Act 2009 and Council's Procurement Policy P-2018-12.

Council's endorsement of this tender award is in accordance with the Register of Delegations - Exercise of Statutory Powers and Financial Delegation Register.

In accordance with the probity plan established for Council's tendering process, offers have been evaluated based on the evaluation criteria as set out in the ITT. This is consistent with:

- Office of the Chief Advisor- Procurement's guideline - Probity and Integrity in Procurement - including ensuring the tender documentation includes the criteria and evaluation methodology and criteria weightings and that evaluation of all offers occurs objectively under the documented criteria
- CCC's Corruption Prevention Advisory Procurement and Contract Management recommendations to treat all offers and offerors consistently and using the same offer process and evaluation criteria as disclosed in the ITT
- Ensuring evaluation under agreed selection criteria and tender processes and ensuring good faith and dealing consistent with the implied obligation as directed by courts in the cases Hughes Aircraft Systems International v Airservices Australia [1997] and Cubic Transportation Systems v NSW [2002]

Should Council seek to award a contract that is contrary to the application of the evaluation methodology and criteria which was in the ITT, it is recommended that the contract team go back to the tenderers with that variation so they can have the opportunity to make any changes to their offers having regard to the amended criteria and the offers be evaluated in accordance with that amended criteria. If not, there is a risk of claim against Council for unfair practice, plus reputational risk to Council.

Financial and Resource Implications:

Selection for a PSA gives no guarantee or representative as to the volume or value of orders to be issued by Council, however expected expenses incurred for both scheduled and unscheduled services are within existing allocated funds for this work.

Summary:

Pedtek's submission was evaluated as presenting the best value to Council.

Anticipated Resolution Completion Date:

The contract will be awarded in November 2020.

Attachments:

1. CONFIDENTIAL - PSA 47-21 Maintenance of Traffic Lights, School Flashing and Flood Signs

Tabled Items:

Nil.

Report Prepared by: Manager Contracts and Procurement.

G/4.14. TENDER 259-20 GOONDOON STREET REFURBISHMENT WORKS

Responsible Officer: General Manager Operations

Council Meeting Date: 17 November 2020

File Ref: PE1.1

Purpose:

This report seeks resolution from Council to increase the 2020/21 Capital Budget and enter into a contract with J. Hutchinson Pty Ltd t/a Hutchinson Builders for Goondoon Street Refurbishment Works.

Officer's Recommendation:

That Council:

1. Endorse a \$2,403,197.00 increase to the 2020/21 Capital Budget for the Goondoon Street Refurbishment Works project (RFC0130); and
2. Endorse the Tender Evaluation Panel's recommendation and accept the offer from J. Hutchinson Pty Ltd t/a Hutchinson Builders for tender 259-20 Goondoon Street Refurbishment Works; and
3. Authorise the Chief Executive Officer to enter into a contract with J. Hutchinson Pty Ltd t/a Hutchinson Builders for tender 259-20 Goondoon Street Refurbishment Works.

Background:

Gladstone Regional Council (GRC) has a plan to re-establish Goondoon Street as Gladstone's main street and to provide safe and efficient passage through a vibrant streetscape.

Planned works will create a unique identity for the Central Business District (CBD) including a sense of arrival and will recognise the City's heritage as an important asset and improve the quality of public spaces. The refurbishment will also offer connectivity to open spaces and planned future entertainment precincts.

Stage 1 of the Goondoon Street Refurbishment Works project includes pavement and footpath refurbishment and associated works including water main replacement within the area between Rosebery and Williams Streets.

The Works will include but not limited to:

- Site preparation including location of services;
- Construction of pavement and concrete footpath;
- Supply and installation of water main drainage; and
- Decommissioning of existing infrastructure.

Options, Risk and Opportunity Analysis:

On 13 June 2020, Council released an Invitation to Tender ('ITT') to the open market via LG Tenderbox and advertising in the Gladstone Observer, in accordance with the tender process requirements set out in section 228 of the *Local Government Regulation 2012*.

A non-mandatory briefing was held on 19 June 2020 and the tender closed on 14 July 2020, with four (4) submissions received.

The offers were evaluated by a panel of subject matter experts, based on the criteria disclosed in the ITT which included:

Criteria	Description	Weighting
Submitted Program		15%
Schedule Suitability	Proposed program meets GRC requirements.	(10%)
Program detail	The submitted program displays comprehensive details of all activities to be completed, including required timeframes, milestones and critical paths.	(5%)
Project Understanding & Methodology		20%
Understanding of Scope of Works	Methodology demonstrate adequate planning and includes specific details to support a clear understanding of the Scope of Works.	(10%)
Subcontractors/ Suppliers	Project Procurement Plan and supporting information proposed is sufficiently detailed and demonstrates an adequate understanding of requirements.	(5%)
Major Machinery and equipment	Provision of a detailed list of project specific plant and equipment intended for use. Listed items are sufficient for completion of the works.	(5%)
Previous experience		25%
Past performance/ Project history	Successful completion of a number of projects within the last five years, which are of a similar scale and nature.	(10%)
Key Personnel (Quality)	Key personnel hold appropriate qualifications and demonstrate a satisfactory level of relevant project experience.	(5%)
Key Personnel (Allocation)	Key personnel/manpower requirements are described in detail with sufficient allocation to meet the requirements of the SoW and program.	(10%)
Price	Whole of Contract Pricing	30%
Local Preference (1)	Geographical Location (Vendor head/branch offices)	5%
Local Preference (2)	% of Locally sourced resources and products	5%
TOTAL		100%

All offers received exceeded the original budget value, therefore RFC0130 - Goondoon Street Stage 1 Footpaths project budget (life of project) requires revision to allow for awarding of the construction contract: Tender 259-20 Goondoon Street Refurbishment Works. The life of project budget exceeds that stated in the project bid as per below table and the attached revised bid document:

	PRO BUD	FY VALUE	FUNDED	AWARD
CURRENT	\$1.5M	\$1.5M	\$1.0M	\$2.8M
REVISED	\$3.9M	\$3.7M	-	-

This project has significant stakeholder interest due to receiving funding to the value of \$1.0M from LGGSP, and the works not commencing as previously baselined and reported. The Department

(DLGRMA) will be onsite in November to discuss the justification for delays in person, whilst they are in Gladstone reviewing their funded projects.

To help ensure that this project meets its funding deadline (30 June 2021), it is urgent to have the project budget increase approved to allow for the contract for these works to be awarded.

The offers were scored against the evaluation criteria using the revised budget value as proposed and scored as follows:

	Score (before Local Preference)	Score (after Local Preference)
J. Hutchinson Pty Ltd t/a Hutchinson Builders	56.5	63.5
LOFTUS CONTRACTING PTY LTD	43.5	45.5
RMS Engineering & Construction Pty Ltd	39.5	45.5
Paynters Pty Ltd	39.0	44.0

The conforming submission from J. Hutchinson Pty Ltd t/a Hutchinson Builders ('Hutchinson') scored the highest overall, with a detailed conforming tender. Hutchinson provided a detailed program, well-considered resourcing requirements and nominated sub-contractors with relevant experience.

The tender evaluation panel recommends the submission from Hutchinson as it presents the best overall value offer to Council.

Communication and Consultation:

Consultation regarding the required budget revision has occurred with all relevant stakeholders.

Regular meetings between the project team, stakeholders and contractor will take place throughout the delivery of the project.

Legal Strategy and Policy Implications:

Council sought offers via LG Tenderbox and advertising in the Gladstone Observer in accordance with the Local Government Regulation 2012, Local Government Act 2009 and Council's Procurement Policy P-2018-12.

Council's endorsement of this tender award is in accordance with the Register of Delegations - Exercise of Statutory Powers and Financial Delegation Register.

In accordance with the probity plan established for Council's tendering process, offers have been evaluated based on the evaluation criteria as set out in the ITT. This is consistent with:

- Office of the Chief Advisor- Procurement's guideline - Probity and Integrity in Procurement - including ensuring the tender documentation includes the criteria and evaluation methodology and criteria weightings and that evaluation of all offers occurs objectively under the documented criteria
- CCC's Corruption Prevention Advisory Procurement and Contract Management recommendations to treat all offers and offerors consistently and using the same offer process and evaluation criteria as disclosed in the ITT
- Ensuring evaluation under agreed selection criteria and tender processes and ensuring good faith and dealing consistent with the implied obligation as directed by courts in the cases Hughes Aircraft Systems International v Airservices Australia [1997] and Cubic Transportation Systems v NSW [2002]

Should Council seek to award a contract that is contrary to the application of the evaluation methodology and criteria which was in the ITT, it is recommended that the contract team go back to the tenderers with that variation so they can have the opportunity to make any changes to their offers having regard to the amended criteria and the offers be evaluated in accordance with that amended criteria. If not, there is a risk of claim against Council for unfair practice, plus reputational risk to Council.

Financial and Resource Implications:

The conforming offer made by Hutchinson for \$2,812,147.39 ex GST is within the proposed revised allocated funds requested herein for this project.

The budget revision is in accordance with section 169 of the *Local Government Regulation 2012*, which states that multi-year budgets need to be assessed against the whole of life value not the current year budget only.

Summary:

Hutchinson's conforming submission was evaluated as presenting the best value to Council.

Anticipated Resolution Completion Date:

The contract will be awarded in November 2020.

Attachments:

1. CONFIDENTIAL - Tender 259-20 Goondoon Street Refurbishment Works - Evaluation Summary
2. CONFIDENTIAL - Revised Bid RFC0130 ES PB1403 Goodoon St Footpath Renewal Roseberry to William.

Tabled Items:

Nil.

Report Prepared by: Manager Contracts and Procurement.

G/5. COUNCILLORS REPORT

Nil

G/6. URGENT BUSINESS

Nil

G/7. NOTICE OF MOTION

Nil

G/8. CONFIDENTIAL ITEMS

Nil

ATTACHMENTS