



GLADSTONE
REGIONAL COUNCIL

**GENERAL MEETING NOTICE
AND AGENDA**

**TO BE HELD AT THE COUNCIL CHAMBERS – CIVIC CENTRE
101 GOONDOON STREET, GLADSTONE**

On Tuesday 19 October 2021

Commencing at 9.00am

**Leisa Dowling
CHIEF EXECUTIVE OFFICER**

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G/1. MAYORAL STATEMENT OF CURRENT ISSUES

G/2. CONFIRMATION OF MINUTES

G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 5 OCTOBER 2021

Responsible Officer: Chief Executive Officer

Council Meeting Date: 19 October 2021

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 5 October 2021.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 5 October 2021 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 5 October 2021.

Tabled Items:

Nil.

Report Prepared by: Executive Secretary

G/3. OFFICERS' REPORTS

G/3.1. EXPENDITURE APPROVAL - ASPHALT RESURFACING (VARIOUS LOCATIONS)

Responsible Officer: General Manager Operations

Council Meeting Date: 19 October 2021

File Ref: PE1.1

Purpose:

This report seeks resolution from Council, in accordance with Council's register of financial delegations, to approve expenditure for Asphalt Resurfacing and associated products.

Officer's Recommendation:

That Council:

1. Approve the expenditure of \$1,340,110.65 ex GST for Asphalt Resurfacing and associated products with Fulton Hogan Industries Pty Ltd.

Background:

Council requires a suitable contractor to supply and complete asphalt resurfacing and associated products to various urban road assets within the Gladstone Region. The contractor will be responsible for providing traffic control, profiling and repair works in accordance with DTMR specifications.

The locations for these works are shown in the below sketch:



Options, Risk and Opportunity Analysis:

Council has entered into contracts with service providers for the provision of roadmaking and associated services. This contract is a Register of Pre-Qualified Suppliers – RQPS 103-21, which was endorsed by Council on 3 August 2021.

On 22 September 2021, three (3) service providers on this contract were approached with a Request for Proposal (RFP) to undertake the required scope of work. The two (2) responses received were assessed by technical personnel where it was determined that the offer from Fulton Hogan Industries Pty Ltd presented the best value for money to Council based on the price offered and ability to complete the works when required. The offer was assessed as meeting all of Council's requirements as outlined in the RFP.

Communication and Consultation:

N/A

Legal Strategy and Policy Implications:

Council sought the offer via a Register of Pre-Qualified Suppliers in accordance Section 232 of the Local Government Regulation 2012, which states that:

A local government may enter into the contract without first inviting written quotes or tenders if the contract is entered into with a supplier from a register of pre-qualified suppliers.

Council's approval of this expenditure is in accordance with the Financial Delegation Register.

Financial and Resource Implications:

The expenditure of \$1,340,110.65 ex GST is contained within the total project budget of \$6.3M ex GST and is fully funded.

Summary:

N/A

Anticipated Resolution Completion Date:

A purchase order will be issued in October 2021.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Manager Contracts and Procurement.

G/3.2. EXPENDITURE APPROVAL - SUPPLY AND DELIVERY 3 X LOADERS

Responsible Officer: General Manager Operations

Council Meeting Date: 19 October 2021

File Ref: PE1.1

Purpose:

This report seeks resolution from Council, in accordance with Council's register of financial delegations, to approve expenditure for the supply and delivery of three (3) loaders.

Officer's Recommendation:

That Council:

1. Approve the expenditure of \$1,551,600.00 ex GST for the supply and delivery of three (3) loaders from Hastings Deering (Australia) Limited.

Background:

Council requires the supply and delivery of 2 x IT Wheel Loaders and 1 x Track Loader (with attachments), in accordance with the 21/22 Fleet Replacement Program. All three loaders are replacing current assets which have reached the end of life. Replaced assets will be disposed via auction.

Caterpillar loaders have been selected for Council's fleet due to enabling:

- Consistent Drivetrain/Electrical/Hydraulic (improved technician awareness – business risk management);
- Spare part/fluid standardisation (financial gain, standard stock holdings, standard fluid holdings);
- Standard Caterpillar Operator cabin layout (improved operator awareness – risk management, efficiency gain);
- Ability to react to business/emergency needs (standard equipment spread throughout region);
- OEM support (Caterpillar provides Online support and Fault diagnosis ability GRC Workshops licenced for CAT SIS (Service Information System) program – Caterpillar improved equipment telematics);
- Localised support system (Service support based both Gladstone and Rockhampton Major Facility);
- Workshops currently equipment with required Caterpillar tooling and support manuals; and
- Ongoing and as required Caterpillar technical training provided at nil cost.

Options, Risk and Opportunity Analysis:

Council has access to a contract entered into by Local Buy for heavy plant machinery equipment. This contract is an LGA Arrangement – NPN2.15-2.

On 10 August 2021, Hastings Deering (Australia) Pty Ltd a party to this contract were approached with a Request for Proposal (RFP). The response received were assessed by technical personnel where it was determined that the offer from Hastings Deering (Australia) Pty Ltd was assessed as meeting all of Council's requirements as outlined in the RFP, therefore presenting the best value to Council.

Communication and Consultation:

Consultation has occurred with the workshops, operators and relevant leaders.

Legal Strategy and Policy Implications:

Council sought the offer via a LGA Arrangement in accordance Section 234 of the Local Government Regulation 2012, which 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 approval of this expenditure is in accordance with the Financial Delegation Register.

Financial and Resource Implications:

The expenditure of \$1,551,600.00 ex GST is contained within the approved capital budget for fleet replacements.

Summary:

N/A.

Anticipated Resolution Completion Date:

A purchase order will be issued in October 2021.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Manager Contracts and Procurement.

G/3.3. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 26 SEPTEMBER 2021

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 19 October 2021

File Ref: FM15.1

Purpose:

This report seeks Council adoption of the Monthly Financial Statements for the 2021-22 year to date, for the period ended 26 September 2021.

Officer's Recommendation:

That Council adopt the Monthly Financial Statements attached to the officer's report for the 2021-22 year to date, for the period ended 26 September 2021 as required under Section 204 *Local Government Regulation 2012*.

Background:

The percentage of year passed (pro-rata rate) as at 26 September 2021 is 24.38%.

The 2020-21 budget was adopted on 15 June 2021.

Draft comparatives for 2020-21 have been provided, with final audit clearance expected in October.

Statement of Income and Expenditure

Income

Recurrent Revenue

Total recurrent revenue	2021-22	Actual as %
Actual	\$155.5m	
Budget	\$199.4m	78.00%

Of note:

Net rates and utility charges	2021-22	Actual as %
Actual	\$149.5m	
Budget	\$158.0m	94.60%

Council's primary source of recurrent revenue is the generation of annual rates, along with access charges for water, sewerage and waste. This generation was completed in July, with notices issued to ratepayers in August. Water consumption revenue for 2021-22 will be raised upon completion of the water meter reading cycles during the year.

Discounts are applied when payments are received from customers, resulting in a decrease to net rates and utility charges. Discount date for 2021-22 is 19 October 2021. The total budget for discounts in 2021-22 is \$12.2m.

Sales Revenue	2021-22	Actual as %
Actual	\$0.9m	
Budget	\$7.5m	11.97%

Most of this income stream is derived from the Roads Maintenance Performance Contract. Historically these funds receipts peak in the second half of the financial year and therefore a timing variance during the first and second quarters is expected.

Income tax equivalents	2021-22	Actual as %
Actual	-	
Budget	\$3.9m	0.00%

The budget includes amounts of \$3.6m for the Gladstone Area Water Board income tax equivalents and \$0.3m for the Gladstone Airport Corporation competitive neutrality fees. These receipts are expected later in the financial year.

Grants, subsidies, contributions and donations	2021-22	Actual as %
Actual	\$1.3m	
Budget	\$10.3m	12.86%

General purpose grants (Financial Assistance Grant) make up \$8.3m of this budget, to be received in instalments. The majority (50%) of this income is received at the end of the financial year resulting in timing differences early in the year.

Capital Revenue

Total capital revenue	2021-22	Actual as %
Actual	\$0.7m	
Budget	\$16.7m	3.95%

Minimal capital revenue has been received for the current financial year to date primarily being Roads to Recovery funding for Turkey Beach Road.

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

- Gladstone Aquatic Centre Upgrade – Stage 2 (Federal) **\$1.6m**
- Benaraby Landfill – Capping of Cell 2 (Federal) **\$1.1m**
- Asphalt Overlay and Bitumen Reseals (Federal) **\$1.1m**
- A01 to Gladstone Wastewater Treatment Plant Partial Main Replacement (Federal) **\$2.0m**
- Gladstone Sewer Mains Renewal (State) **\$2.2m**

Expenditure

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

Recurrent expenditure

Total recurrent expenditure	2021-22	Actual as %
Actual	\$44.2m	
Budget	\$200.3m	22.09%

Of note:

Employee benefits	2021-22	Actual as %
Actual	\$15.1m	
Budget	\$66.5m	22.69%

Employee benefits are the largest component of Councils recurrent expenditure. Year to date expenditure is in line with budget, this is aided by a higher than budgeted vacancy rate of approximately 8.2%, compared to a budgeted 6%.

Contractors and consultants	2021-22	Actual as %
Actual	\$4.5m	
Budget	\$31.3m	14.48%

Significant budgets for contractors and consultants are held in the areas of asset management, road services, parks & environment, water, sewerage, strategic information technology and economic development. Expenditure is expected to increase in line with budget as the year progresses.

Motor vehicle expenses	2021-22	Actual as %
Actual	\$0.4m	
Budget	\$1.1m	38.43%

Motor vehicle expenses incorporating parts & materials, outside repairs and tyres are all exceeding year to date budget. It is expected that the reduced maintenance costs flowing on from the fleet replacement program will reverse this trend as the year progresses.

Staff and Councillor associated expenses	2021-22	Actual as %
Actual	\$0.3m	
Budget	\$1.9m	13.67%

These expenses include recruitment medicals, uniforms, trainees and are expected to align with budget as the year progresses .

Finance Costs - QTC	2021-22	Actual as %
Actual	\$0.5m	
Budget	\$0.5m	98.11%

Interest expenses for July and August have been recognised. The budget for finance costs incurred is offset by the budgeted quarterly contributions from the Gladstone Airport Corporation (GAC) towards the runway loan. As no contributions have been received to date, the actuals are reflecting abnormally high. This timing difference will correct as the year progresses and contributions are received.

Statement of Financial Position

	Current Value	Budget	Current as %
Year to date Assets	\$2.6b	\$2.5b	102.95%
Year to date Liabilities	\$156.1m	\$139.4m	111.98%

Receivables and cash balances are both currently high following the rates generation.

The budget for liabilities reflects the expected position at 30 June 2022. The current balance includes a \$5.2m provision for the restoration of cell 2a of the Benaraby Landfill. This provision is expected to be utilised during 2020-21.

Contract liabilities of \$7.4m reflect funds that have been received but not utilised. As the relevant projects progress, the revenue will be recognised and this balance will reduce.

Further, as borrowings are repaid during the year, the actual result will reduce and align closer to budget.

Capital Expenditure

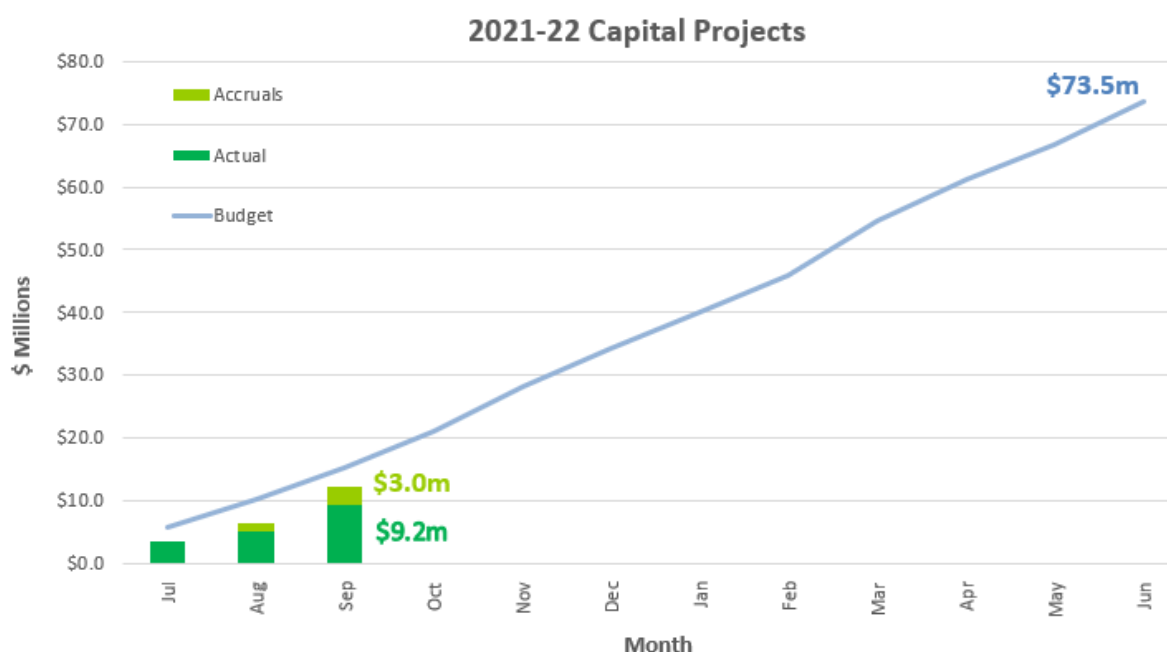
	Actual	Budget	Actual as %
Year to date capital expenditure	\$12.2m	\$73.5m	16.65%
Including commitments (open purchase orders)	\$20.6m		28.02%

Of the \$8.4m in commitments, \$1.3m relates to relining South Trees treatment ponds projects and \$1.0 relates to the Gladstone Aquatic Centre upgrade.

Accrual estimates of \$3.0m have been included in the actuals, to account for major claims relating to September work as at 26 September 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
Road Assets	\$2.7m	\$1.5m	\$24.5m	11%
Sewerage Assets	\$2.5m	\$3.5m	\$17.2m	15%
Asset Governance	\$0.0m		\$5.0m	0%
Water Assets	\$3.3m	\$0.8m	\$5.7m	58%
Delivery Support and Performance	\$1.7m	\$0.4m	\$8.0m	21%
Waste Assets	\$0.3m	\$0.1m	\$2.4m	13%
Property Assets	\$1.0m	\$1.8m	\$6.7m	15%
Parks & Environment Assets	\$0.0m		\$1.1m	4%
Community Development & Events	\$0.1m		\$1.1m	8%
Other	\$0.6m	\$0.2m	\$1.8m	33%
Total	\$12.2m	\$8.4m	\$73.5m	17%



Outstanding Rates

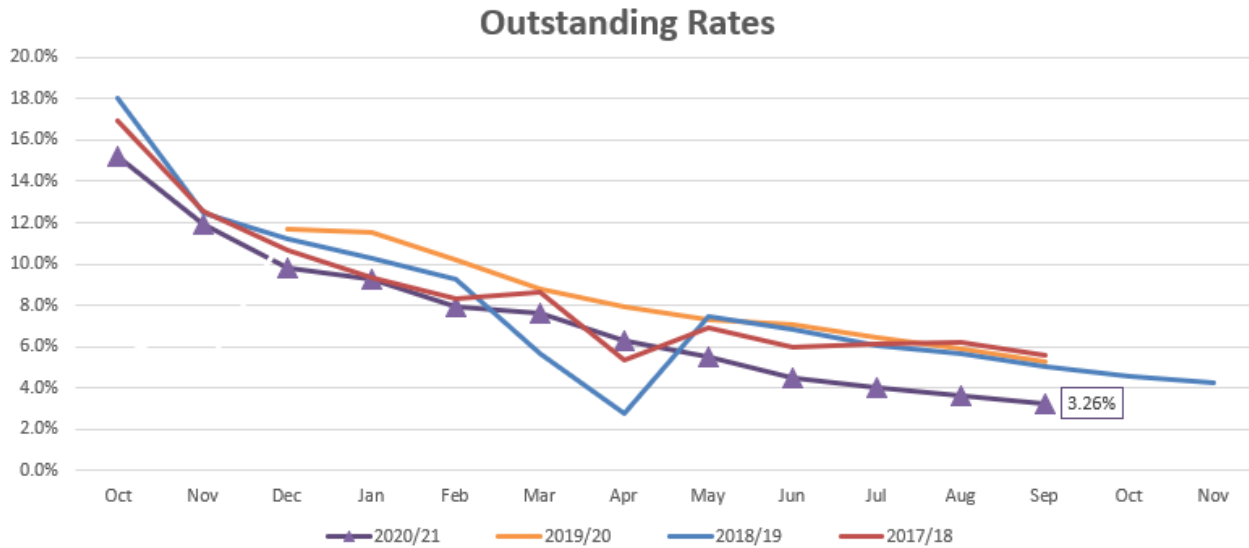
Outstanding rates, as a percentage of gross rates levied for 2020-21, and collectible, is at 3.26% at the end of September 2021, compared to 5.29% for the same period last year.

Of the \$6.0m of outstanding rates 18.68% relates to commercial / industrial assessments and 81.32% represents residential assessments.

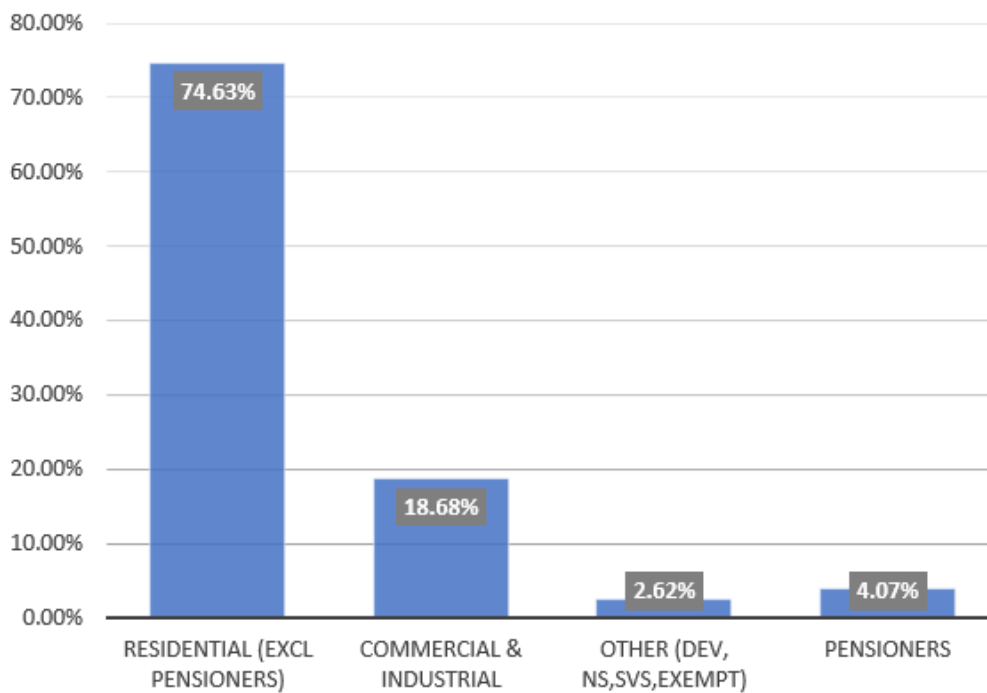
These figures include \$2.6m of rates that are currently being repaid under an authorised payment plan, for which there were 29 commercial/industrial assessments and 939 residential assessments. A total of 968

assessments, which is an increase from 732 assessments in August 2021. This movement is a result of new instalments for the 2021-22 financial year being implemented.

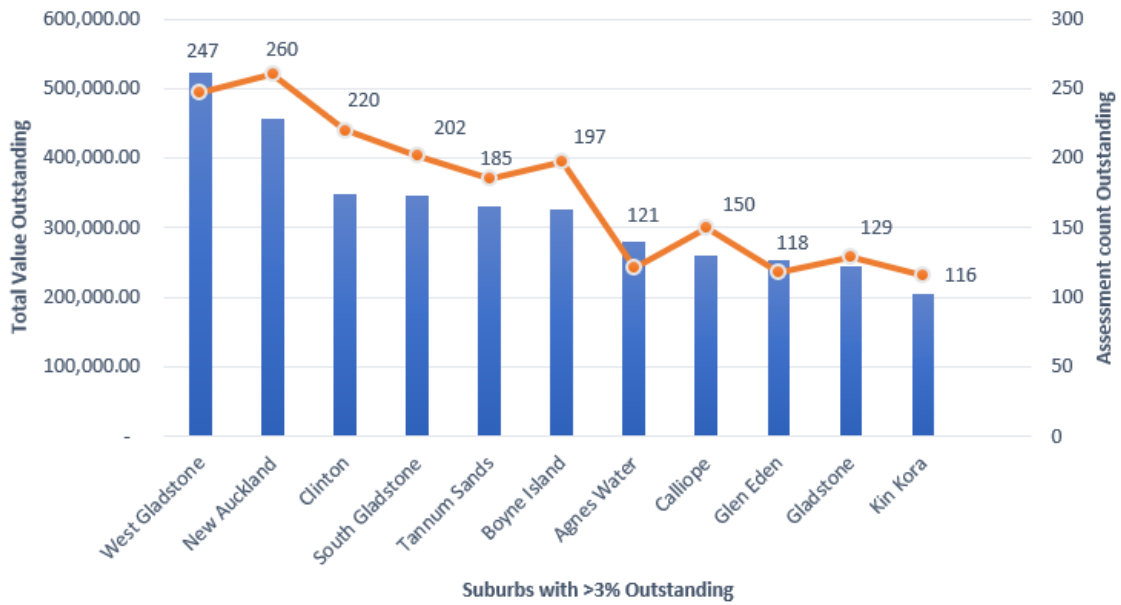
There were 2,924 ratepayers who had paid their rates in advance, in the amount of \$2.1m.



Outstanding Rates & Charges at 26/09/2021



Residential Rates & Charges Outstanding > 3% per Suburb



Sustainability Ratios

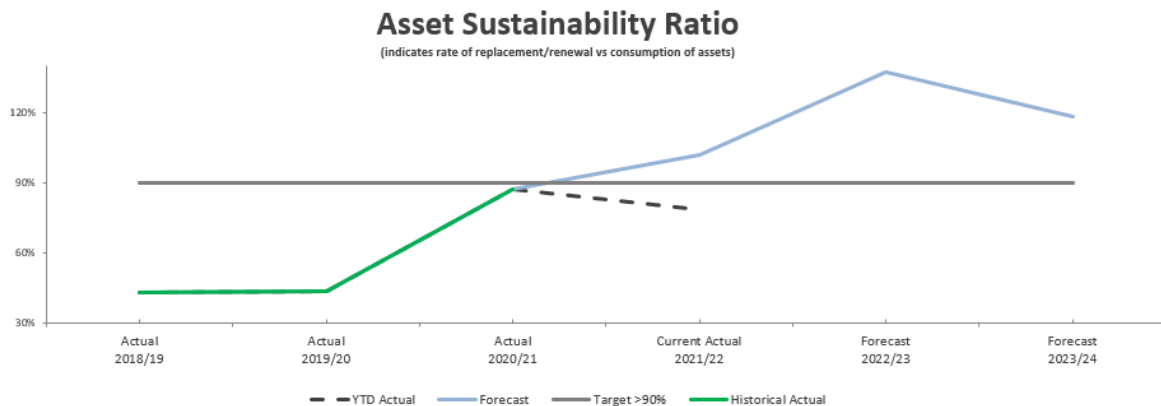
Financial ratios provide a useful snapshot of Council’s financial status and emerging trends. Individual ratios do not provide enough information to form a comprehensive opinion of Council's financial position and performance, but when the right mix of ratios are considered together, they become a valuable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

Infrastructure renewals have accounted for 64.25% of capital expenditure with the balance on new and upgrade projects. The 2021-22 capital budget includes a significant allocation to renewal projects, and Council is expecting to exceed the target asset sustainability ratio this year.

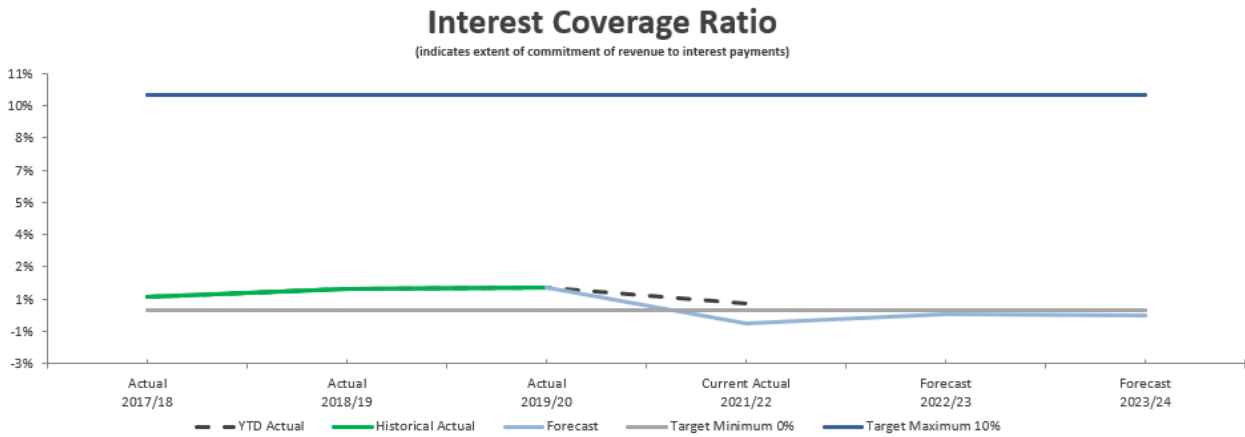
Asset Sustainability Ratio			
CURRENT YTD	PRIOR YTD	BUDGET	TARGET
78.34%	15.21%	101.77%	>90%



Interest Coverage Ratio

This ratio indicates the percentage of operating revenue required to cover net interest costs. The ratio is reflecting a positive result which is expected to reduce as interest revenue increases after the due date for rates and charges has passed. The ratio will also be favorably impacted following the receipt of the quarter one interest contribution from GAC.

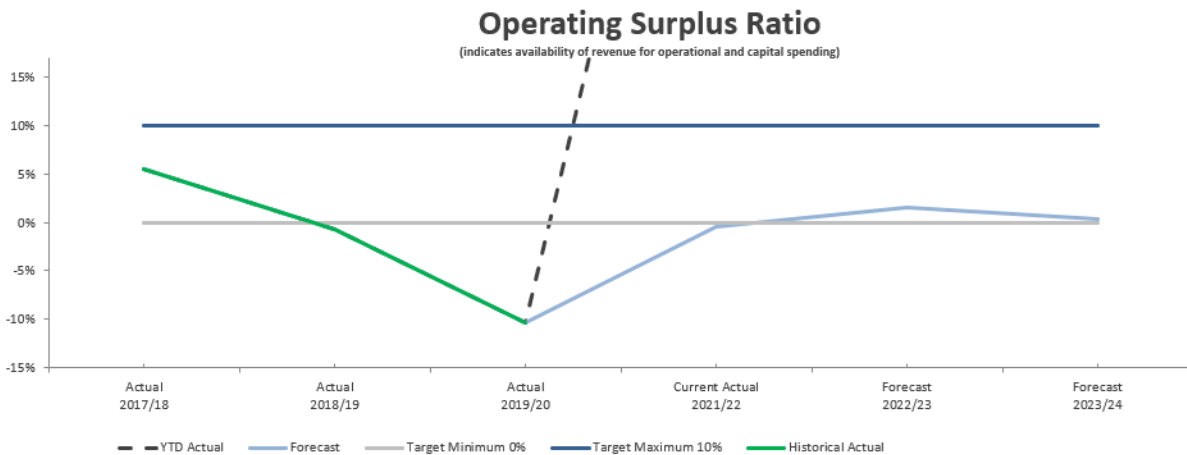
Interest Coverage Ratio			
CURRENT YTD	PRIOR YTD	BUDGET	TARGET
0.27%	0.57%	(0.61%)	0 - 10%



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 are currently skewed due to the generation of annual rates and other charges. This will align closer to budget as the year progresses.

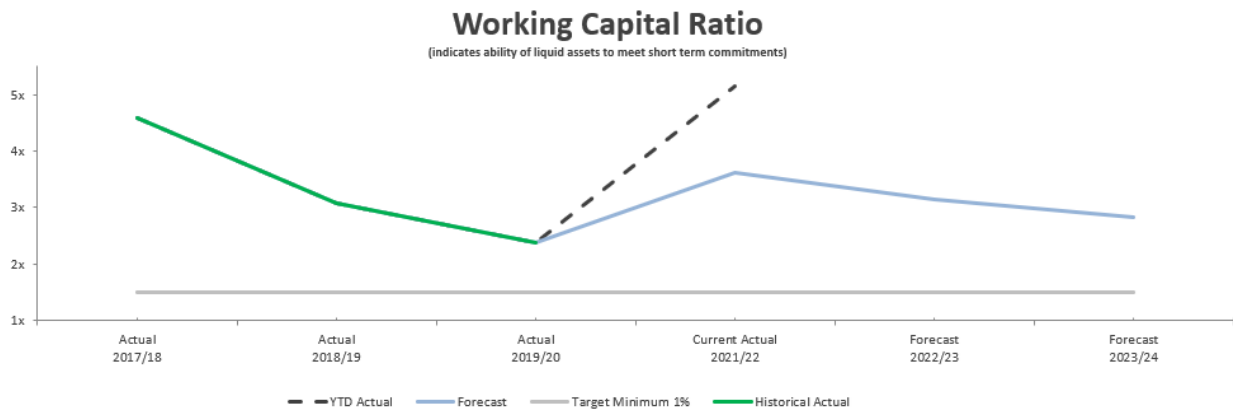
Operating Surplus Ratio			
CURRENT YTD	PRIOR YTD	BUDGET	TARGET
71.56%	71.60%	(0.45%)	0 - 10%



Working Capital Ratio

The working capital ratio shows the ability of Councils current assets, to cover the commitments of its current liabilities. Following the rates generation, Council has a significant balance of receivables, causing this ratio reflect very favorably. The results will align closer to budget as the year progresses.

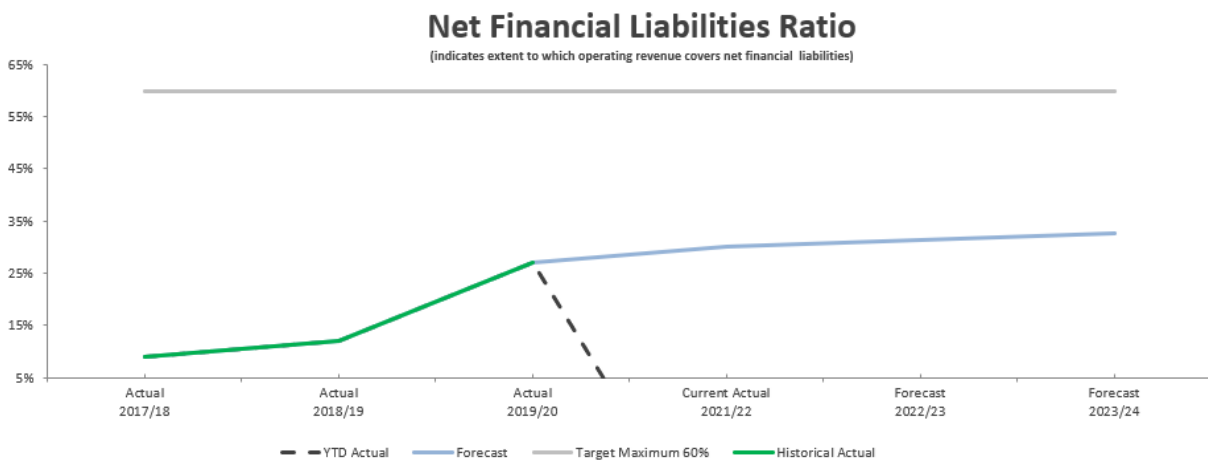
Working Capital Ratio			
CURRENT YTD	PRIOR YTD	BUDGET	TARGET
4.65x	4.77x	3.12x	Greater than 1:1



Net Financial Liabilities Ratio

The ratio shows the extent to which operating revenue covers net financial liabilities. Again, the results are skewed following the rates generation which has created both high income and a high receivables balance.

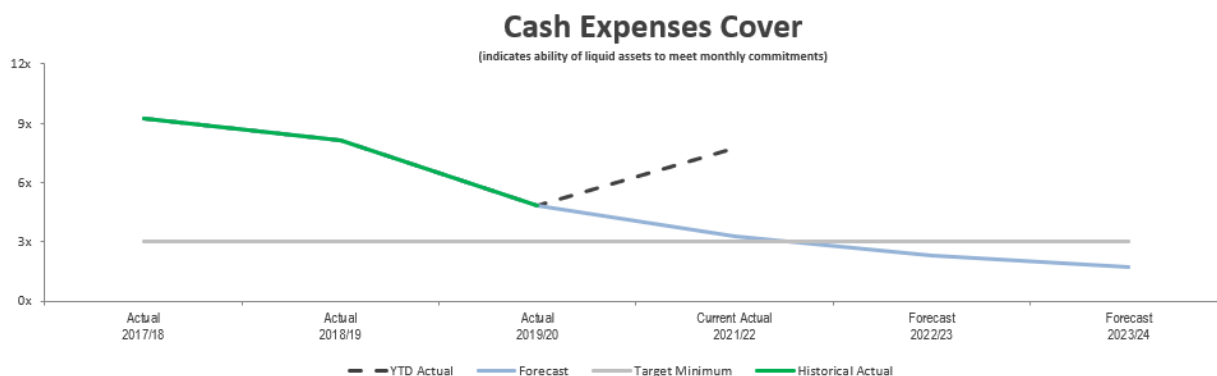
Net Financial Liabilities Ratio			
CURRENT YTD	PRIOR YTD	BUDGET	TARGET
(33.73%)	(61.42%)	30.07%	< 60%



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 is due to the end of year accruals process, which causes expenditure for the month of July to reflect as less than an ordinary month of operations.

Cash Expenses Cover Ratio			
CURRENT YTD	PRIOR YTD	BUDGET	TARGET
7.76x	12.03x	3.24x	> 3x



Options, Risk and Opportunity Analysis:

Nil.

Communication and Consultation:

The report seeks specialist input regarding budget 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:

19 October 2021

Attachments:

1. Monthly Financial Statements for the period ending 26 September 2021
2. Operating Statements for month end September

Tabled Items:

Nil.

Report Prepared by: Accountant

G/3.4. TEMPORARY CHANGE TO MULCH FEES AND CHARGES

Responsible Officer: General Manager Finance, Governance and Risk

Council Meeting Date: 19 October 2021

File Ref:

Purpose:

To seek Council's endorsement of proposed temporary changes to the 2021/2022 Fees and Charges for Council's "Sale of Mulch" and "Council Loading Mulch" fees at Gladstone Waste Transfer Station and Agnes Water Waste Transfer Station.

Officer's Recommendation:

That Council adopt the below proposed temporary changes to the 2021/2022 Fees and Charges Schedule for a period of two (2) months during November – December 2021:

1. Gladstone Waste Transfer Station:
 - a. Reduce the commercial rate for the "Sale of Mulch" fee per tonne to "No Charge"
 - b. Reduce the commercial rate for "Council Loading Mulch" fee to "No Charge"
 - c. Reduce the domestic rate for "Council Loading Mulch" fee to "No Charge"

2. Agnes Water Waste Transfer Station:
 - a. Set a domestic rate for "Council Loading Mulch" at "\$10 per load".

Background:

Gladstone

During November 2020, a campaign of free loading of mulch was undertaken to reduce the volume of stockpiled mulch at the Gladstone Waste Transfer Station. Although the campaign in 2020 was successful in reducing the volume of stockpiled mulch, large amounts of deteriorating mulch remain, and the volume of mulch has subsequently been replaced due to ongoing green waste grinding activities completed in September 2021.

As identified in 2020 following the fire at the Benaraby Landfill, there is a likelihood of this mulch catching fire and poses an environmental and reputational risk to Council. If the deteriorating stockpiled mulch should catch fire, it may not be possible to fully extinguish, and a resource would be lost.

Mulch does not sell in any significant quantities at the Gladstone Waste Transfer Station and is not used in any Gladstone Regional Council projects. Currently we sell mulch "free of charge" to domestic customers (with a loading fee of \$10 per load if Council loads the mulch) and \$10 per tonne to commercial customers (with a loading fee of \$50 per load if Council loads the mulch).

During the November 2020 campaign the average number of mulch loads taken by customers increased from 5.1 to 23.8. The volume of mulch removed also increased from 1.3 to 6.2 tonnes per day. The November 2020 campaign achieved a 470% increase in uptake of this service and significantly reduced the volume of stockpiled mulch at Gladstone Waste Transfer Station.

Agnes Water

Mulch is also stockpiled at the Agnes Water Waste Transfer Station and poses a similar risk to Gladstone Waste Transfer Station. Mulch is available on a 'self-load' basis only and this is reflected in the current Fees and Charges. Self-loading of mulch may not be an option for some customers due to a variety of reasons and Waste Program Delivery receive requests for assistance by allow Council loading of mulch.

Waste Program Delivery has a suitable front-end loader located at Agnes Water Waste Transfer Station, but this activity would require additional staffing during the times where loading of mulch was made available. It is proposed that loading would attract the standard \$10 fee and this activity during the campaign period would allow this change to be trialed for consideration of future services offered at the Agnes Water Waste Transfer Station.

Stockpiled amounts of mulch at Agnes Water Waste Transfer Station are removed by customers quicker than at the Gladstone Waste Transfer Station via self-loading. This assists in managing the risks of stockpiled mulch. Due to this and to ensure that mulch remains available for self loading customers, a \$10 loading fee is applicable for this site during the campaign and trial of this service.

Ongoing, the Waste Management and Resource Reduction Business Case Project will investigate and recommend viable options for the collection and processing of food and garden organics (FOGO) for Council. Whether FOGO is to be incorporated into future Council waste services is to be determined but the review of processing options may provide a solution to manage garden/green waste received by our waste facilities into the future, to avoid the ongoing risk of stockpiling and subsequent free loading campaigns.

Options, Risk and Opportunity Analysis:

In the interest of managing risk, it is proposed that changes are approved over a maximum period of two (2) months in November and December 2021. A campaign will be advertised for 1 month, with an additional month available where the campaign needs to be extended and continued.

For Gladstone Waste Transfer Station, the following changes to fees and charges are being sought.

1. Reduce the commercial rate for the "Sale of Mulch" fee per tonne to "No Charge"
2. Reduce the commercial rate for "Council Loading Mulch" fee to "No Charge" based on the customer taking 80% of the mulch on a self-loading basis.
3. Reduce the domestic rate for "Council Loading Mulch" fee to "No Charge"

For Agnes Water Waste Transfer Station, the following changes to fees and charges are being sought.

1. Allow for "Council Loading Mulch"
2. Set the domestic rate for "Council Loading Mulch" at "\$10"

Communication and Consultation:

Internally the Operations and Revenue Services teams have been consulted.

Legal Strategy and Policy Implications:

Should we have a fire Council may be exposed to non-compliance investigations under the *Environmental Protection Act 1994* and *Work Health and Safety Act 2011*.

Financial and Resource Implications:

There will be very little financial impact on the budget, as this will only be a loss of income for a maximum of two (2) months and currently the domestic market already receives the mulch free of charge. Council will only be exposed to the loss of loading income in Gladstone but this may be offset by a loading fee in Agnes Water.

Commercial sales of mulch are an approximate monthly average of \$2,800. Loss of income due to the campaign may be \$5,600, with an unknown amount of income to be received from the sale of mulch at Agnes Water.

There will be the need for additional expenditure on wages for Agnes Water Waste Transfer Station to facilitate loading of mulch during operating hours of the site. This would represent less than \$1000 during the campaign.

Summary:

Proposed temporary changes to the 2021/2022 Fees and Charges Schedule at Gladstone and Agnes Water Waste Transfer Stations for the "Sale of Mulch" and "Council Loading Mulch" fees. The changes for a maximum period of two (2) months is to facilitate accelerated removal of stockpiled mulch, reduce Council's exposure to fire during the upcoming fire season and to trail a potential future service for loading of mulch at Agnes Water Waste Transfer Station

Anticipated Resolution Completion Date:

30 December 2021

Attachments:

1. Excerpt from 2020-2021 Waste Schedule of Fees and Charges - Existing

Tabled Items:

Nil.

Report Prepared by: Manager Revenue Services and Manager Waste Program Delivery

G/3.5. AUDIT RISK AND IMPROVEMENT COMMITTEE MINUTES - 15 SEPTEMBER 2021

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 19 October 2021

File Ref: CM26.2

Purpose:

To present a report about the matters presented at the Audit Risk and Improvement Committee meeting held on 15 September 2021, pursuant to section 211 of the *Local Government Regulation 2012*.

Officer's Recommendation:

That Council:

1. Receive the Minutes of the Audit Risk and Improvement Committee Meeting that was held on 15 September 2021;
2. Endorse the Audit Risk and Improvement Committees recommendation for meetings to be held in 2022 as per below:
 - a. Schedule ordinary business meetings for the following dates and times in 2022:
 - Wednesday 16 March 2022 from 9am – 1pm;
 - Wednesday 15 June 2022 from 9am – 1pm;
 - Wednesday 21 September 2022 from 9am – 1pm;
 - Wednesday 30 November 2022 from 9am – 1pm; and
 - b. Undertake an Information Briefing at a Councillor Information Session planned to be scheduled for 12 April and 11 October 2022 (subject to Council meeting dates); and
 - c. Undertake a planning meeting and site visit on 2 February 2022 subject to committee and Council availability.

Background:

Council's audit committee, the Audit Risk and Improvement Committee (ARIC), met on 15 September 2021.

In accordance with section 211(1)(c) the audit committee of Council must, as soon as practicable after a meeting of the committee, give a written report about the matters reviewed at the meeting and the committee's recommendations about the matters.

The minutes of the Audit Risk and Improvement Committee meeting held on 15 September 2021 are attached for consideration.

Options, Risk and Opportunity Analysis:

Matters of significance:

Item 8.2 Internal Audit Plan

The Committee considered a three-year internal audit plan and suggested that a review of the internal audit plan for 2021/2022 be considered for the purpose of reducing the number of internal audit projects planned. The committee commended the topics and reaffirmed the intent was not to discourage but provide comfort that refining the plan is of a benefit to the audit team. It was agreed that the internal audit plan be amended, in collaboration with the Chief Executive Officer and General Manager Finance, Governance and Risk and the amendments be circulated to the committee members for consideration.

Item 8.3 Internal Control Assurance and Compliance Assurance Statements

ARIC was advised that the Executive Leadership team (ELT) had considered the approach to compliance assurance and that the ELT had agreed that at this time, our compliance assurance framework will consist of:

- specific internal audits addressing compliance risk to be included in the internal audit plans
- the Chief Executive Officer and each General Manager to provide a Compliance Assurance Statement
- source a list of legislative obligations to support the development of our organisations understanding of compliance assurance obligations and to provide our Executive Leadership team some visibility and understanding of potential effort required
- development of a project brief for a project to be considered in the planning and budgeting process for 2021/2022 for an obligations register and associated tools, people effort and people obligations.

The Committee sought assurance that the ELT members agreed to sign the Compliance Assurance Statements and further made some suggestions relating to the development of an internal control assurance framework.

Item 10.1 Draft 2020/2021 Financial Statements

The draft 2020/2021 financial statements were presented to the committee for review. The committee requested some enhancements to the wording of some notes and sought clarification on the movement in some expenses. Officers confirmed that the Airport financial statements were received and they were acceptable.

Item 10.2 Long Term Financial Plan

The Committee received the long-term financial plan and raised a concern that the Cash Expense Cover Ratio was not as they expected. Officers advised that the Cash Cover Ratio target has been developed in accordance with a plan that had been in place for over 2 years to utilise working capital rather than borrowing and incurring borrowing expenses. Advice was also provided that the plan was endorsed and encouraged by the Queensland Treasury Corporation.

Communication and Consultation:

The minutes of the committee are reviewed by the ARIC members, the Manager Governance and Risk, Ethics Integrity and Audit Specialist, General Manager Finance Governance and Risk and the Chief Executive Officer.

Legal Strategy and Policy Implications:

The *Local Government Act 2009* requires that the audit committee of Council - the Audit Risk and Improvement Committee – oversee audit, annual financial reporting and other relevant governance functions to provide Council with an additional level of assurance that systems and controls are in place to minimise risk exposure.

The Audit Risk and Improvement Committee also operates in accordance with Councils' Audit Risk and Improvement Committee Policy P-2020-15.

Financial and Resource Implications:

NA

Summary:

Nil.

Anticipated Resolution Completion Date:

Meeting dates will be scheduled within one month of resolution.

Attachments:

1. Minutes of the Audit Risk and Improvement Committee Meeting held on 15 September 2021.

Tabled Items:

Nil.

Report Prepared by: Ethics Integrity and Audit Specialist

G/3.6. COMMUNITY INVESTMENT PROGRAM - COMMUNITY CELEBRATION FUND - SIGNATURE EVENT

Responsible Officer: General Manager Community Development and Events

Council Meeting Date: 19 October 2021

File Ref: CM3.1

Purpose:

To consider the recommendation of the Community Investment Panel on an application received under the Community Celebration Fund. The application being for Signature Event – Gladstone Ports Corporation Brisbane to Gladstone Yacht Race 2022.

Officer's Recommendation:

That Council:

1. Adopt the Community Investment Panel recommendation of funding \$66,000 for one (1) year for the Gladstone Ports Corporation Brisbane to Gladstone Yacht Race 2022: and
2. Authorise the Chief Executive Officer to finalise and execute a sponsorship agreement with the successful applicant detailing relevant entitlements and conditions.

Background:

In February 2020, an application for funding toward the live stream of the 2020 Brisbane to Gladstone Yacht Race was assessed and a recommendation was presented to Council for consideration. The Officer's recommendation adopted by Council (vide resolution G/20/4072).

That Council:

1. *Adopt the Community Investment Panel recommendation of funding \$66,000 per year for two consecutive years for the Queensland Cruising Yacht Club – Brisbane to Gladstone Yacht Race Live Streaming; and*
2. *Authorise the Chief Executive Officer to finalise and execute a sponsorship agreement with the successful applicant.*

The resolution is now at an end with the two years of funding being provided in accordance with this resolution.

The applicant has submitted a new application to the Community Celebration Fund – Signature event and is seeking further financial support to continue the live stream of the Gladstone Ports Corporation Brisbane to Gladstone Yacht Race.

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

Applicant	Event	Date	Location	Request
Queensland Cruising Yacht Club Inc	Gladstone Ports Corporation Brisbane to Gladstone Yacht Race 2022	15 – 18 April 2022	Shorncliffe	\$66,000.00

Panel Assessment Process

In accordance with the Community Investment Policy (P-2021-09) and Community Investment Corporate Standard (CS-2021-07), 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 scores applied in the assessment matrix.

Signature Event – Support for events that drive the primary criteria of destination profile, economic impact, and overnight expenditure. Attracts visitors that invest in the region and over 25% out of region visitors.

Key Selection Criteria	Weighting % (out of 100)
	Signature
Social and Community - Drives social and community outcomes, including community pride and cohesion	22.5
Destination - Enhance the profile and appeal of the Gladstone region	22.5
Financial Sustainability - Generates economic activity in the Gladstone region	20
Environmental Sustainability - Demonstrates financial sustainability	5
Economic Impact - Demonstrated environmental sustainability	5
Overnight Visitation - Attracts external visitation specifically generating overnight visitor expenditure	25

Overall Score	Definition
65.5% and above	Applications that achieve an overall score of 65.5% and above have demonstrated evidence that has either met or exceeded the expectation for all KSCs. The Panel may favorably recommend the application for the full funding sought.
Between 50.5% to 65%	Applications that score between 51% to 65% have demonstrated evidence that has either met or exceeded a single KSC and achieved some and/or marginal evidence in others. The Assessment Panel may choose to recommend funding based on scores received for KSCs with high weighting and an overall alignment to the funding objectives.
50% or Less	Applications that achieve an overall score of 50% or less have mostly demonstrated marginal and/or unacceptable evidence across all KSCs. The Assessment Panel may still choose to recommend the application for part funding based on some evidence of meeting the funding objectives.

Options, Risk and Opportunity Analysis:

Panel assessment was undertaken in October 2021. Individual Panel member scores are captured in the Assessment Matrix attached. Panel assessment comments and recommendation details, as well as the assessment matrix ranking can be found below.

Applicant	Event	Date	Location	Requested Funds	Panel Score	Recommendation
Queensland Cruising Yacht Club Inc	Gladstone Ports Corporation Brisbane to Gladstone Yacht Race 2022	15 - 18 April 2022	Shorncliffe	\$66,000.00	70 %	Enter a 1 (one) year funding agreement with Queensland Cruising Yacht Club Inc at a value of \$66,000 for the Gladstone Ports Corporation Brisbane to Gladstone Yacht Race 2022

Queensland Cruising Yacht Club Gladstone Ports Corporation Brisbane to Gladstone Yacht Race 2022	
Date:	15/04/2022 to 18/04/2022
Location:	Shorncliffe (Live stream location)
Applicant:	Queensland Cruising Yacht Club Inc
Sponsorship Request:	\$66,000.00 to be used toward the live streaming of the Gladstone Ports Corporation Brisbane to Gladstone Yacht Race 2022.
Event Summary:	The 2022 Gladstone Ports Corporation Brisbane to Gladstone Yacht Race will mark the 74th Anniversary of the race. Live streaming of the race commenced in 2017. The live streaming of the 2021 race saw an increase in viewer audience numbers. The 2022 event is expected to continue the trend of attracting new entrants and increased audiences.
Assessment Score	70%
Comment	The panel scored this application highest in the selection criteria relating attracting external visitation, specifically generating overnight visitor expenditure. As well as enhancing the profile and appeal of the Gladstone Region and generating economic activity in the Gladstone Region. The panel felt this application could have been strengthened by the inclusion of an overall event budget and a more detailed marketing and communications plan.
Recommendation	Enter a 1 (one) year funding agreement with Queensland Cruising Yacht Club Inc at a value of \$66,000 for the Gladstone Ports Corporation Brisbane to Gladstone Yacht Race 2022

Communication and Consultation:

The Assessment Panel, chaired by the Community Investment Officer, consisted of the following delegated officers:

- General Manager Community Development & Events
- Manager Engagement & Partnerships
- Manager Brand
- Community Development Specialist
- Senior Events & Entertainment Officer as delegated via Manager Events and Entertainment

Legal Strategy and Policy Implications:

All applications are assessed against Council’s Community Investment Policy (P-2021-09), Community Investment Corporate Standard (CS-2021-07) and published funding guidelines.

On favorable adoption of the Panel’s recommendations detailed in this report, officers will proceed to negotiate and enter a grant and/or a sponsorship agreement for a period as determined by Council Resolution (detailing entitlements and conditions) with successful applicants.

Financial and Resource Implications:

In 2021/22 financial year, Council budgeted \$380,000 to support recommended applications received through the Community Celebration Fund with specifically \$150,000 budgeted toward supporting Signature Events.

This is the first application to be assessed for Signature event funding this financial year.

Summary:

Nil.

Anticipated Resolution Completion Date:

30 June 2022

Attachments:

1. Signature Event Guideline

Tabled Items:

Nil.

Report Prepared by: Community Development Specialist

G/4. DEPUTATIONS

G/5. COUNCILLORS REPORT

G/6. URGENT BUSINESS

G/7. NOTICE OF MOTION

G/8. CONFIDENTIAL ITEMS

G/8.1. OUT-OF-POLICY WATER CONCESSION REQUESTS

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 19 October 2021

File Ref: RV4.4, RV4.5

Reason for Confidentiality:

This report is **CONFIDENTIAL** in accordance with Section 254J of the Local Government Regulation 2012, the meeting is to be closed to the public to discuss business relating to the following: -

(d) rating concessions.

G/8.2. OPTIONS FOR EFFLUENT DISPOSAL FROM CALLIOPE WASTE WATER TREATMENT PLANT

Responsible Officer: General Manager Strategic Asset Performance

Council Meeting Date: 19 October 2021

File Ref:

Reason for Confidentiality:

This report is **CONFIDENTIAL** in accordance with Section 254J of the Local Government Regulation 2012, the meeting is to be closed to the public to discuss business relating to the following: -

(g) negotiations relating to a commercial matter involving the local government for which a public discussion would be likely to prejudice the interests of the local government.