



GLADSTONE REGIONAL COUNCIL

GENERAL MEETING NOTICE AND AGENDA

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

On Tuesday 18 May 2021

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/0.3.2. APOLOGIES AND LEAVE OF ABSENCE

Councillor Rick Hansen is an apology with an approved leave of absence.

G/1. MAYORAL STATEMENT OF CURRENT ISSUES

G/2. CONFIRMATION OF MINUTES

G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 4 MAY 2021

Responsible Officer: Chief Executive Officer

Council Meeting Date: 18 May 2021

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 4 May 2021.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 4 May 2021 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 4 May 2021.

Tabled Items:

Nil.

Report Prepared by: Executive Secretary

G/3. OFFICERS' REPORTS

G/3.1. CORPORATE PLAN 2021-26

Responsible Officer: General Manager Strategy and Transformation

Council Meeting Date: 18 May 2021

File Ref: ECM 14.2

Purpose:

To adopt Council's Corporate Plan 2021-2026.

Officer's Recommendation:

That Council adopt the Gladstone Regional Council Corporate Plan 2021-2026 as attachment 1.

Background:

Council recently undertook a half-term review of its Corporate Plan 2018-2023. The purpose of the review was to determine alignment with community expectations, relevance to current environmental influences and whether the Corporate Plan still set a realistic 2023 outlook for the Council.

As part of the review, it was identified that the plan did not reflect the current economic climate of the Gladstone Region, considering factors such as population growth, the role of industry in the region, service expectations and the likelihood of further disasters or pandemic events. Additionally, the results from the 2019 Employee Engagement Survey indicated that our People did not understand it or connect with it.

After initial review, the need was identified for a Corporate Plan refresh rather than a review. A refresh would ensure that Council was best placed for success into the next 5 years with a plan that was achievable, focused on creating value for our community and aligned with community expectations.

Options, Risk and Opportunity Analysis:

The proposed Corporate Plan (2021 – 2026) incorporates a new multi-year emphasis on enhancing connections with the community, through the extension of our customer service foundation and refocuses the way we serve and understand each of our communities.

Harnessing the Asset Management framework developed under the guidance of the 2018 Corporate Plan, our focus is now on executing our works efficiently, effectively, and safely. It is expected that this will be a multi-year journey with a focus on incremental continuous improvement.

Council will continue our investment towards a resilient economy. This includes supporting existing and emerging industries and opportunities and promoting our region as a place where we all want to live, work, play and stay.

Council recognises that our people are the backbone of everything we do and achieve. Building a workplace that our people are proud to work for is key to delivering services that look after our communities.

Over the next five years Council will provide good stewardship built on a foundation of trust and our refreshed five-year Corporate Plan will guide us towards making better decisions.

Communication and Consultation:

Engagement commenced in September 2020 with our business leaders to consult on the Charter, strategic goals, objectives, and measures. A review of current strategies & plans was also undertaken to understand alignment, direction, pace, and types of change.

Outcomes of this research were then used as inputs to a further extensive period of engagement with the Executive Leadership team and Council through to April 2021. This engagement explored the pace of change, alignment of our technology journey, outcomes, objectives, and performance indicators for the business over the next 5 years.

The Audit Risk & Improvement Committee was presented with an update on the Corporate Plan refresh in February. The committee provided feedback on focus points and our pace of change over the next five years.

Legal Strategy and Policy Implications:

Local Government Regulation 2012 s165 legislates the requirement for Council to prepare a 5-year corporate plan. It also states that a local government may, by resolution, amend its 5-year corporate plan at any time.

Local Government Regulation 2012 s166 outlines that a local government's corporate plan must— (a) outline the strategic direction of the local government; and (b) state the performance indicators for measuring the local government's progress in achieving its vision for the future of the local government area.

Financial and Resource Implications:

It is important to align the operational requirements of our business to the long-term financial plan. The Corporate Plan will be aligned with the long-term financial plan through the budget and operational planning cycle.

Summary:

The refreshed Corporate Plan includes:

- Extended timeframe to 30 June 2026, as per changes to legislation
 - see Policy Implications section of this report
- Vision and Values reaffirmed
 - During engagement with the business and with Council it was evident that Council's Vision and Values are well connected with by our people and embedded in how we do things.
- Removal of Mission
 - This was not seen to add value to the plan or for our people delivering on the plan
- Reduction from 9 strategic goals to 5 Goals, with 13 Outcomes and 40 Objectives
 - This was in response to high levels of feedback about the complexity of our current plan
- Removal of links between goals and the vision pillars
 - This was to support the feedback received that activity within any area of our Corporate Plan, and subsequent annual plans can align with any area of our Vision – Connect, Innovate, Diversify. Also serves to support the removal of siloes, all areas of our teams connect to all areas of our vision.

Performance of Council's Corporate Plan will be measured Quarterly via the progress of the Annual Operational Plan. It will be reported to the community Quarterly via the Quarterly Reports and Annual Report.

Proposed activity in the draft 2021/2022 Operational Plan has been aligned to the goals and outcomes of the refreshed Corporate Plan.

Anticipated Resolution Completion Date:

Implement External and Internal Communication Plan from June 2021.

Attachments:

1. Corporate Plan 2021-2026.

Tabled Items:

Nil.

Report Prepared by: Manager Strategic Business Planning

G/3.2. OPERATIONAL PLAN - QUARTER THREE REPORT

Responsible Officer: General Manager Strategy and Transformation

Council Meeting Date: 18 May 2021

File Ref: CM 14.2

Purpose:

To present the quarterly progress toward implementation of Council's 2020/21 Operational Plan for Quarter three, ending 31 March 2021.

Officer's Recommendation:

That Council note the 2020/21 Operational Plan – Quarter three report.

Background:

Council's Operational Plan 2020/2021 shows what action items have been prioritised to deliver on Council's Corporate Plan 2018-2023.

For the 2020/21 year the intent is to incrementally improve our reporting each quarter.

In this quarter you will note improvements as follows:

- An Introduction - intended for the external stakeholder audience.
- Two new performance categories – amended and complete.

Options, Risk and Opportunity Analysis:

Monthly reporting of progress as well as regular check-ins with Project Teams and Sponsors has provided oversight to the Executive Leadership team of these priority actions, allowing for swift elevation of risks, concerns and challenges to success. This has provided the business with a forum to resolve issues quickly and has resulted greater outcomes in relation to the progress of these items.

Items in the Operational Plan are communicated as the Council priorities and as such there is a clearer understanding of which projects our people should be focusing resources on.

Communication and Consultation:

Relevant Subject Matter Experts and management have supplied the content for the attached report, which has then been reviewed and approved by the Executive Leadership team.

Legal Strategy and Policy Implications:

Section 174(3) *Local Government Regulation 2012* (Preparation and adoption of annual operational plan) states that:

The Chief Executive Officer must present a written assessment of the local government's progress towards implementing the annual operational plan at meetings of the local government held at regular intervals of not more than 3 months.

Financial and Resource Implications:

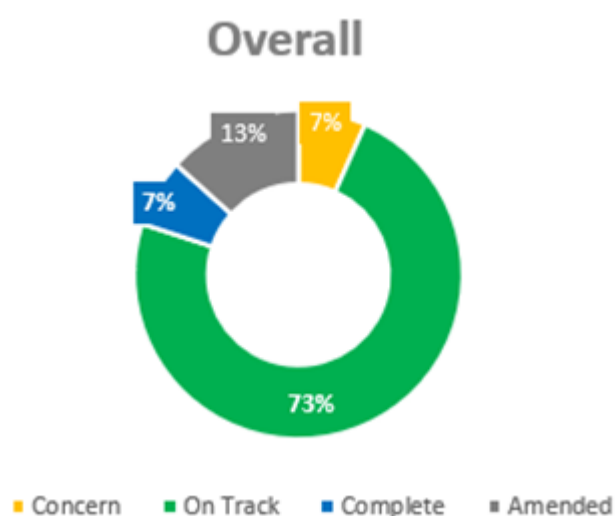
There are currently no projects that are projecting a need for increased funding to complete the activity.

Over the third quarter some projects have found the need for increased resources at different periods of the project. With our prioritised workplan and this forward view of impacts, our leaders, supported by the Executive Leadership team have been able to pivot resources where necessary to ensure priority outcomes are achieved.

Summary:

The image below shows Quarter three – 31 March 2021 results. In summary:

- 80% (12) of items on target (either **on track** or **complete**)
- 7% (1) of items are of **concern** – with mitigation plan in place to achieve target
- 13% (2) of items are now **amended** and not expected to be completed by 30 June



Goal Overall - Summary

Goal	Action Needed	Concern	On Track	Complete	Amended	Total
Goal 1. Engaged, involved and proud communities.	0	0	2	0	0	2
Goal 2. Healthy environment, healthy community.	0	0	1	0	0	1
Goal 3. Our people, our values.	0	1	2	0	0	3
Goal 4. Ethical and responsible government.	0	0	0	1	0	1
Goal 5. Outstanding customer service.	0	0	1	0	0	1
Goal 6. Smart asset management.	0	0	0	0	1	1
Goal 7. Operational excellence.	0	0	2	0	0	2
Goal 8. Grow the region.	0	0	2	0	0	2
Goal 9. Smart investment.	0	0	1	0	1	2
Total	0	1	11	1	2	15

Action 3.2 Constructive and collaborative leaders item has **concern** status due to delays from the planned schedule. The project team have identified the reasons for these delays and provided a mitigation plan to ensure the project will be back on track and delivered by 30 June 2021.

Action 4.1 Making compliance easier is **complete**.

Action 6.1 Community focused asset management has been amended. On review of the immediate and most pressing needs of the business, an operational decision has been made to remove the manual from this year's priority activity. Given that an Asset Manual is not a required ISO artefact resources have been re-tasked to successfully deliver the Maximising delivery of works action (7.1).

Action 9.2 Accessible technology has been amended. The activity within this item closely aligns with Maximising delivery of works (7.1) and upon review, an operational decision has been made to align the two project plans and pace this activity at the pace determined by 7.1. This will ensure both projects are aligned, and we are doing the right activity at the right time, with resources allocated where they are needed most.

Anticipated Resolution Completion Date:

Quarterly report will be published on Council's website by 21 May 2021.

Attachments:

1. Operational Plan Quarterly report - Q3

Tabled Items:

Nil.

Report Prepared by: Corporate Planning Business Partner

G/3.3. PHILIP STREET COMMUNITIES AND FAMILIES PRECINCT ADVISORY COMMITTEE

Responsible Officer: General Manager Community Development and Events

Council Meeting Date: 18 May 2021

File Ref: CC5.1, PRJ-076

Purpose:

The purpose of this report is to seek Council's endorsement to appoint members to the Philip Street Communities and Families Precinct Advisory Committee.

Officer's Recommendation:

That Council:

1. Adopt the selection panel's recommendation to appoint the following applicants to the Philip Street Communities and Families Precinct Advisory Committee for an initial period of 24 months:
 - Chris Ford – Salvation Army
 - Shakira Raymond – GAPDL Communities 4 Children
 - Cecelia Eggmolesse – ordinary member
 - Christine Ward - ordinary member
 - Kate Dufty - ordinary member
 - Monica Mattingley - ordinary member
 - Supria Singh - ordinary member
2. Appoint Councillor _____ to the Philip Street Communities and Families Precinct Advisory Committee;
3. Authorise the Chief Executive Officer to appoint the officer representative on the Philip Street Communities and Families Precinct Advisory Committee.

Background:

Gladstone Regional Council is committed to creating healthy communities that are engaged, involved, proud and connected. Council has expressed its commitment to this goal through the development of the Philip Street Communities and Families Precinct. The Philip Street Communities and Families Precinct Advisory Committee was established by resolution of Council on 2 November 2020 as an Advisory Committee to Council under the *Local Government Regulation 2012*, ss. 264- 265.

The Philip Street Communities and Families Precinct Advisory Group Terms of Reference that govern the committee's roles and responsibilities were endorsed by resolution of Council on 16 February 2021 and are attached.

As described within the Terms of Reference, item 4.1 states that membership of the committee shall be voluntary and consist of:

Council Members:

- One (1) Gladstone Regional Council Councillor
- One (1) other representative from Council

Appointed Members:

- One (1) representative from the Salvation Army (primary tenant)

- *One (1) representative from the Gladstone Area Promotion and Development Limited (GAPDL)*

Ordinary Members:

- *Up to six (6) representatives to include one (1) representative of the region's youth, one (1) representative of the indigenous community, one (1) representative of the culturally and linguistically diverse community, one (1) representative of the senior community and one (1) representative of the disability community.*

A robust selection process took place with Expressions of interest for Ordinary Members distributed via multiple communication channels and throughout community networks resulting in (9) interested parties.

All (9) nine applications were assessed, scored and invited to interview by the Philip Street Communities and Families Precinct Task and Finish group, which is made up of representatives from Gladstone Regional Council, The Salvation Army GAPDL Communities 4 Children and the Queensland Government Department of Communities Housing and digital economy.

The applicants were scored against their responses to the following interview questions.

- a) What does community mean to you and explain how you have worked collaboratively to achieve a common goal?
- b) Can you tell us about a time when you have put the needs of other community members before your own self-interest?
- c) How do you see your experience and knowledge will enhance the advisory group recommendations and decisions?
- d) Of the attributes, skills and knowledge you have identified, which do you believe are your strengths and why, and which would you think needs strengthening and why?
- e) A lot of the work of the advisory group will be around analysing data, meeting reports and general governance with recommendations to be decided by Council. What is your experience and knowledge in this area?
- f) It is anticipated that there will be 6 meetings/year, but in the start-up period this may require more frequent meetings to ensure success of this innovative project. Are you able to commit for these additional times?

The Selection Panel is confident the selected applicants recommended within this report to fulfil advisory committee positions will support and drive the precinct's progress and proposed initiatives to achieve Council's vision of being a vibrant and evolving space that supports and enhances community wellbeing for all.

Options, Risk and Opportunity Analysis:

Nine (9) community members expressed interest in joining the Philip Street Communities and Families Precinct Advisory Committee with each attending interviews.

The selection panel were unanimous in their decision, with all recommended ordinary members scoring between 78-85% on interview scores matrix. Focus was placed on willingness to commit to requirements and responsibilities of the Philip Street Communities and Families Precinct Advisory Committee.

Communication and Consultation:

A comprehensive expression of interest process was developed to support the recruitment of the Advisory committee members. This was supported through a communications strategy and a concerted effort to distribute the information to groups and organisations that are connected to community members who align with the ordinary member conditions as detailed within the Terms of Reference.

Legal Strategy and Policy Implications:

The *Local Government Act 2009* and *Local Government Regulation 2012* sets out the legislative requirements of Advisory Committees formed under Section 264 of the Regulation.

Financial and Resource Implications:

Council will be required to resource Secretariat support for the committee which will be provided by the Engagement and Partnerships Team utilising existing resources.

Summary:

This report outlines seeks the endorsement of Council to appoint members to the Philip Street Communities and Families Precinct in line with the Terms of Reference Endorsed 16 February 2021. The report also outlines the methods by which assessment of the recommended Advisory Committee members were assessed.

Anticipated Resolution Completion Date:

18 May 2021.

Attachments:

1. Philip Street Communities and Families Precinct Advisory Committee - Terms of Reference
2. CONFIDENTIAL – EOI Interview Assessment Summary

Tabled Items:

Nil.

Report Prepared by: Manager Engagement and Partnerships

G/3.4. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 28 APRIL 2021

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 18 May 2021

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 28 April 2021.

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 28 April 2021 as required under Section 204 *Local Government Regulation 2012*.

Background:

The percentage of year passed (pro-rata rate) as at 28 April 2021 is 83.01%.

Forecast

The 2020-21 budget was adopted on 7 July 2020. The business has since undertaken a forecasting process to establish an expected position at 30 June 2021. The most recent forecast indicates a deficit of \$26.7m comprised of a deficit of \$5.2m relating to ordinary operations and \$21.5m relating to the early repayment adjustment resulting from Queensland Treasury Corporation loan restructuring. This restructure adjustment charge represents a timing variance locking in current low interest rates providing future cashflow benefits.

The actual results for the year to date will be compared to the forecast position.

Statement of Income and Expenditure

Income

Recurrent Revenue

Total recurrent revenue	2020-21	Actual as %
Actual	\$171.5m	
Budget	\$189.3m	90.57%
Forecast	\$193.4m	88.64%

Items of interest:

Net rates and utility charges	2020-21	Actual as %
Actual	\$142.9m	
Budget	\$152.1m	93.95%
Forecast	\$154.3m	92.61%

General rates and annual waste, water and sewerage charges have been levied as well as water consumption for the period July – December 2020. The remaining water consumption revenue for 2020-21 will be accrued upon completion of the water meter reading cycle for the second half of the financial year. Meter readings are scheduled to be conducted in June 2021.

Discounts are applied when payments are received from customers, resulting in a decrease to net rates and utility charges. Discounts and concessions processed year to date are \$14.0m.

The Gladstone Area Water Board's (GAWB) bulk water price under the 2020 price review has resulted in an increase to the water consumption charge. This has been included in the current forecast.

Income Tax Equivalents	2020-21	Actual as %
Actual	\$2.2m	
Budget	\$0.5m	430.33%
Forecast	\$2.2m	97.80%

A payment comprising the 2019-20 dividend and income tax equivalents was received from the Gladstone Area Water Board in February. No significant change is expected for the remainder of the year.

General purpose grants	2020-21	Actual as %
Actual	\$3.0m	
Budget	\$8.3m	35.49%
Forecast	\$8.3m	35.43%

The forecast consists of \$8.3m for the Federal assistance grant (FAG). Year to date \$3.0m has been received, with the balance typically received towards the end of the financial year.

State Government Subsidies and Grants	2020-21	Actual as %
Actual	\$2.2m	
Budget	\$3.5m	64.09%
Forecast	\$2.2m	100.03%

Funding received year to date has exceeded expectations at the time of the quarter 2 Forecast preparation. Adjustments will be made to the quarter 3 forecast to account for the additional receipts.

Capital Revenue

Total capital revenue	2020-21	Actual as %
Actual	\$14.2m	
Budget	\$27.3m	52.26%
Forecast	\$24.1m	59.11%

The forecast consists primarily of State and Federal funding. Projects with significant forecast funding are listed in the table below:

State Funding

Description	Budget	Forecast	Actual
Gladstone Aquatic Centre - Rejuvenation & upgrade	\$1.3m	\$1.1m	\$0.6m
Toondoon Botanical Gardens - Demonstration Gardens	\$0.3m	\$0.5m	\$0.3m
Toondoon Botanical Gardens Electrical upgrade of external lighting	\$1.6m	\$1.4m	\$0.8m
Tannum Sands State School Bus Bay	-	\$0.6m	\$0.3m
Agnes Street - New Carpark	0.70	\$0.8m	\$0.4m
Goondoon Street Footpath	\$0.7m	\$0.7m	\$0.1m
Upgrade to pump station SPS A06	\$1.8m	\$1.6m	\$0.9m
Gladstone WWTP Biosolids	-	\$0.6m	\$0.6m
Other (Multiple Projects with Forecast <\$0.5m)	\$8.0m	\$4.3m	\$3.1m
	\$14.4m	\$11.6m	\$7.1m

Federal Funding

Description	Budget	Forecast	Actual
Philip Street Communities Precinct - Stage 1a	\$4.6m	\$1.7m	\$1.6m
Benaraby Landfill - Stage 3 Landfill Cell Development	\$3.2m	\$2.1m	-
Blackmans Gap Road, Miriam Vale - Safety improvements	\$0.9m	\$0.9m	\$0.4m
Blain Drive, Gladstone - Pavement Renewal	-	\$0.8m	-
Gravel Road Resheeting - Various locations	\$1.6m	\$1.2m	\$0.9m
Dawson Highway, Gladstone	\$0.9m	\$0.7m	\$0.4m
Other (Multiple Projects with Forecast <\$0.5m)	\$1.4m	\$1.9m	\$0.7m
	\$12.4m	\$9.3m	\$4.0m

Other capital grants, subsidies, contributions and donations	2020-21	Actual as %
Actual	\$3.0m	
Budget	\$0.1m	4515.42%
Forecast	\$2.8m	105.40%

Forecast and actual figures relate primarily to the Philip Street Communities Precinct project. Invoices totaling \$2.6m have been raised to The Salvation Army, for contributions to the project. These invoices were raised at the request of The Salvation Army, as a requirement to secure funding for the project from The Gladstone Foundation. The invoices are yet to be paid.

Expenditure

Year to date expenditure is tracking in line with expectations for this time of year.

Recurrent expenditure

Total recurrent expenditure	2020-21	Actual as %
Actual	\$165.2m	
Budget	\$193.7m	85.32%
Forecast	\$220.1m	75.06%

Of note:

Employee benefits	2020-21	Actual as %
Actual	\$57.5m	
Budget	\$61.7m	93.23%
Forecast	\$66.0m	87.17%

Employee benefits are the largest component of Councils recurrent expenditure.

The increase in forecast expenditure is primarily due to a year-to-date average vacancy rate of 5.36% within Council compared to the budgeted vacancy rate of 7.5% based on historical trend.

Donations	2020-21	Actual as %
Actual	\$2.0m	
Budget	\$3.3m	58.50%
Forecast	\$3.1m	62.99%

Community Support donations are significantly below forecast with limited opportunity remaining for additional expenditure to be approved and disbursed by June.

Property expenses	2020-21	Actual as %
Actual	\$1.9m	
Budget	\$2.6m	72.26%
Forecast	\$2.5m	74.90%

Corporate buildings expenditure for cleaning and maintenance has been consistently below forecast for the last quarter. It is expected that the next forecast will be adjusted to align more closely with actual trends.

Staff and Councillor associated expenses	2020-21	Actual as %
Actual	\$1.2m	
Budget	\$2.5m	47.22%
Forecast	\$1.6m	72.00%

Recruitment and staff medical costs are currently \$0.2m below year-to-date forecast, however the vacancy rate is trending upwards which should be reflected in expenditure over the remaining months of the year. Training and seminars are also \$0.1m below the year-to-date forecast.

Finance costs (total)	2020-21	Actual as %
Actual	\$3.3m	
Budget	\$4.3m	77.33%
Forecast	\$25.8m	12.91%

The forecast for finance costs includes the aforementioned early repayment adjustment. This is expected to be realised in June 2021.

Statement of Financial Position

	Current Value	Adopted Budget	Forecast	Percentage of Adopted Budget	Percentage of Forecast
Year to date Assets	\$2.5b	\$2.3b	\$2.5b	109.64%	98.98%
Year to date Liabilities	\$136.4m	\$123.3m	\$136.3m	110.65%	100.10%

The forecast represents the expected position at 30 June 2021.

Capital Expenditure

	Actual	Budget	Forecast	Actual as % of budget	Actual as % of forecast
Year to date capital expenditure	\$46.9m	\$64.8m	\$65.1m	72.45%	72.17%
Including commitments (open purchase orders)	\$62.5m			96.38%	96.01%

Of the \$15.5m in commitments, \$3.8m relates to the fleet replacement program, \$1.4m relates to Goondoon Street footpath and \$1.3m relates to the Philip Street Communities precinct.

Accrual estimates of \$3.0m have been included in the actuals, to account for major claims relating to April work as at 28 April 2021.

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

Group	YTD Actual	Commitments	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Road Assets	\$7.9m	\$4.3m	\$16.9m	46%	\$14.2m	55%
Sewerage Assets	\$10.2m	\$2.6m	\$11.7m	87%	\$12.7m	81%
Strategy & Transformation	\$11.2m	\$1.3m	\$12.8m	87%	\$12.4m	90%
Water Assets	\$5.3m	\$1.1m	\$6.2m	85%	\$6.6m	80%
Delivery Support and Performance	\$3.7m	\$3.8m	\$5.1m	74%	\$6.5m	57%
Waste Assets	\$4.3m	\$0.1m	\$4.4m	97%	\$4.5m	95%
Property Assets	\$1.6m	\$1.3m	\$4.6m	36%	\$4.3m	38%
Parks & Environment Assets	\$0.7m	\$0.9m	\$1.9m	38%	\$1.7m	42%
Community Development & Events	\$1.5m		\$0.5m	321%	\$0.3m	536%
Other	\$0.6m	\$0.1m	\$0.8m	73%	\$1.9m	31%
Total	\$46.9m	\$15.5m	\$64.8m	72%	\$65.1m	72%



Although 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.

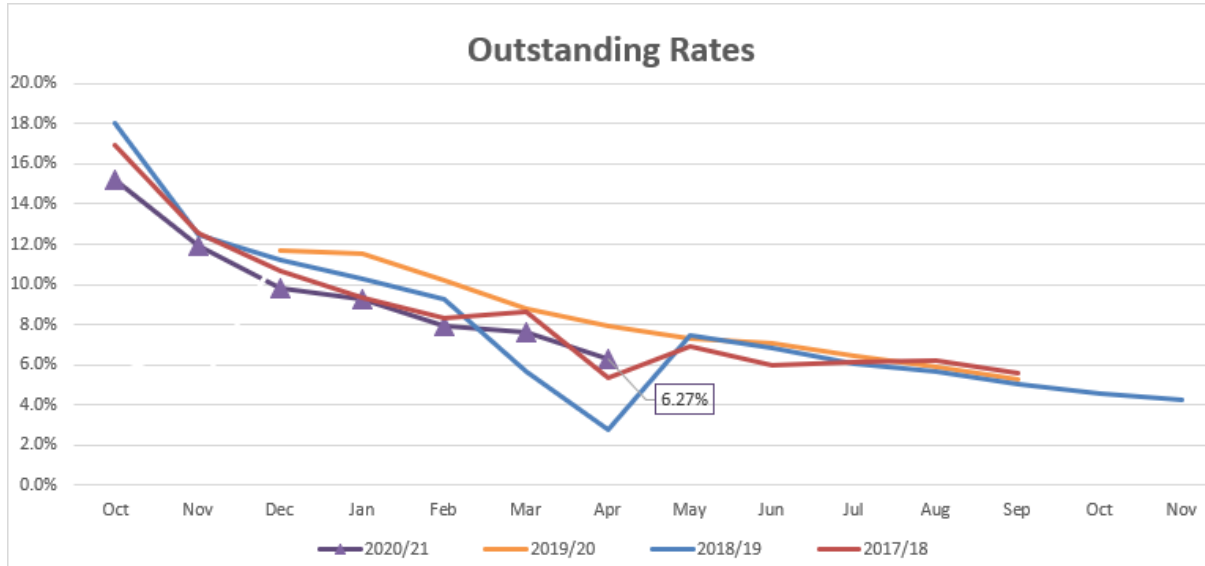
Outstanding Rates

Outstanding rates, as a percentage of gross rates levied for 2020-21, and collectible, is at 6.27% at the end of April 2021, compared to 7.95% for the same period last year.

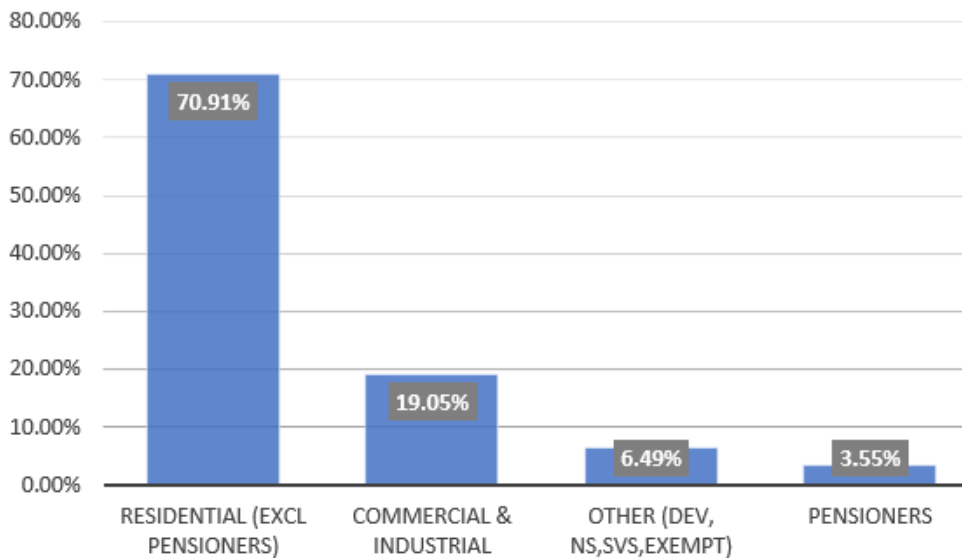
Of the \$11.6m of outstanding rates 19.1% relates to commercial / industrial assessments and 80.9% represents residential assessments.

These figures include \$3.2m of rates that are currently being repaid under an authorised payment plan, for which there were 48 commercial/industrial assessments and 1,509 residential assessments. A total of 1,557 assessments, which is a decrease from 1,697 assessments in March 2021. This movement is a result of removal of arrangements on sold property, default arrangements and paid-up arrangements.

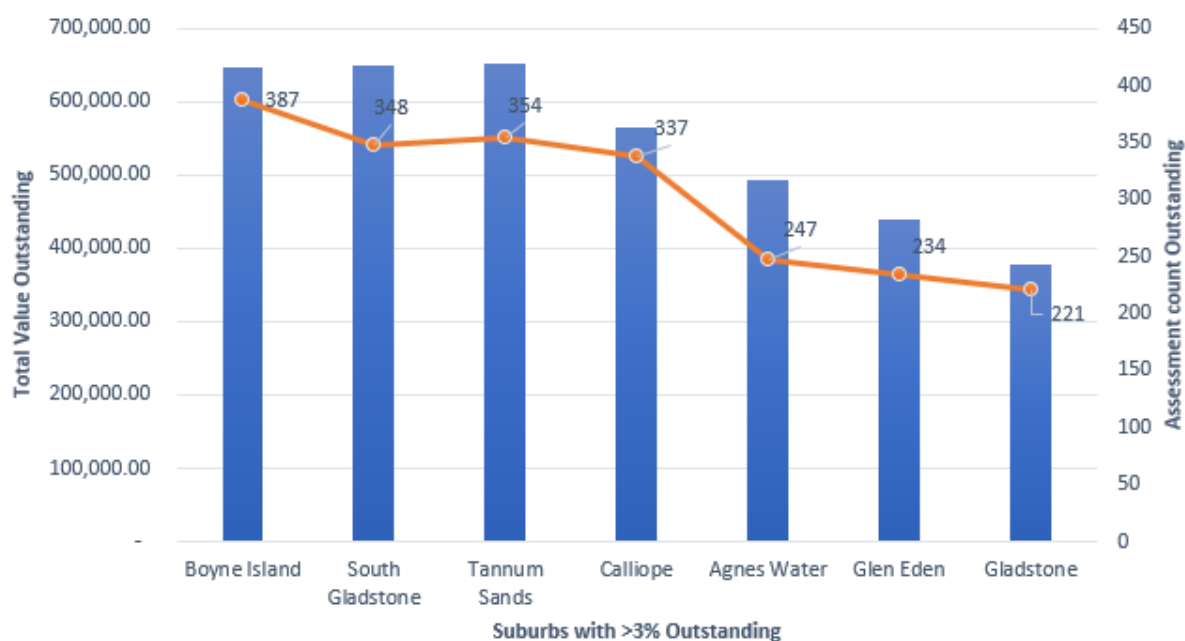
There were 5,224 ratepayers who had paid their rates in advance, in the amount of \$7.9m.



Outstanding Rates & Charges at 27/04/2021



Residential Rates & Charges Outstanding > 3% per Suburb



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.

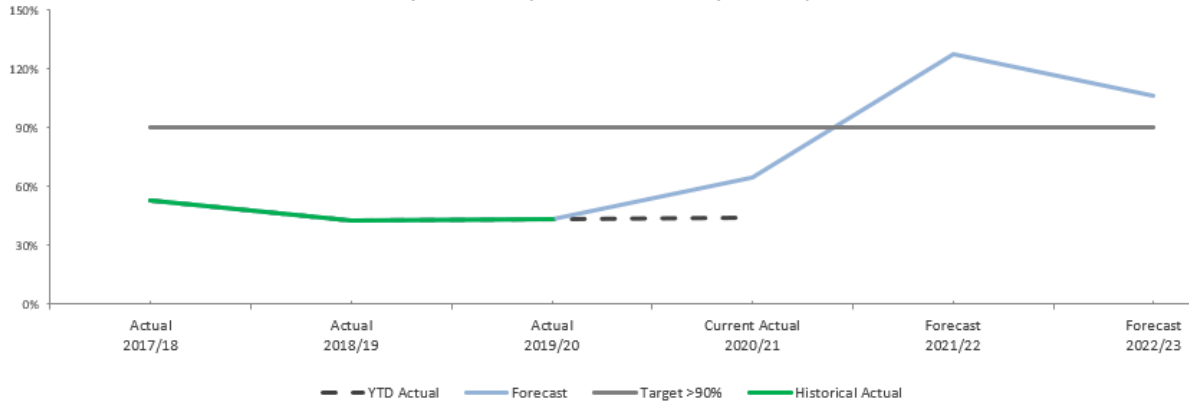
Asset Sustainability Ratio

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 capital expenditure section above indicates the expectations of completion of the capital program as a whole in 2020-21. Focus for the year to date has been on new and upgrade capital projects, with only 33.74% of capital expenditure on renewals. Additional renewal projects are forecast to be undertaken in the remaining months of the year.

<i>Asset Sustainability Ratio</i>				
CURRENT YTD	PRIOR YTD	BUDGET	FORECAST	TARGET
43.85%	41.18%	57.90%	64.82%	>90%

Asset Sustainability Ratio

(indicates rate of replacement/renewal vs consumption of assets)



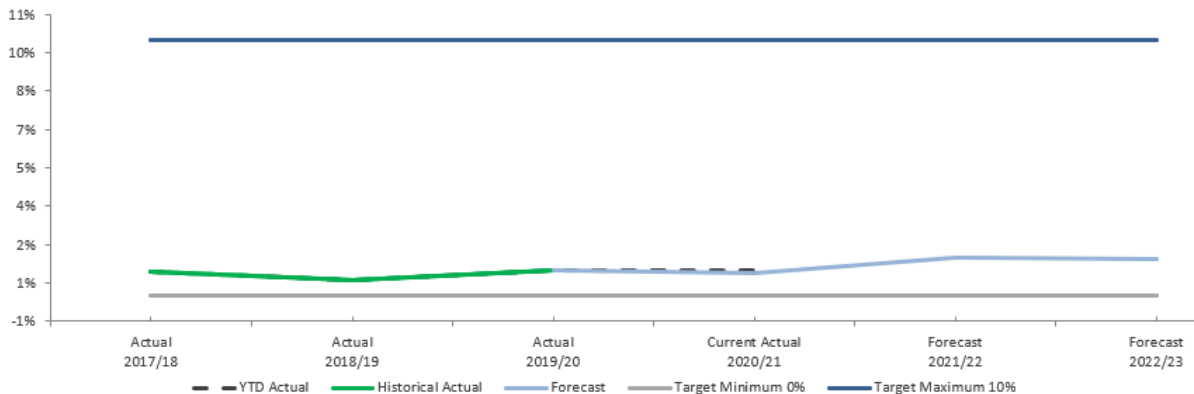
Interest Coverage Ratio

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 higher in comparison to this time last year due to a reduction in interest revenue.

Interest Coverage Ratio				
CURRENT YTD	PRIOR YTD	BUDGET	FORECAST	TARGET
1.01%	0.74%	0.69%	0.85%	0 - 10%

Interest Coverage Ratio

(indicates extent of commitment of revenue to interest payments)



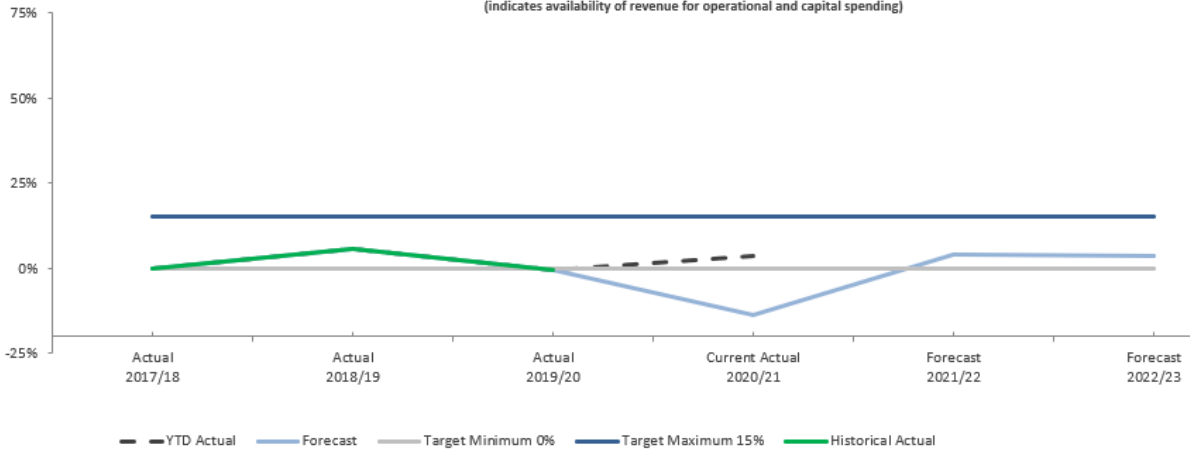
Operating Surplus Ratio

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. They will steadily trend closer to forecast as the year progresses. The results are difficult to compare between years, as operating accruals have been taken up in the 2020-21 year, but not the prior. The forecast is impacted by the QTC loan restructure.

Operating Surplus Ratio				
CURRENT YTD	PRIOR YTD	BUDGET	FORECAST	TARGET
3.63%	12.94%	(2.29%)	(13.81%)	0 - 15%

Operating Surplus Ratio

(indicates availability of revenue for operational and capital spending)



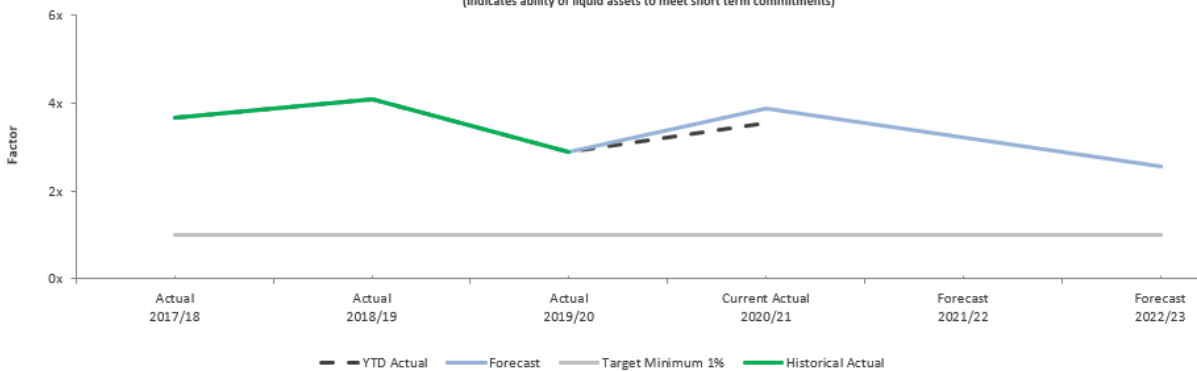
Working Capital Ratio

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 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	FORECAST	TARGET
3.56x	8.00x	4.41x	3.89x	Greater than 1:1

Working Capital Ratio

(indicates ability of liquid assets to meet short term commitments)



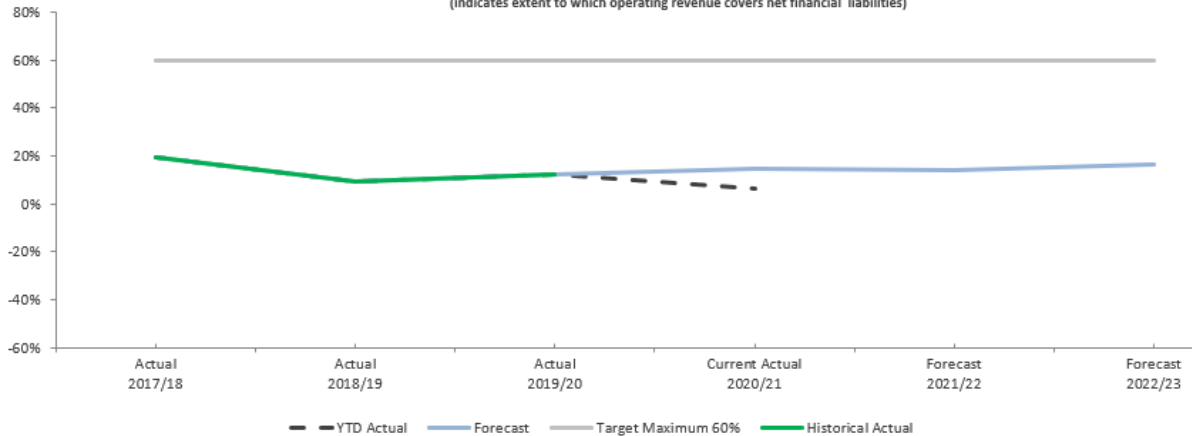
Net Financial Liabilities Ratio

The ratio shows the extent to which operating revenue covers net financial liabilities. The results are within the target range and are expected to align closer to budget as the year progresses.

Net Financial Liabilities Ratio				
CURRENT YTD	PRIOR YTD	BUDGET	FORECAST	TARGET
6.39%	(9.69%)	3.45%	14.48%	< 60%

Net Financial Liabilities Ratio

(indicates extent to which operating revenue covers net financial liabilities)



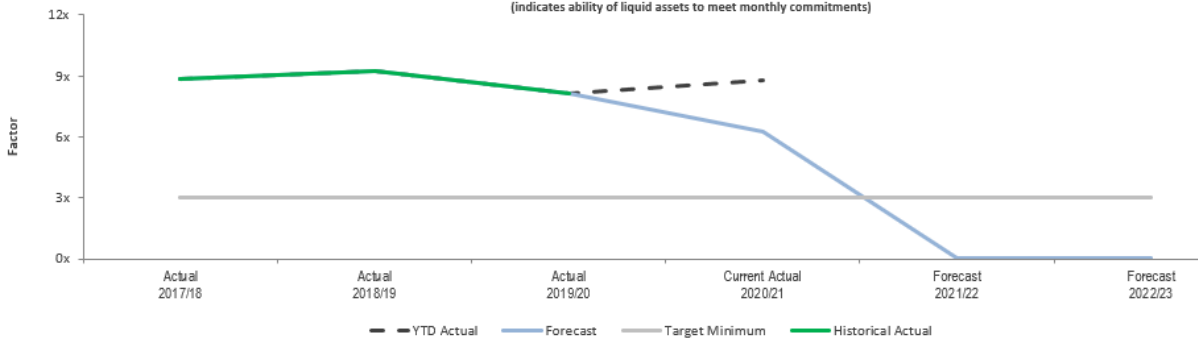
Cash Expenses Cover Ratio

This ratio indicates the number of months that Councils cash balance could cover its monthly 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	FORECAST	TARGET
8.76x	11.46x	7.69x	6.27x	> 3x

Cash Expenses Cover

(indicates ability of liquid assets to meet monthly commitments)



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. 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:

18 May 2021

Attachments:

1. Monthly Financial Statements for the period ending 28 April 2021
2. Operating Statement for month end April

Tabled Items:

Nil.

Report Prepared by: Accountant

G/3.5. REVENUE POLICY

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 18 May 2021

File Ref: CM28.2

Purpose:

To consider the annual review of the Revenue Policy prior to the adoption of the 2021/2022 budget.

Officer's Recommendation:

That Council:

1. Repeal P-2020-04 Revenue Policy; and
2. Adopt P-2021-08 Revenue Policy provided as Attachment 1 and apply to the 2021/2022 financial year.

Background:

Section 193 of the *Local Government Regulation 2012* requires Council to review its Revenue Policy annually and in advance of the budget adopted for the next financial year.

The purpose of the Revenue Policy is to set the principles Council will apply in the financial year for the:

- levying of rates and charges;
- granting of concessions for rates and charges (including the purpose of the concession);
- recovery of overdue rates and charges;
- cost recovery methods;
- funding of physical and social infrastructure costs for a new development.

Options, Risk and Opportunity Analysis:

Whilst officers propose that the Revenue Policy maintain the status quo with revenue to be raised on a similar basis as the current financial year, officers are also proposing a number of amendments to the policy. Attachment 2 provides a tracked changes version of all amendments proposed.

Officers propose the basis of the principles and intent continue to remain unchanged, with a summary of the proposed changes being:

- inclusion of a General Principles section (note this information is currently contained within the Revenue Statement);
- inclusion of reference to revenue powers given to Council under the *Local Government Act 2009* and *Local Government Regulation 2012*;
- removal of duplication and consolidation of information – several principles were repetitive in nature with officers consolidating these into a single point/principle;
- wording amendments for readability and to bring to the forefront transparency in our principles and systems for raising revenue, sustainable financial management, providing the same treatment for ratepayers with similar circumstances, etc;
- reformatting of the document to align sections in the order they appear within the *Local Government Regulation 2012*.

Alternative Option:

Alternatively, Elected Members may seek further amendments to the policy. An alternative recommendation could be:

That Council:

1. *Repeal P-2020-04 Revenue Policy;*
2. *Adopt P-2021-08 Revenue Policy provided as Attachment 1 and apply to the 2021/2022 financial year, subject to the following amendments:*
 - a. _____ .

Communication and Consultation:

The General Manager Finance Governance and Risk and subject matter experts from the Revenue Services Team have contributed to the development of the draft policy.

Legal Strategy and Policy Implications:

Section 104 of the *Local Government Act 2009* requires Council to adopt a Revenue Policy as part of its financial management system.

Further, section 193 of the *Local Government Regulation 2012* provides that a:

“local government must review its revenue policy annually and in sufficient time to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year”.

The Revenue Statement (adopted at the budget meeting) is prepared using the principles set out in the Revenue Policy and provides the explanation of the revenue raising measures adopted by Council for a financial year.

Financial and Resource Implications:

The Revenue Policy sets the principles for the levying of rates and charges.

Summary:

Nil.

Anticipated Resolution Completion Date:

Within two weeks of resolution.

Attachments:

1. Draft P-2021-08 Revenue Policy;
2. Draft P-2021-08 Revenue Policy (Tracked Changes version); and
3. Current P-2020-04 Revenue Policy.

Tabled Items:

Nil.

Report Prepared by: Governance Officer

G/3.6. REVIEW OF INVESTMENT DECISION FRAMEWORK POLICY

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 18 May 2021

File Ref: CM28.2

Purpose:

The purpose of this report is to present a revised Investment Decision Framework Policy for Council's consideration.

Officer's Recommendation:

That Council:

1. Repeal existing P-2019-24 Investment Decision Framework Policy; and
2. Adopt the revised P-2021-07 Investment Decision Framework Policy as tabled as Attachment 1.

Background:

One of the key objectives for 2020/21 is to improve Council's capital works delivery. As part of the transformation work to achieve this objective, project teams were established to review and align our processes, systems, and people. The Select the Right Project Team was tasked with reviewing the implementation of the Investment Decision Framework (IDF) and identifying opportunities to further embed the IDF in our decision-making processes. As part of this work, some minor changes to the Policy are proposed to align with a newly developed IDF Corporate Standard and other key system and process changes to deliver the project objectives.

The key changes recommended to the Policy include:

- Section 2: Scope - A change to the summary of the investment lifecycle phases to include the 'Establish' phase and to better describe the activities of the 'Close' phase.
- An update of the Related Documents section to reflect the development of a Corporate Standard and supporting IDF Business Manual and removing the references to other supporting information that will now largely be contained in the IDF Business Manual.
- Including a definition for 'Decision Gate,' 'Investment' and 'Level of Service' and refining the definition for the Investment Opportunity Committee to better reflect its role.
- Removing the definitions for 'Opportunity,' 'Opportunity Proponent' and 'Works Management Framework.' The definition of Opportunity is now captured within the broader definition of 'Investment.' The role of Opportunity Proponents (now just 'Proponent') and the Works Management Framework (now referred to as 'Project Management Framework') have been transferred to the Corporate Standard, along with their corresponding responsibilities set out in Section 6.3.
- Throughout the policy, the reference to 'investment opportunity' has been replaced with the term 'investment' and references to 'project' have been replaced with the term 'investment' which provides capacity for the Policy to not only cover Capital Works Investments (i.e.. 'Projects'), but also Operational Investments (which includes services).
- An additional guiding principle regarding Stakeholder and Community Engagement has been included.

- The role of Proponents, Sponsors and Project Managers has been transferred into the Corporate Standard.
- A revised Attachment 1 is also proposed to better reflect the overview of the IDF process following it being outworked operationally.

Whilst the changes to the Policy are not significant, the amendments will provide consistency in terminology and process across the business. A tracked changes version of the new policy shows the changes proposed compared to the existing policy.

A copy of the Corporate Standard has also been attached to provide context to the proposed Policy changes.

Options, Risk and Opportunity Analysis:

Option 1 – Adopt the Recommendation

This option contributes to the achievement of the business’s goal of improving delivery of the capital works program in that the Policy changes will align with the more detailed operational documents such as the Corporate Standard, the Business Manual and supporting processes and procedures required to practically implement IDF in the business. The risk associated with not amending the Policy document is the potential to create uncertainty within the business if the information and guidance documents do not align.

Option 2 - Adopt the Recommendation with some amendments to the new Policy

Should Council consider that changes are required to the new Policy presented, the alternative resolution to give this decision affect would be:

“That Council:

1. *Repeal existing P-2019-24 Investment Decision Framework Policy; and*
2. *Adopt the revised P-2021-07 Investment Decision Framework Policy as tabled, subject to the following amendments:*
 - a) *Insert amendment*
 - b) *Insert amendment*
 - c) *Insert amendment.”*

Communication and Consultation:

There has been extensive consultation carried out during the February to May period through the work that the Select the Right Project Team Leader has carried out with all sectors of the organisation involved in proposing, planning, assessing, delivering, and operating / maintaining our assets and services. In addition, consultation sessions within the business were carried out on the revised policy and newly developed corporate standard with 104 participants and 52 feedback submissions received which resulted in changes to the Policy and Corporate Standard. The Executive Team has also considered and endorsed both the proposed Policy changes and the proposed new supporting Corporate Standard.

Legal Strategy and Policy Implications:

There is no legal requirement for Council to adopt an Investment Decision Framework Policy. However, Council has recognised the need to set the overarching principles and process structure to guide how investment decision making is to occur in the business to ensure that it is delivering the best possible value for money for its ratepayers.

Financial and Resource Implications:

Internal resources will be utilised to further embed the IDF business wide as per below:

1. Staff training and delivery of an internal communication strategy to raise business wide awareness of IDF and the associated frameworks
2. Implementation of the changes and improvements to the processes, systems and forms required to support IDF
3. The development, finalisation, and adoption of supporting documents, such as the IDF, Project Management and Capital Portfolio Business Manuals
4. Centralising information and template toolkits on the Connected site for access and use by the business.

Summary:

Not applicable

Anticipated Resolution Completion Date:

Two weeks after Policy adoption.

Attachments:

1. Revised P-2021-07 Investment Decision Framework Policy
2. Revised P-2021-07 Investment Decision Framework Policy with tracked changes
3. CS-2021-06 Investment Decision Framework Corporate Standard

Tabled Items:

Nil

Report Prepared by: Governance Advisor

G/3.7. 236-21 SUPPLY & DELIVERY OF 11 X TRACTORS

Responsible Officer: General Manager Operations

Council Meeting Date: 18 May 2021

File Ref: PE1.1

Purpose:

This report seeks resolution from Council to enter into a contract with PFG Australia Pty Ltd for the supply and delivery of eleven (11) tractors.

Officer's Recommendation:

That Council:

1. Endorse the recommendation to accept the offer from PFG Australia Pty Ltd for 236-21 Supply and Delivery of Eleven (11) Tractors; and
2. Authorise the Chief Executive Officer to enter into a contract with PFG Australia Pty Ltd for 236-21 Supply and Delivery of Eleven (11) Tractors.

Background:

In accordance with Council's fleet replacement program, eleven (11) tractors are required to support the Roads Program Delivery and Parks Program Delivery teams for the completion of daily duties and to enhance equipment availability levels.

The eleven (11) tractors are replacing current assets and are part of the fleet replacement program. The tractors being replaced were commissioned between 2004 and 2013 and with a useful life of seven years, are overdue for replacement. There are global supply issues with other manufacturers, but PFG Australia Pty Ltd have advised they have the required models in the country and able to deliver according to our program.

There will be five (5) tractors delivered prior to June 2021 and six (6) delivered next financial year, with replaced assets disposed via auction.

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

- Consistency across the fleet will be maintained by only having one brand of tractor;
- Improved safety with operator awareness, with only one brand of tractor;
- Team Leaders, Operators and a Senior Mechanic have been involved in the process of selecting Kioti as the preferred brand of tractor; and
- No requirement for multiple branded components or consumables to be held as stock for maintenance.
- Farm & Garden (Rockhampton) are the local supplier/dealer for PFG Australia Pty Ltd; and
- Farm & Garden are the service agent for Kioti equipment with a full-service team with trucks & breakdown mechanics.

The following features of the Kioti tractors support operator safety:

- Improved ergonomic design of cabin and controls;
- Reduced noise and vibration throughout operation;
- Improved mechanical access for service; and
- Improved layout of external components to reduce possible impact damage.

The eleven (11) tractors required are:

- 1 x RX8030 Tractor with Slasher, Broom and Forks – Roads Program Delivery
- 1 x CK2410H Tractor 2.3m Height with Slasher – Parks Program Delivery
- 1 x CK2410H Tractor with Slasher – Parks Program Delivery
- 1 x RX8030 Tractor with Slasher, Forks, Broom and Grader Blade – Parks Program Delivery
- 1 x RX8030 Tractor with Forks and Grader Blade – Parks Program Delivery
- 1 x RX8030 Tractor with Slasher – Parks Program Delivery
- 2 x CK4210H Tractor with Forks and Adjustable Tow Hitch – Parks Program Delivery
- 1 x RX8030 Tractor with Slasher, Broom and Forks – Roads Program Delivery
- 1 x CK4210H Tractor with Spray Tank, Broom, Hose and Forks – Parks Program Delivery
- 1 x RX8030 Tractor with Slasher and Forks – Parks Program Delivery



Kioti RX8030 Cab Tractor



Supplied with canopy

Kioti CK4210H Tractor

Options, Risk and Opportunity Analysis:

On 1 April 2021, Council approached PFG Australia Pty Ltd directly for an offer to supply and deliver eleven (11) Tractors using Local Buy contract LB282.

The offer received, was assessed by Council's Fleet team as meeting requirements with regards to delivery timeframe, equipment inclusions and price.

The offer from PFG Australia Pty Ltd is recommended on the basis that it presents the best overall value offer to Council, with value for money established by innovative equipment technical design, functionality within operator cab and serviceability providing high-level long-term equipment viability.

Communication and Consultation:

Members of the following teams have been involved in the selection and confirmation of the recommended supply:

- Fleet;
- Workshops; and
- Roads Program Delivery.

Legal Strategy and Policy Implications:

Council sought the offer via Local Buy in accordance with the *Local Government Act 2009*, *Local Government Regulation 2012* 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 PFG Australia Pty Ltd for \$752,700.00 ex GST is within existing allocated funds for this project.

The breakdown of costs associated with the supply over the two (2) financial year periods is as follows:

- 2020/21 - 5 tractors \$ 342,100.00 ex GST.
- 2021/22 - 6 tractors \$ 410,600.00 ex GST.

Summary:

Nil.

Anticipated Resolution Completion Date:

A purchase order will be issued to PFG Australia Pty Ltd in May 2021.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Manager Contracts and Procurement.

G/4. DEPUTATIONS

Nil.

G/5. COUNCILLORS REPORT

Nil.

G/6. URGENT BUSINESS

Nil.

G/7. NOTICE OF MOTION

Nil.

G/8. CONFIDENTIAL ITEMS

Nil.

ATTACHMENTS