



GLADSTONE
REGIONAL COUNCIL

**GENERAL MEETING NOTICE
AND AGENDA**

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

On Tuesday 6 September 2022

Commencing at 9.00am

**Leisa Dowling
CHIEF EXECUTIVE OFFICER**

Table of Contents

ITEM	PAGE
G/1. MAYORAL STATEMENT OF CURRENT ISSUES.....	3
G/2. CONFIRMATION OF MINUTES.....	4
G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 16 AUGUST 2022.....	4
G/3. DEPUTATIONS	5
G/3.1. GLADSTONE AREA PROMOTION DEVELOPMENT LIMITED	5
G/4. OFFICERS' REPORTS	6
G/4.1. QUEENSLAND FIRE AND EMERGENCY SERVICES - RURAL FIRE BRIGADE LEASES	6
G/4.2. COMMUNITY INVESTMENT PROGRAM - FUNDING RECOMMENDATION	10
G/4.3. COUNCILLOR ATTENDANCE AT CONFERENCES 2022/23	14
G/4.4. 2022-23 GENERAL SOLE AND SPECIALISED SUPPLIERS - ADDITIONAL.....	16
G/4.5. RECOMMENDATION TO APPOINT EXTERNAL MEMBER AND NOMINATE COMMITTEE CHAIR TO AUDIT RISK AND IMPROVEMENT COMMITTEE POST 31 DECEMBER 2022	19
G/4.6. AUDIT RISK AND IMPROVEMENT COMMITTEE MINUTES - 15 JUNE 2022	22
G/5. COUNCILLORS REPORT.....	24
G/6. URGENT BUSINESS.....	24
G/7. NOTICE OF MOTION	24
G/8. CONFIDENTIAL ITEMS	24

G/1. MAYORAL STATEMENT OF CURRENT ISSUES

G/2. CONFIRMATION OF MINUTES

G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 16 AUGUST 2022

Responsible Officer: Chief Executive Officer

Council Meeting Date: 6 September 2022

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 16 August 2022.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 16 August 2022 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 16 August 2022

Tabled Items:

Nil

Report Prepared by: Executive Secretary

G/3. DEPUTATIONS

G/3.1. GLADSTONE AREA PROMOTION DEVELOPMENT LIMITED

Responsible Officer: Chief Executive Officer

Council Meeting Date: 6 September 2022

File Ref: CM7.6

Purpose:

Gladstone Area Promotion Development Limited (GAPDL) will provide an update to Council including recent activities and key performance indicators.

Officer's Recommendation:

That the deputation from Gladstone Area Promotion Development Limited (GAPDL) be received.

Background:

Deputation details are as follows:

Time of Presentation	9:15am
Duration of Presentation plus question time	15 mins
Speakers to present	Gus Stedman, Chief Executive Officer Nicola Scurr, Tourism Manager
Is the matter currently or has previously been subject to legal proceedings?	No
Matter for information only	Yes

Attachments:

1. April – June 2022 GAPDL Quarterly Report
2. GAPDL Communities for Children

Tabled Items:

Nil

Reported Prepared by: Executive Secretary

G/4. OFFICERS' REPORTS

G/4.1. QUEENSLAND FIRE AND EMERGENCY SERVICES - RURAL FIRE BRIGADE LEASES

Responsible Officer: General Manager Strategic Asset Performance

Council Meeting Date: 6 September 2022

File Ref: CP8.2

Purpose:

To allow Council to consider the renewal of two Rural Fire Brigade (RFB) site leases in favour of Queensland Fire and Emergency Services. The two properties are freehold title in the ownership of Council and will require a Council Resolution to renew the respective leases.

Officer's Recommendation:

That Council

1. Resolves that the exception to the disposal of a valuable non-current asset in s236(1)(b)(i) of the Local Government Regulation 2012 applies to the disposal of Lot 240 RP618283 and Lot 260 SP111179 to a government agency.
2. Renews the lease to Queensland Fire and Emergency Services for a period of thirty (30) years and that the Chief Executive Officer be authorised to negotiate and finalise the lease combining:
 - Lot 60 SP111179 – Marshall Street, Bororen
 - Lot 240 RP618283 – Murphy Road, Captain Creek

Background:

Six existing Rural Fire Brigade leases have either expired (2) or are approaching expiry dates (4). Queensland Fire and Emergency Services (QFES) has requested that the Council consider approval of thirty-year lease periods for each Brigade site. The existing leases are for 10-year periods.

Four of the properties are trust Reserves with Council as the Trustee and will not require a Council Resolution for the lease renewal as the CEO has delegated authority in these instances.

The following Table provides details of each lease including location and land tenure

BRIGADE	LOCATION	PROPERTY DESCRIPTION	LEASE DETAILS	LAND	ZONING	PREVIOUS LEASE TERM
Eurimbula RFB	Agnes Water / Captain Creek	Lot 240 RP618283 22 Murphy Road	Whole of site (1 Ha)	Freehold	Rural	10 Years – expiry 30/6/22
Bororen RFB	Bororen	Lot 260 SP111179 2 Marshall Road Bororen (Dagleish Road)	Whole of Lot (450m2)	Freehold	Community Facilities	10 Years – expiry 30/6/22
Lowmead RFB	Lowmead	Lot 95 FD1060 18 Lowmead Road (Claytons Road)	Lease A on SP258095	Crown Reserve	Community Facilities	10 Years – expiry 31/10/22
Colosseum RFB	Miriam Vale	Lot 151 FD811 2 Jinks Street. Site includes town reservoir	Lease A on SP259488	Crown Reserve (water supply)	Community Facilities	10 Years – expiry 28/2/23
Rosedale	Rosedale	Lot 19 SP131276	Lease A on	Crown	Community	10 Years –

GENERAL MEETING AGENDA 6 SEPTEMBER 2022

RFB		2 Callaghan Street	SP259500	Reserve (recreation)	Facilities	expiry 28/2/23
Foreshores RFB	Foreshores	Lot 58 FD956 279 Intrepid Drive	Lease A on SP261806	Crown Reserve (park)	Rural	10 Years – expiry 28/2/23

Locality plans for the leased sites are provided in Attachment 1.

The State Government and individual brigades have undertaken a range of improvements at each site including construction of vehicle sheds and operational facilities during previous lease terms and over considerable periods of time.

This report is presented for Council consideration as while the CEO has the appropriate delegation to enter into a trustee lease, the QFES request is for a lease term of thirty years, requiring a Resolution of Council, in the case of the freehold properties.

Options, Risk and Opportunity Analysis:

The Rural Fire Brigades and volunteers provide an essential emergency service to the respective communities. This was evidenced most recently in the 2020 fires experienced across the region. Lease renewal is appropriate given the community service provided and localities identified.

Current leases contain standard clauses placing responsibility with QFES (Brigade) for service or utility charges, rates and levies, cleaning, maintenance of premises, rubbish removal and ground maintenance. This minimises financial and operational impact for Council.

Physical improvements to the facility cannot occur without prior Council approval, which ensures a level of control for Council over the leased premises.

These conditions would be included in the new lease.

Consideration of 30-year lease periods rather than 10-year periods includes:

1. Purpose of the longer lease term
2. Potential future use of the site

Purpose of Longer lease Term

QFES has indicated the request for longer lease terms is to achieve greater security of tenure and to allow the brigades and QFES to keep investing in and improving these facilities. QFES also mentions that they manage a portfolio of approximately 500 Rural Fire Services properties across Queensland which is a significant administrative challenge for the Department, particularly in respect to negotiating lease renewals.

The longer lease term would also assist Council staff in managing and administering its large portfolio of properties.

Potential future use of Site

The Agnes Water and Bororen sites are Freehold land, owned by Gladstone Regional Council. The remaining sites are Crown Reserves, with Council as trustee. The Reserve Purpose and Zoning in each case is appropriate to the Rural Fire Brigade use of respective sites.

Whilst a strategic property review is being conducted across Council owned and managed properties, it is unlikely to impact on the Rural Fire Brigade sites, given the strong community service benefit of the activities. Some of the lease sites occupy a portion of larger land parcels under a specific lease, as depicted in the attached locality plans, which allows other Council approved activity or development on that land.

GENERAL MEETING AGENDA 6 SEPTEMBER 2022

The Leases are structured to enable a range of circumstances to end or terminate the lease, including lease expiry, and breach or default of lease terms, or the lessee relinquishing the lease. The lease could be terminated or varied by mutual agreement of both parties.

QFES has further requested the expansion of the lease area for the Miriam Vale / Colosseum site, with the joint occupation of the site by State Emergency Services (now ceased) and SES relocating to another site in Miriam Vale. This will be factored into the lease negotiations and lease document if the Council supports the lease renewal. This site also contains the town water tower and if Council resolves in the affirmative, a resurvey of the intended lease site may be required. Survey costs would be borne by the State. The proposal demonstrates the intent of QFES to have an ongoing rural fire brigade service for this locality.

Options considered:

Option1: Subject to negotiations with QFES, Council resolve to renew the respective Rural Fire Brigade Leases for a period of ten years in line with the previous lease period.

Suggested terms:

- Lease area as per the current lease(s), noting the variation for the Miriam Vale site.
- Rental be set at \$1.00 per annum on demand
- Outgoings will be the responsibility of the Lessee
- Facility maintenance will be the responsibility of the lessee
- Other conditions will be standard lease conditions

The opportunities associated with Option1 are:

- Security of tenure for 10 years for QFES
- A ten-year lease tenure would support the brigades to secure funding for further facility improvements

There are no significant risks with Option 1, given the current lease arrangements apart from reducing access to funding as the 10-year lease term diminishes. It is unlikely that QFES would reject a ten-year lease term.

Option 2: Provides for a thirty-year lease term.

The opportunities associated with Option 2 are increased security of tenure for QFES and the individual brigades which would assist with pursuit of funding for each facility and enable further investment on behalf of the individual brigades and for the communities they support.

Operational lease conditions would be as for Option 1.

The risks associated with Option 2 relate to potential restriction of future proposals for the respective land parcels. Given the past history of accommodating the rural fire brigades over long periods and the likely ongoing classification of the Crown Reserves, this risk would appear to be minimal.

Communication and Consultation:

QFES has been consulted to understand their request for longer-term leases and they have indicated a strong desire to retain the RFB services in the areas indicated, for the foreseeable future.

The General Manager Strategic Asset performance and the Strategic Property Management Team has been consulted regarding the history of each lease site, QFES requests and Council Policy on lease terms.

Council's legal counsel has been consulted on the necessary structure of the leases and implications of lease registration and seeking approval of the State for Crown Reserve leases.

Legal Strategy and Policy Implications:

The Land Act 1994 allows for Trustee leases up to thirty years.

Council currently has two Policies dealing with property management, being the Leasing of Land for Sport and Recreation Purposes Policy P-2017-35, which provides for a maximum lease term of ten years; plus the Commercial Activities on Council Land Corporate Standard. Neither document directly relates to the leasing of land by a government authority.

Section 236 of the Local Government Regulation 2012, allows for Council to dispose of freehold land or an interest in land, other than by tender or auction if:

The disposal is to a government agency [Section 236 (1) (b) (I)]; or for the purpose of renewing the lease of land to the existing tenant of the land [Section 236 (1) (c) (iii)] or if it is in the public interest to dispose of the land without a tender or auction [Section 236 (1) (c) (v) (A)]

Financial and Resource Implications:

There is minimal cost implication for Council due to the existing lease arrangements for each site. The facilities would be maintained by the respective Brigades and QFES. Lodgement cost for lease registration of \$208.83 would apply for each lease and this cost can be applied to the Lessee (State). Similarly, where land survey costs are applicable, this would be charged to the Lessee.

Final negotiations with QFES and renewal of the lease will be undertaken by the Strategic Property Management Team and will not require any unbudgeted resources.

Summary:

Two Rural Fire Brigade leases involving freehold land expired in mid 2022, being Erimbula (Captain Creek) and Bororen. The remaining lease sites will fall due for renewal over the coming months, which will allow time for negotiations to be completed and leases to be lodged for registration.

Anticipated Resolution Completion Date:

31 March 2023 or earlier as lease registrations occur.

Attachments:

1. Rural Fire Brigade Locations

Tabled Items:

Nil.

Report Prepared by: Strategic Property Specialist

G/4.2. COMMUNITY INVESTMENT PROGRAM - FUNDING RECOMMENDATION

Responsible Officer: General Manager Community Development and Events

Council Meeting Date: 6 September 2022

File Ref: GS 3.1

Purpose:

To consider the recommendation of the Community Investment Panel on an application received under the Community Investment Policy section 6.11, Extraordinary Requests. The applications being for:

Application ID	Applicant	Project	Requested Amount
SIG005	Queensland Regional Broadcasters (4CC)	2022 Santos GLNG Mayor's Carols	\$36,500 In-Kind
Total Funding Requested			\$36,500 In-Kind

Officer's Recommendation:

That Council:

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

Application ID	Applicant	Project	Recommendation
SIG005	Queensland Regional Broadcasters (4CC)	2022 Santos GLNG Mayor's Carols	\$36,500 In-Kind
Total Funding Recommendation			\$36,500 In-Kind

and

2. Authorise the Chief Executive Officer or delegate to finalise and execute funding agreement with the successful applicant detailing relevant entitlements and conditions.

Background:

The Community Investment Program offers five (5) key funding streams, including the Community Celebration Fund. Whilst the Santos GLNG Mayor's Carols is a significant event in the Gladstone Region event calendar, it does not meet the assessment criteria as a Signature Event within the Policy.

Therefore, it is requested that consideration be given to funding the 2022 Santos GLNG Mayor's Carols under the Community Investment Fund Policy Section 6.11, Extraordinary Requests.

The eligible application has been assessed by a Community Investment Panel (the Panel) with the recommendation presented to Council at this General Meeting for decision.

Panel Assessment Process

In accordance with the Community Investment Policy (P-2021-09) and Community Investment Corporate Standard (CS-2021-07), the eligible application has been 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 table below defines the KSC, weighting and definition of score applied in the assessment matrix:

Whilst the 2022 Santos GLNG Mayor’s Carols is not eligible to be assessed as a Signature Event under the Policy, the assessment criteria for a Signature Event remains the most relevant in comparison and hence has been used by the Assessment Panel to determine its eligibility for funding.

KEY SELECTION CRITERIA (KSC)	Weighting
KSC 1: Drives social and community outcomes, including community pride and cohesion	25
KSC 2: Enhance the profile and appeal of the Gladstone region	25
KSC 3: Generates economic activity in the Gladstone region	20
KSC 4: Demonstrates financial sustainability	7.5
KSC 5: Demonstrated environmental sustainability	7.5
KSC 6: Attracts external visitation specifically generating overnight visitor expenditure	15

RATING MATRIX
Green = An overall score of 65.5% and above demonstrates that an application has met or exceeded all KSCs. The Assessment Panel may favorably recommend the application for the full funding sought.
Orange = An overall score between 51% to 65% demonstrates that an application has met or exceeded a KSC(s) but mostly marginal evidence in others. The Assessment Panel may choose to recommend funding the application based on scores received for KSCs with high weighting and overall alignment to Community Celebration Fund objectives.
Red = An overall score of 50% or less demonstrates that an application has mostly provided marginal evidence across all KSCs. The Assessment Panel may still choose to recommend the application for part funding based on some evidence of meeting the objectives of the Community Celebration Fund objectives.

Options, Risk and Opportunity Analysis:

As per the Community Investment Policy, an assessment was undertaken by a panel to consider the applications. Individual panel member scores are captured within the Smarty Grants portal and collated in an assessment matrix.

GENERAL MEETING AGENDA 6 SEPTEMBER 2022

The Community Investment Panel recommendation is summarised within this table:

Applicant	Project	Project Location	Applicant Request	Panel Score	Recommendation
			InKind		In-Kind
Santos GLNG Mayor's Carols	Christmas Carols	Gladstone	\$36,500	2.77	\$36,500
Total Funding			\$36,500	69%*	\$36,500

* The application scored highly on assessment criteria KSC1-KSC5, with KSC6 remaining irrelevant and attracting a lower score. The application has been assessed on KSC6 to ensure consistency with Council process.

Panel commentary that supports the Panel recommendation is included below:

CHRISTMAS CAROLS	
Project Dates	02/12/2022
Organisation Name	Queensland Regional Broadcasters - 4CC
Brief Project Description	The SANTOS GLNG Mayor's Carols is an annual, established, FREE community event, bringing together the Gladstone region to celebrate Christmas, launch the Christmas Lights Competition and hopefully light the Christmas Tree.
Project Beneficiaries	Mayors Carols is targeting the Gladstone and surrounding region. The central focus is 30+ years female skewed with school age kids. Also attracts 50 years + whom would be guardians of children.
Total Amount Requested	\$36,500 In-Kind
Total Project Cost	\$36,500 In-Kind
Panel Score	2.77 – 69%
Panel Commentary	<p>The event has clear social and community outcomes and as such, should be supported by Council.</p> <p>The criteria for Signature Events were utilised to assess this application, and as such, one of the KSC's were irrelevant, overnight visitation.</p> <p>While some elements of the application were detailed, some responses could be strengthened around economic benefit and environmental sustainability.</p> <p>The applicant should be encouraged to connect with GAPDL to share innovations to capture attendee figures/estimates.</p> <p>A post event survey would add real value and could be used to leverage more sponsorship opportunities as well.</p>
Panel Recommendation	The panel would recommend full funding.

GENERAL MEETING AGENDA 6 SEPTEMBER 2022

Communication and Consultation:

As detailed within the Community Investment Corporate Standard the assessment panel consisted of the following delegated Officers:

- General Manager Community Development and Events
- Manager Arts and Entertainment
- Manager Engagement and Partnerships
- Community Development Specialist

Legal Strategy and Policy Implications:

The application has been assessed under Council's Community Investment Program (P-2021-09), Community Investment Corporate Standard (CS-2021-07). On favorable adoption of the Panel's recommendations detailed in this report, authorised officers will proceed to enter into a grant and or funding agreement (detailing entitlements and conditions) with the successful applicant.

Financial and Resource Implications:

In 2022/23, Council budgeted \$70,000 to fund recommended applications received through the Community Celebrations Fund, with \$130,000 budgeted for the In-Kind line item.

Should Councillors endorse the officer's recommendation, the balance of the In-Kind line item will be \$93,500 remaining.

Summary:

Nil.

Anticipated Resolution Completion Date:

6 September 2022

Attachments:

1. CONFIDENTIAL – Community Investment Program Budget
2. CONFIDENTIAL – Signature Fund Assessment Matrix
3. CONFIDENTIAL – Scoring Report – Queensland Regional Broadcasters – 4CC

Tabled Items:

Nil.

Report Prepared by: Community Investment Officer

G/4.3. COUNCILLOR ATTENDANCE AT CONFERENCES 2022/23

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 6 September 2022

File Ref: CM6.1

Purpose:

To allow Council to nominate councillor attendees at two conferences being held outside of Queensland during 2022.

Officer's Recommendation:

That Council:

1. Nominate Cr _____ to attend the 2022 Parks and Leisure Australia National Conference; and
2. Nominate the Mayor, Cr _____ and Cr _____ to attend the 2022 National Local Roads and Transport Congress.

Background:

Throughout the 2022-2023 financial year there are a number of conferences that offer an opportunity for councillors to enhance their knowledge, learn about new practices, network with regional and interstate colleagues and represent the interests of the Gladstone Region.

The following conferences have been identified by officers as an opportunity for councillor attendance:

Conference	Dates	Location	Budget Allocation
Parks and Leisure Australia National Conference	16-19 October 2022	Melbourne	Mayor or 1 x Councillor
National Local Roads and Transport Congress	2-3 November 2022	Tasmania	Mayor and 1 x Councillor or 2 x Councillors

Parks and Leisure Australia National Conference

Parks and Leisure Australia (PLA) is the leading industry association for professionals in the sector supporting members to provide opportunities that strengthen communities through good use of leisure time for the social, environmental, economic and physical wellbeing of all Australians.

The 2022 PLA National Conference will address sports and physical activity, horticulture and parks, gardens and open spaces, health and economic and socio-economic benefits.

National Local Roads and Transport Congress

The National Local Roads and Transport Congress provides opportunities for delegates from councils across Australia to swap and share expertise on local roads and bridges, traffic management and road safety and how technology and innovation will help local governments maintain local roads.

In the event that additional opportunities are identified by officers, a separate report will be provided for Council's consideration at the appropriate time.

Options, Risk and Opportunity Analysis:

It is the officer's recommendation that Council:

1. Nominate the Mayor or one councillor to attend the Parks and Leisure Australia National Conference; and
2. Nominate the Mayor and one councillor or two councillors to attend the National Local Roads and Transport Congress.

Council may choose to nominate additional councillors to attend the conferences however the officer's recommendation is consistent with the 2022/23 Operating Budget as adopted by Council.

Council may also choose not to nominate any councillors to attend the conferences. In that instance, Council would miss the opportunity to enhance knowledge, learn about new practices, network with regional and interstate colleagues and represent the interests of the Gladstone Region.

Communication and Consultation:

Internal consultation has occurred with Councillors when establishing the 2022/23 Operating Budget for councillor attendance at conferences.

Legal Strategy and Policy Implications:

In accordance with Council's *Councillor Expenses Reimbursement and Provision of Facilities Policy P-2021-18*, where a councillor seeks reimbursement for attendance at a conference that was held outside of Queensland, the attendance must be supported by a resolution of Council.

Section 6.1.2 of Council's *Council Meetings Procedures Policy P-2020-19* provides that a leave of absence is automatically granted to a Councillor where Council passes a formal resolution for a Councillor to attend a conference or the Councillor is nominated to represent Council at another event.

Financial and Resource Implications:

The below table is a summary of the estimated costs associated with the proposed attendance:

Conference	Budget Allocation	Estimate
Parks and Leisure Australia National Conference	\$3,400	\$4,266
National Local Roads and Transport Congress	\$12,400	\$9,468
TOTAL	\$15,800	\$13,734

Summary:

N/A

Anticipated Resolution Completion Date:

3 November 2022

Attachments:

N/A

Tabled Items:

Nil.

Report Prepared by: Manager Governance & Risk

G/4.4. 2022-23 GENERAL SOLE AND SPECIALISED SUPPLIERS - ADDITIONAL

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 6 September 2022

File Ref: PE1.1

Purpose:

This report seeks resolution from Council to include additional suppliers to the General Sole and Specialised Suppliers listing for the 2022/23 financial year, making use of the provisions in section 235(a) of the *Local Government Regulation 2012*, that allows for exceptions to the requirement for written quotes or tenders.

Officer's Recommendation:

That:

1. In accordance with Section 235(a) of the *Local Government Regulation 2012*, Council is satisfied that the below suppliers are the only suppliers reasonably available to deliver the relevant product/service for the 2022/23 financial year:

Kvitko Holdings T/A Elevate Media	Only publisher of a publication that circulates throughout the Gladstone Region focused on the Gladstone Region (Gladstone News).
Sewer Equipment Company (Aust)	OEM (Original Equipment Manufacturer) parts for camera equipment used in the CCTV van
Bill Robertson Toyota	OEM (Original Equipment Manufacturer) parts for Toyota Light Commercial Vehicles
1Spatial	Only reseller in Australia for FME mapping software used by GIS team
ABB Australia Pty Limited	OEM (Original Equipment Manufacturer) ABB flow meters
Endress+Hauser	OEM (Original Equipment Manufacturer) for Transducers and Radar Micro pilots measurement instrumentation
Safegroup Automation	OEM (Original Equipment Manufacturer) for SCADA Controllers

Background:

Due to the nature of some goods and services, there may be only one supplier who is reasonably available or who provides a specialised service. Given that a number of these types of purchases are recurring on an annual basis, it has become more typical for Councils to apply the legislation and prepare an annual report seeking resolution.

Section 225 of *Local Government Regulation (LGR) 2012* provides Council cannot enter into a medium sized contractual arrangement unless it first invites 3 potential suppliers to quote. Section 224(2) of the LGR defines medium sized contractual arrangement as a contractual arrangement with a supplier that is expected to be worth \$15,000 or more (plus GST) but less than \$200,000 over a financial year (or longer term of contract). Section 224(4) of the LGR provides expected value is the total expected value of all Council's contracts with the supplier for goods and services of a similar type under the arrangement.

GENERAL MEETING AGENDA 6 SEPTEMBER 2022

There are several exceptions in the LGR including:

- Section 231 Council can establish an approved contractor list by EOI process (this is for services only, not goods or works, and it is suggested in the King & Co commentary on LG Online that need more than 1 supplier on a list);
- Section 232 Council can establish Prequalified Supplier Register via tender process (if 1 of the points in 232(3) applies which includes that the preparation and evaluation of invitations every time would be costly);
- Section 234 where the supplier is on LGAQ contract arrangement;
- Section 235(a) where Council in general meeting resolve that Council is satisfied there is only 1 supplier who is reasonably available;
- Section 235(b) where Council in general meeting resolve that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for Council to invite quotes of tenders;
- Section 235(c) where a genuine emergency exists; and
- Section 235(f) the contract is made with or under an arrangement with a government agency.

In addition to the specific requirements of the LGR sections, Council officers are required to comply with the local government principles in section 4 of *Local Government Act 2009* and the sound contracting principles in section 104(3) of the LGR, as well as the provisions of the Council's Procurement Policy.

To support the business in meeting its obligations under the LGR requirements – Council's procurement corporate standard adds a further requirement to issue 2 or more written invitations to quote where the contract value is \$5,000 to \$15,000 and the exceptions do not apply.

Options, Risk and Opportunity Analysis:

Council's Contracts and Procurement team have identified an organisational need for the exception to be applied to the suppliers contained within this report which have the potential to exceed \$15,000 ex GST per annum thus requiring the application of the following exceptions:

- Section 235(a) where Council in general meeting resolve that Council is satisfied there is only 1 supplier who is reasonably available; and
- Section 235(b) where Council in general meeting resolve that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for Council to invite quotes of tenders.

Communication and Consultation:

Internal procurement stakeholders have been involved in the preparation of this list.

Legal Strategy and Policy Implications:

It is a requirement of the section 225 of the LGR to invite written quotations or tenders where the supply of goods or services with a cost greater than \$15,000.

Additionally, Council's Procurement Corporate Standard requires a minimum of two (2) quotes for all purchases of goods and services greater than \$5,000 and three (3) quotes for all purchases greater than \$15,000.

Section 235 of the LGR provides the following exceptions to the requirement relevant to this request including:

- a) the local government resolves it is satisfied that there is only (1) supplier who is reasonably available.
- b) the local government resolves that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tenders.

Financial and Resource Implications:

Procurement activities making use of this resolution will be subject to Council's Register of Financial Delegations.

Summary:

Nil.

Anticipated Resolution Completion Date:

Exceptions granted within this report will be added to Council's Long-Term Contracts Register in September 2022.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Manager Contracts and Procurement

G/4.5. RECOMMENDATION TO APPOINT EXTERNAL MEMBER AND NOMINATE COMMITTEE CHAIR TO AUDIT RISK AND IMPROVEMENT COMMITTEE POST 31 DECEMBER 2022

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 6 September 2022

File Ref: CM26.2

Purpose:

This report presents a recommendation to appoint a new External Member (Financial Expert) to the Audit Risk and Improvement Committee (ARIC) and to determine a new Committee Chair to replace the current Chair whose tenure expires on the 31 December 2022.

Officer's Recommendation:

That Council appoint:

1. _____ to the Audit Risk and Improvement Committee as the Committee's financial expert for the period 1 January 2023 to 31 December 2028 at the schedule of rates nominated in their Expression of Interest submission lodged in June 2022; and
2. _____ as the Audit Risk and Improvement Committee Chair commencing 1 January 2023.

Background:

The ARIC Chair's tenure expires on 31 December 2022. The Chair is also the Committee's financial expert. In anticipation of the tenure expiry, Council called for expressions of interest from external parties during the month of June 2022 to replace the Chair as financial expert on the Committee. Council received six quality applications. A three-person Recruitment Panel as shown below were tasked with the assessment, shortlisting, interview and recommendation to appoint process:

- Kerry Phillips, ARIC Chair
- Cr Natalia Muszkat, Councillor Representative on ARIC
- Mark Holmes, General Manager Finance Governance and Risk.

Councillors have been provided with a confidential report on the candidates and the outcome of the recruitment process to assist in considering the appointment.

The ARIC Recruitment Panel has recommended a candidate for appointment on the following basis:

- Demonstrated advanced relevant financial management expertise;
- Demonstrated a pragmatic, collegiate approach that culturally will fit well with the committee; and
- Committed to face to face attendance as a priority.

GENERAL MEETING AGENDA 6 SEPTEMBER 2022

In relation to the position of ARIC Chair, post 31 December 2022, the following information is provided to assist Council in its decision making:

- Historically the position of Committee Chair has been held by an external member, although the *Local Government Regulation 2012* does allow any member to be appointed as Chair.
- The newly appointed external member will have very little opportunity to familiarise themselves with the Committee and its work prior to the current Chair leaving and may not seek to Chair the Committee in the early stages of their tenure. It is proposed that the new appointee will attend the September and December 2022 meetings as an Observer.
- Stephen Coates and Sandra Collins are the other two external members on the Committee and they both share the same appointment period, having served on the Committee for 3.5 years (commenced 12 December 2018 – tenure expiry 31 December 2023). Both have indicated that they would be prepared to serve as Committee Chair. Their original Expressions of Interest are provided as Attachment 2 to this report to provide Council with an overview of their professional profiles as it relates to the Committee.

Options, Risk and Opportunity Analysis:

Option 1 – Adopt the recommendation of the Recruitment Panel for appointment of new External Member to the ARIC and determine a Committee Chair

The opportunity associated with this option is that Council can take advantage of the ARIC Recruitment Panel's detailed assessment of the Expression of Interest process. The risk of this option is that Councillors may prefer to have more involvement in the selection process to assure themselves of the best candidate fit for the role.

Option 2 – Appoint an alternative new External Member to the ARIC from the Expressions of Interest lodged and determine a Committee Chair

The opportunity of this option is that all Councillors are involved in the appointment process. The risk is that, with the exception of Cr Muszkat, Councillors have not had the opportunity to assess candidates through a detailed assessment and interview process.

Communication and Consultation:

An Audit Risk and Improvement Committee Recruitment Panel was formed for the purposes of assessing, shortlisting, interviewing and forming a recommendation to appoint. The Recruitment Panel's report has been reviewed by the Chief Executive Officer.

Legal Strategy and Policy Implications:

Under Section 105 of the *Local Government Act 2009*, Council must establish an Audit Committee. Section 210 of the *Local Government Regulation 2012* requires the Audit Committee composition to meet the following requirements:

210 Audit committee composition

- (1) *The audit committee of a local government must—*
 - (a) *consist of at least 3 and no more than 6 members; and*
 - (b) *include—*
 - (i) *1, but no more than 2, councillors appointed by the local government; and*
 - (ii) *at least 1 member who has significant experience and skills in financial matters.*
- (2) *The chief executive officer can not be a member of the audit committee but can attend meetings of the committee.*
- (3) *The local government must appoint 1 of the members of the audit committee as chairperson.*

Financial and Resource Implications:

Council has a budget allocation for Audit Risk and Improvement Committee external member fees which will adequately cater for the proposed fees of all current and future members for the 2022/2023 financial year.

Summary:

Not applicable

Anticipated Resolution Completion Date:

9 September 2022

Attachments:

1. CONFIDENTIAL – Audit Risk and Improvement Committee Recruitment Panel Report – August 2022 including Resumes
2. CONFIDENTIAL – Professional Profiles for Stephen Coates and Sandra Collins

Tabled Items:

Nil.

Report Prepared by: Governance Business Partner

G/4.6. AUDIT RISK AND IMPROVEMENT COMMITTEE MINUTES - 15 JUNE 2022

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 6 September 2022

File Ref: CM26.2

Purpose:

To present a report about the matters presented at the Audit Risk and Improvement Committee meeting held on 15 June 2022, pursuant to section 211 of the *Local Government Regulation 2012*.

Officer's Recommendation:

That Council receive the Minutes of the Audit Risk and Improvement Committee Meeting that was held on 15 June 2022.

Background:

Council's audit committee, the Audit Risk and Improvement Committee (ARIC), met on 15 June 2022.

In accordance with section 211(1)(c) of the *Local Government Regulation 2012* 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 June 2022 are attached for Council's consideration.

Options, Risk and Opportunity Analysis:

Below are some of the highlights from the minutes:

Item 8.4 – Contracts and Procurement Report

The committee congratulated officers on the improvement in the contracts and procurement compliance. It was noted that any instances of fraud or corrupt conduct is being raised with the Ethics team with all other non-compliances being addressed and rectified immediately with the employees or employee's supervisor.

Item 8.5 – People Culture and Safety Quarterly Report

A discussion was held regarding the completion of Performance and Development Agreements (PDA) and Individual Development Plans (IDP) noting that turnover has impacted the completion of PDA's and IDP's. It was noted that Council is maturing in this space and as the process becomes embedded the completion rates will improve. The committee highlighted the need for roles to have measurable accountability and a clear understanding of their role, which will assist in improved culture and individual development.

Item 13.1 – Annual Report on Status of Council Policies and Corporate Standards

A discussion was held regarding the outstanding policy reviews and it was noted that Council is managing the risk element of the corporate standards and policies that need to be reviewed and prioritising the reviews. The committee recommended that policies and corporate standards with a 3 yearly review be changed to 5 yearly where possible with guidance materials in place for changes needed within the 5 years such as legislative changes.

GENERAL MEETING AGENDA 6 SEPTEMBER 2022

Item 9.1 – External Audit

The Queensland Audit Office (QAO) highlighted the *Local Government 2021* report to Government noting that the report outlined the results of last year's audit of 77 councils and controlled entities.

Item 10.4 – Internal Audit Plan 2022/2023 and Three Year Internal Audit Plan

The committee enquired regarding the status of an assurance map noting concern that the committee isn't getting oversight of the complete coverage for council.

Item 11.2 – Prior Period Financial Statements

The committee enquired regarding the reduction of the capital program and the impact on the workforce with advice provided that the capital program is split between internal and external resources with the majority of the impact to external resourcing. It was further noted that the reduction of the capital program is due to supply chain issues. It was noted that minor changes to delegations are being proposed to provide some flexibility with procurement in the current environment.

Communication and Consultation:

The minutes of the Committee are reviewed by the ARIC members, the Manager Governance and Risk, Principal Internal Auditor, 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:

Nil

Summary:

Nil

Anticipated Resolution Completion Date:

N/A – information only report.

Attachments:

1. Minutes of the Audit Risk and Improvement Committee Meeting held 15 June 2022

Tabled Items:

Nil

Report Prepared by: Compliance and Audit Officer

G/5. COUNCILLORS REPORT

G/6. URGENT BUSINESS

G/7. NOTICE OF MOTION

G/8. CONFIDENTIAL ITEMS