



GLADSTONE
REGIONAL COUNCIL

**GENERAL MEETING NOTICE
AND AGENDA**

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

On Tuesday 15 August 2023

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 1 AUGUST 2023

Responsible Officer: Chief Executive Officer

Prepared By: Executive Secretary

Council Meeting Date: 15 August 2023

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 1 August 2023.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 1 August 2023 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 1 August 2023.

G/3. DEPUTATIONS

G/3.1. THE SHELTER COLLECTIVE

Responsible Officer: Chief Executive Officer

Prepared By: Executive Secretary

Council Meeting Date: 15 August 2023

File Ref: CM7.6

Purpose:

To provide awareness of The Shelter Collective's work that is currently underway and discuss opportunities to provide support to Council.

Officer's Recommendation:

That the deputation from The Shelter Collective be received.

Background:

Deputation details are as follows:

Time of Presentation	9:00am
Duration of Presentation plus question time	30 mins
Speakers to present	Adam Klaproth, Founding Member, Housing Manager, Anglicare Michelle Coates, Founding Member, General Manager Roseberry QLD Michael Walz, Founding Member, CEO Apprentice Training QLD David Grenfell OAM, Founding Member, Executive Management Reefell / Chair of ATQld
Is the matter currently or has previously been subject to legal proceedings?	No
Matter for information only	Yes

Attachments:

1. The Shelter Collective Presentation
2. The Shelter Collective Prospectus

G/4. OFFICERS' REPORTS

G/4.1. 2022/23 OPERATIONAL PLAN - QUARTER FOUR (FINAL) REPORT

Responsible Officer: General Manager People and Strategy

Prepared By: Manager Strategy and Improvement

Council Meeting Date: 15 August 2023

File Ref: CM7.2

Purpose:

The purpose of this report is to present Council with the fourth and final quarterly report for the *2022-2023 Operational Plan*.

Officer's Recommendation:

That Council endorse the *Quarter Four - 2022/23 Operational Plan Final Quarterly Progress Report*.

Summary:

We are proud to share 100 per cent delivery of our *2022/23 Operational Plan*. Accompanied by the completion of 2021/22 Initiatives that were extended into this year, we are back on track to deliver the Corporate Plan 2021-26.

An overview of outcomes is shared in the Opportunities Analysis. To understand our overall performance and get insights into our achievements for the year, you are encouraged to read the attached *2022/23 Operational Plan Quarter Four Final Report*.

Link to Corporate Plan:

Accountable Council - We are providing good stewardship built on a foundation of trust.

Background:

The *Operational Plan 2022/23* was endorsed on 25 July 2022 and identifies eight (8) initiatives and 50 core services that are progressing the delivery of Gladstone Regional Council's Corporate Plan 2021-26. Initiatives are key pieces of work we need to deliver to enable the overall outcomes in the Gladstone Regional Council *Corporate Plan 2021-2026*. While the initiatives are a priority, our core services are also essential in delivering services for our community and remain the focus for many of our people.

At the time of endorsement of the *2022/23 Plan*, four initiatives that were extended from the *2021/22 Operational Plan* into *2022/23* were captured and we continued to report on their progress until completion. At the beginning of quarter four, two of these initiatives remained incomplete.

As per legislative requirements, Officers provide Quarterly reports to Council and the community on the progress of the initiatives in the Operational Plan.

Risk Management Summary:

The *2022/23 Operational Plan Quarter Four Final Report* presents successful delivery of key initiatives as well as highlights from core service delivery that play a part in enabling the business to manage corporate risks. Our corporate risks include:

- Critical service delivery
- Cyber security and critical control points
- Climate change
- Workforce safety and wellbeing
- Corporate governance
- Critical asset failure
- Financial sustainability

Outcomes from the 2022/23 Initiatives will feed into or enable improved service delivery for our business and better experiences for our community. Details of how we will see this are included in the report, providing assurance that the outcomes of our efforts this year will continue to benefit our community and our people.

Initiatives from our *2023/24 Operational Plan* will continue to address these risks and better place Council and Region as a great place to live, work, play and stay.

Options and Opportunity Analysis:

2022/23 Initiative Report Summaries:

- **Community Profiling 2.0 - completed**
Nine (9) Community Profiles are now available on the Gladstone Regional Council (GRC) website, showcasing a range of information about our communities. The Community Profiles support us to understand the various needs of our region to strengthen the way that we deliver and plan our services. This initiative was delivered with internal resources only.
- **Works Delivery - completed**
This multi-year initiative delivered foundational work that is critical to enabling on the ground changes throughout 2023/24 and 2024/25 to improve the way we do maintenance. These changes will enable us to improve our processes and systems, making it easier for our people to efficiently deliver core services and value to our ratepayers. This initiative was delivered with internal resources only.
- **Understanding Future Waste Needs for our Region - completed**
With the completion of this initiative, Council now has a *Gladstone Region Waste Plan* which enables informed understanding of the needs of our community and sets the direction for the future of sustainable waste management for GRC. We've also contributed to the *Central Queensland Regional Waste and Resource Recovery Management Plan* which sets a strategic direction for future service planning and decision-making both at a local level, and across Central Queensland as well as drive continued regional collaboration. This initiative was delivered with internal resources only.
- **Enabling Future Industries with our Infrastructure - completed**
Council now has a strong foundation for working with proponents, with clarity around what the shared infrastructure requirements are within the Gladstone State Development Area (GSDA) and what that means for new investments in the area. Additional funding was required to address an increase in the scope for our technical analysis, the reason for and impact of this, is shared in the attached report.

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- **Creating Constructive Culture - completed**

Our people have worked together to progress the delivery of our multi-year *Culture Action Plan* which enables us to look after our people, so they look after our community. This work is enabling progression towards Council's ideal constructive culture which will ensure an engaged, efficient, and productive workforce. This initiative was delivered under budget, details are shared in the attached report.

- **Stretch Reconciliation Action Plan - completed**

Council is proud to have a *2023-25 Innovate RAP* which builds on our existing reconciliation journey and embeds First Nation's considerations into the way we work. This initiative was delivered under budget, details are shared in the attached report.

- **Enabling Future Financial Sustainability - completed**

Officers have identified and prioritised a list of opportunities that will better position Council to deliver financially sustainable services to the community now and into the future. As the prioritised actions are outworked, we expect to see increases in our revenue, decreases in our expenses and efficiencies in our operations. Bringing financial sustainability front of mind for our people has allowed us to not only embed good formal financial decision making but also encouraged it from the ground up in our everyday actions and decisions. This initiative was delivered with internal resources only.

- **Records Management - completed**

Record-keeping practices have been improved and a foundation set for a better record-keeping culture at Council. Having good recordkeeping practices embedded in our business means that we can easily access trustworthy information making us more efficient in delivering services to our community. This initiative was delivered under budget, details are shared in the attached report.

2021/22 Initiatives extended into 2022/23:

On 30 June 2022, four initiatives from the *2021/22 Operational Plan* were incomplete with approved extensions for delivery in 2022/23. We have continued to report on the progress of these initiatives in the 2022/23 quarterly reports.

All extended initiatives are now complete.

- Waste Management and Resource Recovery Business Case (completed in quarter one)
- Transition Economy (completed in quarter two)
- Community Profiling 1.0 (completed in quarter four)
- BackflowID and Tag System (completed in quarter four)

Delivering our Corporate Plan 2021-26:

As of 30 June 2023, all initiatives in our *2022/23 Operational Plan* were delivered in full. Although our *2021/22 Operational Plan* closed with 71 per cent delivery, as of 30 June 2023 we mark 100 per cent delivery of that plan, with the remaining initiatives also now complete. This achievement brings us back on track to deliver our *Corporate Plan 2021-26*.

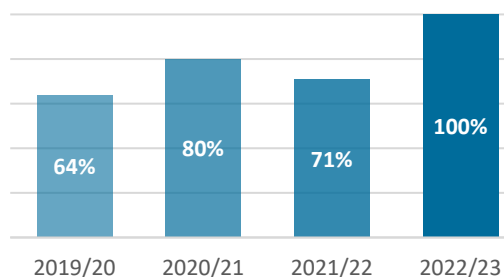
Year on Year Progress Trends:

Over the last few years, we have been progressively improving our approach to prioritising complex work that will make the most improvement to our business, and building our capability to plan and deliver these initiatives. A positive return on this effort has been demonstrated through increasing completion rates and sustained positive performance each quarter for our initiatives.

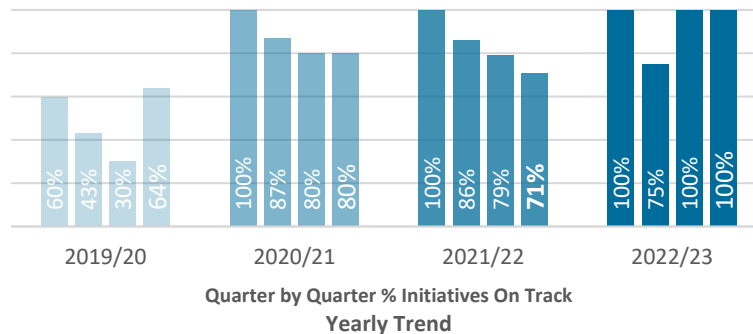
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This year we have achieved 100 per cent delivery of our Operational Plan for the first time in 10 years. This achievement reflects our improving project management capability and is a testament to the successful implementation of our project management framework. This is also a testament to the enthusiasm and dedication of our Leads and our maturing approach to business partnership and cross-functional collaboration.

Completion Rate Outcomes



Quarterly Performance Outcomes



2022/23 Trends:

- **Extensions for completion:**
 - This year, several initiatives extended their original timelines due to challenges with resourcing and capacity to deliver and also in response to consultation and engagement throughout project phases. Despite this, all initiatives were delivered by 30 June. It is worth noting that decisions to extend initiatives were well-managed and well-informed, demonstrating progress in our risk management and decision-making maturity. Willingness to be flexible on deadlines, when appropriate, demonstrates our commitment to delivering meaningful outcomes and an unwillingness to sacrifice community input or quality of outcomes.
- **Highlights - Challenges:**
 - Council has not been immune to the ever-increasing costs of goods and services as inflation has been impacting our nation. This has inevitably caused increases in expenses for replacing, maintaining, and repairing our \$3.3 billion worth of assets. This pressure has most noticeably impacted water, waste, and sewerage assets.
 - Supply chain disruptions have also created challenges for our business; however, our people have been working hard so that the way we procure, and plan work minimises the potential for material shortages.
 - Industry wide high turnover rates also continued to impact Council operations this year. In September, our turnover rate peaked at 11.2 per cent, but by June had decreased to 8.3 per cent. While vacancies have created challenges for us over the year, our resilient workforce have continued to deliver value for our region. We recognise each employee's experience at work is different and we will continue to work to understand this as part of our Culture Journey.
- **Highlights - Successes:**
 - Through the delivery of our core services and all eight of our *2022/23 Operational Plan* Initiatives, we are proud to have made significant impact in addressing our corporate risks and progressing our Corporate Plan.
 - We are also proud to share that we successfully sourced over \$33.3 million in funding, reducing our reliance on ratepayer revenue.
 - This year we've seen an overall positive shift in our culture, as our people have worked together to continue building a more constructive workplace. In May, this positive shift was confirmed as our Culture Pulse Survey showed improvements across all measures.

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- Closing out the 2022/23 year, our Lost Time Injury Rate (LTIR) sits at 5.26 which is a 33 per cent decrease from last year's rate of 7.86. We look forward to delivering improvements throughout this next year to continue to reduce this rate and ensure our people return home safely.
- As part of keeping our people, business, and community cyber safe this year, training and programs were delivered to give our people the tools to protect our business, while our firewall blocked over 8.3 million cyber security threats.
- Many more successes are shared in the attached report.

Stakeholder Engagement:

Engagement has occurred across the business with Initiative Leads, Sponsors and subject matter experts to produce the *2022/23 Operational Plan Quarter Four Final Report*.

Following Council endorsement, the Quarter Four report will be published on our website and shared with our community on social media. The outcomes of the report will also be promoted internally with our people to share how we delivered our *2022/23 Operational Plan*.

Legal and Regulatory 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:

Initiatives with an allocated budget and subsequent commitments are identified within the attached operational performance report.

Anticipated Resolution Completion Date:

20 August 2023

Attachments:

1. 2022/23 Operational Plan Final Quarter Four Progress Report

G/4.2. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 JULY 2023

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Management Accounting Specialist

Council Meeting Date: 15 August 2023

File Ref: FM15.1

Purpose:

This report seeks Council adoption of the Monthly Financial Statements for the year 2023-24 to date, for the period ended 31 July 2023.

Officer's Recommendation:

That Council adopt the Monthly Financial Statements attached to the officer's report for the 2023-24 year to date, for the period ended 31 July 2023 as required under Section 204 Local Government Regulation 2012.

Summary:

N/A

Link to Corporate Plan:

Accountable Council - We are providing good stewardship built on a foundation of trust.

Background:

The 2023-24 budget was adopted on 20 June 2023, with a projected operating surplus of \$5.9m.

Comparatives in both the Statement of Income & Expenditure and Statement of Financial Position are reflecting 30 June 2022. These figures will be updated to reflect 30 June 2023 upon completion of the end of year audit and sign-off of the annual Financial Statements in October 2023.

To allow for greater transparency and scrutiny of Councils operating position throughout the year, annual rating revenue and service charges have been applied across the year rather than in the period of the rates generation.

The percentage of year passed (pro-rata rate) as at 31 July 2023 is 8.22%

Major movements and variances from budget are as follows:

Statement of Income and Expenditure

Income

Recurrent Revenue

Total recurrent revenue	2023-24	Actual as %
Actual	\$16.0m	
Budget	\$272.2m	5.87%
Forecast	\$272.2m	5.87%

Of note:

Net rates and utility charges	2023-24	Actual as %
Actual	\$14.2m	
Budget	\$181.4m	7.83%
Forecast	\$181.4m	7.83%

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. These charges have been split across the course of the year, to align with the delivery of these services.

Discounts of \$15.9m have been budgeted 2023-24 for payments received by the due date.

Water consumption revenue will be raised upon completion of the water meter reading cycles during the year (July-December 2023 and January-June 2024).

Total interest revenue	2023-24	Actual as %
Actual	\$0.5m	
Budget	\$4.8m	9.92%
Forecast	\$4.8m	9.92%

Interest revenue at a rate of 5.10% has been received from Queensland Treasury Corporation for the month of July and current term deposit rates are yielding up to a 5.38% return to Council.

Income tax equivalents	2023-24	Actual as %
Actual	-	
Budget	\$14.1m	-
Forecast	\$14.1m	-

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The budget for 2023-24 includes \$13.8m from the Gladstone Area Water Board (GAWB), based on a significantly improved position reported by GAWB. This income is generally confirmed and paid in the final quarter of the year.

The remaining forecast relates to income tax equivalents from the Gladstone Airport Corporation (GAC), which are received and recognised after the end of each quarter.

General purpose grant	2023-24	Actual as %
Actual	-	
Budget	\$9.0m	-
Forecast	\$9.0m	-

Council has received confirmation of the Financial Assistance Grant allocations for the 2023-24 year. An advance payment of \$9.5m was received in June 23, representing 100% of the Financial Assistance Grant allocations for the 2023-24 year.

The budget for 2023-24 was based on the assumption that 75% of the 2024-25 allocation will be received as a prepayment.

Grants, subsidies, contributions and donations (excluding the general purpose grant)	2023-24	Actual as %
Actual	-	
Budget	\$36.7m	-
Forecast	\$36.7m	-

Of the \$36.7m grants and subsidies revenue, \$33.7m is State Government Reconstruction of Essential Public Assets (REPA) grants. To date, approval has been granted for \$9.7m of funding, as detailed in the table below.

To date there has been no significant movement on REPA projects.

REPA projects in progress are detailed below (capital and operating):

Submission	Approved Funding amount	YTD Expenditure	YTD Claims Received	YTD work yet to be claimed	Percent complete
South	\$4.3m	-	-	-	-
Central					
Western	\$3.8m	-	-	-	-
Sealed Roads	\$1.6m	-	-	-	-
Granite Creek					
Betterment					
TOTAL	\$9.7m	-	-	-	-

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Capital Revenue

Capital grants revenue	2023-24	Actual as %
Actual	-	
Budget	\$19.6m	-
Forecast	\$19.6m	-

Capital grants revenue is recognised as project milestones are met. Therefore, the revenue recognised on the Statement of Income and Expenditure does not necessarily reflect the funding received during the year. Where milestones are still to be achieved, revenue is recognised as a contract liability on the Statement of Financial Position.

Minimal capital revenue has been recognised for the year to date.

Capital grants revenue budgeted, forecast and recognised for significant projects is detailed below.

Project	Budget	Forecast	Actual
State Government Grants & Subsidies			
TBG - Bonsai House Utility Services	\$1.8m	\$1.8m	-
Tom Jeffrey Memoria Park Bridger Renewal	\$1.0m	\$1.0m	-
Agnes Street New Carpark	\$0.3m	\$0.3m	-
Gladstone Sewer Manhole Replacement	\$0.4m	\$0.4m	-
AWWTP Back Up Generator Supply	\$1.0m	\$1.0m	-
Other State Government Funding	\$4.8m	\$4.8m	-

Project	Budget	Forecast	Actual
Federal Government Grants & Subsidies			
Miriam Vale Community Centre Upgrade	\$1.7m	\$1.7m	-
Apex Park Retaining Wall Renewal	\$0.4m	\$0.4m	-
Red Rover Road Bridge Renewal	\$0.5m	\$0.5m	-
Round Hill Road Pavement Renewal	\$1.5m	\$1.5m	-
Glenlyon/Tank/ Derby Streets Traffic Calming Scheme	\$0.7m	\$0.7m	-
Lowmead Road Safety and Sealing Upgrade	\$4.1m	\$4.1m	-
Other Federal Government Funding	\$0.3m	\$0.3m	-

Expenditure

Recurrent expenditure

Total recurrent expenditure	2023-24	Actual as %
Actual	\$16.6m	
Budget	\$266.3m	6.24%
Forecast	\$266.3m	6.24%

Of note:

Employee benefits	2023-24	Actual as %
Actual	\$5.8m	
Budget	\$72.2m	8.01%
Forecast	\$72.2m	8.01%

Employee benefits are the largest component of Councils recurrent expenditure. A vacancy rate of 8.5% has been factored into the 2023-24 budget. The average vacancy rate year to date is 7.9%.

Contractors	2023-24	Actual as %
Actual	\$0.8m	
Budget	\$57.6m	1.38%
Forecast	\$57.6m	1.38%

Contractor spend has been minimal year to date. Activities with significant contractor budgets include:

- REPA projects - \$33.7m
- Water & sewerage - \$6.5m
- Waste - \$6.5m
- Parks & cemeteries - \$2.9m
- Roads - \$2.6m

Donations and sponsorships	2022-23	Actual as %
Actual	\$0.8m	
Budget	\$3.3m	25.98%
Forecast	\$3.3m	25.98%

Sporting body concessions for water and sewerage access charges of \$0.5m and Royal Fire Brigade LAFC donations of \$0.2m have been granted in July.

Other donations and sponsorships have been minimal for the year to date.

Statement of Financial Position

	Current Value	Budget	Variance (Actual to Budget)	Forecast	Variance (Actual to Forecast)
Year-to-date Assets	\$2.9b	\$2.8b	2.53%	\$2.8b	2.53%
Year-to-date Liabilities	\$347.6	\$179.7m	193.58%	\$179.7m	193.58%
Year-to-date Liabilities (excl. unearned rates revenue)	\$186.1m	\$179.7m	103.55%	\$179.7m	103.55%

Liabilities have been presented both including and excluding unearned rates revenue. The two will converge and be the same by June 2024, as all rates revenue is recognised on the profit and loss.

The budget for assets and liabilities reflects the expected positions at 30 June 2024.

Significant balance sheet movement is still expected to occur throughout the year:

- Cash to decrease as expenses are incurred and loan repayments are made
- Receivables to decrease as rates are paid
- Property, plant and equipment balances to move based on capital expenditure, depreciation and revaluations
- Unearned rates revenue to decrease as recognised on the profit and loss each month
- Borrowings to decrease as loan repayments are made

Capital Expenditure

Regular forecasting is undertaken by the project delivery team. The estimate of capital expenditure for the 2023-24 year is \$68.6m.

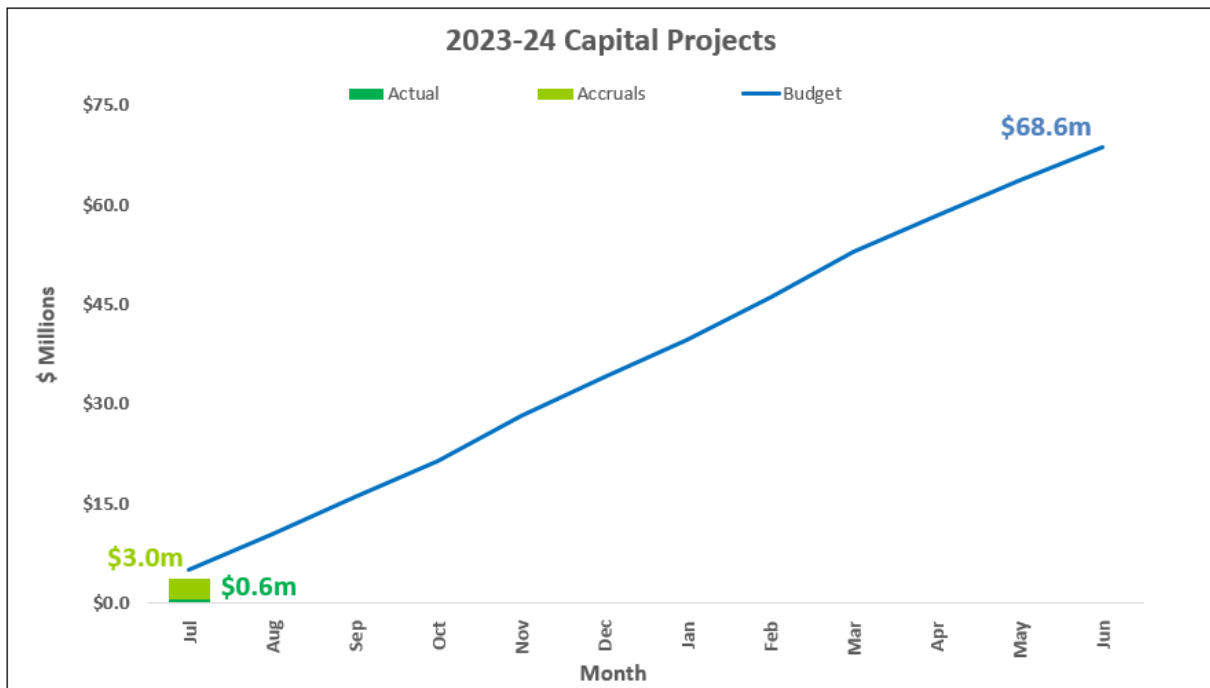
	Actual	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Year to date capital expenditure	\$3.6 m	\$68.6m	5.28%	\$68.6m	5.28%

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

Group	YTD Actual	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Roads	\$1.7m	\$22.9m	7%	\$22.9m	7%
Sewerage	\$0.7m	\$12.4m	6%	\$12.4m	6%
Delivery Support and Performance	\$0.1m	\$6.0m	1%	\$6.0m	1%
Property Assets	\$0.5m	\$4.4m	12%	\$4.4m	12%
Asset Governance	\$0.0m	\$2.1m	0%	\$2.1m	0%
Waste	\$0.0m	\$1.0m	0%	\$1.0m	0%
Parks	\$0.5m	\$3.5m	13%	\$3.5m	13%
Property Services	\$0.0m	\$0.4m	11%	\$0.4m	11%
Events & Entertainment	\$0.0m	\$0.9m	1%	\$0.9m	1%
Water	\$0.1m	\$5.7m	1%	\$5.7m	1%
Strategic Projects	\$0.0m	\$6.0m	0%	\$6.0m	0%
Other	\$0.0m	\$3.2m	1%	\$3.2m	1%
Total	\$3.6m	\$68.6m	5.28%	\$68.6m	5.28%

Accrual estimates of \$3.0m have been included in the actuals, to account for major claims relating to July work.



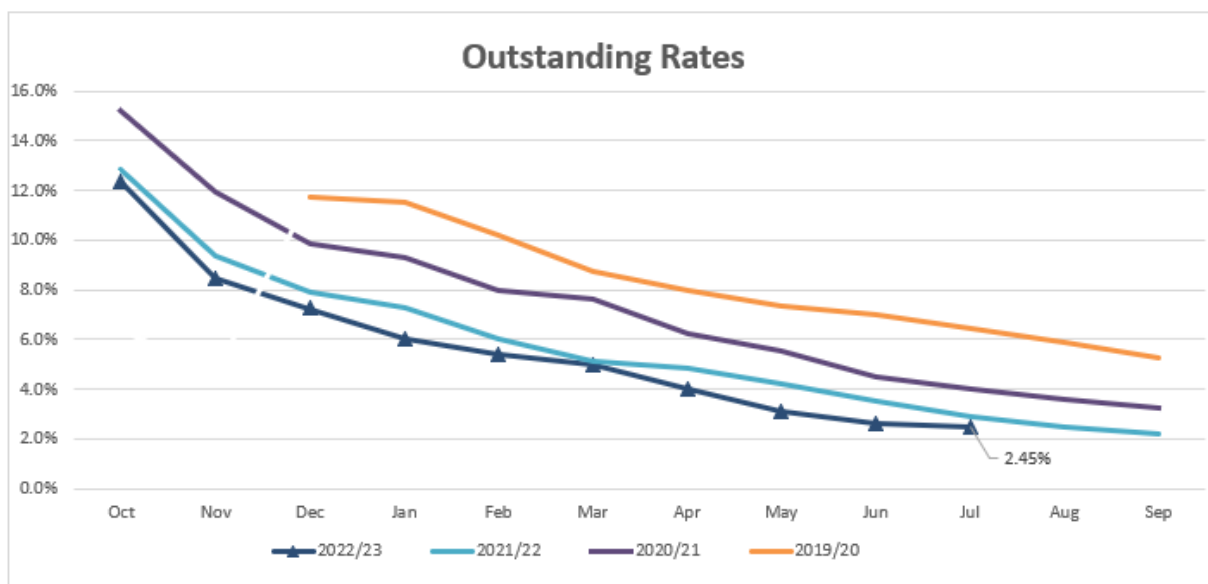
Outstanding Rates

Outstanding rates are still reported on FY-22/23 as there are no outstanding amounts for the current financial year until after the due date in October. As a percentage of gross rates levied 2022-23 and collectible, is at 2.45% at the end of July 2023, compared to 2.90% for the same period last year.

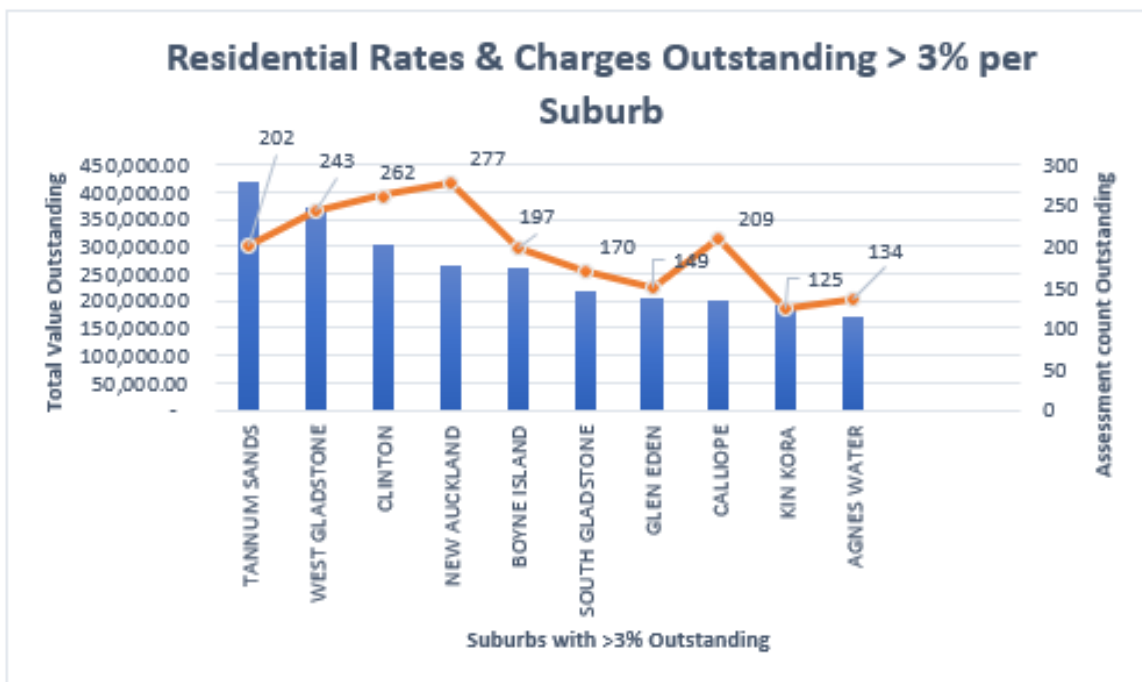
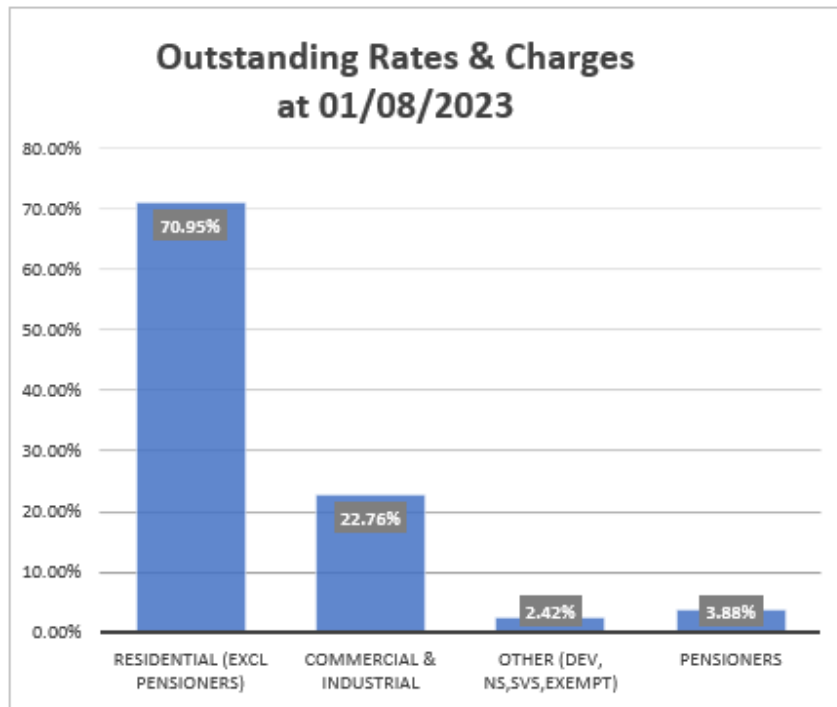
Of the \$4.8m of outstanding rates 22.76% relates to commercial/ industrial assessments and 77.24% represents residential assessments.

These figures include \$3.6m of rates that are currently being repaid under an authorised payment plan, for which there were 23 commercial/industrial assessments and 507 residential assessments. A total of 530 assessments, which is a decrease from 891 assessments in June 2023 (this movement has resulted from the majority of payment arrangements completed for the 2022-23 period).

There were 1,260 ratepayers who had paid their rates in advance, totalling \$1.6m.



*2019-20 discount date extended by 60 days



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.

In recognition of the diversity of local governments throughout Queensland a new Financial Management (Sustainability) Guideline 2023 has been released. This guideline will take effect from the 2023-24 annual statutory financial reporting period.

Key updates from the 2013 monitoring and reporting framework are:

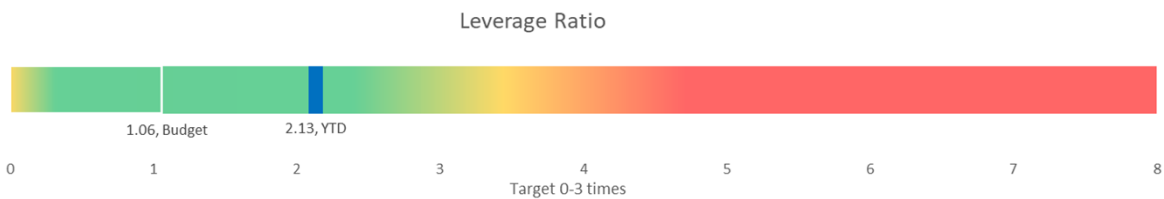
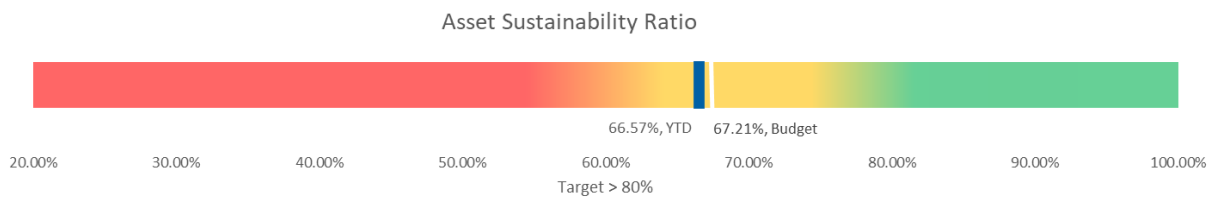
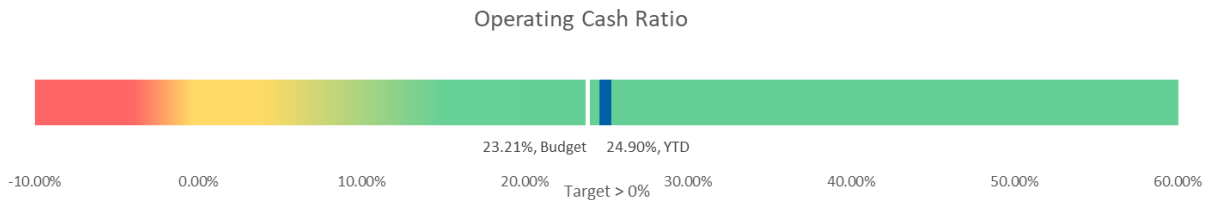
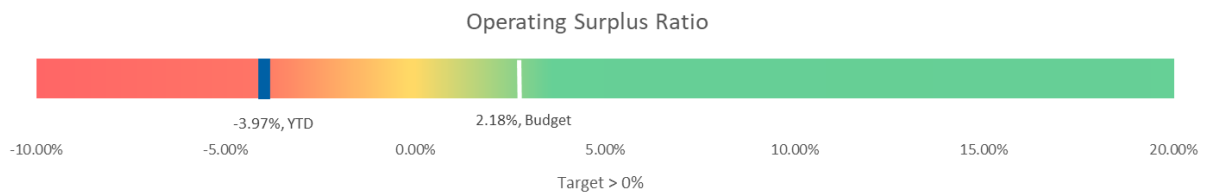
- Grouping of similar Councils for sustainability monitoring and reporting to better reflect the varied drivers and circumstances of the sector
- Expanding of the number of financial sustainability measures from three to nine
- Revision of targets for each measure based on councils allocated grouping
- A small number of contextual measures with no targets have been included
- To normalise the impacts of one-off events, all ratios, apart from two, are reported on a rolling 5-year average basis as well as single year result.

The July monthly report includes five of the nine ratio measures, with further measures to be introduced throughout the year.

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Ratio Explanation	Target	2023-24 Budget	Current YTD		5 Year Average		Commentary
Financial Capacity							
<p>Council Controlled Revenue Ratio: Council controlled revenue is an indicator of councils financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.</p> <p>A higher council-controlled ratio indicates a stronger ability to generate revenue without relying on external sources. Councils with a high ratio generally have a healthy rate base and are better able to respond to unexpected financial obligations such as natural disaster recovery. A lower council-controlled revenue ratio indicates that a council has limited capacity to influence its operating revenue and that it is more reliant on external (and usually less reliable) sources of income such as grant finding, sales and recoverable works contracts and rental income.</p> <p>This ratio is contextual only therefore has no target measure</p>		73.42%	97.08%		87.06%		<p>Although there is no target for this ratio, the high 5 year average indicates Council's strong position to generate revenue without heavy reliance on other external sources.</p> <p>The results are expected to trend closer to the average as the year progresses, and other sources of revenue are recognised (i.e. grants)</p>
Operating Performance							
<p>Operating Surplus Ratio: The operating surplus ratio is an indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes.</p> <p>An operating surplus ratio below 0% is an indication that a councils operating expenses exceed its revenue. An operation deficit in any one year is not a cause for concern if, over the long term, a council achieves a balanced operating result or small surplus.</p> <p>Target measured over a five-year average</p>	> 0%	2.18%	-3.97%	●	-6.64%	●	<p>The negative 5 year average is primarily due to the QTC loan restructure and recognition of a deferred liability for bulk water purchases in 2020-21.</p> <p>The current year result is affected by EOY accruals however the operating surplus is forecast to be positive in 2023-24.</p>
<p>Operating Cash Ratio: The operating cash ratio is a measure of a councils ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation and finance costs.</p> <p>A positive operating surplus indicates that a council is generating surplus cash from its core operations, which suggests that council has the ability to self-fund expenditure requirements. A negative operating cash ratio is a significant indicator of financial sustainability challenges and potential future liquidity issues as , all other things being equal, a negative result means that a councils cash position is declining and revenue are not offsetting the cost of core operational requirements</p> <p>Target measured over a five-year average</p>	> 0%	23.21%	24.90%	●	23.41%	●	<p>Both the YTD and 5 year average result of this ratio reflects the continuing strong cash position of Council proportional to operating costs.</p>
Asset Management							
<p>Asset Sustainability Ratio: The asset sustainability ratio approximates the extent to which the infrastructure assets managed by council are being replaced as the reach the end of their useful lives</p> <p>An asset sustainability ratio close to 100% suggests that a council is spending enough on the renewal of its assets to compensate for the deterioration in its asset base as loosely proxied by its reported depreciation, which outcomes too far below this level being potentially indicative of underspending against capital replacement requirements</p> <p>Target measured over a five-year average</p>	> 80%	67.21%	66.57%	●	75.43%	●	<p>Infrastructure renewals have accounted for 86.9% of capital expenditure YTD with the balance on new and upgrade projects. Renewal projects are not the major focus of the 2023-24 capital program, as indicated by the budgeted ratio result.</p>
Debt Servicing Capacity							
<p>Leverage Ratio: The leverage ratio is an indicator of a councils ability to repay its existing debt. It measures the relative size of the councils debt to its operating performance.</p> <p>A higher leverage ratio indicates an increasingly limited capacity to support additional borrowings due to already high debt levels and/or decreasing operational performance, while a lower ratio indicates the opposite.</p> <p>Target measured over a five-year average</p>	0-3 times	1.06	2.13	●	2.37	●	<p>Both the YTD and 5 year average result of this ratio reflect Councils ongoing ability to manage its debt. This position is reinforced with each year that no new borrowings are undertaken.</p>

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Stakeholder Engagement:

This report seeks specialist input from relevant internal sources.

Legal and Regulatory Implications:

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

Anticipated Resolution Completion Date:

N/A

Attachments:

1. Monthly Financial Statements for the period ending 31 July 2023
2. Operating Statements for the month end 31 July 2023
3. Financial Management (Sustainability) Guideline 2023 Version 1

G/4.3. TENDER RPQS 111-23 WASTE GRINDING SERVICES

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Manager Contracts and Procurement

Council Meeting Date: 15 August 2023

File Ref: PE1.1

Purpose:

This report seeks resolution from Council to enter into Register of Pre-Qualified Supplier agreements for the provision of Waste Grinding Services.

Officer's Recommendation:

That Council:

1. Endorse the Tender Evaluation Panel's recommendation to appoint the following three (3) service providers on RPQS 111-23 Waste Grinding Services:
 - Arboriculture Contractors Australia Pty Ltd;
 - Civil Haulage and Mining Pty Ltd; and
 - Stiller's Pty Ltd T/as Stiller's Recycling.
2. Authorise the Chief Executive Officer to enter into contracts for a term of one year with the option to extend for three (3) further periods of one year, to a maximum of four years in total, with the above service providers

Summary:

An open market tender was conducted in accordance with s232 of the Local Government Regulation 2012, and the Officer's recommendation is to appoint three (3) service providers to the Register of Pre-Qualified Suppliers ('RPQS') 111-23 Waste Grinding Services for a period of up to 4-years.

Link to Corporate Plan:

Delivering Value - We work efficiently to deliver value for your rates.

Background:

Various streams of waste including, but not limited to, green waste, timber waste and mattresses are stockpiled at waste collection facilities throughout the Region and require processing on an as needed basis. Additionally, timber waste is often stockpiled in road reserves or other lay-down areas throughout the Region.

Processing green waste improves the service delivery of council by offering mulched material for use by operational teams and residents.

Council seeks to establish a Register of Prequalified Suppliers (RPQS) to provide waste processing services which may also include the transportation of processed material.

Risk Management Summary:

According to the Guideline – Prevention of fires in waste stockpiles (Department of Environment and Science, 2020), waste fires, when they occur, are a threat to the environment and human health.

The consequences of fire at a waste facility include:

- Environmental harm via:
 - Release of contaminants into the air including smoke, asbestos and particulate matter.
 - Release of run-off of firewater, combustion products and firefighting chemicals that may impact ground and surface waters.
- Impact upon human health caused by the toxic nature of smoke and contaminants released into the environment by the fire.
- Significant costs associated with the clean-up following a fire.
- Compliance actions for offences under relevant legislation including the Environmental Protection Act 1994 (EP Act) and the Waste Reduction and Recycling Act 2011 (WRR Act).

Options and Opportunity Analysis:

To reduce the risk that Council will not being able to remove waste stockpiles throughout the region when required, Council is seeking to establish a register of suppliers that have been assessed by internal subject matter experts.

An RPQS provides Council with efficiencies when engaging service providers as follows:

- i. s232 of the Local Government Regulation 2012, allows Council to enter into contracts with suppliers for engagements \$15,000 ex GST and over, without the need for a formal quoting or tender process.
- ii. The suppliers on an RPQS have been appointed in accordance with the requirements of Council's Procurement Policy including meeting safety requirements, local content and value for money.
- iii. Suppliers and their personnel relevant to potential future works, will be managed in Council's Contractor Management System ('Beakon') including inductions, licensing and insurances.
- iv. Employees can request quotes from suppliers on an RPQS to ensure value for money is achieved.
- v. Engagements will be approved via Purchase Orders in accordance with Council's Register of Financial Delegations; which means any engagements over \$500,000 ex GST will be brought to Council for approval.

On 27 May 2023, Council released an Invitation to Tender ('ITT') to the open market via VendorPanel in accordance with the tender process requirements set out in s228 of the Local Government Regulation 2012.

The tender closed on 20 June 2023, with four (4) offers received.

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The four (4) offers were evaluated by a panel of subject matter experts, based on the following criteria disclosed in the ITT:

Objective Evaluation Criteria	Weighting
Proposed Program/Schedule meets GRC timing requirements and includes all key tasks	25%
Offer demonstrates understanding of the scope and GRC's requirements and includes a Resourcing Plan which addresses all aspects of the scope and GRC's requirements.	35%
Nominated past projects performed meet GRC's experience requirements	20%
Proposed Key Personnel have the qualifications and experience required by GRC	20%

Three (3) of the offers were evaluated as meeting Council's requirements for acceptance onto this panel. The Tender Evaluation Panel, based on anticipated service requirements and presentation of the best overall offers to Council, recommends the appointment of the following three (3) services providers to this RPQS:

- Arboriculture Contractors Australia Pty Ltd;
- Civil Haulage and Mining Pty Ltd; and
- Stiller's Pty Ltd T/as Stiller's Recycling.

Appointment to an RPQS gives no guarantee or representation as to the volume or value of orders to be issued by Council, nor is Council limited to utilise only these service providers.

Council may refresh this contract at any time during the contract term by issuing a new Invitation to Tender based on the same evaluation criteria as this ITT, seeking offers from service providers wishing to be added to the register.

Stakeholder Engagement:

A range of personnel from Council's Waste Program Delivery team were involved in the preparation of the tender requirements and evaluation of the offers received.

Legal and Regulatory Implications:

Council sought offers via VendorPanel in accordance with the *Local Government Regulation 2012*, *Local Government Act 2009* and Council's Procurement Policy P-2021-01.

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

The Officer's recommendation is based on the evaluation methodology and criteria in the ITT. There are risks associated with Council awarding a contract contrary to the officer's recommendation. If Council is not satisfied with the evaluation methodology and criteria or the application thereof, Council may refer the matter back to officers for re-evaluation. In the interests of probity, an amendment to the evaluation methodology and/or criteria may require referral back to tenderers so that they can each have the opportunity to make any changes to their offers having regard to the amended criteria prior to re-evaluation.

Financial and Resource Implications:

Appointment to an RPQS is based on a schedule of rates, it does not commit financial resources. Engagements with service providers under this arrangement will be exempt from tender or quote requirements in accordance with s232 of the Local Government Regulation 2012, however will be subject to the Sound Contracting Principles and Register of Delegations - Exercise of Statutory Powers and Financial Delegation Register.

The approximate expenditure under this contract is anticipated to be \$500,000 ex GST per year or \$2,000,000 ex GST over the potential 4-year term.

Anticipated Resolution Completion Date:

The contracts will be awarded in August 2023.

Attachments:

1. CONFIDENTIAL RPQS 111-23 Offer Evaluation Report

G/4.4. TENDER RPQS 135-23 PROVISION OF WATER AND WASTEWATER MAINTENANCE SERVICES AND MATERIALS

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Manager Contracts and Procurement

Council Meeting Date: 15 August 2023

File Ref: PE1.1

Purpose:

This report seeks resolution from Council to enter into Register of Pre-Qualified Supplier agreements for the provision of Water and Wastewater Maintenance Services and Materials.

Officer's Recommendation:

That Council:

1. Endorse the Tender Evaluation Panel's recommendation to appoint the following nineteen (19) service providers/suppliers on RPQS 135-23 Provision of Water and Wastewater Maintenance Services and Materials:
 - ABB Australia Pty Ltd
 - Aquamanage
 - CNW Electrical Wholesale
 - EnerMech Pty Ltd
 - Hando's Tanker Hire Pty Ltd
 - HMA Flow & Industrial Pty Ltd
 - Isenring Electrics Pty Ltd
 - Jones Communications
 - KJ Ingham
 - Leaktech Group
 - Newcastle Safety Servicing Pty Ltd
 - NQ Cranes Pty Ltd
 - Parasyn
 - Pipe Management Australia Pty Ltd
 - Pe-Pump Australia Pty Ltd
 - Roadpak Industries
 - Safegroup Automation
 - Trility
 - Wovvit Pty Ltd
2. Authorise the Chief Executive Officer to enter into contracts for a term of one year with the option to extend for four (4) further periods of one year, to a maximum of five years in total, with the above service providers/suppliers.

Summary:

An open market tender was conducted in accordance with s232 of the Local Government Regulation 2012, and the Officer's recommendation is to appoint nineteen (19) service providers/suppliers to the Register of Pre-Qualified Suppliers ('RPQS') 135-23 Provision of Water and Wastewater Maintenance Services and Materials for a period of up to 5-years.

Link to Corporate Plan:

Delivering Value - We work efficiently to deliver value for your rates.

Background:

Council operates multiple Water and Wastewater facilities throughout the region. The assets at these facilities are critical to delivering essential services to the community, and include facility locations such as Water Treatment Plants, Water Pump Stations, Wastewater Treatment Plants, Sewer Pump Stations, Sewer reticulation system, Reservoirs and Water Network assets.

Maintenance of these facilities by Council's Water Program Delivery team often requires support from specialist service providers and materials from suppliers. To expedite maintenance activities and make the required service providers/suppliers available to the Water Program Delivery team, a Register of Prequalified Suppliers (RPQS) is proposed with the following coverage:

- Maintenance services for Water, Wastewater, Recycled water systems and a Biogas and biosolids facility, including treatment facilities (Portion A); and
- Supply and delivery of components and consumables used to support maintenance activities across all water and wastewater utilities (Portion B).

Risk Management Summary:

The intent of this RPQS is to mitigate risks associated with delaying maintenance activities to conduct tender processes to appoint service providers and to make available to maintenance crews the materials they require to undertake maintenance activities.

Options and Opportunity Analysis:

To reduce the risk that Council will not being able to access services providers or materials required to complete maintenance activities, Council is seeking to establish a register of suppliers that have been assessed by internal subject matter experts.

An RPQS provides Council with efficiencies when engaging service providers as follows:

- i. s232 of the Local Government Regulation 2012, allows Council to enter into contracts with suppliers for engagements \$15,000 ex GST and over, without the need for a formal quoting or tender process.
- ii. The suppliers on an RPQS have been appointed in accordance with the requirements of Council's Procurement Policy including meeting safety requirements, local content and value for money.
- iii. Suppliers and their personnel relevant to potential future works, will be managed in Council's Contractor Management System ('Beakon') including inductions, licensing and insurances.
- iv. Employees can request quotes from suppliers on an RPQS to ensure value for money is achieved.
- v. Engagements will be approved via Purchase Orders in accordance with Council's Register of Financial Delegations; which means any engagements over \$500,000 ex GST will be brought to Council for approval.

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On 10 June 2023, Council released an Invitation to Tender ('ITT') to the open market via VendorPanel in accordance with the tender process requirements set out in s228 of the Local Government Regulation 2012.

The tender closed on 4 July 2023, with nineteen (19) conforming offers received.

The nineteen (19) offers were evaluated by a panel of subject matter experts, based on the following criteria disclosed in the ITT:

Objective Evaluation Criteria	Weighting
Tenderer demonstrates capability to deliver goods and/or services required by GRC	30%
Offer demonstrates understanding of the scope and GRC's requirements	40%
Nominated past performance meet GRC's experience requirements	30%

All nineteen (19) of the offers were evaluated as meeting Council's requirements for acceptance onto this panel. The Tender Evaluation Panel, based on anticipated service requirements and presentation of the best overall offers to Council, recommends the appointment of the following nineteen (19) services providers/suppliers to this RPQS:

Company Name:	Portion(s) Tendered for:
1. ABB Australia Pty Ltd	Portion A & B
2. AquaManage	Portion A & B
3. CNW Electrical Wholesale	Portion B
4. EnerMech Pty Ltd	Portion A
5. Handos Tanker Hire Pty Ltd	Portion A
6. HMA Flow & Industrial Pty Ltd	Portion B
7. Isenring Electrics Pty Ltd	Portion A & B
8. Jones Communications	Portion A & B
9. KJ Ingham	Portion A & B
10. Leaktech Group	Portion A
11. Newcastle Safety Servicing Pty Ltd	Portion A & B
12. NQ Cranes Pty Ltd	Portion A & B
13. Parasyn	Portion A
14. Pipe Management Australia	Portion A
15. Re-Pump Australia Pty Ltd	Portion A
16. RoadPac Industries	Portion A
17. SAFEgroup Automation	Portion A & B
18. Trility	Portion A
19. WOVVIT Pty Ltd	Portion A

Portion A = Maintenance Services

Portion B = Maintenance Materials

The award of contracts to five (5) service providers/suppliers is subject to the successful negotiation of contract terms. Appointment to an RPQS gives no guarantee or representation as to the volume or value of orders to be issued by Council, nor is Council limited to utilise only these service providers/suppliers.

GENERAL MEETING AGENDA 15 AUGUST 2023

Council may refresh this contract at any time during the contract term by issuing a new Invitation to Tender based on the same evaluation criteria as this ITT, seeking offers from service providers wishing to be added to the register.

Stakeholder Engagement:

A range of personnel from Council's Water Program Delivery team were involved in the preparation of the tender requirements and evaluation of the offers received.

Legal and Regulatory Implications:

Council sought offers via VendorPanel in accordance with the *Local Government Regulation 2012*, *Local Government Act 2009* and Council's Procurement Policy P-2021-01.

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

The Officer's recommendation is based on the evaluation methodology and criteria in the ITT. There are risks associated with Council awarding a contract contrary to the officer's recommendation. If Council is not satisfied with the evaluation methodology and criteria or the application thereof, Council may refer the matter back to officers for re-evaluation. In the interests of probity, an amendment to the evaluation methodology and/or criteria may require referral back to tenderers so that they can each have the opportunity to make any changes to their offers having regard to the amended criteria prior to re-evaluation.

Financial and Resource Implications:

Appointment to an RPQS is based on the pre-registration of service providers/suppliers only, it does not commit financial resources. Engagements with service providers/suppliers under this arrangement will be exempt from tender or quote requirements in accordance with s232 of the Local Government Regulation 2012, however will be subject to the Sound Contracting Principles and Register of Delegations - Exercise of Statutory Powers and Financial Delegation Register.

The approximate expenditure under this contract is anticipated to be \$1,500,000 ex GST per year or \$7,500,000 ex GST over the potential 5-year term.

Anticipated Resolution Completion Date:

The contracts will be awarded in September 2023.

Attachments:

1. CONFIDENTIAL RPQS 135-23 Offer Evaluation Report

G/4.5. EXPENDITURE APPROVAL - INSURANCE SERVICES

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Manager Governance and Risk

Council Meeting Date: 15 August 2023

File Ref: PE1.1, RM1.1

Purpose:

This report seeks resolution from Council, in accordance with Council's register of financial delegations, to approve expenditure for insurance services.

Officer's Recommendation:

That Council approves expenditure of \$904,146.89 excluding GST for insurance services provided by Jarryd Loyd Thompson on behalf of Local Government Mutual Assets.

Summary:

Council must renew its insurance policies in order to mitigate risks associated with the operation of Council. The proposed expenditure is over the financial delegation afforded to the Chief Executive Officer for operational expenditure and requires authorisation from Council.

Councils total budgeted insurance expenditure for insurance services provided by Local Government Mutual was \$1,709,349.56 excluding GST. Of this sum, \$845,882.91 has been allocated to cover Councils liability insurances.

Link to Corporate Plan:

Accountable Council - We are providing good stewardship built on a foundation of trust.
Delivering Value - We work efficiently to deliver value for your rates.

Background:

Council is a member of the Local Government Mutual (LGM) Scheme. Established by the Local Government Association of Queensland (LGAQ), the LGMS mutual schemes remain committed to providing its local government members with comprehensive coverage, claims and risk management solutions they need to give them the confidence to navigate the evolving local government risk landscape.

Owned by members, each of the LGMS schemes operate as a mutual to advance the interests of Queensland local government across the spectrum of property, liability and workers' compensation risk.

Risk Management Summary:

Overall, Council takes a conservative approach to risk. Insurance is essential to mitigate the risks associated with the operation of Council.

Options and Opportunity Analysis:

The policies proposed to be renewed are:

Councillors and Officers Liability	\$81,232.59
Special Risk (GRC Bricks & Mortar)	\$643,778.60
Engineering Insurance (Machinery Breakdown)	\$17,185.41
Marine Hull	\$3,991.90
Motor Vehicle	\$117,115.22
Fine Art	\$6,339.68
Environmental Impairment	\$31,857.81
Group Personal Accident (Voluntary Workers)	\$659.40
Mt Larcom LPO	\$1,327.78
Travel Insurance	\$658.50
TOTAL EXPENDITURE	\$904,146.89

LGM Liability is a body entirely owned and operated by the Queensland Local Government and is therefore a Local Government arrangement which is exempt from a quote or tender process in accordance with s234 of the Local Government Regulation 2012.

Council can engage LGM Assets directly without the requirement of a competitive process. A failure of Council to renew or negotiate new insurance policies prior to the expiration of the current policies, would leave Council without insurance coverage and represents an Extreme Risk for Council, far beyond Councils Risk Appetite.

As a whole, Council experienced an increase in insurance premiums of 14% when compared to the premiums paid in 2022/23. This is consistent with industry trends.

A comprehensive report on Council's insurance policies and claims for 2022-2023 is being prepared for September's Audit Risk and Improvement Committee and will also be available to councillors.

Stakeholder Engagement:

This report was prepared in consultation with:

- Risk and Insurance Officer;
- Manager Contracts and Procurement; and
- General Manager Finance, Governance and Risk.

Legal and Regulatory Implications:

Council's approval of this expenditure is in accordance with Council's Financial Delegations.

Financial and Resource Implications:

The insurance premiums are above what was anticipated in the budget however the expenditure can be accommodated within the 2023-24 Operational Expenditure Budget.

Anticipated Resolution Completion Date:

Payment of the relevant insurance policies will be completed by 31 August 2023.

Attachments:

Nil

G/4.6. AUDIT RISK AND IMPROVEMENT COMMITTEE MINUTES - 14 JUNE 2023

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Principal Internal Auditor

Council Meeting Date: 15 August 2023

File Ref: CM26.2

Purpose:

To present a report about the matters presented at the Audit Risk and Improvement Committee meeting held 14 June 2023, 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 14 June 2023.

Summary:

Council's audit committee, the Audit Risk and Improvement Committee (ARIC), met on 14 June 2023. 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 14 June 2023 are attached for Council's consideration.

Link to Corporate Plan:

Accountable Council - We are providing good stewardship built on a foundation of trust.

Risk Management Summary:

The responsibilities of the Audit Risk and Improvement Committee related to risk management includes:

- Review the effectiveness of the risk management framework and assist with the development of a risk aware culture through the facilitation of risk management.
- Monitor that Council's risk management activities are not limited to insurance coverage but includes active risk minimisation.
- Ascertain whether fraud and corruption risks have been included in the assessment of the risk profile of Council. Consider risk and probity matters associated with significant procurement activities.
- Consider reports on changes in the corporate risk profile including consideration of emerging risk areas.

Options and Opportunity Analysis:

Below are some of the highlights from the minutes:

Item 7.2 – Contracts and Procurement Report

A discussion was held regarding procurement strategies for project materials with long lead times and the ability to purchase these items and holding them in stores. It was noted that procurement strategies have been developed to address long lead times including: purchasing of the goods ahead of the deployment of the project; bundling up projects for delivery and early commencement of project procurement. It was noted that regular meetings are held to discuss the procurement risks. The good collaborative effort of the procurement and project teams was acknowledged.

Item 7.4 – Information Communication and Technology Quarter 3

A discussion was held regarding the cyber-attack on Isaac Regional Council with an update on the current status provided. It was noted that the Information Communications and Technology (ICT) team are actively monitoring cyber security risks and are waiting on the findings from the Isaac Regional Council attack to determine any learnings or improvements that Council could implement.

An update was provided regarding the Cyber Phishing Campaign noting that the education campaign is progressing well with the testing emails becoming more challenging to detect.

Item 8 – External Audit

An overview of the Queensland Audit Office (QAO) Briefing Paper was provided. It was noted that an audit of the effectiveness of local government audit committees is scheduled for the 2023/24 financial year.

A discussion was held regarding the 'General journal approval process in TechOne' deficiency. It was noted that investigations are underway regarding the ability to activate the function within the current licence. A further discussion was held regarding the due dates and any potential risks associated with the length of time to complete an action. It was noted that the risk is low end with the actions based on best practice. The committee suggested the actions were recommendations to achieving best practice rather than deficiencies. The committee highlighted the need to monitor the delivery of the actions each quarter rather than as the due date approaches.

Item 9.2 – Internal Audit Reports

An overview of the Environmental Health Licencing Processes Audit was provided and it was noted that the risk register has been updated.

An overview of the Human Resources: Recruitment and Retention Audit was provided. A discussion was held regarding exit interviews and it was noted that the exit interview is an option for employees leaving Council. It was further noted that feedback from the exit interviews is provided to managers when developing recruitment strategies.

Item 9.4 – 2023/24 Final Internal Audit Plan

The Audit Risk and Improvement Committee endorsed the 2023/2024 Internal Audit Plan.

Item 9.5 – Annual Review of Committee's Responsibilities Against the Policy

The Audit Risk and Improvement Committee confirmed that the responsibilities outlined in the Audit Risk and Improvement Committee Policy have been carried out for the period July 2022 to June 2023.

Stakeholder Engagement:

The minutes of the Audit Risk and Improvement Committee are reviewed by the committee members and relevant internal stakeholders.

Legal and Regulatory 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 Council’s Audit Risk and Improvement Committee Policy (P-2020-15).

Financial and Resource Implications:

N/A

Anticipated Resolution Completion Date:

N/A

Attachments:

1. Minutes of the Audit Risk and Improvement Committee Meeting held 14 June 2023

G/4.7. REVIEW OF COMMUNITY INVESTMENT POLICY

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Governance Business Partner

Council Meeting Date: 15 August 2023

File Ref: CM28.2

Purpose:

To consider the proposed amendments to the Community Investment Policy.

Officer's Recommendation:

That Council:

1. Repeal P-2022-09 Community Investment Policy; and
2. Adopt P-2023-10 Community Investment Policy provided as Attachment 1.

Summary:

The Community Investment Policy has undergone periodic review following adoption of Council's budget. This report recommends amendments be made to the Community Investment Policy.

Link to Corporate Plan:

Accountable Council - We are providing good stewardship built on a foundation of trust.
Connecting Communities - We work with you and for you, supporting the success of our communities.
Resilient Economy - We play our part in supporting the success of our region.

Background:

In accordance with section 195 of the *Local Government Regulation 2012* a local government must adopt a policy about grants to community organisations which also includes the eligibility criteria for the grants.

The policy further seeks to apply good governance principles to enable transparency, consistency, and equitability in the application of the policy.

Under the Community Investment Policy (and Program), Council provides opportunities for financial assistance and in-kind support under a number of categories.

Risk Management Summary:

Council takes a cautious approach towards taking risk when it has a potential reputational consequence and further a balanced approach towards taking risk when it has a potential financial consequence. Option 1 seeks to control the risk by providing accountability and transparency of the Community Investment Program recognising the limited financial and other resources of Council.

Options and Opportunity Analysis:

Option 1 – Adopt the proposed policy

A key change proposed is the consolidation of the policy and corporate standard into a single document (policy). This will provide complete information and transparency to applicants.

Further proposed changes include:

- Introduction of an Expression of Interest process for Impact, Destination, and Signature Events facilitating a partnership approach to ensure strategic alignment between events and Council's Corporate Plan and strategies. This will further avoid unrealistic proposals and ensure expenditure is within budget allocations.
- Amendments to funding application limits:
 - Community Donations – increase in maximum funding amount from \$500 to \$1,500; and
 - Elevator Fund – reduction in maximum funding amount from \$50,000 to \$30,000 and inclusion of the amount in the policy.
- Inclusion of funding limits where not currently provided.
- Change of name for the Waste Fund (previously Charity Waste Fund) and the introduction of an additional category for the collection of non-commercial litter clean up. The criteria for the Charity Waste Waiver also now reflects the requirement for an exemption code from the Department of Environmental Science (note this is not a new requirement and was previously included within the funding guideline).
- Removal of content more suitable for inclusion within the funding guidelines.
- Inclusion that where the value of applications exceeds the budget allocation for a category, funding will be provided on the assessment score (highest to lowest).
- Reduction from four (4) weeks to two (2) weeks for the publishing of the opening and closing dates (where applicable) for a round prior to the opening date. The proposed change will allow Council to remain agile whilst also providing the community with advance notice of the opening date of rounds.
- Greater clarity provided around the assessment of applications including:
 - all panels must be comprised of at least one (1) Manager or Specialist position;
 - the panel will assess all applications received for a funding category for a round;
 - the panel will individually review and assess each application independent of the other applications;
 - all panel members must not have a conflict of interest for any application/s received in a funding category for a round.
- Increase the review schedule of this policy to annually to align with the annual budget adoption.

A tracked changes version has been provided as Attachment 2. In consideration of the extent of the tracked changes associated with the proposed consolidation of two (2) documents into (1), a summary of proposed changes has also been provided as Attachment 4.

Officers have also identified additional opportunities for improvement including:

- opening the Ignite Event funding category in two (2) rounds per year rather than being open all year round to facilitate continuity across funding categories, more even distribution of budget, and pragmatic administrative management;
- consolidation of the existing funding guidelines into a single document with the new draft guideline provided as Attachment 5 for Councillors information;
- creation of a Business Manual to consolidate and provide greater clarity to ensure consistency in application with the manual including, for example, panel scoring matrix, panel assessor guide, procedures (which have been strengthened and fully documented), etc; and

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- budget allocations for each funding category to be published on Council's website including information on funds granted year to date.

Option 2 – Adopt the proposed policy with amendments

Council may seek to have further amendments made to the proposed policy and an alternative recommendation could be:

That Council:

1. Repeal P-2022-09 Community Investment Policy; and
2. Adopt P-2023-10 Community Investment Policy subject to the following amendments:
 - a.
 - b.
 - c.

Option 3 – Retain the existing policy

Council may seek to retain the existing policy without amendment. This option is not recommended as the increased governance and transparency of the Community Investment Program would not be achieved. Further, the proposed increases to funding amounts and expansion of categories (i.e. non-commercial litter clean up) would not be progressed.

Stakeholder Engagement:

Subject matter experts from the Community Partnerships Team have contributed to the development of the proposed policy. Councillors were consulted in May and targeted wider consultation within the business was also undertaken.

The Community Investment Fund principles and practical implementation of the policy have been the subject of Councillor discussions.

Legal and Regulatory Implications:

Pursuant to section 195 of the *Local Government Regulation 2012* Council must:

“prepare and adopt a policy about local government grants to community organisations (a community grants policy), which includes the criteria for a community organisation to be eligible for a grant from the local government.”

Further and pursuant to section 194 of the *Local Government Regulation 2012*, Council may give a grant to a community organisation only:

- if it is satisfied that:
 - the grant will be used for a purpose that is in the public interest; and
 - the community organisation meets the criteria stated in the local government's community grants policy; and
- in a way that is consistent with Council's community grants policy.

Financial and Resource Implications:

It is anticipated that there will be no additional resource or financial implications as a result of the adoption of the proposed policy as it aligns with commitments made within the adoption of Council's 2023/2024 budget.

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Anticipated Resolution Completion Date:

Within two (2) weeks of resolution.

Attachments:

1. Proposed P-2023-10 Community Investment Policy;
2. Proposed P-2023-10 Community Investment Policy (with tracked changes);
3. Existing P-2022-09 Community Investment Policy;
4. Summary of Proposed Changes – Draft P-2023-10 Community Investment Policy;
5. Draft Community Investment Program Funding Guideline.

G/4.8. REGIONAL ARTS DEVELOPMENT FUNDING ROUND 1 22/23 OUTBACK MIND FOUNDATION ADDITIONAL FUNDING REQUEST

Responsible Officer: General Manager Community and Lifestyle

Prepared By: Manager Arts and Entertainment (Acting)

Council Meeting Date: 15 August 2023

File Ref: CC7.16

Purpose:

This report seeks Council endorsement of the Regional Arts Development Fund Committee's recommendations to grant additional funding to the Outback Mind Foundation Project.

Officer's Recommendation:

That Council accepts the recommendations of the Regional Arts Development Fund Committee and approves the additional funding of \$4,935 to The Outback Mind Foundation for project completion.

Summary:

The Regional Arts Development Fund (RADF) and the funding partnership offered by Arts Queensland is an important component of arts and culture development in the Gladstone Region.

The Outback Mind Foundation were successful in securing RADF funding in Round 1 for their Men's Mental Health documentary. Unfortunately, due to unforeseen circumstances with the initial consultant engaged for the project, the project will require additional funding for completion totaling \$4,935.00.

Link to Corporate Plan:

Accountable Council - We are providing good stewardship built on a foundation of trust.
Connecting Communities - We work with you and for you, supporting the success of our communities.

Background:

The Outback Mind Foundation documentary objective is to show the critical issues of men's mental health, exploring struggles, challenges and avenues for healing and support.

Due to inconsistencies within the production and filming stages, the footage and content is now incomplete and inadequate for cinematic and large screen viewing.

The footage requires the following necessities to ensure it can be used for what was intended, at a quality that can be presented.

- Professional Audio Mixing
- Colour Grading
- Additional hours of post-production investment to refine the narrative and final product.

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Stuart McKay, Director of Free Flow Films, has begun work on assessing the current content and provided a recommendation on work required for completion. Mr McKay has provided information to demonstrate his ability to construct and complete the film to the required standard and within the project deadline, 1 September 2023.

On the 26 July 2023, a flying meeting was initiated for the RADF Committee, with supporting evidence and context to the request for additional funds. On 2 August 2023, unanimous support from the committee was received to grant the additional funds to complete the project.

Risk Management Summary:

The Officers Recommendation is consistent with Council's Risk Appetite.

Options and Opportunity Analysis:

The RADF Committee is committed to the development of arts and culture in the region and recognise that the fund is a development fund. It is important however that good governance principles are maintained when assessing applications. The recommendations made to Council are aligned with the fund's guidelines, criteria, and outcomes. Should Council choose not to provide the additional funding, there is a risk that the project will be unable to proceed.

Stakeholder Engagement:

The Regional Arts Development Fund Committee were engaged by way of flying meeting with supporting documentation on July 26, 2023, with further CV and film trailer provided 2 August, 2023 leading to unanimous support in providing the additional funding needed to complete the project.

Legal and Regulatory Implications:

The RADF Committee has no legislative standing under the Local Government Act 2019 or Local Government Regulation 2012. Council endorsement of funding recommendations is required. RADF is a financial partnership between the Queensland Government (Arts Queensland) and Gladstone Regional Council to support local arts and culture in regional Queensland. RADF is informed by Council's Arts and Culture Policy and bound by the Regional Arts Development Fund Terms of Reference.

Financial and Resource Implications:

RADF is a financial partnership between the Queensland Government (Arts Queensland) and Gladstone Regional Council. The current reported position for the Regional Arts Development Fund is a surplus of \$181,247.11. Expenses for round two 2021/2022 and round one 2022/2023 funded projects and the Arts Law capacity building project are yet to be reported.

The remaining funds for the 2022/2023 rounds are \$92,252.00. Should Council adopt the Officer's recommendation, the remaining funds available for round two 2022/2023 and collaborative initiatives would be \$87,317.00

Anticipated Resolution Completion Date:

1 September 2023

Attachments:

Nil

G/5. COUNCILLORS REPORT

G/6. URGENT BUSINESS

G/7. NOTICE OF MOTION

G/8. CONFIDENTIAL ITEMS