

# **AGENDA**

## **GENERAL MEETING**

## **Tuesday 22 October 2019**

commencing at 10.30am

Strathpine Chambers 220 Gympie Road, Strathpine

#### **COUNCILLOR:**

NOTICE IS HEREBY GIVEN, that a General Meeting of the Moreton Bay Regional Council will be held on Tuesday 22 October 2019 commencing at 10.30am in Strathpine Chambers, 220 Gympie Road, Strathpine to give consideration to the matters listed on this agenda.

Graeme Kanofski Acting Chief Executive Officer

17 October 2019

Membership = 13

Mayor and all Councillors

Quorum = 7

Agenda for public distribution

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#### 1. OPENING PRAYER

#### 2. ATTENDANCE & APOLOGIES

#### **Attendance:**

Cr Allan Sutherland (Mayor) (Chairperson)

#### **Apologies:**

Cr Matt Constance

#### Suspended:

Under section 182A of the Local Government Act 2009 Cr Adrian Raedel is currently suspended from office.

#### 3. MEMORIALS OR CONDOLENCES

Council to observe a moment's silence for residents who have passed away.

#### 4. CONFIRMATION OF MINUTES FROM PREVIOUS GENERAL MEETING

#### General Meeting - 8 October 2019 (Pages 19/2139 - 19/2232)

RESOLUTION that the minutes of the General Meeting held <u>8 October 2019</u>, be confirmed.

Attachment #1 Unconfirmed Minutes - General Meeting 8 October 2019

#### 5. PRESENTATION OF PETITIONS

(Addressed to the Council and tabled by Councillors)

Receipt of petitions addressed to the Council and tabled by Councillors.

#### 6. CORRESPONDENCE

Receipt of correspondence addressed to the Council and tabled by the Chief Executive Officer

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#### 7. COMMUNITY COMMENT

The following residents/ratepayers, having made the appropriate application in accordance with Council's Community Comment Session Policy (2150-062), have been approved to participate in the Community Comment session.

#### CHAIRPERSON'S REMINDER TO PARTICIPANTS

Participants of the Community Comment session are reminded that the speaker must provide an overview or dot-point of their presentation prior to making the presentation.

Speakers are allowed a maximum of 5 minutes and must act and speak with decorum. If the address is considered irrelevant, offensive or unduly long, the speaker will be required to cease.

Speakers must also note that at the conclusion of the presentation, no debate will be entered into.

#### 7.1. Community Comment: Mr Rod Ridley - Management of Lakeside Park lease (A19214605)

As part of the Community Comment session, Mr Rod Ridley, as approved by the Acting Chief Executive Officer, has been invited to address the Council in respect of the management of Lakeside Park lease; Council of the Shire of Pine Rivers (now MBRC) and Wrexmere Pty Ltd (trading as Queensland Raceways).

#### 8. NOTIFIED MOTIONS

Consideration of any motion notified by a Councillor to the Chief Executive Officer at least 5 days before the meeting at which the motion is to be moved.

#### 9. NOTICES OF MOTION (Repeal or amendment of resolutions)

(s262 of the Local Government Regulation 2012)

Consideration of any notice of motion to repeal or amend a resolution of the Council which is to be given to each Councillor at least 5 days before the meeting at which the proposal is to be made.

#### 10. OFFICERS' REPORTS TO COUNCIL (conducted in Sessions)

(as referred by the Chief Executive Officer)

Consideration of officers' reports as referred by the Chief Executive Officer, to be conducted in Sessions.

The Session Chairperson and designated Spokesperson for the respective portfolio, is as follows:

Session	Spokesperson
1 Governance	Cr Allan Sutherland (Mayor)
2 Planning & Development	Cr Mick Gillam
3 Corporate Services	Cr Matt Constance
4 Asset Construction & Maintenance	Cr Adam Hain
5 Parks, Recreation & Sport	Cr Koliana Winchester
6 Lifestyle & Amenity	Cr Denise Sims
7 Economic Development, Events & Tourism	Cr Peter Flannery
8 Regional Innovation	Cr Darren Grimwade

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#### 1 GOVERNANCE SESSION

(Cr A Sutherland, Mayor)

# ITEM 1.1 ADOPTION OF COUNCIL POLICY - CORPORATE SOCIAL MEDIA - REGIONAL

Meeting / Session: GOVERNANCE

Reference: A19199276: 10 October 2019 Refer Supporting Information A19068036
Responsible Officer: MH, Principal Strategy & Engagement Officer (CEO, Strategy & Engagement)

#### **Executive Summary**

Council regularly reviews its Policies for applicability, effectiveness, and consistency with relevant legislation, Council resolutions, and other Council documents.

The purpose of this report is to seek Council's consideration of the following policy, as appearing in the supporting information to this report:

Corporate Social Media - Policy 2150-110

#### OFFICER'S RECOMMENDATION

That the following policy be adopted, as appearing in the supporting information to this report:

Corporate Social Media - Policy 2150-110

ITEM 1.1 ADOPTION OF COUNCIL POLICY - CORPORATE SOCIAL MEDIA - REGIONAL - A19199276 (Cont.)

#### REPORT DETAIL

#### 1. Background

In accordance with the review triggers, Council reviews its Policies for applicability, effectiveness, and consistency with relevant legislation, Council resolutions, and other Council documents.

#### 2. Explanation of Item

An explanation of the objective, policy summary, and any amendments made to the identified policies is outlined below:

#### Corporate Social Media - Policy 2150-110

**Objective:** The objective of this policy is to establish parameters for the appropriate use and management of council's Corporate Social Media.

**Policy Summary:** Council is committed to providing relevant, accurate and timely information to residents about council business, services, facilities, events, projects and disaster management.

Council supports the use of Corporate Social Media as part of an integrated approach to communication that aims to enhance the Moreton Bay Regional Council brand; build positive community sentiment; and inform and educate residents.

Corporate Social Media will be managed by Council's Communications department in accordance with guidelines outlined in Council's Social Media Handbook. No other Social Media should be used for Council business.

Content will be positive and newsworthy, generally relevant to residents on a regional level and consistent with Council's Corporate Plan and other relevant Council policies.

#### 3. Strategic Implications

#### 3.1 Legislative/Legal Implications

These policies have been developed in accordance with the *Local Government Act 2009* and the Local Government Regulation 2012.

#### 3.2 Corporate Plan / Operational Plan

Strengthening Communities: Strong local governance - strong leadership and governance.

#### 3.3 Policy Implications

Council regularly reviews its Policies for applicability, effectiveness, and consistency with relevant legislation, Council resolutions, and other Council documents.

#### 3.4 Risk Management Implications

There are no risk management implications arising as a direct result of this report.

#### 3.5 Delegated Authority Implications

There are no delegated authority implications arising as a direct result of this report.

#### 3.6 Financial Implications

There are costs associated with the ongoing use and management of corporate social media.

#### 3.7 Economic Benefit

There are no economic benefit implications arising as a direct result of this report.

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ITEM 1.1 ADOPTION OF COUNCIL POLICY - CORPORATE SOCIAL MEDIA - REGIONAL - A19199276 (Cont.)

#### 3.8 **Environmental Implications**

There are no environmental implications arising as a direct result of this report.

#### 3.9

<u>Social Implications</u>
There are no social implications arising as a direct result of this report.

#### 3.10 Consultation / Communication

Councillors, the Executive Management team and relevant Council officers have been consulted in the preparation of this report.

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#### **SUPPORTING INFORMATION**

Ref: A19068036

The following list of supporting information is provided for:

## ITEM 1.1 ADOPTION OF COUNCIL POLICY - CORPORATE SOCIAL MEDIA - REGIONAL

#1 Policy 2150-110 - Corporate Social Media

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ITEM 1.1 - ADOPTION OF COUNCIL POLICY - CORPORATE SOCIAL MEDIA - REGIONAL (Cont.)

#1 Policy 2150-110 - Corporate Social Media



Policy: 2150-110

#### **Corporate Social Media**

#### **Head of Power**

Local Government Act 2009
Local Government Regulations 2012
Public Records Act 2002

#### **Objective**

The objective of this policy is to establish parameters for the appropriate use and management of council's Corporate Social Media.

#### **Definitions**

CEO means the Council's Chief Executive Officer.

Corporate Social Media means Council's approved Social Media.

Council means Moreton Bay Regional Council

**Employee** means all employees of Council, whether employed on a permanent, temporary or part-time basis and includes volunteers and employees of businesses and entities contracted to provide services to, or on behalf of Council.

**Social Media** means web-based platforms, applications and technologies that enable users to create and share content or to participate in social networking. Social Media may include social networking (e.g. Facebook, LinkedIn), micro-blogging sites (e.g. Twitter), photo sharing sites (e.g. Instagram), video sharing sites (e.g. YouTube), blogs, both personal and corporate, wikis and other online collaborations (e.g. Wikipedia), forums, discussion boards, online social groups, instant messaging (e.g. Jabber, Messenger).

Politician means the Mayor, Councillors and all other elected members of parliament.

#### **Application**

This policy applies to the use of Corporate Social Media by Councillors and employees.

#### **Policy Statement**

Council is committed to providing relevant, accurate and timely information to residents about council business, services, facilities, events, projects and disaster management.

Council supports the use of Corporate Social Media as part of an integrated approach to communication that aims to enhance the Moreton Bay Regional Council brand; build positive community sentiment; and inform and educate residents.

Corporate Social Media will be managed by Council's Communications department in accordance with guidelines outlined in Council's Social Media Handbook. No other Social Media should be used for Council business.

Content will be positive and newsworthy, generally relevant to residents on a regional level and consistent with Council's Corporate Plan and other relevant Council policies.

Policy: 2150-110 - Corporate Social Media

Version 1 – xx October 2019

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ITEM 1.1 - ADOPTION OF COUNCIL POLICY - CORPORATE SOCIAL MEDIA - REGIONAL (Cont.)



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Policy: 2150-110 - Corporate Social Media

Corporate Social Media must not contain information that directly promotes a politician or political party (such as election campaign material) or is a matter of particular political sensitivity. However, the Mayor as council's regional spokesperson, or delegate, may appear if conducting official council business.

Interaction and use by Council Employees and Councillors should be consistent with the Employee Code of Conduct and the Code of Conduct for Councillors in Queensland.

#### **Related Documents**

This policy complements and is to be implemented in conjunction with other Council policies, directives and relevant documents published by other agencies including, but not limited to:

- Public Records Act 2002
- Policy 2150-002 Advertising Expenditure
  Policy 2150-047 Use of the Moreton Bay Regional Council Corporate Identity (Logo)
- Code of Conduct for Councillors in Queensland
- Moreton Bay Regional Council Employee Code of Conduct
- Moreton Bay Regional Council Social Media Handbook
- Office of the Independent Assessor Queensland Councillor Social Media Community Guideline
- Office of the Independent Assessor Your Social Media and You, A guide for elected council members in Queensland

#### **Review Triggers**

This policy will be reviewed for applicability, effectiveness, and consistency with relevant legislation, Council resolutions, and other Council documents. Reviews of this policy will occur as required, or at least once every two years.

#### Responsibility

This Policy is to be:

- implemented by the CEO; and
- reviewed and amended in accordance with the "Review Triggers" by the CEO.

Policy: 2150-110 Official Version:							
Corporate So	Corporate Social Media						
	Document Control						
Version / Reviewed	Version Adoption (Council meeting / Minute Page) Reviewed (revision comment)	Date	Word version reference				
Version 1	DRAFT	xx.xx.2019	A19068036				

Policy: 2150-110 - Corporate Social Media Version 1 – xx October 2019

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#### 2 PLANNING & DEVELOPMENT SESSION

(Cr M Gillam)

No items for consideration.

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#### 3 CORPORATE SERVICES SESSION

(Cr M Constance)

# ITEM 3.1 MONTHLY REPORTING PACKAGE - SEPTEMBER 2019 - REGIONAL

Meeting / Session: 3 CORPORATE SERVICES

Reference: A19183529: 8 October 2019 - Refer Supporting Information A19184109

Responsible Officer: AD, Management Accountant (CORP Accounting Services)

#### **Executive Summary**

The purpose of this report is to present the Financial Reporting Package for the year to date period ending 30 September 2019.

#### OFFICER'S RECOMMENDATION

That the Financial Reporting Package for the year to date period ending 30 September 2019 be received.

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ITEM 3.1 MONTHLY REPORTING PACKAGE - SEPTEMBER 2019 - REGIONAL - A19183529 (Cont.)

#### REPORT DETAIL

#### 1. Background

The Financial Reporting Package for the month ending 30 September 2019 is contained within the supporting information to this report.

This package contains a number of financial statements with relevant commentary to provide a breakdown of key financial data and includes:

#### ✓ Financial Statements

- Statement of Comprehensive Income shows all income and expenditure as at the end of the September period.
- The Statement of Financial Position highlights Council's position at the end of September and itemises assets, liabilities and community equity.
- Statement of Cash Flows which represents the cash inflows and outflows during the month.
- Statement of sources and applications of capital funding.

#### ✓ Treasury Report

The Treasury Report highlights key areas of performance relating to Council's investments and borrowings.

#### 2. Explanation of Item

The financial results for the month of September are complete. A commentary is provided on significant matters that occurred during the month.

#### 3. Strategic Implications

#### 3.1 Legislative/Legal Implications

Part 9, section 204 of the Local Government Regulation 2012, (regulation) states the following:

- (1) The local government must prepare a financial report.
- (2) The chief executive officer must present the financial report—
  - if the local government meets less frequently than monthly—at each meeting of the local government; or
  - (b) otherwise—at a meeting of the local government once a month.
- (3) The financial report must state the progress that has been made in relation to the local government's budget for the period of the financial year up to a day as near as practicable to the end of the month before the meeting is held.

#### 3.2 Corporate Plan / Operational Plan

Strengthening Communities: Strong local governance - strong leadership and governance.

#### 3.3 Policy Implications

Compliance to the Council's Investment Policy is confirmed for the month of September.

#### 3.4 Risk Management Implications

The Council is subject to numerous risks associated with revenue and expenses that can impact upon Council's financial performance and position. Risks are documented and evaluated as part of the operational plan preparation in conjunction with the annual budget cycle and are monitored throughout the year.

#### 3.5 <u>Delegated Authority Implications</u>

There are no delegated authority implications arising as a direct result of this report.

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ITEM 3.1 MONTHLY REPORTING PACKAGE - SEPTEMBER 2019 - REGIONAL - A19183529 (Cont.)

#### 3.6 Financial Implications

As at the end of September 2019, Council's operating result is \$114.55 million and the capital expenditure incurred amounted to \$25.86 million (excluding the University Project).

#### 3.7 Economic Benefit

There are no economic benefit implications arising as a direct result of this report.

#### 3.8 Environmental Implications

There are no environmental implications arising as a direct result of this report.

#### 3.9 Social Implications

There are no social implications arising as a direct result of this report.

#### 3.10 Consultation / Communication

Acting Chief Executive Officer, Interim Director Finance and Corporate Services, Accounting Services Manager.

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#### **SUPPORTING INFORMATION**

Ref: A19184109

The following list of supporting information is provided for:

**ITEM 3.1** 

**MONTHLY REPORTING PACKAGE - SEPTEMBER 2019 - REGIONAL** 

#1 Monthly Reporting Package - September 2019

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ITEM 3.1 - MONTHLY REPORTING PACKAGE - SEPTEMBER 2019 - REGIONAL (Cont.)

#1 Monthly Reporting Package - September 2019

## **Moreton Bay Regional Council**

# **Monthly Financial Report**

Year to date result as at: 30 September 2019

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# Moreton Bay Regional Council STATEMENT OF COMPREHENSIVE INCOME For the period ended 30 September 2019

25% of the

				year elapsed
	2019/20	2019/20	2019/20	Actuals to
	Original	Amended	YTD	Revised
	Budget	Budget	Actuals	Budget
	\$'000	\$'000	\$'000	2019/20
Revenue				
Operating Revenue				
Rates and utility charges	313,151	313,151	160,051	51.11%
Fees and charges	37,272	37,272	10,816	29.02%
Grants, subsidies and contributions	20,149	20,149	6,329	31.41%
Interest revenue	45,426	45,426	10,107	22.25%
Other revenue	39,452	39,452	8,289	21.01%
Share of profit of associate - Operating Cash	72,000	72,000	18,000	25.00%
Total Operating Revenue	527,449	527,449	213,593	40.50%
_				
Expenses				
Operating Expenses				
Employee benefits	(140,406)	(140,406)	(32,164)	22.91%
Materials and services	(190,865)	(190,865)	(35,709)	18.71%
Depreciation and amortisation	(97,721)	(97,721)	(25,480)	26.07%
Finance costs	(22,409)	(22,409)	(5,694)	25.41%
Total Operating Expenses	(451,401)	(451,401)	(99,046)	21.94%
Ou sustinus Bassult	70.047	70.047	444.545	450.000/
Operating Result	76,047	76,047	114,547	150.63%
Capital Revenue	96,868	96,868	28,637	29.56%
Supriur Revenue	30,000	30,000	20,007	23.3070
Capital Expenses	_	_	(3,780)	No Budget
- upon = - upon			(0,1.00)	. to Daaget
NET RESULT	172,916	172,916	139,404	80.62%
Other Comprehensive Income				
Items that will not be reclassified to net result				
Increase/(decrease) in asset revaluation surplus	-	-	-	No Budget
Changes in the fair value of financial assets at fair value			I	, j
through other comprehensive income	-	-	(408)	No Budget
Total other comprehensive income for the year	-	_	(408)	No Budget
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	172,916	172,916	138,996	80.38%

# Moreton Bay Regional Council STATEMENT OF FINANCIAL POSITION As at 30 September 2019

	2019/20 Amended Budget as at 30 June 2020 \$'000	2019/20 YTD Actual \$'000
Assets		
Current Assets Cash and cash equivalents Trade and other receivables Inventories Total Current Assets	330,445 48,848 1,081 380,374	378,945 104,523 1,178 <b>484,646</b>
Non-Current Assets Trade and other receivables Investments Property, plant and equipment Total Non-Current Assets	677,576 1,357,637 4,837,717 <b>6,872,930</b>	677,594 1,348,060 4,857,899 <b>6,883,552</b>
Total Assets	7,253,304	7,368,199
Current Liabilities Trade and other payables Borrowings Provisions Other Total Current Liabilities	44,918 37,334 12,888 21,427 116,567	28,691 26,403 14,223 11,429 <b>80,745</b>
Non-Current Liabilities Borrowings Provisions Total Non-Current Liabilities	332,801 43,841 376,642	344,307 59,134 <b>403,441</b>
Total Liabilities	493,209	484,186
NET COMMUNITY ASSETS	6,760,095	6,884,012
Community Equity Retained surplus Asset revaluation surplus TOTAL COMMUNITY EQUITY	5,889,554 870,541 <b>6,760,095</b>	5,947,255 936,757 <b>6,884,012</b>
IOTAL COMMONITY LOCALITY	0,700,095	0,004,012

#### Moreton Bay Regional Council STATEMENT OF CASH FLOWS For the period ended 30 September 2019

	2019/20 Amended Budget	2019/20
	as at	YTD
	30 June 2019	Actuals
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	413,708	112,520
Payments to suppliers and employees	(341,034)	(105,814)
Interest received	45,426	10,378
Non capital grants and contributions	20,567	6,329
Borrowing costs	(20,379)	(5,238)
Net cash inflow/(outflow) from operating activities	118,288	18,176
Cash flows from investing activities		
Payments for property, plant and equipment	(227,389)	(31,410)
Payments for investment property	(227,303)	(76)
Proceeds from sale of property, plant and equipment	21,800	1,022
Net movement in loans to community organisations		(50)
Grants, subsidies and contributions	56,868	38,122
Net cash inflow/(outflow) from investing activities	(148,721)	7,608
Cash flows from financing activities		
Proceeds from borrowings	25,000	_
Repayment of borrowings	(33,916)	(8,283)
Net cash inflow/(outflow) from financing activities	(8,916)	(8,283)
Net increase/(decrease) in cash held	(39,349)	17,501
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Cash and cash equivalents at the beginning of the financial year	369,794	361,444
Cash and cash equivalents at the end of the period	330,445	378,945

# Moreton Bay Regional Council STATEMENT OF SOURCES AND APPLICATIONS OF CAPITAL FUNDING

For the period ended 30 September 2019

	Original Budget 2019/20 \$'000	Amended Budget 2019/20 \$'000	YTD Actuals 2019/20 \$'000
Capital Funding Sources			
Cash Utilised	202,936	202,936	28,808
Capital Grants and Subsidies received	33,368	33,368	12,391
Contributed Assets and assets not previously recognised	40,000	40,000	1,715
Loans received	25,000	25,000	-
Total Capital Funding Sources	301,305	301,305	42,913
Capital Funding Applications			
Capital Expenditure	227,389	227,389	32,915
Contributed Assets and assets not previously recognised	40,000	40,000	1,715
Loan Redemption	33,916	33,916	8,283
Total Capital Funding Applications	301,305	301,305	42,913

#### **Analysis of Results by Segment**

For the period ended 30 September  Operational Plan	Operating Revenue \$'000	Operating Expenses \$'000	Operating Result \$'000	Capital Revenue \$'000	Capital Expenses \$'000	Net Result \$'000
Engineering, Construction & Maintenance	27,776	(29,027)	(1,251)	3,906	238	2,892
Community & Environmental Services	9,362	(12,968)	(3,607)	-	700	(2,907)
Governance and Corporate Services	173,842	(54,433)	119,409	16,232	(4,718)	130,923
Planning	2,613	(2,617)	(4)	8,500	-	8,496
Total Council	213,593	(99,046)	114,547	28,637	(3,780)	139,404

#### **Analysis of Results by Entity**

For the period ended 30 September  Entity	Operating Revenue \$'000	Operating Expenses \$'000	Operating Result \$'000	Capital Revenue \$'000	Capital Expenses \$'000	Net Result \$'000
General	186,870	(91,266)	95,604	28,454	(3,697)	120,360
Waste	26,723	(7,780)	18,943	184	(83)	19,044
Total Council	213,593	(99,046)	114,547	28,637	(3,780)	139,404

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# The Performance at a Glance as at 30 September 2019

#### **Synopsis**

- 25% of the financial year is complete.
- \* The operating result is \$114.55 million.

#### **Operating Revenue**

- \* Rates and Utility Charges are slightly above budget following the second quarterly rates levy that was run in late September.
- \* Fees and Charges are tracking above budget due to animal registrations being issued for the year and a significant portion of these fees have been received
- \* Operating Grants and Subsidies are above budget at this time of year.
- \* In total all other revenue categories are performing slightly below the revised budget target at this time of the year.

#### **Operating Expenditure**

- \* Employee Expenses and Materials and Services are below budget, predominately due to higher than expected levels of vacant positions.
- \* Finance Costs are tracking to budget at this time of the year.
- \* Depreciation is slightly over budget and is expected to continue to exceed budget.

#### **Capital Revenue**

- \* Infrastructure cash contributions are tracking well above the budget at this stage.
- \* Contributed Assets are tracking below budget, however it is expected this will increase in the coming months.
- \* Capital grants and subsidies are tracking above budget at this time of year.

#### **Capital Expenditure**

\* To date \$25.86 million has been spent on capital works, (which represents 16.43% of the capital program). This excludes the University project costs.

#### **Moreton Bay Regional Council**

Comparative Table 2017/18 and 2018/19 to 2019/20\*

Year to date result as at: 30 September 2019

25% of the year elapsed

	Amended Budget 2019/20 \$'000	YTD Actuals 2019/20 \$'000	Actuals to Amended Budget 2019/20 %	Actuals to Amended Budget 2018/19 %	Actuals to Amended Budget 2017/18	Comments
Operating Revenue						
Rates & Utility Charges	313,151	160,051	51%	25%	49%	Revenue is slightly above target after the second quarter rates levy.
User Fees & Charges	37,272	10,816	29%	31%	32%	Revenue is tracking over budget but is below the previous years.
Interest Revenue	45,426	10,107	22%	23%	25%	The % for 2019/20 is tracking below budget and is consistent with the previous year.
Operating Expenses						
Employee Expenses & Material and Services	331,271	67,872	20%	22%	22%	Expenditure is tracking below budget and is below the previous years.
External Loan Interest Expense	20,379	5,238	26%	26%	26%	Expenditure is tracking to budget and is comparable to previous years.
Capital Revenues						
Infrastructure Cash Contributions	23,500	14,532	62%	44%	58%	Infrastructure cash contributions are tracking above the previous years and exceeding budget.
Contributed Assets	40,000	1,715	4%	0%	0%	All contributed assets have been recognised to date.
Grants & Subsidies	33,368	12,391	37%	12%	27%	The % of grants and subsidies received is tracking above budget and is above the prior years.
Capital Expenditure						
Total Capital Expenditure**	157,389	25,859	16%	13%	14%	Capital expenditure is under budget at this stage.

<sup>\*</sup> The data presented reflects the position of Council as at 30 September 2019 compared to the position of Council as at 30 September 2018 and 30 September 2017.

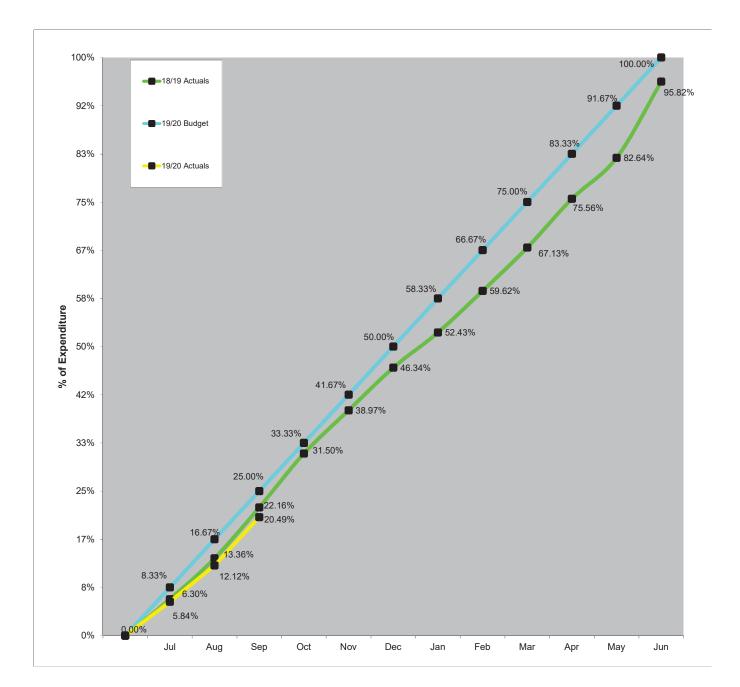
\*\* Capital Expenditure excludes the University Projects.

The table focuses on key items of revenue and expenses across the comparative period and is useful guide in understanding what may have changed with regard to revenue and expense streams across the three financial years.

#### **Operating Expenditure**

This graph compares the major components of operating expenditure (being employee expenses plus materials and services) on a percentage expended basis for the 2019/20 and 2018/19 years. The graph includes continuing service delivery expenses and operating initiative expenses.

The budgeted expenditure trend is set at 8.33% for each month. The cumulative actual expenditure trend for each month is graphed alongside the budget expenditure.

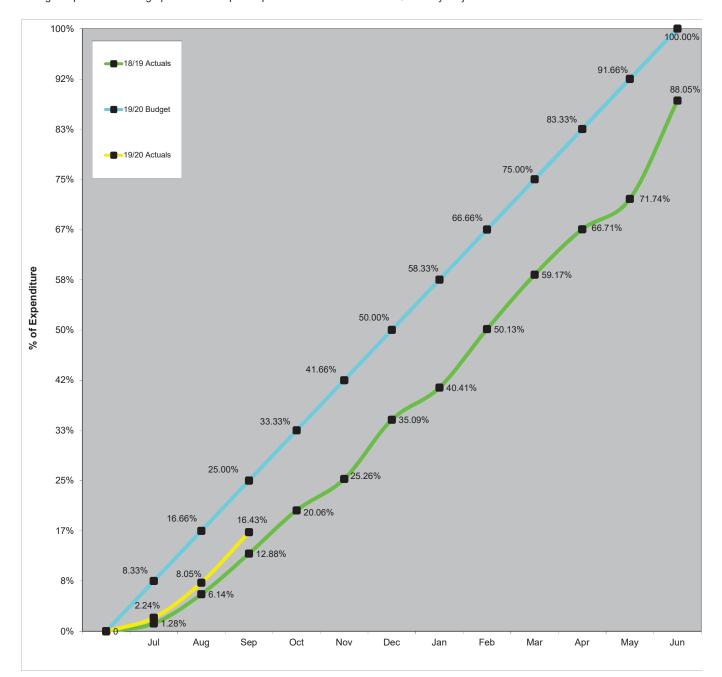


	Annual Amended Budget \$'000	Actuals to September \$'000	Actuals to Budget % spent
2018/19	297,088	65,821	22.16%
2019/20	331,271	67,872	20.49%

#### **Capital Expenditure**

This graph compares the capital percentage expended for the 2019/20 and 2018/19 years.

The budgeted expenditure trend is set at 8.33% for each month. The cumulative actual expenditure trend for each month is graphed alongside the budget expenditure. The graph excludes capital expenditure associated with the University Project.



	Annual Amended Budget \$'000	Actuals to September \$'000	
2018/19	186,186	23,972	12.88%
2019/20	157,389	25,859	16.43%

#### TREASURY REPORT

The Treasury Report highlights key areas of performance and compliance relating to Council's cash, investments and borrowings.

#### Investments

At 30 September 2019 all of Council's investments are in accordance with the approved Investment Policy. As at this date Council held 70.54% of funds outside of the Queensland Treasury Corporation (QTC).

Investment Portfolio - Summary of Cash and Investments Held

Current (	Cash Investments				
Short				Cash and Investment	
Term				balance as at 30	Interest earned
Rating	Institution	Return	Term	September 2019	YTD
A1+	Qld Treasury Corp*	1.55%	Short Term (45 days)	111,786,973	511,541
A1+	ANZ	1.47%	At Call	11,498,993	43,814
A1+	National Australia Bank	1.5%	At Call	100,108,884	-206,052
A1+	ANZ	2.02% to 2.7%	124 to 364 days	40,550,035	226,750
A1+	Bankwest				65,342
A1+	National Australia Bank	1.7% to 2.77%	91 to 357 days	30,000,000	193,490
A1+	Westpac	2.65% to 2.77%	364 days	40,000,000	363,249
A1	Suncorp				21,781
A2	Bank of Queensland	1.7% to 2.75%	180 to 279 days	30,000,000	186,685
A2	IMB	2.65%	363 days	5,000,000	33,397
A2	AMP Bank	2% to 2.8%	180 to 272 days	10,000,000	67,726
	Petrie Paper Mill Site Funds				49,586
	Trust Investments				47,737
				*	
				378,944,885	1,605,046

<sup>\*</sup> The QTC rate presented is the annualised interest rate for the month as provided by the Queensland Treasury Corporation.

Council has achieved a weighted average interest rate on all cash held of 1.62% pa in 2019/20.

Non-Current Investments				
Institution	Product	Term	Invested Value \$'000	Realisable Value \$'000
Queensland Investment Corporation	QIC Growth Fund	Greater than 5 years	100,000	108,246

#### Performance to Budget - Year to Date (YTD) Summary

25% of the year has elapsed

	Original	Amended	Actual	Actual %	
	Budget	Budget	YTD	Achieved	
	\$'000	\$'000	\$'000	\$'000	Comments
Interest Revenue on Investments	10,391	10,391	1,605	15%	Interest rates are very low
Interest on Debt held in Unitywater	34,000	34,000	8,226	24%	Tracking as per Budget
Total Investment Income	44,391	44,391	9,831	22%	

#### **Borrowings**

Debt Position	\$ '000
Debt held as at 1 July 2019	378,992
New borrowings	0
Borrowings repaid	(8,283)
Debt held as at 30 September 2019	370,710

As at 30 September 2019 the weighted average interest rate of all Council debt is 5.61%

2018/19 - REGIONAL

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#### ITEM 3.2 AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR

Meeting / Session: 3 CORPORATE SERVICES

Reference: A19195025: 10 October 2019 - Refer Supporting Information A19210013

Responsible Officer: DC, Accounting Services Manager (CORP Accounting Services)

#### **Executive Summary**

The purpose of this report is to present the Council's Audited Financial Statements for 2018/19, the audited current year financial sustainability statement and the long term financial sustainability statement.

#### OFFICER'S RECOMMENDATION

- 1. That the 2018/19 audited financial statements, the audited current year financial sustainability statement and the long term financial sustainability statement be received.
- 2. That Council acknowledge the co-operation of the Queensland Audit Office during the 2018/19 audit.

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ITEM 3.2 AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL - A19195025 (Cont.)

#### REPORT DETAIL

#### 1. Background

The Financial Statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Local Government Act 2009 and the Local Government Regulation 2012.

The Financial Statements cover the period 1 July 2018 to 30 June 2019.

The current year financial sustainability statement and the long term financial sustainability statement have been prepared in accordance with the Local Government Regulation 2012.

#### 2. Explanation of Item

At the Audit Committee meeting held on the 7 August 2019 the Draft Financial Statements, the current year financial sustainability statement and the long term financial sustainability statement were presented for review.

After this meeting the financial statements and sustainability statements were provided to the Queensland Audit Office (QAO) on 13 August 2019 for auditing.

Following the onsite visit by QAO the financial statements and sustainability statements were presented to the Audit committee meeting held on 2 October 2019 for final review prior to management signing.

Management signed the financial statements and sustainability statements on 9 October 2019. QAO certified the financial statements and current year sustainability statement on 14 October 2019.

QAO provided the following opinion regarding the financial statements (exert from Independent Auditor Report),

- a) gives a true and fair view of the Council's financial position as at 30 June 2019, and of its financial performance and cash flows for the year then ended,
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

Additionally, QAO provided the following opinion regarding the current year financial sustainability statement,

a) the current year financial sustainability statement of Moreton Bay Regional Council for the year ended 30 June 2019 has been accurately calculated.

#### 3. Strategic Implications

#### 3.1 <u>Legislative/Legal Implications</u>

There are several legislative requirements regarding the preparation and audit of the financial statements under the *Local Government Act 2009* and the Local Government Regulation 2012.

Specifically, section 212 of the Local Government Regulation states:

- (1) A local government's general purpose financial statement and current-year financial sustainability statement for a financial year must be given to the auditor-general for auditing.
- (2) Also, a local government's long-term financial sustainability statement for the financial year must be given to the auditor-general for information.

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ITEM 3.2 AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL - A19195025 (Cont.)

- (3) The financial statements mentioned in subsections (1) and (2) must be given to the auditorgeneral by a date agreed between the chief executive officer and the auditor-general.
- (4) The date agreed under subsection (3) must allow the audit of the financial statements, and the auditor-general's audit report about the statements, to be completed no later than 4 months after the end of the financial year to which the statements relate.
- (5) The financial statements given to the auditor-general must be accompanied by a certificate in the approved form given by the mayor and chief executive officer, certifying whether, in their opinion—
  - (a) in relation to the general purpose financial statement—
    - (i) any requirements prescribed under the Act or another Act for establishing and keeping the local government's accounts have been complied with in all material respects; and
    - (ii) the statement presents a true and fair view, in compliance with the prescribed accounting standards, of the local government's transactions for the financial year and financial position at the end of the year; and
  - (b) in relation to the current-year financial sustainability statement and the long-term financial sustainability statement—the statements have been accurately calculated.

#### 3.2 Corporate Plan / Operational Plan

Strengthening Communities: Strong local governance - strong leadership and governance.

#### 3.3 Policy Implications

Management are responsible for ensuring the financial statements are prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board and for ensuring its policies outlined in the financial statements are in accordance with those standards.

#### 3.4 Risk Management Implications

Management make significant judgements and assumptions in the formulating of certain accounting estimates relating to:

- Measuring fair values of financial assets and liabilities in accordance with relevant accounting standards
- Assessing for indicators of possible impairment of assets.
- Reviewing useful lives and residual values for property, plant and equipment, intangibles and the allocation of depreciation and amortisation on a systematic basis over the estimated useful lives of the assets.
- Measuring accruals and provisions for restoration and employee entitlements.
- Assessing whether material contingent assets and liabilities exist.

Management believe that these judgements and assumptions are reasonable and supportable through extensive work-papers which are compiled and submitted to QAO as part of the audit review process. QAO found no issues with the work papers provided.

#### 3.5 <u>Delegated Authority Implications</u>

There are no delegated authority implications arising as a direct result of this report.

#### 3.6 Financial Implications

The Financial Statements present the Council's financial performance, position, change in equity and cash flow as at 30 June 2019. Comparative amounts are provided for the previous financial year. The current year audited financial sustainability statement indicates that Council is in a strong financial position.

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ITEM 3.2 AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL - A19195025 (Cont.)

The cost to Council for the 2018/19 external audit will be in the amount of \$280,000 (GST exclusive). The original estimate was \$236,000. The increase has occurred due to additional time spent by QAO analysing and testing data in response to matters arising during the audit, including a councillor being charged by the Crime and Corruption Commission. Fee for the previous year was \$230,000.

#### 3.7 Economic Benefit

There are no economic benefits arising as a direct result of this report.

#### 3.8 Environmental Implications

There are no environmental implications arising as a direct result of this report.

#### 3.9 Social Implications

There are no social implications arising as a direct result of this report.

#### 3.10 Consultation / Communication

Acting Chief Executive Officer, Interim Director Finance and Corporate Services, Queensland Audit Office.

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#### **SUPPORTING INFORMATION**

Ref: A19210013

The following list of supporting information is provided for:

**ITEM 3.2** 

AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL

#1 Moreton Bay Regional Council Financial Statements for the year ended 30 June 2019

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.) #1 Moreton Bay Regional Council Financial Statements for the year ended 30 June 2019



# MORETON BAY REGIONAL COUNCIL FINANCIAL STATEMENTS FOR THE YEAR ENDED

30 June 2019

ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



#### STATEMENT OF COMPREHENSIVE INCOME For the year ended 30 June 2019

		2271	Restated
	Note	2019	2018
Income	Note	\$'000	\$'000
Revenue			
Recurring Revenue			
Rates and utility charges	3(a)	309,891	295,462
Fees and charges	3(b)	36,590	36,667
Rental income	0(2)	5,237	7.015
Grants, subsidies and contributions	3(c)(i)	22,694	20,866
Interest revenue	3(d)	44,457	45,691
Sales revenue		3,609	3,447
Other revenue	3(e)	31,110	49,493
Share of profit of associate	9	88,406	69,539
		541,994	528,180
Capital Revenue			
Grants, subsidies and contributions	3(c)(ii)	148,333	150,371 *
Total Revenue		690,327	678,551 *
Capital Income	3(f)	4,566	2,773
Total Income		694,893	681,324 *
Expenses			
Recurring Expenses			
Employee benefits	4(a)	(124,115)	(120,062)
Materials and services	4(b)	(164,767)	(155,487)
Depreciation and amortisation		(98,525)	(96,041)
Finance costs	4(c)	(23,616)	(24,142)
		(411,023)	(395,732) *
Capital Expenses	4(d)	(26,284)	(52,493)
Total Expenses		(437,307)	(448,225)
NET RESULT		257,586	233,099 *
Other Comprehensive Income Items that will not be reclassified to net result			
Increase in asset revaluation surplus Changes in the fair value of financial assets at fair value	15	13,259	26,569
through other comprehensive income		2,961	(E)
Items that may be reclassified subsequently to net result			
Net change in available-for-sale financial assets			(311)
Total other comprehensive income for the year		16,220	26,258
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		273,806	259,357 *

The accompanying notes form part of these financial statements.

<sup>\*</sup> Comparative figures have been restated. Refer to Note 23 for details.

ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## STATEMENT OF FINANCIAL POSITION As at 30 June 2019

			Restated
		2019	2018
	Note	\$'000	\$'000
Assets			0.000
Current Assets			
Cash and cash equivalents	5	361,443	313,852
Trade and other receivables	6	46,941	49,653
Inventories		1,186	1,163
		409,570	364,668
Non-current assets held for sale		-	402
Total Current Assets		409,570	365,070
Non-Current Assets			
Trade and other receivables	6	677,451	677,485
Other financial assets	7	108,528	101,721
Investments		15	15
Investment property	8	28,481	28,635
Investment in associate	9	1,193,241	1,125,208
Property, plant and equipment	10	4,855,068	4,648,274 *
Intangible assets	3.50	40	382
Total Non-Current Assets		6,862,824	6,581,720 *
Total Assets		7 272 204	C 04C 700 *
Total Assets		7,272,394	6,946,790
Liabilities			
Current Liabilities			
Trade and other payables	11	52,137	49.036
Borrowings	12	34,685	31,533
Provisions	13	14,631	13,778
Other liabilities	14	15,339	550
Total Current Liabilities		116,792	94,897
Non-Current Liabilities			
Borrowings	12	344,307	354,463
Provisions	13	60,014	42,582
Total Non-Current Liabilities		404,321	397,045
Total Liabilities		521,113	491,942
		321,110	431,342
NET COMMUNITY ASSETS		6,751,281	6,454,848 *
Community Equity			
Retained surplus		5,814,523	5,531,349 *
Asset revaluation surplus	15	936,758	923,499
TOTAL COMMUNITY EQUITY		6,751,281	6,454,848 *
		0,701,201	0,707,070

The accompanying notes form part of these financial statements.

<sup>\*</sup> Comparative figures have been restated. Refer to Note 23 for details.

ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2019

		Retained Surplus	Asset Revaluation Surplus	Total Community Equity
	Note		15	
		\$*000	\$'000	\$'000
Balance as at 1 July 2018 (Restated)		5,531,349	923,499	6,454,848
Net result Other comprehensive income for the year		257,586	57	257,586
Increase in asset revaluation surplus Changes in the fair value of financial asset at fair		ē	13,259	13,259
value through other comprehensive income		2,961	.w//	2,961
Adjustment to equity on the recognition of assets		22,627	-	22,627
Total comprehensive income for the year	_	283,174	13,259	296,433
Balance at 30 June 2019		5,814,523	936,758	6,751,281
Balance as at 1 July 2017 (Restated)		5,272,905	896,930	6,169,835 *
Net result		233,099		233,099 *
Other comprehensive income for the year Increase in asset revaluation surplus			26,569	26,569
Net change in available-for-sale financial assets		(311)	20,509	26,569 (311)
Adjustment to equity on the recognition of assets		25,656		25,656
Total comprehensive income for the year	-	258,444	26,569	285,013
Balance at 30 June 2018 (Restated)		5,531,349	923,499	6,454,848 *
	=	-1	3-31.00	-1.7.11

 $\label{thm:company} \textit{The accompanying notes form part of these financial statements}.$ 

<sup>\*</sup> Comparative figures have been restated. Refer to Note 23 for details.

ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



# STATEMENT OF CASH FLOWS For the year ended 30 June 2019

		2019	2018
	Note	\$'000	\$'000
Cash flows from operating activities			
Receipts from customers			
Payments to suppliers and employees		402,009	369,810
Interest received		(318,379)	(305,277)
Rental income		44,728	45,945
Non capital grants and contributions		5,237	7,015
Tax equivalent received		22,694	20,866
Borrowing costs		38,148	32,392
	022 DC 05	(21,604)	(22,392)
Net cash inflow from operating activities	CF-1	172,833	148,359
Cash flows from investing activities			
Payments for property, plant and equipment		(195,268)	(156,883)
Payments for investment property		-	(210)
Payments for financial assets at fair value (2018: available-for-			10000
sale investment)		100	(100,000)
Proceeds from sale of property, plant and equipment		1,528	48,960
Net movement in loans to community organisations		32	6
Dividends received from associate		9,173	13,096
Grants, subsidies and contributions		66,297	62,318
Net cash outflow from investing activities	-	(118,238)	(132,713)
Cash flows from financing activities			
Proceeds from borrowings		24,000	26,000
Repayment of borrowings		(31,004)	(27,554)
Net cash outflow from financing activities	_	(7,004)	(1,554)
Net increase in cash and cash equivalent held	_	47,591	14,092
	-	47,091	14,092
Cash and cash equivalents at the beginning of the financial year	-	313,852	299,760
Cash and cash equivalents at the end of the financial year	5	361,443	313,852
	=		

The accompanying notes form part of these financial statements.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



# STATEMENT OF CASH FLOWS For the year ended 30 June 2019

Notes to the statement of cash flow

CF-1 Reconciliation of net result for the year to net cash inflow from operating activities

		2019 \$'000	Restated 2018 \$'000
Net result	_	257,586	233,099
Non-cash items:     Depreciation and amortisation     Revaluation adjustments     Change in future rehabilitation and restoration     Change in infrastructure offsets and credits     Impairment of property, plant and equipment     Contributed assets     Share of profit of associate	costs	98,525 154 1,206 2,836 (8) (82,036) (88,406) (67,729)	96,041 24,283 2,949 (571) (640) (88,053) * (69,539) (35,530)
Investing and development activities:  Net loss on disposal of non-current assets Increase in financial assets at fair value through comprehensive income (2018: available-for-sa		22,528	26,628
investment) Capital grants and contributions	-	(3,897) (66,297) (47,666)	(2,038) (62,318) (37,728)
Changes in operating assets and liabilities: Decrease/(increase) in receivables Decrease/(increase) in other operating assets Increase in payables (Decrease) in provisions Increase in other liabilities		11,844 2,097 3,101 (1,189) 14,789 30,642	(11,625) (1,670) 1,788 (115) 140 (11,482)
Net cash inflow from operating activities	_	172,833	148,359
Reconciliation of liabilities arising from finan-	cing activities		
	Note	2019 \$'000	2018 \$'000
Loans: Opening balance at beginning of financial year Loans raised - cash inflow Principal repayment - cash outflow Closing balance at end of financial year	12	385,996 24,000 (31,004) 378,992	387,550 26,000 (27,554) 385,996

CF-2

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

## 1 Significant accounting policies

#### 1(a) Basis of preparation

These general purpose financial statements are for the period 1 July 2018 to 30 June 2019. They are prepared in accordance with the Local Government Act 2009 and the Local Government Regulation 2012.

They comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS). Therefore in some instances these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation gains and losses within a class of assets and the timing of recognition of non-reciprocal grant revenue.

These financial statements have been prepared under the historical cost convention except where stated,

## 1(b) Constitution

Moreton Bay Regional Council is constituted under the Queensland Local Government Act 2009 and is domiciled in Australia.

## 1(c) New and revised Accounting Standards

During the year, Council has adopted AASB 9 Financial Instruments. Council irrevocably elected to present subsequent changes in fair value of the Queensland Investment Corporation (QIC) investment in other comprehensive income. Council's investment in QIC that was previously classified as an available-for-sale financial asset under AASB 139 Financial Instruments: Recognition and Measurement in 2017/18, has been re-classified as financial assets at fair value through other comprehensive income (FVTOCI) in 2018/19. The change in the fair value on these investments continues to accumulate in the fair value through the other comprehensive income (FVTOCI) reserve until they are derecognised or reclassified. The cumulative gain or loss previously recognised in other comprehensive income is not subsequently reclassified to profit or loss. No retrospective adjustments, restatements or changes to opening retained surplus have been made to the financial statements as a result of adopting AASB 9. Refer to Note 7.

Implementing AASB 9 has resulted in a change to the way Council calculates impairment provisions, which are now based on expected credit losses instead of incurred credit losses. The amount of impairment for trade receivables is insignificant and immaterial. Consequently no impairment provision has been recognised.

Council generally applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards and Interpretations that have been recently issued with future commencement dates are set out below:

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

- 1 Significant accounting policies (continued)
- 1(c) New and revised Accounting Standards (continued)

#### AASB 16 Leases

This standard will become effective for reporting periods beginning on or after 1 January 2019. AASB 16 will require the recognition of all leases on the Statement of Financial Position. A lease liability will be initially measured at the present value of the lease payments to be made over the lease term. A corresponding right-of-use asset will also be recognised to record the right to use the leased item over the lease term. Council has undertaken a preliminary analysis to identify and quantify the impacts of introducing AASB 16. The current assessment indicates the impact is expected to be immaterial (\$11,000).

AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities

These standards will become effective for reporting periods beginning on or after 1 July 2019. Council has assessed the impact of these standards; however, the actual impacts may differ until Council presents its first financial statements that include the date of initial application. Council intends to apply these standards initially on 1 July 2019, using the modified retrospective approach. The recognition and measurement principles of these standards will be retrospectively applied for current year and prior year comparatives as though the standards had always applied, consistent with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Potential future impacts identifiable at the date of this report are as follows:

At 30 June 2019 Council had received pre-paid rates totalling \$6.3 million. These rates are recognised as revenue in the Statement of Comprehensive Income. If Council had applied AASB 1058 this year these rates would have been recognised as a liability in the Statement of Financial Position and Council's net result would decrease by \$6.3 million.

Special purpose grants received to construct non-financial assets controlled by Council will be recognised as a liability, and subsequently recognised progressively as revenue as Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront. Based on Council's assessment no significant material impact is expected.

Other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific. Based on Council's assessment no significant material impact is expected.

Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants from the Australian Government for which there are no sufficiently specific performance obligations and accordingly these grants are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.

Based on Council's assessment, the new requirement of AASB 15 is expected to have no material impact.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

## 1 Significant accounting policies (continued)

### 1(d) Estimates and judgements

Where necessary judgements, estimates and assumptions have been used in preparing these financial statements. Those that have a significant effect, or risk of causing an adjustment to council's assets or liabilities relate to:

Investment property (Note 8)

Valuation and depreciation of property, plant and equipment (Note 10)

Impairment of non-current assets (Note 4(d))

Provisions (Note 13)

Contingencies (Note 18)

Financial instruments and financial liabilities (Note 16)

### 1(e) Rounding and comparatives

Amounts included in the financial statements have been rounded to the nearest \$1,000.

Comparative information has been reclassified where necessary to be consistent with disclosures in the current reporting period. The resulting reclassifications have had no effect on the current year or prior year net community assets.

### 1(f) Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). The net amount of GST recoverable from the Australian Taxation Office (ATO) or payable to the ATO is shown as an asset or liability respectively.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

### 2 Analysis of Results by Function

### 2(a) Components of Council Functions

The activities relating to Council's components reported in Note 2(b) below are as follows:

## Engineering, Construction & Maintenance

Engineering, Construction and Maintenance is responsible for the maintenance of Council buildings, public facilities and infrastructure, provide sustainable and cost-effective solid waste management services to the community, as well as identifying, planning and delivering infrastructure to support the community and ensure a high standard of infrastructure within the Moreton Bay Region.

## Community & Environmental Services

Community and Environmental Services is responsible for providing well managed and maintained community facilities, ensuring compliance with the local laws of Council, monitoring, reporting and engaging with the community to advance the protection and management of the natural environment, manage Council's property portfolio, acquire and dispose of strategic land holdings and manage Council's enterprises.

### Governance

The role of the Governance section is to ensure open and accountable governance of the region and comprises the Councillors, Chief Executive Officer, Internal Audit, Legal, Financial Management, Human Resources, Information Technology Support, Communications and other related support functions.

# Planning & Economic Development

The role of Planning and Economic Development is to support increased levels of employment within the region, foster a dynamic and prosperous business environment, stimulate economic activities, maintain a strategic plan of Council's longer term functions and responsibilities in relation to land use planning, planning scheme development, development assessment and engineering.

ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



#### NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

2 Analysis of Results by Function (continued)

Income and expenses defined between operating and capital are attributed to the following functions:

Year ended 30 June 2019	Gross program income				Gross program expenses			Total	Net result			
Function	Operating Capital		Elimination of inter-function			tal income				inne		
	Grants	Other	Grants	Other	transactions	1 Star machine	Operating	ding Capital	inter-function transactions	expenses	Net result	Assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Engineering, Construction & Maintenance	1,838	69,973	9,972	422	(15,457)	66,748	(173,367)	94	14,969	(158,304)	(91,556)	4,887,05
Community & Environmental Services	3,250	28,525	5		(33)	31,747	(57,730)	-	499	(57,231)	(25,484)	85
Governance	16,801	424,069	10,500	132,000	2,717	586,087	(181,183)	(26,378)	(2,519)	(210,080)	376,007	2,384,476
Planning and Economic Development	100	10,387	-	100	(176)	10,311	(11,692)	(mejere)	(2,010)	(11,692)	(1,381)	2,304,47
Total	21,989	532,954	20,477	132,422	(12,949)	694,893	(423,972)	(26,284)	12,949	(437,307)	257,586	7,272,39

Year ended 30 June 2018	Gross program income				Gross program expenses							
Function	Operating Capital		tal	Elimination of inter-function	Total income	Cotal income		Elimination of inter-function				
	Grants	ants Other Grants Other	Other	transactions	Total moonie	Operating	Capital	transactions	expenses	Net result	Assets	
	\$'000	\$'000	\$1000	\$'000	\$1000	\$1000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Engineering, Construction & Maintenance	792	66,312	16,742	4,293	(14,650)	73,489	(169,179)	(445)	14,176	(155,448)	(81,959)	4,680,617
Community & Environmental Services	3,468	30,531	-	30,406	(42)	64,363	(60,365)	16,512	432	(43,421)	20,942	906
Governance	15,974	412,706	15	101,688 *	2,774	533,157	(167,112)	(68,560)	(2,602)	(238,274) *	294,883 *	2,265,049
Planning and Economic Development	100	10,309	-	-	(94)	10,315	(11,088)	(00,000)	6	(11,082)	(767)	2,265,049
Total	20,334	519,858	16,757	136,387 *	(12,012)	681,324	(407,744)	(52,493)	12,012	(448,225) *	233,099 •	6,946,790

Comparative information has been restated to be consistent with disclosures in the current reporting period.

\* Comparative figures have been restated. Refer to Note 23 for details.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

#### 3 Revenue

Revenue is recognised at the fair value of consideration received or receivable, on the basis it meets the recognition criteria set out below.

#### 3(a) Rates and utility charges

Rates are recognised as revenue at the start of the rating period. If a ratepayer pays their rates before the start of the rating period, they are recognised as revenue when they are received.

	2019	2018
	\$'000	\$'000
General rates	256,252	242,895
Cleansing charges	40,914	39,769
Other special levies, rates and charges	17,096	16,742
	314,262	299,406
Less: Pensioner and other rebates	(4,371)	(3,944)
	309,891	295,462
	314,262 (4,371)	299,40 (3,944

## 3(b) Fees and charges

Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications or documents or when the service is provided.

	2019	2018
	\$'000	\$'000
Administration	4,347	4,614
Community facilities	4,389	4,308
Development services	18,569	19,230
Waste management	5,212	4,424
Animal control	3,980	3,921
Other fees	93	170
	36,590	36,667

### 3(c) Grants, subsidies and contributions

Grants and subsidies that are non-reciprocal are recognised as revenue upon receipt. Where Council is obligated to repay grant and subsidy Income an expense is recognised once that obligation is known.

Physical assets contributed to Council by developers in the form of infrastructure are recognised as revenue when the development becomes "on maintenance" (i.e. Council obtains control of the assets) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution on the date of acquisition. Non-cash contributions with a value in excess of the recognition thresholds are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

3	Revenue (continued)			
3(c)	Grants, subsidies and contributions (continued)			
			2019	2018
		Note	\$'000	\$'000
(i)	Operating			
	Government grants and subsidies		21,108	19,637
	Other grants, subsidies, contributions		1,586	1,229
			22,694	20,866
(ii)	Capital			
	Government grants and subsidies		20,477	16,757
	Infrastructure cash contributions		44,967	41,323
	Contributed assets		82,036	88,053
	Other capital income		853	4,238
			148,333	150,371
3(d)	Interest revenue			
	Interest received is accrued over the term of the investmen	t.		
	Interest from financial institutions		9,331	9,603
	Interest from Unitywater		33,987	35,070
	Interest from overdue rates and utility charges		1,139	1,018
			44,457	45,691
3(e)	Other revenue		-	
	Tax equivalent	22	23,153	42,029
	Other income	37747(1	7,957	7,464
			31,110	49,493
3(f)	Capital income			
			2019	2018
			\$'000	\$'000
	Gain on sale of assets classified as held for sale			
	Reinvestment on financial assets at fair value through other comprehensive income (2018: available-for-sale		*	481
	investment)		4,400	2,098
	Reversal of loss on impairment of assets held for sale		4,400	167
	Adjustment to landfill and Bio-solids composting sites		158	27
			4,566	2,773
4	Expenses			
(a)	Employee benefits			
	Total staff wages and salaries		404 999	400.005
	Annual, sick, long service leave and other entitlements		101,822 13,388	100,005 11,987
	Superannuation	19	12,776	12,391
			127,986	124,383
	Other employee related expenses		4,003	4,352
	Logo: Conitalized applement		131,989	128,735
	Less: Capitalised employee expenses		(7,874)	(8,673)
			124,115	120,062

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

4	Expenses (continued)			
4(b)	Materials and services			
			2019	2018
		Note	\$'000	\$'000
	Contractors		89,235	79,528
	Utilities		20,873	19.512
	Materials		9,845	9,339
	Labour hire services		6,131	5,179
	Legal costs		4,450	6,668
	Information technology hardware/software		4,232	6,982
	Commissions and contributions		3,887	6,842
	Expensed capital		3,697	2,862
	Fuel		3,538	3,007
	Other materials and services		3,351	
	Donations and grants			2,304
			3,063	2,105
	Security		2,879	2,386
	Insurance premiums		2,735	2,706
	Printing, postage and stationery		2,054	2,029
	Councillors' remuneration		1,877	1,835
	Consultants		1,360	665
	Cleaning Audit of annual financial statements by the Auditor-		1,324	1,299
	General of Queensland		000	000
	General of Queensiand		236	239
			164,767	155,487
	Councillor remuneration represents regular payments and allowances paid in respect of carrying out their duties.	other		
4(c)	Finance costs			
1101				
1(0)	Finance cost on loans		21 501	22 267
.(0)	Finance cost on loans		21,591	22,367
1(0)	Finance cost on loans Other		2,025	1,775
	Other			
4(d)			2,025	1,775
	Other  Capital expenses  Book value of property, plant and equipment disposed of		2,025	1,775
	Other  Capital expenses  Book value of property, plant and equipment disposed of Less: Proceeds from the sale of property, plant and		2,025 23,616	1,775 24,142 45,182
	Other  Capital expenses  Book value of property, plant and equipment disposed of Less: Proceeds from the sale of property, plant and equipment		2,025 23,616 24,056 (1,528)	1,775 24,142 45,182 (18,554)
	Other  Capital expenses  Book value of property, plant and equipment disposed of Less: Proceeds from the sale of property, plant and equipment  Adjustment to landfill and Bio-solids sites		2,025 23,616	1,775 24,142 45,182 (18,554) 2,085
	Other  Capital expenses  Book value of property, plant and equipment disposed of Less: Proceeds from the sale of property, plant and equipment  Adjustment to landfill and Bio-solids sites  Loss on impairment of assets classified as held for sale		2,025 23,616 24,056 (1,528)	1,775 24,142 45,182 (18,554)
	Other  Capital expenses  Book value of property, plant and equipment disposed of Less: Proceeds from the sale of property, plant and equipment  Adjustment to landfill and Bio-solids sites Loss on impairment of assets classified as held for sale  Management fee on financial assets at fair value through other comprehensive income (2018: available-for-sale		2,025 23,616 24,056 (1,528) 262	1,775 24,142 45,182 (18,554) 2,085 8
	Other  Capital expenses  Book value of property, plant and equipment disposed of Less: Proceeds from the sale of property, plant and equipment  Adjustment to landfill and Bio-solids sites  Loss on impairment of assets classified as held for sale  Management fee on financial assets at fair value through other comprehensive income (2018: available-for-sale investment)		2,025 23,616 24,056 (1,528) 262	1,775 24,142 45,182 (18,554) 2,085
	Other  Capital expenses  Book value of property, plant and equipment disposed of Less: Proceeds from the sale of property, plant and equipment Adjustment to landfill and Bio-solids sites Loss on impairment of assets classified as held for sale Management fee on financial assets at fair value through other comprehensive income (2018: available-for-sale investment) Revaluation down of investment property	8	2,025 23,616 24,056 (1,528) 262	1,775 24,142 45,182 (18,554) 2,085 8
	Other  Capital expenses  Book value of property, plant and equipment disposed of Less: Proceeds from the sale of property, plant and equipment Adjustment to landfill and Bio-solids sites Loss on impairment of assets classified as held for sale Management fee on financial assets at fair value through other comprehensive income (2018: available-for-sale investment) Revaluation down of investment property Revaluation down of property, plant and equipment	10	2,025 23,616 24,056 (1,528) 262 504 154	1,775 24,142 45,182 (18,554) 2,085 8 60 565 23,718
	Other  Capital expenses  Book value of property, plant and equipment disposed of Less: Proceeds from the sale of property, plant and equipment Adjustment to landfill and Bio-solids sites Loss on impairment of assets classified as held for sale Management fee on financial assets at fair value through other comprehensive income (2018: available-for-sale investment) Revaluation down of investment property Revaluation down of property, plant and equipment Infrastructure credits recognised	10 13	2,025 23,616 24,056 (1,528) 262	1,775 24,142 45,182 (18,554) 2,085 8
	Other  Capital expenses  Book value of property, plant and equipment disposed of Less: Proceeds from the sale of property, plant and equipment Adjustment to landfill and Bio-solids sites Loss on impairment of assets classified as held for sale Management fee on financial assets at fair value through other comprehensive income (2018: available-for-sale investment) Revaluation down of investment property Revaluation down of property, plant and equipment	10	2,025 23,616 24,056 (1,528) 262 504 154	1,775 24,142 45,182 (18,554) 2,085 8 60 565 23,718

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

#### 5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at year end, deposits held at call with financial institutions, other short-term investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

	2019	2018
	\$'000	\$'000
Cash at bank and on hand	11,386	8,986
Deposits at call	155,057	109,866
Term deposits	195,000	195,000
	361,443	313,852

Cash and cash equivalents at 30 June 2019 includes \$14,877,100 received from the State government to mitigate the direct impacts on households of the State Waste Levy, which comes into effect from 1 July 2019. This money has been set aside to help fund the Council's 2019-20 Levy expense.

### Conditions over contributions

Council cash and cash equivalents are subject to a number of external restrictions that limit amounts available for discretionary or future use. These include:

Externally restricted contributions recognised as income during the reporting period that were unspent at the reporting date:

	2019 \$'000	2018 \$'000
Government grants and subsidies	1,094	152
Waste levy refund received in advance	14,877	
	15,971	152

Externally restricted contributions recognised as income during the previous reporting period that were spent at the current reporting date:

	2019 \$'000	2018 \$'000
Government grants and subsidies	152	336

## Trust funds held for outside parties

In accordance with the Local Government Act 2009 and Local Government Regulation 2012, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies paid into the trust account by Council. Council performs only a custodial role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements. Council holds \$10.266 million in trust monies at 30 June 2019 (2018: \$10.154 million).

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

#### 6 Trade and other receivables

Receivables are amounts owed to council at year end. They are recognised at the amount due at the time of sale or service delivery. Settlement is required within 30 days after the invoice is issued.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables.

Loans and advances are made to community organisations, and are recognised in the same way as other receivables. Security is not normally obtained.

The subordinated debt receivable from Unitywater is an interest only loan with the interest rate to be set by Queensland Treasury Corporation annually.

	2019	2018
	\$'000	\$'000
Current		
Rates and utility charges	8,837	7,824
Loans to community organisations	93	91
Accrued receivable from Unitywater	20,871	24,936
Other debtors	10,269	7,627
GST recoverable	3,344	3,535
Prepayments	3,527	5,647
	46,941	49,660
Less: Allowance for impaired debts		(7)
	46,941	49,653
Non-current		
Loans to community organisations	426	460
Subordinated debt receivable from Unitywater	677,025	677.025
	677,451	677,485

### 7 Other non-current financial assets

Managed funds invested with Queensland Investment Corporation (QIC) are recognised as a financial asset and carried at fair value, represented by net market value less any impairment. Net market value is determined as the redemption value provided by QIC. Unrealised changes in net market value are recognised in other comprehensive income and accumulated in the fair value through other comprehensive income (FVTOCI) reserve. Where the investment is disposed of or determined to be impaired, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to revenue or expense in the Statement of Comprehensive Income. Refer to Note 1(c).

2019 \$'000	2018 \$'000
108,528	_
	101,721
108,528	101,721
	\$'000 108,528

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

### 8 Investment property

Investment property is property held for the primary purpose of earning rentals and/or capital appreciation but does not include residential properties, swimming pools, aerodrome hangers and caravan parks.

Investment property is measured using the fair value model. This means all investment property is initially recognised at cost (including transaction costs) and then subsequently revalued annually at the reporting date by a registered valuer. Where investment property is acquired at no or nominal cost it is recognised at fair value.

Property that is being constructed or developed for future use as investment property is classified as investment property. Investment property under construction is measured at fair value, unless fair value cannot be reliably determined for an individual property (in which case the property concerned is measured at cost until fair value can be reliably determined).

Gains or losses arising from changes in the fair value of investment property are recognised as incomes or expenses respectively for the period in which they arise. Investment property is not depreciated and is not tested for impairment.

Note	2019 \$'000	2018 \$'000
	28,635	44,970
4(d)	(154)	(565)
	· · ·	(15,980)
=	28,481	28,635
		Note \$'000 28,635 - 4(d) (154)

Investment property fair values were determined by independent valuer Australis Asset Advisory Group as at 30 June 2019.

For investment property classified as level 2 (\$26.120 million), fair value has been determined using a market approach using the income capitalisation method.

The income capitalisation method of valuation involves capitalising the estimated net income of the property at an appropriate capitalisation rate (net yield) that has been determined through the analysis of market based sales evidence for properties of similar nature and specification.

The market approach utilises inputs such as capital value and price per square metre, which is derived by assessing market based sales evidence of comparable properties.

For investment property classified at level 3 (\$2.361 million), this is a specialised building and fair value has been measured utilising the cost approach, determined by using current replacement cost.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

### 9 Investment in associate

Council holds 58.2382% of participation rights in Unitywater, a water distribution and retail business established in accordance with the South-East Queensland Water (Distribution and Retail Restructuring) Act 2009, to deliver water and waste water services to customers within the local government areas of Moreton Bay Regional Council, Sunshine Coast Regional Council and Noosa Council. The participation rights effectively represent an investment in an associate by Moreton Bay Regional Council.

Associates are entities over which Moreton Bay Regional Council exerts significant influence. Significant influence is the power to participate in the financial and operating policy decisions but is not control or joint control. Accordingly as Council has no control over Unitywater AASB 10 Consolidated Financial Statements is not applied.

Investments in associates are accounted for in the financial statements using the equity method and are carried at the lower of cost and recoverable amount. Under this method, the entity's share of post-acquisition profits or losses of associates is recognised in the Statement of Comprehensive Income and the interest in the equity of the associate is recognised in the Statement of Financial Position. The cumulative post-acquisition movements, being the share of profits less dividends received and accrued, are adjusted against the cost of the investment.

Summarised financial information in respect of the associate is set out below.

2019 \$'000	2018 \$'000
3,902,190 (1,865,263)	3,777,942 (1,858,898)
2,036,927	1,919,044
1,186,270	1,117,612
730,579	696,248
151,800	119,405
88,406	69,539
1,193,241	1,125,208
1,125,208 88,406 (20,373) 1,193,241	1,056,084 69,539 (415) 1,125,208
	\$'000 3,902,190 (1,865,263)  2,036,927  1,186,270  730,579  151,800  88,406 (1,125,208 88,406 (20,373)

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

## 10 Property, plant and equipment

## 10(a) Recognition

Items of property, plant and equipment with a total value of less than \$5,000 except for land and network assets (which have a recognition threshold of greater than \$1), are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised and included in the relevant asset class.

Replacement of a major component of an asset, in order to maintain its service potential, is treated as the acquisition of a new asset. However, routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred.

#### 10(b) Measurement

Property plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs. Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are also included in their cost.

Property, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value.

## 10(c) Depreciation

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

Land, canals, cultural and heritage, and road formation assets are not depreciated as they have an unlimited useful life. Depreciation on other property, plant and equipment is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Council or the unexpired period of the lease, whichever is the shorter.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

## 10 Property, plant and equipment (continued)

#### 10(c) Depreciation (continued)

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. Any condition assessments for assets measured at written down current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in Note 10(g).

#### 10(d) Impairment of non-current assets

Property, plant and equipment is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the asset's recoverable amount is determined. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

### 10(e) Valuation

Land, buildings and infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant and Equipment and AASB 13 Fair Value Measurement.* All other non-current assets, principally plant and equipment and cultural and heritage assets are measured at cost.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of assets does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every four years. This process involves the valuer physically sighting Council assets where practical and making an independent assessment of the condition of the assets at the date of inspection. Where assets are not physically inspected unit rates are used to determine the fair value.

In the intervening years, Council uses a suitable index to assess whether a desktop valuation is required based on materiality. A desktop revaluation involves the application of suitable indexes undertaken at the reporting date when there has been a material movement in value for an asset class subsequent to the last comprehensive revaluation. During the financial year an analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound with the exception of the land asset class which was indexed upwards using an appropriate index. Further details in relation to the land indexation is contained under Note 10(f).

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus for that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life. Separately identified components of assets are measured on the same basis as the assets to which they relate. Details of valuers and methods of valuations are disclosed in Note 10(f).

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

# 10 Property, plant and equipment (continued)

## 10(f) Fair value measurements

In accordance with AASB 13, fair value measurements are categorised on the following basis:

Level 1 - the fair value is based on quoted prices (unadjusted) in active markets for identical assets.

Level 2 - the fair value is estimated using inputs that are directly or indirectly observable for the assets, such as prices for similar assets.

Level 3 - the fair value is estimated using unobservable inputs for the asset.

All fair value measurements are recurrent and categorised as either level 2 or level 3 in the fair value hierarchy. None of Council's valuations of assets are eligible for categorisation into level 1 of the fair value hierarchy.

The following table represents Council's assets as at 30 June 2019 as either level 2 or level 3 in accordance with AASB 13.

	Level 2		Level 3		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Buildings	1,007	1,090	317,912	306,843	318,919	307,933
Land	116,404	104,707	518,164	459,121	634,568	563,828
Stormwater Infrastructure		-	1,497,576	1,492,871	1,497,576	1,492,871
Transport Infrastructure	-	-	1,765,633	1,701,695	1,765,633	1,701,695
Waterways and Canals	-		233,737	236,162	233,737	236,162
	117,411	105,797	4,333,022	4,196,692	4,450,433	4,302,489

In the course of revaluing land the nature of the inputs are reviewed and as such, Council recognises transfers between level 2 and 3 in the fair value hierarchy. Details of the valuation movement are shown in Note 15, where the below table reflects the additional detail of hierarchy movement. It is Council's policy is to recognise such transfers at the end of the reporting period.

	Level 2	Level 3	Total
	2019	2019	2019
	\$'000	\$'000	\$'000
Land			
Opening balance as at 1 July 2018	104,707	459,121	563,828
Additions	-	7,118	7,118
Disposals	(234)	(1,156)	(1,390)
Internal transfer	-	410	410
Asset revaluation surplus	11,931	52,671	64,602
Closing Balance as at 30 June 2019	116,404	518,164	634,568

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



#### NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

#### 10 Property, plant and equipment (continued)

### 10(f) Fair value measurements (continued)

For the below asset classes, management have performed an analysis of suitable indices for the intervening period being the period since valuation by an independent valuer to 30 June 2019. This analysis identified that the movement in the indices was not material except for the land asset class, therefore no indexation has been applied to any asset class other than land

#### Buildings (Level 2 and 3)

The fair value of buildings were determined by independent valuer Australis Asset Advisory Group as at 31 March 2016 and pools by independent valuer Cardno (QLD) Pty Ltd as at 31 May 2017.

For buildings classified as level 2, fair value has been derived by utilising inputs such as market based sales evidence of comparable properties within the relevant geographic location.

For buildings and pools classified as level 3, no active market exists and fair value has been determined using the current replacement cost method valuation and is deemed to be a Level 3 input.

#### Land (Level 2 and 3)

The fair value of land was determined by independent valuer. Australis Asset Advisory Group as at 31 December 2016 and indexed with the Queensland Valuer General's property market movement report as at 31 May 2019.

For land classified as level 2, fair value has been derived by utilising inputs such as price per square metre, which is derived by assessing market based sales evidence of land in the relevant geographic location and of a comparable land use and/or zoning.

For land classified at level 3 no active market exists and fair value has been measured utilising a discounted price per square metre. The price per square metre is based upon market based sales evidence and is discounted because the land has specific characteristics or particular restrictions.

### Stormwater Infrastructure (Level 3)

The fair value of stormwater infrastructure was determined by unit rates provided by independent valuers AssetVal Pty Ltd as at 31 December 2018.

Due to the specialised nature of Council's stormwater infrastructure there is no active market for the assets. As such, fair value has been determined using the current replacement cost method of valuation and is deemed to be a Level 3 input. Level 3 input have been determined by utilise unit rates provided by suitably qualified valuation specialist.

### Transport Infrastructure (Level 3)

The fair value of transport unit rates was determined by independent valuers AssetVal Pty Ltd as at 31 December 2017 and bridge infrastructure was determined by independent valuer Cardno Pty Ltd as at 31 December 2017.

Due to the specialised nature of Council's transport infrastructure there is no active market for the assets. As such, fair value has been determined using the current replacement cost method of valuation and is deemed to be a Level 3 input. Level 3 input have been determined by utilise unit rates provided by suitably qualified valuation specialist.

### Waterways and Canals (Level 3)

The fair value of canal assets was determined by independent valuer AssetVal Pty Ltd as at 31 March 2018 and seawall assets was determined by external consultants BFA JFA Consultants Pty Ltd as at 4 August 2017.

Due to the specialised nature of Council's waterway and canal infrastructure, the valuations have been determined using the current replacement cost method of valuation and is deemed to be a Level 3 input. Level 3 input have been determined by utilise unit rates provided by suitably qualified valuation specialist.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)

Moreton Boy

#### NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

10 Property, plant and equipment (continued)

10(g) Movements

30 June 2019

Note

For the year ended 30 June 2019 Gross value / cost Less accumulated depreciation Book value as at 30 June 2019

Basis of measurement

Opening net value as at 1 July 2018 (Restated)
Plus capital expenses
Transfers between asset classes
Plus contributed assets
Plus assets not previously recognised
Plus restoration assets
Less disposals
Less depreciation provided in period
Revaluation adjustment to asset revaluation surplus
Transfer from assets withdrawn from held for sale
Transfers from WIP to other non PP&E assets or expense
Transfers from work in progress
Book value as at 30 June 2019

Range of estimated useful life in years

Land	Buildings	Transport Infrastructure	Stormwater Infrastructure	Waterways and Canals	Land Improvements	Park Equipment	Plant and Equipment	Cultural and Heritage	Work in Progress	Total
\$'000	\$'000	\$*000	\$'000	\$*000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
634,568	525,415						112,358	2,573	99,444	6,401,28
-	(206,496)		(433,451)		(62,223)	(53,471)	(51,399)	-	-	(1,546,218
634,568	318,919	1,765,633	1,497,576	233,737	159,402	82,257	60,959	2,573	99,444	4,855,06

Land	Buildings	Transport Infrastructure	Stormwater Infrastructure	Waterways and Canals	Land Improvements	Park Equipment	Plant and Equipment	Cultural and Heritage	Work in Progress	Total
Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost	Cost	Cost	Cost	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
563,828	307,933	1,701,695	1,492,871	236,162	120,478	77,673	58,379	2,562	86,693	4,648,274
-			Teneral manage			-	-	-	198,965	198,965
-	(17)	8	(346)		355	(5)	5		-	
39	20	33,918	44,977		905	2,177	-	-	-	82,036
	2.4	7,938	14,144		543	2	-	-		22,627
-		-	-		15,433		-	-	-	15,433
(1,390)	(2,452)	(8,309)	(8,096)	(31)	(1,103)	(716)	(1,959)	-		(24,056)
-	(12,004)	(42,580)	(20,352)	(2,539)	(6,390)	(6,014)	(8,304)	-	-	(98,183)
64,602	-		(51,343)				-	-		13,259
410			-	-		-	-	-		410
-	-			-			-		(3,697)	(3,697)
7,079	25,439	72,963	25,721	145	29,181	9,140	12,838	11	(182,517)	-
634,568	318,919	1,765,633	1,497,576	233,737	159,402	82,257	60,959	2,573	99,444	4,855,068
unlimited	1 - 128	3 - unlimited	4 - 157	9 - unlimited	3 - 100	5 - 100	1 - 110	unlimited		

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)

Moreton Bay

#### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

10 Property, plant and equipment (continued)

10(g) Movements (continued)

30 June 2018 (Restated)

Note

For the year ended 30 June 2018 Gross value / cost Less accumulated depreciation Book value as at 30 June 2018

Land	Buildings	Transport Infrastructure	Stormwater Infrastructure	Waterways and Canals	Land Improvements	Park Equipment	Plant and Equipment	Cultural and Heritage	Work in Progress	Total
\$1000	S'000	\$'000	\$1000	\$*000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
563,828	503,778	2,311,926	1,918,621	325,295		126,015	107,332	2,562	86,693	6,122,665
-	(195,845)	(610,231)	(425,750)	(89,133)	(56,137)	(48,342)	(48,953)	-	-	(1,474,391)
563,828	307,933	1,701,695	1,492,871	236,162	120,478	77,673	58,379	2,562	86,693	4,648,274

Basis of measurement

Opening net value as at 1 July 2017 Opening net value as at 1 July 2017 not previously recognised \* Plus capital expenses

Transfers between asset classes Plus contributed assets

Plus contributed assets not previously recognised \*

Plus assets not previously recognisec Plus restoration assets

Less disposals

Less depreciation provided in period

Less depreciation provided in period not previously recognised \*
Revaluation adjustment to asset revaluation surplus 15
Revaluation adjustment to capital expense 4(d)

Revaluation adjustment to capital expense Transfer to assets classified as held for sale Transfer from assets withdrawn from held for sale

Transfers from WIP to other non PP&E assets or expense Transfers from works receivable

Transfers from work in progress Book value as at 30 June 2018

Range of estimated useful life in years

Land	Buildings	Transport Infrastructure	Stormwater Infrastructure	Waterways and Canals	Land Improvements	Park Equipment	Plant and Equipment	Cultural and Heritage	Work in Progress	Total
Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost	Cost	Cost	Cost	distance di
\$'000	\$'000	\$'000	\$'000	\$*000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
549,475	309,599	1,623,134	1,403,469	213,187	96,293	75.843	59,576	2,538	72,666	4,405,780
-	-	1,450	1,680			66	72	-	-	3,268
		-				-		-	159,955	159,955
-	(14)	(5,416)	113		5,305	12	-		-	
53		31,155	45,311		1,352	1,100	-	-		78,971
14		2,679	5,642	-	615	132	-		-	9,082
-	-	2,692	22,964			-		-	-	25,656
-			-	-	7,321			-		7,321
(7,102)	(129)	(13,849)	(4,039)	(16)	(355)	(245)	(3,461)	-	-	(29,196)
-	(11,861)	(39,690)	(19,779)	(2,400)	(5,516)	(5,684)	(9,653)	-	-	(94,583)
-		(43)	(45)		(6)	(5)	(3)	-	-	(102)
1,390				25,179		-		-	-	26,569
-		(23,718)					-		-	(23,718)
(2,410)									-	(2,410)
18.000				-	-		-		-	18,000
-				-	2	-		-	(3,072)	(3,072)
-	-	45,842	20,518		192	201	-		-	66,753
4,408	10,338	77,459	17,037	212	15,277	6,253	11,848	24	(142,856)	
563,828	307,933	1,701,695	1,492,871	236,162	120,478	77,673	58,379	2,562	86,693	4,648,274
unlimited	1 - 128	1 - unlimited	4 - 162	14 - unlimited	3 - 100	5 - 100	1 - 110	unlimited	-	

<sup>\*</sup> Not previously recognised adjustments as disclosed in Note 23 Restated balances.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

## 11 Trade and other payables

Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.

Liabilities are recognised for employee benefits such as vested sick leave and annual leave in respect of services provided by the employees up to the reporting date. The liability is calculated using the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs.

As Council does not have an unconditional right to defer settlement of annual leave beyond twelve months after the reporting date, all annual leave is classified as current.

Council has an obligation to pay sick leave on termination to certain employees and therefore a liability has been recognised for this obligation.

	2019	2018
Current	\$'000	\$'000
Trade creditors and accruals	41,510	38,328
Employee entitlements	10,627	10,708
	52,137	49,036

## 12 Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost.

In accordance with the Local Government Regulation 2012 Council adopts an annual debt policy that sets out Council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

Borrowing costs, which includes interest calculated using the effective interest method and administration fees, are expensed in the period in which they arise. Costs that are not settled in the period in which they arise are added to the carrying amount of the borrowing. Borrowing costs are treated as an expense, as assets constructed by Council are generally completed within one year and therefore are not considered to be qualifying assets.

Current	2019 \$'000	2018 \$'000
Loans Quconsland Treasury Corporation	34,685	31,533
Non-current		
Loans - Queensland Treasury Corporation	344,307	354,463

The QTC loan market value at the reporting date was \$443,262,184. This represents the value of the debt if Council repaid it as at 30 June 2019.

No assets have been pledged as security by the Council for any liabilities.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

#### 13 Provisions

#### Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in Council's employment or other associated employment which would result in Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. Long service leave is treated as current where Council does not have an unconditional right to defer settlement beyond twelve months. All other long service leave is treated as non-current.

#### Restoration and rehabilitation

The provision is made for the cost of restoration in respect of refuse landfill sites and bio-solids composting sites where it is probable Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required discounted to current day values using an appropriate rate.

The provision represents the present value of the anticipated future costs associated with the closure of these sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for these sites is reviewed annually and updated on the facts and circumstances available at the time.

Changes in the provision not arising from the passing of time are treated as an adjustment to the provision and associated asset. Once the related asset has reached the end of its useful life, all subsequent changes in the liability are recognised in profit and loss. Changes to the provision resulting from the passing of time (the unwinding of the discount) is treated as a finance cost.

### Infrastructure offsets and credits

Infrastructure offsets occur when infrastructure has been contributed to Council by a developer in lieu of paying infrastructure charges. Terms and conditions surrounding the delivery of the contributed infrastructure and the realisation of the offset are set out in "Infrastructure Agreements" that the Council and the developer(s) enter into. When the value of the contributed infrastructure is greater than what the developer would have paid in infrastructure charges to Council an infrastructure credit results. The credit is recognised when the contributed asset is accepted as "on maintenance" (when Council accepts ownership of the asset) by Council. Once the credit is created the developer is entitled to be refunded that amount in cash or can use it to offset any infrastructure charges for future developments that the developer may undertake.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

Provisions (continued)		
Current	2019 \$'000	2018 \$'000
Long service leave Bio-solids composting site rehabilitation Refuse restoration	14,415 72 144	13,565 71 142
	14,631	13,778
Non-current		
	Current Long service leave Bio-solids composting site rehabilitation Refuse restoration	2019   \$'000   Current   Long service leave   14,415   Bio-solids composting site rehabilitation   72   Refuse restoration   144   14,631   Non-current

 Non-current
 3,005
 3,023

 Long service leave
 3,005
 3,023

 Bio-solids composting site rehabilitation
 1,023
 985

 Refuse restoration
 53,970
 37,428

 Infrastructure credits
 2,016
 1,146

 60,014
 42,582

Movements in the provisions during the financial year are set out below:

2019 2019

Balance at beginning of financial year Provisions arising Provisions extinguished Provisions paid Balance at end of financial year

Long service leave \$'000	Infrastructure credits \$'000
16,588	1,146
3,367	3,113
(674)	(277)
(1,861)	(1,966)
17,420	2,016

Balar	nce at beginning of financial year
Amo	unt incurred and charged against the provision
	ase in provision due to unwinding of discount
	ase in provision due to change in estimate
	ase in provision due to change in discount rate
	ed amounts reversed
Balar	nce at end of financial year

Bio-solids composting site rehabilitation	Refuse landfill sites restoration
\$'000	\$'000
1,056	37,570
(33)	(23)
24	1,078
-	(1,049)
87	16,657
(39)	(119)
1,095	54,114

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

### 13 Provisions (continued)

Site	Expected site closure year	Post closure monitoring cost completion year
Bunya landfill site	2091	2105
Dakabin landfill site	2048	2062
Caboolture landfill site	2053	2067
Ningi landfill site	closed	2032
Woodford landfill site	closed	2032
Bio-solid compositing site	closed	2032

### 14 Other liabilities

0		- 4	
Cur	TO I	77	

Revenue received in advance Waste levy refund received in advance

462	550
14,877	-
15,339	550

The State government made an advance payment to Council in June 2019 to mitigate the impacts on households for 2019-20 of the State Waste Levy, which takes effect from 1 July 2019. The Council will be liable to the State for payment of the Levy on most forms of commercial and household waste delivered to its disposal sites from 1 July 2019. The State is required to make an annual payment to the Council that essentially refunds the Council for the portion of the Levy that relates to households. Council will fund the portion of the Levy that relates to commercial waste through charges to commercial users of disposal sites from 1 July 2019. As the receipt from the State in June 2019 is for a refund of Council's 2019-20 Levy expense, the full amount has been recognised as a liability as at 30 June 2019.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

## 15 Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus. Increases and decreases on revaluation are offset within a class of assets.

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense. When an asset is disposed of, the amount in the surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

	Balance at		Balance at end of
	beginning of year	Movements	year
	\$'000	\$'000	\$'000
2019		1980 9000	
Land	134,813	64,602	199,415
Buildings	72,235		72,235
Stormwater infrastructure	653,848	(51,343)	602,505
Waterways and canals	62,603	-	62,603
	923,499	13,259	936,758
	Balance at		Balance at end of
	beginning of year	Movements	year
	\$'000	\$'000	\$'000
2018		10000000	
Land	133,423	1,390	134,813
Buildings	72,235		72,235
Stormwater infrastructure	653,848	-	653,848
Waterways and canals	37,424	25,179	62,603
	896,930	26,569	923,499
		The state of the s	

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

#### 16 Financial instruments

Council has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note provides information (both qualitative and quantitative) to assist statement users evaluate the significance of financial instruments on the Council's financial position and financial performance, including the nature and extent of risks and how the Council manages these exposures.

#### Financial risk management

Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

The Council's audit committee oversees how management monitors compliance with the Council's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Council. Council's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Council does not enter into derivatives.

### Credit risk exposure

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

No collateral is held as security relating to the financial assets held by Council.

The carrying amounts of financial assets at the end of the reporting period represent the maximum exposure to credit risk for the Council.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

## 16 Financial instruments (continued)

#### Cash and cash equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Other investments are held with highly rated/regulated banks and financial institutions and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote.

### Other non-current financial assets

Other non-current financial assets are held with Queensland Investment Corporation (QIC), which is highly rated and regulated, and whilst not capital guaranteed, the likelihood of a credit failure is considered remote.

### Trade and other receivables

In the case of rate receivables, interest is charged on outstanding debts at a rate of 11% per annum (as from 1 July 2019 9.83%) and Council has the power to sell the property to recover any defaulted amounts. In effect this power protects the Council against credit risk in the case of defaults.

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

By the nature of the Councils operations, there is a geographical concentration of risk in the Council's area. However, the region has a wide variety of industries, reducing the geographical risk.

The Council does not require collateral in respect of trade and other receivables. The Council does not have trade receivables for which no loss allowance is recognised because of collateral.

At 30 June 2019, the exposure to credit risk for trade receivables by type of counterparty was as follows:

2010

	720,865	721,491
Other	10,269	7,620
Community organisations	519	551
Associates	697,896	701,961
GST recoverable	3,344	3,535
Rates and utility charges	8,837	7,824
	\$'000	\$'000
	2019	2018

A summary of the Council's exposure to credit risk for trade receivables is as follows:

633 43,840	650 44,473
633	650
3,076	229
52	39
40,079	43,555
\$'000	\$'000
	2018

The above analysis does not include the non-current receivable of \$677.025 million (2018: \$677.025 million), which represents a fixed rate of 5.02% loan to Unitywater. The credit risk on these loans is considered low. Refer to Note 6 for further information.

ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

### 16 Financial instruments (continued)

#### Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

Council is exposed to liquidity risk through its normal course of business and through it's borrowings with QTC.

The following table sets out the liquidity risk in relation to financial liabilities held by the Council. It represents the remaining contractual cash flows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying Amount
2019	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	41,510	-	-	41,510	41,510
Loans - QTC	54,081	209,604	221,046	484,731	378,992
	95,591	209,604	221,046	526,241	420,502
2018					
Trade and other payables	38,554	-	-	38,554	38,328
Loans - QTC	52,153	207,190	248,813	508,156	385,996
	90,707	207,190	248,813	546,710	424,324

The outflows in the above table are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated in the table.

Council does not have access to a fixed overdraft facility.

### Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

## Interest rate risk

Council is exposed to interest rate risk through borrowings with QTC and investments through QTC and other financial institutions.

The Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

### 16 Financial instruments (continued)

Sensitivity

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date.

The Council does not account for any fixed-rate financial assets or financial liabilities at Fair Value through Profit or Loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the net result and equity, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

	Net carrying			Effect on Equity	
	amount \$'000	1% increase \$'000	1% decrease \$'000	1% increase \$'000	1% decrease \$'000
2019 QTC cash fund Other investments	116,811 146,775	1,168 1,468	(1,168) (1,468)	1,168 1,468	(1,168)
Net total	263,586	2,636	(2,636)	2,636	(2,636
2018					
QTC cash fund	61,224	612	(612)	612	(612)
Other investments	150,363	1,504	(1,504)	1,504	(1,504)
Net total	211,587	2,116	(2,116)	2,116	(2,116)

In relation to the QTC loans held by the Council, the following has been applied:

QTC Fixed Rate Loan - financial instruments with fixed interest rates which are carried at amortised cost are not subject to interest rate sensitivity.

### Fair value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is disclosed in Note 12.

QTC applies a book rate approach in the management of debt and interest rate risk, to limit the impact of market value movements to clients' cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

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Contractual commitments for capital expenditure

Contractual commitments at end of financial year but not recognised in the financial statements are as follows:

	2019 \$'000	2018 \$'000
Property, plant and equipment	86,570	59,264
These expenditures are due for payment:		
Not later than one year	83,647	43,257
One to five years	2,923	16,007
	86,570	59,264

## Contractual commitments for operating expenditure

Contractual commitments at end of financial year but not recognised in the financial statements are as follows:

	2019 \$'000	2018 \$'000
Waste and maintenance services	214,474	77,242
These expenditures are due for payment:		
Not later than one year	46,505	39,487
One to five years	87,139	34,106
More than five years	80,830	3,649
	214,474	77,242

# Operating lease income

Future operating lease rental commitments receivable for property, plant and equipment comprise:

	2019 \$'000	2018 \$'000
The minimum lease receipts are as follows:		
Not later than one year	3,018	2,798
One to five years	6,184	5,620
Later than five years	3,342	3,947
	12,544	12,365

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

### 18 Contingencies

### Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

### Legal claims

Council is subject to a number of compensation claims with regards to the compulsory acquisition of land and contract disputes. Information in respect of individual claims has not been disclosed in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets on the basis that Council considers such disclosures would seriously prejudice the outcome of the claims. In total the claims amount to approximately \$12 million (2018: approximately \$10m).

#### Local Government Mutual

Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2018 the financial statements of LGM Queensland reported a members' equity balance of \$75,834,341.

## Local Government Workcare

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. Council's maximum exposure to the bank guarantee is \$3,153,058.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

### 19 Superannuation - Regional Defined Benefit Fund

Council contributes to the LGIAsuper Regional Defined Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIAsuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the Local Government Act 2009.

The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB 119 because LGIAsuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liabilities of the Council.

Technically Moreton Bay Regional Council can be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIAsuper trust deed changes to council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date". The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

The next triennial review is not due until 1 July 2021.

The most significant risks that may result in LGIAsuper increasing the contribution rate, on the advice of the actuary, are:

Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

There are currently 62 entities contributing to the scheme and any changes in contribution rates would apply equally to all 62 entities. Moreton Bay Regional Council made 5.24% of the total contributions to the scheme for the 2018-2019 financial year.

	Note	2019 \$'000	2018 \$'000
Superannuation contributions made to the Regional Defined			
Benefits Fund		831	855
Other superannuation contributions for employees		11,945	11,536
Total superannuation contributions paid by Council for	1997	Distriction of the last of the	
employees:	4(a)	12,776	12,391

Contributions Council expects to make to the Regional Defined Benefits Funds for 2019-20 is \$849,318.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

### 20 National competition policy

Business activities to which the code of competitive conduct is applied

Council applies the competitive code of conduct to the following activity:

Waste Function

This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

The following activity statements are for activities subject to the competitive code of conduct:

	Waste Function
Revenue	2019 \$'000
Revenue for services provided to Council	2,831
Revenue for services provided to external clients	51,809
Community service obligations	539
	55,179
Expenditure	44,471
Surplus/(deficiency)	10,708

## Community Service Obligations:

The CSO value is determined by Council and represents an activity's cost(s) which would not be incurred if the activities primary objective were to make a profit. Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by Council.

Activities and CSO Description	2019
	\$'000
Waste	
Pensioner Discounts	539

## 21 Events subsequent to balance date

Council is in the process of listing for sale properties with an estimated value of \$8.9 million that are surplus to Council requirements. Some of these properties are yet to be actively marketed.

During the financial year a Crime and Corruption Commission (CCC) investigation resulted in one Councillor being charged with official corruption. In accordance with section 182A of the Local Government Act 2009, that Councillor is currently suspended from office. The CCC's investigation remains ongoing. To the best of Council's knowledge at the date of this financial report, there is no material impact in relation to the matters identified through the CCC investigations, on this financial report.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

## 22 Related party transactions

#### (a) Associate

Council has a participating interest in the Northern SEQ Distributor-Retailer Authority (trading as Unitywater) governed by a Participation Agreement.

#### Transactions with Unitywater

The amount of revenue and expenditure included in the Statement of Comprehensive Income, and the amount receivable or payable to Unitywater are as follows;

	2019	2018
	\$'000	\$'000
Revenue		
Interest on loans	33,987	35,070
Taxation equivalents	23,153	42,029
Dividends	20,373	415
Other revenue	216	1,426
	77,729	78,940
Expenses		
Material and services	7,567	6,493
	7,567	6,493
Amounts receivable		
Interest	8,497	8,767
Dividends	11,200	-
Taxation equivalents	1,174	16,169
Other	113	2
	20,984	24,938
Loans		
Loans	677,025	677,025
	677,025	677,025
Amounts payable		
Material and services	1,628	1,308
	1,628	1,308

Unitywater operates under an income tax equivalent regime; with all tax paid being distributed to the participating Councils on a pro-rata basis to their participation rights. Income tax equivalent payments from Unitywater are recognised as revenue when the significant risks and rewards related to the corresponding assets have been transferred to Council.

Dividends received by Council from Unitywater are recorded as a reduction in the carrying value of the non-current asset.

Participant loans provide for a fixed interest rate with monthly interest only payments.

Further detail regarding Unitywater is contained in Note 9 Investment in associate.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

## 22 Related party transactions (continued)

(b) Key management personnel

## (i) Details of compensation

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of Council directly or indirectly. The Mayor, Councillors, CEO and the Executive Management Team are the KMP of Council for 2018/19 year.

Total compensation for key management personnel of Council is set out below:

	4,535	4,772
Termination benefits	89	126
Other long-term benefits	50	53
Post-employment benefits	437	436
Short-term benefits	3,959	4,157
	\$'000	\$'000
	2019	2018

(ii) Transactions with other related parties - KMP's close family members and organisations in which the KMP and/or their close family members have controlling interests (individually or jointly)

Details of transactions between Council and KMP are disclosed below:

Expense	2019 \$'000	2018 \$'000
Employee expenses for close family members of KMP <sup>1</sup>	196	216
Purchase of material and services from entities controlled by close family member of KMP	5.50	142
Revenue		
Infrastructure contributions and development fees received from entities controlled by $KMP^2$	24	

<sup>&</sup>lt;sup>1</sup>All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the relevant award for the job they perform. Council employs 1611 staff of which only 2 are close family members of KMP.

<sup>&</sup>lt;sup>2</sup>A company controlled by KMP, paid infrastructure contributions and development application fees to Council. Contributions and fees paid were in accordance with Council's normal terms and conditions.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



#### NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

#### 22 Related party transactions (continued)

#### (c) Outstanding balances

There were no balances outstanding at the end of reporting period in relation to transactions with related parties.

No expenses has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

#### (d) Loans and guarantees to/from related parties

Apart from its associate (Unitywater) council does not make loans to or receive loans from related parties. No guarantees have been provided.

#### (e) Commitments to/from related parties

There were no commitments outstanding at the end of reporting period in relation to transactions with related parties.

#### (f) Transaction with related parties not disclosed

On a regular basis ordinary citizen transactions occur between Council and its related parties. Examples include rates, use of Council pools, payment of animal registration and library borrowings. Council has not included these types of transactions in its disclosure where they are made on the same terms and conditions available to the general public.

#### (g) LGIAsuper

Information about superannuation is included in Note 19.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



#### NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2019

#### 23 Restated balances

Contributed assets not previously recognised

During 2018/19, Council identified a prior period error that related to contributed assets that had commission dates prior to 1 July 2018. As a result, for 2017/18 Council had understated its contributed revenue and property, plant and equipment by \$9.082 million and applicable depreciation of \$0.103 million. Prior to 1 July 2017, contributed revenue and property, plant and equipment had been understated by \$3.351 million and applicable depreciation of \$0.083 million. To correct the impact of the prior period error, Council has adjusted the 2017/18 comparative amounts in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes where indicated.

Details of the adjustments impacting financial statement line items is provided below:

30 June 2018 Comparative year

Statement of Comprehensive Income (Extract)   Capital Revenue   Grants, subsidies and contributions   3(c)(ii)   141,289   9,082   150,371     Total Revenue   669,469   9,082   678,551     Total Income   669,469   9,082   681,324     Recurring Expenses	Financial statement line item / balance affected	Note	Actual 2018 \$'000	Adjustments 2018 \$'000	Restated Actual 2018 \$'000
Grants, subsidies and contributions         3(c)(ii)         141,289         9,082         150,371           Total Revenue         669,469         9,082         678,551           Total Income         672,242         9,082         681,324           Recurring Expenses         8,080         8,080         10,000         (96,041)           Total Expenses         (448,123)         (102)         (448,225)         (448,225)         (448,123)         (102)         (448,225)         (448,225)         (448,123)         (102)         (448,225)         (448,123)         (102)         (448,225)         (448,225)         (448,123)         (102)         (448,225)         (448,225)         (448,123)         (102)         (448,225)         (448,248,24)         (448,225)         (448,248,24)         (448,248,24	Statement of Comprehensive Income (Extract)				
Total Revenue         669,469         9,082         678,551           Total Income         672,242         9,082         681,324           Recurring Expenses         8         8         8           Depreciation and amortisation         (95,939)         (102)         (96,041)           Total Expenses         (448,123)         (102)         (448,225)           NET RESULT         224,119         8,980         233,099           TOTAL COMPREHENSIVE INCOME FOR THE YEAR         250,377         8,980         259,357           Statement of Financial Position (Extract)         Non-Current Assets         4,636,026         12,248         4,648,274           Total Non-Current Assets         6,569,472         12,248         6,581,720           Total Assets         6,934,542         12,248         6,467,90           NET COMMUNITY ASSETS         6,442,600         12,248         6,454,848           Community Equity         5,519,101         12,248         6,454,848           Statement of Changes in Equity (Extract)         8         6,442,600         12,248         6,454,848           Statement of Changes in Equity (Extract)         8         8         6,272,905         8         8,272,905           Net result         249,464	Capital Revenue				
Total Income 672,242 9,082 681,324 Recurring Expenses Depreciation and amortisation (95,939) (102) (96,041) Total Expenses (448,123) (102) (448,225) NET RESULT 224,119 8,980 233,099 TOTAL COMPREHENSIVE INCOME FOR THE YEAR 250,377 8,980 259,357  Statement of Financial Position (Extract) Non-Current Assets Property, plant and equipment 10 4,636,026 12,248 4,648,274 Total Non-Current Assets 6,569,472 12,248 6,581,720 Total Assets 6,934,542 12,248 6,946,790 NET COMMUNITY ASSETS 6,442,600 12,248 6,454,848 Community Equity Retained surplus 5,519,101 12,248 5,531,349 TOTAL COMMUNITY EQUITY 6,442,600 12,248 6,454,848 Statement of Changes in Equity (Extract) Retained Surplus Balance as at 1 July 2017 5,269,637 3,268 5,272,905 Net result 224,119 8,980 233,099 Total comprehensive income for the year 249,464 8,980 258,444	Grants, subsidies and contributions	3(c)(ii)	141,289	9,082	150,371
Recurring Expenses   Depreciation and amortisation   (95,939)   (102)   (96,041)     Total Expenses   (448,123)   (102)   (448,225)     NET RESULT   224,119   8,980   233,099     TOTAL COMPREHENSIVE INCOME FOR THE YEAR   250,377   8,980   259,357     Statement of Financial Position (Extract)     Non-Current Assets   Property, plant and equipment   10   4,636,026   12,248   4,648,274     Total Non-Current Assets   6,569,472   12,248   6,581,720     Total Assets   6,934,542   12,248   6,946,790     NET COMMUNITY ASSETS   6,442,600   12,248   6,454,848     Community Equity   Retained surplus   5,519,101   12,248   5,531,349     TOTAL COMMUNITY EQUITY   6,442,600   12,248   6,454,848     Statement of Changes in Equity (Extract)     Retained Surplus   S,269,637   3,268   5,272,905     Net result   224,119   8,980   233,099     Total comprehensive income for the year   249,464   8,980   258,444	Total Revenue	-	669,469	9,082	678,551
Depreciation and amortisation   (95,939)   (102)   (96,041)     Total Expenses   (448,123)   (102)   (448,225)     NET RESULT   224,119   8,980   233,099     TOTAL COMPREHENSIVE INCOME FOR THE YEAR   250,377   8,980   259,357     Statement of Financial Position (Extract)     Non-Current Assets   Froperty, plant and equipment   10   4,636,026   12,248   4,648,274     Total Non-Current Assets   6,569,472   12,248   6,581,720     Total Assets   6,934,542   12,248   6,946,790     NET COMMUNITY ASSETS   6,442,600   12,248   6,454,848     Community Equity   Retained surplus   5,519,101   12,248   6,454,848     TOTAL COMMUNITY EQUITY   6,442,600   12,248   6,454,848     Statement of Changes in Equity (Extract)     Retained Surplus   8,980   233,099     Total comprehensive income for the year   249,464   8,980   233,099	Total Income		672,242	9,082	681,324
Total Expenses (448,123) (102) (448,225)  NET RESULT 224,119 8,980 233,099  TOTAL COMPREHENSIVE INCOME FOR THE YEAR 250,377 8,980 259,357  Statement of Financial Position (Extract)  Non-Current Assets  Properly, plant and equipment 10 4,636,026 12,248 4,648,274  Total Non-Current Assets 6,569,472 12,248 6,581,720  Total Assets 6,934,542 12,248 6,946,790  NET COMMUNITY ASSETS 6,442,600 12,248 6,454,848  Community Equity  Retained surplus 5,519,101 12,248 5,531,349  TOTAL COMMUNITY EQUITY 6,442,600 12,248 6,454,848  Statement of Changes in Equity (Extract)  Retained Surplus  Balance as at 1 July 2017 5,269,637 3,268 5,272,905  Net result 224,119 8,980 233,099  Total comprehensive income for the year 249,464 8,980 258,444	Recurring Expenses				
NET RESULT  224,119 8,980 233,099  TOTAL COMPREHENSIVE INCOME FOR THE YEAR 250,377 8,980 259,357  Statement of Financial Position (Extract)  Non-Current Assets  Property, plant and equipment 10 4,636,026 12,248 4,648,274  Total Non-Current Assets 6,569,472 12,248 6,581,720  Total Assets 6,934,542 12,248 6,946,790  NET COMMUNITY ASSETS 6,442,600 12,248 6,454,848  Community Equity Retained surplus 5,519,101 12,248 5,531,349  TOTAL COMMUNITY EQUITY 5,569,637 3,268 5,272,905  Net result 224,119 8,980 233,099  Total comprehensive income for the year 249,464 8,980 258,444	Depreciation and amortisation		(95,939)	(102)	(96,041)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR  250,377 8,980 259,357  Statement of Financial Position (Extract)  Non-Current Assets  Property, plant and equipment 10 4,636,026 12,248 4,648,274  Total Non-Current Assets  6,569,472 12,248 6,581,720  Total Assets 6,934,542 12,248 6,946,790  NET COMMUNITY ASSETS 6,442,600 12,248 6,454,848  Community Equity Retained surplus 5,519,101 12,248 5,531,349  TOTAL COMMUNITY EQUITY 6,442,600 12,248 6,454,848  Statement of Changes in Equity (Extract)  Retained Surplus  Balance as at 1 July 2017 5,269,637 3,268 5,272,905  Net result 224,119 8,980 233,099  Total comprehensive income for the year 249,464 8,980 258,444	Total Expenses	Y-	(448,123)	(102)	(448,225)
Statement of Financial Position (Extract)   Non-Current Assets   Property, plant and equipment   10   4,636,026   12,248   4,648,274     Total Non-Current Assets   6,569,472   12,248   6,581,720     Total Assets   6,934,542   12,248   6,946,790     NET COMMUNITY ASSETS   6,442,600   12,248   6,454,848     Community Equity   Retained surplus   5,519,101   12,248   5,531,349     TOTAL COMMUNITY EQUITY   6,442,600   12,248   6,454,848     Statement of Changes in Equity (Extract)     Retained Surplus   8,980   233,099     Total comprehensive income for the year   249,464   8,980   258,444	NET RESULT	_	224,119	8,980	233,099
Non-Current Assets       Property, plant and equipment       10       4,636,026       12,248       4,648,274         Total Non-Current Assets       6,569,472       12,248       6,581,720         Total Assets       6,934,542       12,248       6,946,790         NET COMMUNITY ASSETS       6,442,600       12,248       6,454,848         Community Equity       8       5,519,101       12,248       5,531,349         TOTAL COMMUNITY EQUITY       6,442,600       12,248       6,454,848         Statement of Changes in Equity (Extract)       8       6,442,600       12,248       5,531,349         Retained Surplus       8       8,980       233,099         Total comprehensive income for the year       249,464       8,980       238,044	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	250,377	8,980	259,357
Property, plant and equipment         10         4,636,026         12,248         4,648,274           Total Non-Current Assets         6,569,472         12,248         6,581,720           Total Assets         6,934,542         12,248         6,946,790           NET COMMUNITY ASSETS         6,442,600         12,248         6,454,848           Community Equity         5,519,101         12,248         5,531,349           TOTAL COMMUNITY EQUITY         6,442,600         12,248         6,454,848           Statement of Changes in Equity (Extract)         8         6,442,600         12,248         6,454,848           Statement of Changes in Equity (Extract)         8         8         6,454,848           Statement of Changes in Equity (Extract)         8         8         5,272,905           Net result         224,119         8,980         233,099           Total comprehensive income for the year         249,464         8,980         258,444	Statement of Financial Position (Extract)				
Total Non-Current Assets 6,569,472 12,248 6,581,720  Total Assets 6,934,542 12,248 6,946,790  NET COMMUNITY ASSETS 6,442,600 12,248 6,454,848  Community Equity  Retained surplus 5,519,101 12,248 5,531,349  TOTAL COMMUNITY EQUITY 6,442,600 12,248 6,454,848  Statement of Changes in Equity (Extract)  Retained Surplus  Balance as at 1 July 2017 5,269,637 3,268 5,272,905  Net result 224,119 8,980 233,099  Total comprehensive income for the year 249,464 8,980 258,444	Non-Current Assets				
Total Assets 6,934,542 12,248 6,946,790  NET COMMUNITY ASSETS 6,442,600 12,248 6,454,848  Community Equity Retained surplus 5,519,101 12,248 5,531,349  TOTAL COMMUNITY EQUITY 6,442,600 12,248 6,454,848  Statement of Changes in Equity (Extract)  Retained Surplus  Balance as at 1 July 2017 5,269,637 3,268 5,272,905  Net result 224,119 8,980 233,099  Total comprehensive income for the year 249,464 8,980 258,444	Property, plant and equipment	10	4,636,026	12,248	4,648,274
NET COMMUNITY ASSETS 6,442,600 12,248 6,454,848  Community Equity  Retained surplus 5,519,101 12,248 5,531,349  TOTAL COMMUNITY EQUITY 6,442,600 12,248 6,454,848  Statement of Changes in Equity (Extract)  Retained Surplus  Balance as at 1 July 2017 5,269,637 3,268 5,272,905  Net result 224,119 8,980 233,099  Total comprehensive income for the year 249,464 8,980 258,444	Total Non-Current Assets	_	6,569,472	12,248	6,581,720
Community Equity Retained surplus 5,519,101 12,248 5,531,349  TOTAL COMMUNITY EQUITY 6,442,600 12,248 6,454,848  Statement of Changes in Equity (Extract)  Retained Surplus  Balance as at 1 July 2017 5,269,637 3,268 5,272,905  Net result 224,119 8,980 233,099  Total comprehensive income for the year 249,464 8,980 258,444	Total Assets	_	6,934,542	12,248	6,946,790
Retained surplus         5,519,101         12,248         5,531,349           TOTAL COMMUNITY EQUITY         6,442,600         12,248         6,454,848           Statement of Changes in Equity (Extract)           Retained Surplus           Balance as at 1 July 2017         5,269,637         3,268         5,272,905           Net result         224,119         8,980         233,099           Total comprehensive income for the year         249,464         8,980         258,444	NET COMMUNITY ASSETS	_	6,442,600	12,248	6,454,848
TOTAL COMMUNITY EQUITY 6,442,600 12,248 6,454,848  Statement of Changes in Equity (Extract)  Retained Surplus  Balance as at 1 July 2017 5,269,637 3,268 5,272,905  Net result 224,119 8,980 233,099  Total comprehensive income for the year 249,464 8,980 258,444	Community Equity				
Statement of Changes in Equity (Extract)           Retained Surplus           Balance as at 1 July 2017         5,269,637         3,268         5,272,905           Net result         224,119         8,980         233,099           Total comprehensive income for the year         249,464         8,980         258,444	Retained surplus		5,519,101	12,248	5,531,349
Retained Surplus           Balance as at 1 July 2017         5,269,637         3,268         5,272,905           Net result         224,119         8,980         233,099           Total comprehensive income for the year         249,464         8,980         258,444	TOTAL COMMUNITY EQUITY	_	6,442,600	12,248	6,454,848
Balance as at 1 July 2017         5,269,637         3,268         5,272,905           Net result         224,119         8,980         233,099           Total comprehensive income for the year         249,464         8,980         258,444	Statement of Changes in Equity (Extract)				
Net result         224,119         8,980         233,099           Total comprehensive income for the year         249,464         8,980         258,444	Retained Surplus				
Net result         224,119         8,980         233,099           Total comprehensive income for the year         249,464         8,980         258,444	Balance as at 1 July 2017		5,269,637	3,268	5,272,905
	Net result		224,119	8,980	250200000
	Total comprehensive income for the year	_	249,464	8,980	258,444
	Balance at 30 June 2018		5,519,101	12,248	5,531,349

ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



#### MANAGEMENT CERTIFICATE For the year ended 30 June 2019

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the Local Government Regulation 2012 (the Regulation) and other prescribed requirements.

In accordance with section 212(5) of the Regulation we certify that:

- the prescribed requirements of the Local Government Act 2009 and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 40, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.

Cr Allan Sutherland

Mayor

Date: 9 / 10/ 19

Mr Graeme Kanofski

Acting Chief Executive Officer

Date: 9 / 10 / 19

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



#### INDEPENDENT AUDITOR'S REPORT

To the Councillors of Moreton Bay Regional Council

#### Report on the audit of the financial report

#### **Opinion**

I have audited the accompanying financial report of Moreton Bay Regional Council (the council).

In my opinion, the financial report:

- gives a true and fair view of the council's financial position as at 30 June 2019, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the management certificate given by the Mayor and the Acting Chief Executive Officer.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Other information

Other information comprises the information included in Moreton Bay Regional Council's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement and long-term financial sustainability statement.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the current year financial sustainability statement.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

#### Responsibilities of the council for the financial report

The council is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The council is also responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the council.

#### Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether
  due to fraud or error, design and perform audit procedures responsive to those risks,
  and obtain audit evidence that is sufficient and appropriate to provide a basis for my
  opinion. The risk of not detecting a material misstatement resulting from fraud is higher
  than for one resulting from error, as fraud may involve collusion, forgery, intentional
  omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit
  procedures that are appropriate in the circumstances, but not for expressing an opinion
  on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



Better public services

- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the
  entities or business activities within the council to express an opinion on the financial
  report. I am responsible for the direction, supervision and performance of the audit of
  the council. I remain solely responsible for my audit opinion.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

#### Report on other legal and regulatory requirements

In accordance with s.40 of the Auditor-General Act 2009, for the year ended 30 June 2019:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

14 October 2019

Carolyn Dougherty as delegate of the Auditor-General

Queensland Audit Office Brisbane

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



# CURRENT-YEAR FINANCIAL SUSTAINABILITY STATEMENT For the year ended 30 June 2019

#### Measures of Financial Sustainability

Council's performance at 30 June 2019 against key financial ratios and targets:

	How the measure is calculated	Actual	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	24.2%	between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	54.8%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	20.6%	not greater than 60%

#### Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013, The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2019.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



#### CERTIFICATE OF ACCURACY For the year ended 30 June 2019

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.

Cr Allan Sutherland Mayor

Date: 9 / 10 / 19

Mr Graeme Kanofski Acting Chief Executive Officer

Date: 4 / 10 / 19

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



#### INDEPENDENT AUDITOR'S REPORT

To the Councillors of Moreton Bay Regional Council

#### Report on the current year financial sustainability statement

#### **Opinion**

I have audited the accompanying current year statement of financial sustainability of Moreton Bay Regional Council (the council) for the year ended 30 June 2019 comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Acting Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Moreton Bay Regional Council for the year ended 30 June 2019 has been accurately calculated.

#### Basis of opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matter - basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

#### Other Information

Other information comprises the information included in Moreton Bay Regional Council's annual report for the year ended 30 June 2019, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements and the long-term financial sustainability statement.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

### Responsibilities of the council for the current year financial sustainability statement

The council is responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Local Government Regulation 2012. The council's responsibility also includes such internal control as the council determines is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

# Auditor's responsibilities for the audit of the current year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit
  procedures that are appropriate in the circumstances, but not for the purpose of
  expressing an opinion on the effectiveness of the council's internal control.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Carolyn Dougherty

14 October 2019

as delegate of the Auditor-General

Queensland Audit Office Brisbane

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



#### LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT Prepared as at 30 June 2019

Measures of Financial Sustainability

			Actual	ctual Projected for the years ended								
	Measure	Target	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028
Operating surplus ratio	Net result divided by total operating revenue	between 0% and 10%	24.2%	14.4%	18.2%	18.2%	17.4%	16.2%	15.4%	14.8%	15.1%	14.4%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	54.8%	68.7%	80.1%	71.9%	71.9%	78.6%	81.7%	84.1%	81.5%	79.5%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	20.6%	21.4%	22.1%	25.8%	35.2%	28.2%	34.5%	38.4%	38.8%	39.6%

#### Council's Financial Management Strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

Every financial year the Council must prepare a long term financial forecast in accordance with section 171 of the Local Government Regulation 2012. This high level planning document sets the financial sustainability framework in which the Council should operate within the next ten financial years. One of the key outcomes from this planning process is to ensure that the three relevant measures of financial sustainability that are disclosed (above) are within the target ranges as set by the Department of Local Government, Racing and Multicultural Affairs in accordance with the Financial Management (Sustainability) Guideline 2013.

The financial sustainability framework of the long term financial forecast forms the basis for the preparation of the Councils annual budget. The targets set during the long term financial forecast process must be adhered to during the budget process to ensure consistency between the long term forecast planning horizon and the short term annual commitments of the budget. This will place the Council on the path for ensuring future viability and financial sustainability for the region.

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ITEM 3.2 - AUDITED FINANCIAL STATEMENTS AND SUSTAINABILITY STATEMENTS FOR 2018/19 - REGIONAL (Cont.)



# CERTIFICATE OF ACCURACY For the long-term financial sustainability statement prepared as at 30 June 2019

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the regulation).

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.

Cr Allan Sutherland

Mayor

*a* 10 10

Mr Graeme Kanofski

Acting Chief Executive Officer

Date: 4 10 , 9

**GENERAL MEETING - 491** 22 October 2019

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## **ITEM 3.3 AUDITOR-GENERAL OBSERVATION REPORT 2018/19 - REGIONAL**

Meeting / Session: 3 CORPORATE SERVICES

Reference: A19196985: 10 October 2019 - Refer Supporting Information A19228276

Responsible Officer: DC, Accounting Services Manager (CORP Accounting Services)

#### **Executive Summary**

The purpose of this report is to present the Auditor-General's observation report relating to the audit of Council's Financial Statements for 2018/19.

#### OFFICER'S RECOMMENDATION

That the Auditor-General's observation report relating to the audit of Council's 2018/19 Financial Statements be received.

**GENERAL MEETING - 491** PAGE 86 22 October 2019 Agenda

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ITEM 3.3 AUDITOR-GENERAL OBSERVATION REPORT 2018/19 - REGIONAL - A19196985 (Cont.)

#### REPORT DETAIL

#### 1. Background

The Auditor-General must prepare an observation report about the audit of a local government's financial statements in accordance with section 54 of the *Auditor-General Act 2009*.

In accordance with the Local Government Regulation 2012, the Mayor must present the Auditor-General's observation report about the audit of the Council.

#### 2. Explanation of Item

The Council's 2018/19 Financial Statements were signed by the Auditor-General on 14 October 2019 with an unmodified audit opinion.

Section 213(2) of the Local Government Regulation 2012 states:

An Auditor-General's observation report, about an audit of a local government's financial statements, is a report about the audit prepared under section 54 of the Auditor-General Act 2009 that includes observations and suggestions made by the Auditor-General about anything arising out of the audit.

In accordance with section 213(3) of the Local Government Regulation 2012 the Mayor must present the Auditor-General's observation report at the next ordinary meeting of the local government.

The supporting information report highlights the following;

- 1 financial reporting issue
- 2 Internal control deficiencies
- 2 other matters

The one high risk financial reporting issue related to the delay in processing contributed asset information. The two internal control deficiencies relate to human resource matters, specifically the recruitment and selection of employees and the lack of an associated policy, whilst of the two other matters, one relates to the independence of the Chair of the audit committee, while the second relates to Council's organisational structure and who the internal audit function should report to.

Queensland Audit Office's (QAO) recommendations on all of these issues and management's responses are contained on those pages indicated in the supporting information.

#### 3. Strategic Implications

#### 3.1 <u>Legislative/Legal Implications</u>

The observation report is a report prepared by the Auditor-General in accordance with section 54 of the *Auditor-General Act 2009*.

In accordance with section 213(3) of the Local Government Regulation 2012, the Mayor must present the Auditor-General's observation report at the next ordinary meeting of the local government.

#### 3.2 Corporate Plan / Operational Plan

Strengthening Communities: Strong local governance - strong leadership and governance.

#### 3.3 Policy Implications

There are no policy implications arising as a direct result of this report.

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ITEM 3.3 AUDITOR-GENERAL OBSERVATION REPORT 2018/19 - REGIONAL - A19196985 (Cont.)

#### 3.4 Risk Management Implications

The Auditor-General's Observation Report assesses the risks and possible implications associated with deficiencies and issues observed during the audit of the financial statements. Observations identified reflect internal control deficiencies, financial reporting issues and other matters. Management provides responses to recommendations suggested in the observation report, assigned to officers with a due date for completion with a view to reducing or eliminating the risk associated with the observations raised.

#### 3.5 Delegated Authority Implications

There are no delegated authority implications arising as a direct result of this report.

#### 3.6 Financial Implications

The Final Audit Fee is estimated to be in the amount of \$280,000 which is \$44,000 above the original estimate of \$236,000. The increase has occurred due to additional time spent by QAO analysing and testing data in response to matters arising during the audit, including a councillor being charged by the Crime and Corruption Commission. The fee for the previous year was \$230.000.

#### 3.7 Economic Benefit

There are no economic benefits arising as a direct result of this report.

#### 3.8 Environmental Implications

There are no environmental implications arising as a direct result of this report.

#### 3.9 Social Implications

There are no social implications arising as a direct result of this report.

#### 3.10 Consultation / Communication

Acting Chief Executive Officer, Interim Director Finance and Corporate Services and Acting Manager Human Resources.

GENERAL MEETING - 491 22 October 2019 PAGE 89 Agenda

#### **SUPPORTING INFORMATION**

Ref: A19228276

The following list of supporting information is provided for:

### **ITEM 3.3**

**AUDITOR-GENERAL OBSERVATION REPORT 2018/19 - REGIONAL** 

#1 Moreton Bay Regional Council 2019 Financial Management Report

ITEM 3.3 - AUDITOR-GENERAL OBSERVATION REPORT 2018/19 - REGIONAL (Cont.) #1 Moreton Bay Regional Council 2019 Finanal Management Report

**Oueensland Audit Office** 

Better public services

Your ref:

Our ref: 2019-4133

Carolyn Dougherty 3149 6129

17 October 2019

Councillor A Sutherland Mayor Moreton Bay Regional Council PO Box 159 CABOOLTURE QLD 4510

Dear Councillor Sutherland

#### **Final Management Report for Moreton Bay Regional Council**

We have completed our 2019 financial audit for Moreton Bay Regional Council. I issued an unmodified audit opinion on your financial statements.

The purpose of this letter is to provide the council with details on audit matters and other important information related to the audited financial statements.

Please note that under section 213 of the Local Government Regulation 2012, you must present a copy of this report at the next ordinary meeting of the council.

#### Reporting on issues

Issues and other matters formally reported to management and an update on actions taken by management to resolve these issues are included in Appendix A to this letter. Our rating definitions for internal control deficiencies is shown in Appendix B.

#### Report to parliament

Each year we report the results of all financial audits and significant issues to Parliament.

Consistent with previous years, we intend to include the results of our audit of Moreton Bay Regional Council in our report to Parliament on the results of the Local Government sector. We will discuss the proposed content of our report with your Chief Financial Officer and will continue to consult as we draft our report.

Formally, you and the Chief Executive Officer will have an opportunity to comment on our report and for these comments to be included in the final report.

The final audit fee for this year is \$280,000 exclusive of GST (2018: \$230,000) which is \$44,000 higher than our original estimated audit fee of \$236,000. This increase represents the cost of additional time spent analysing and testing data in response to matters arising during the course of the audit, including a councillor being charged by the Crime and Corruption Commission.

We would like to thank you and your staff for their engagement in the audit this year.

Queensland Audit Office Level 13, 53 Albert Street, Brisbane Qld 4000 PO Box 15396, City East Qld 4002

Phone Email Web

07 3149 6000 qao@qao.qld.gov.au www.qao.qld.gov.au Queensland Audit Office (QAO)

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ITEM 3.3 - AUDITOR-GENERAL OBSERVATION REPORT 2018/19 - REGIONAL (Cont.)

If you have any questions about this letter or would like to discuss any matters regarding our audit service, please contact me on 3149 6129.

Yours sincerely

Carolyn Dougherty

Director

Enc.

cc: Mr G Kanofski, Acting Chief Executive Officer
Councillor M Constance, Chairperson of the Audit Committee

ITEM 3.3 - AUDITOR-GENERAL OBSERVATION REPORT 2018/19 - REGIONAL (Cont.)

## Appendix A

## Issues formally reported to management

This table provides you with a summary of issues that we have formally reported to management.

### Financial reporting issues

No.		Iss	ue		Our recommendation	Status update from management
9FR-1	Observation As a result of delay Council's Asset Ca with a net value of Council in previous 2018–19 financial y Financial Year  2017–18  2016–17  2015–16  Pre-2015–16  This represents a r 2017–18 financial r completed in this a been made which year made which years are set to see the risk the will be materially un where material prices.	rs in processing contril pture Workflow proces \$12,303,607 (2018: \$- \$- \$- \$- \$- \$- \$- \$- \$- \$- \$- \$- \$- \$	outed asset informations, there are 1,007 as 17,897,190) that were ave been brought to a Number of Assets  617  176  136  78  to revenue disclosed ge the work internal a mber of process impril the 2019–20 financial formation into Councent assets and deprecial report.	n Council's addit have been sets (2018: 2,219) under control of count during the count duri	The Council adopt measures to ensure the timely recording of contributed asset information into council's systems to ensure revenue, non-current assets and depreciation expense are not materially misstated in the financial report.	Management note the recommendation. The value of contributed assets not previously recorded in a timely manner hat declined from 2017/18. Council has a robust process in place that provides visibility on the number of contributed jobs (assets) in the workflow process at any one time. Council relies on external parties to provide the necessary data to enable asset recognition of contributed assets. In some circumstances the data behind the assets may be inadequate and when this occurs recognition of the assets spatially and financially cannot proceed until the data matters are resolved and this unfortunately can lead to delays.  Management will continue to monitor and work toward improving the timeliness of contributed asset recognition.  Responsibility of:  Accounting Services Manager  Status:  Work in progress  Action date:  30 June 2020

ITEM 3.3 - AUDITOR-GENERAL OBSERVATION REPORT 2018/19 - REGIONAL (Cont.)

## New internal control deficiencies reported since our interim management letter dated 23 March 2019

No.	Issue	Our recommendation	Status update from management
se Ra OI Fr	Lack of supporting documentation for recruitment and selection of employees	That Council ensure:  1. all documentation in relation to	Management acknowledge this significant deficiency. Procedure to be included in Council's Policy and guide document for
	Rating – Significant deficiency	recruitment is kept and appropriately stored in the document management	recruitment and selection.
	Observation	system	Responsibility of:
	From our review over the recruitment of a selection of employees, we observed that there was:	that appointment matters including approvals comply with the CEO's	Acting Manager Human Resources
	<ul> <li>limited documentation supporting the recruitment process undertaken</li> </ul>	instrument of delegations.	Status: Work in progress
	a lack of documentation supporting the assessment process for suitable candidates		Action date: 31 January 2020
	<ul> <li>a lack of documentation to support the approval of successful candidates</li> </ul>		·
	<ul> <li>several instances where appointment letters and employment contracts were inappropriately approved in accordance with the CEO delegation.</li> </ul>		
	Implications		
	Without appropriate documentation and compliance with the CEO delegation, Council is unable to demonstrate that an appropriate recruitment process has taken place.		

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ITEM 3.3 - AUDITOR-GENERAL OBSERVATION REPORT 2018/19 - REGIONAL (Cont.)

No.	Issue	Our recommendation	Status update from management
19CR-2	Lack of a formal recruitment and selection policy Rating – Deficiency Observation Whilst Council has a guide for recruitment and selection, there is no formal policy in place. Implications Without such a policy it increases the risk of people gaining employment at Council through a process which isn't transparent and exposes Council to potentially employing staff who do not have the required competencies and/or cultural fit.	<ol> <li>That council develop a recruitment and selection policy which includes the following:         <ol> <li>key details of the applicable legislation</li> <li>the process for recruitment (i.e. advertising, selection process including the make-up of interview panels, assessment tools to be used and the basis for selection/criteria)</li> <li>the documentation required to be kept to ensure a transparent process (e.g. lists of suitable candidates, interview notes, moderation of results, memorandum of recommendation)</li> <li>the process for identification and management of conflicts of interest</li> <li>the required pre-appointment checks (i.e. police, reference and qualification checks)</li> <li>which officers can appoint staff and the delegations for approving relevant employment documents</li> <li>the process for making interim or temporary appointments</li> </ol> </li> <li>the circumstances for the use of recruitment firms.</li> </ol>	Management acknowledge this deficiency. A review of Council's guide for recruitment and selection to be undertaken. A Council policy to be developed outlining the framework of recruitment and selection at Council.  *Responsibility of:** Acting Manager Human Resources  *Status:** Work in progress  *Action date:** 31 January 2020

ITEM 3.3 - AUDITOR-GENERAL OBSERVATION REPORT 2018/19 - REGIONAL (Cont.)

New other matters reported since our interim management letter dated 23 March 2019

No.	Issue	Our recommendation	Status update from management
19CR-3	Audit committee chairperson not independent of Council Rating – Other matter  Observation  The Department of Local Government, Racing and Multicultural Affairs - Bulletin 08/15 refers to the Queensland Treasury's Audit Committee Guidelines (the guidelines) to assist councils in implementing and maintaining efficient and effective audit committees.  One of the guidelines indicators for better practice was that the audit committee chairperson should be independent of the entity. The benefits to Council from an independent audit committee chairperson are as follows:  • the provision of advice and assurance to the Chief Executive Officer from an objective and independent perspective  • addressing issues without preconceived ideas or bias and assisting in objective debate on issues  • providing insights into best practice procedures adopted in other entities.  An independent chairperson can perform their role unencumbered by any management responsibilities and can provide an opportunity for the Chief Executive Officer to receive advice and assurance from an independent perspective.  Implications  As the Moreton Bay Regional Council audit committee is currently chaired by a Councillor, Council may not be realising the benefits of having an independent audit committee chairperson.	That Council considers whether the current audit committee chairperson appointment meets better practice in terms of an efficient and effective audit committee.	Management note the recommendation. Management will consider this matter with the new Council following the 2020 Local Government Elections.  **Responsibility of:** Chief Executive Officer **Status:** Not started **Action date:** 31 May 2020

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ITEM 3.3 - AUDITOR-GENERAL OBSERVATION REPORT 2018/19 - REGIONAL (Cont.)

No.	Issue	Our recommendation	Status update from management
19CR-4	Internal audit function not reporting directly to the Chief Executive Officer	That Council reviews this current internal audit function reporting structure to ensure that it is efficient and effective.	Management note the recommendation.  Management will consider this matter when the new CEO and Executive Management Team
	Rating – Other matter	ensure that it is enicient and ellective.	are in place in early 2020.
	Observation		Responsibility of:
	The Department of Local Government, Racing and Multicultural Affairs - <i>Bulletin 08/15</i> listed one of the		Chief Executive Officer
	indicators of an efficient and effective internal audit function		Status:
	to include that the function reports directly to the Chief Executive Officer. This sends a clear signal about the		Not started
	importance of the internal audit function and facilitates regular contact between the Chief Executive Officer and		Action date:
	internal audit.		31 May 2020
	The Moreton Bay Regional Council organisational structure dated 30 July 2019 has the Principal Internal Auditor reporting to the Director Finance and Corporate Services.		
	Implications		
	This reporting structure for the internal audit function may not be efficient and effective.		

ITEM 3.3 - AUDITOR-GENERAL OBSERVATION REPORT 2018/19 - REGIONAL (Cont.)

## Previously raised control deficiency addressed since our interim management letter dated 23 March 2019

No. Issue	Our recommendation	Status update from management
Rating – Control deficiency  Observation  Improvements are needed in the management of access to Council systems. It was noted that:  • Users can request for access to the system by specifying 'same-as' rather than specifying the access privileges needed  • Council did not have a formalised periodic monitoring process for high privileged user access to Council systems.  Implications  A user can inherit additional access to system beyond their job requirements. In addition, there is an increased risk that unauthorised access and transactions in the system remain undetected.	That Council:  continue with its plan to implement a position-based security. In the interim, users and/or approvers should specify the access privileges when requesting system access; and establish periodic monitoring processes to review the activities of these high privileged users.	ICT have developed an onboarding process in new AD accounts based on position ID.  Accounts are created with the base set of permissions assigned to that role. Users are also provided with an entry level Technology One profile (where required) based on the team they are working with. The onboarding process will be developed further as the HRF component of Technology One is enabled during 2019-20.  Responsibility of:  Information & Communication Technology Manager  Status:  Completed  QAO comment:  This issue is resolved subject to audit verification. We will test the operating effectiveness of the implemented component of the onboarding process during our 2019 –2020 audit.

ITEM 3.3 - AUDITOR-GENERAL OBSERVATION REPORT 2018/19 - REGIONAL (Cont.)

# **Appendix B—Our rating definitions**



### Internal control rating definitions

	Definition	Prioritisation of remedial action
Significant deficiency	A significant deficiency is a deficiency, or combination of deficiencies, in internal control that requires immediate remedial action.  Also, we increase the rating from a deficiency to a significant deficiency based on:  the risk of material misstatement in the financial statements the risk to reputation  the significance of non-compliance with policies and applicable laws and regulations  the potential to cause financial loss including fraud, or  where management has not taken appropriate timely action to resolve the deficiency.	This requires immediate management action to resolve.
Deficiency	A deficiency arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.	We expect management action will be taken in a timely manner to resolve deficiencies.
Other matter	An other matter is expected to improve the efficiency and/or effectiveness of internal controls, but does not constitute a deficiency in internal controls. If an other matter is not resolved, we do not consider that it will result in a misstatement in the financial statements or non-compliance with legislative requirements.	Our recommendation may be implemented at management's discretion.

#### Financial reporting issues definitions

	Potential effect on the financial statements	Prioritisation of remedial action
High	We assess that there is a high likelihood of this causing a material misstatement in one or more components (transactions, balances and disclosures) of the financial statements, or there is the potential for financial loss including fraud.	This requires immediate management action to resolve.
Medium	We assess that there is a medium likelihood of this causing a material misstatement in one or more components of the financial statements.	We expect management action will be taken in a timely manner.
Low	We assess that there is a low likelihood of this causing a material misstatement in one or more components of the financial statements.	We recommend management action to resolve; however, a decision on whether any action is taken is at management's discretion.

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### 4 ASSET CONSTRUCTION & MAINTENANCE SESSION

(Cr A Hain)

No items for consideration.

#### 5 PARKS, RECREATION & SPORT SESSION

(Cr K Winchester)

No items for consideration.

#### **6 LIFESTYLE & AMENITY SESSION**

(Cr D Sims)

No items for consideration.

#### 7 ECONOMIC DEVELOPMENT, EVENTS & TOURISM SESSION

(Cr P Flannery)

No items for consideration.

## **8 REGIONAL INNOVATION SESSION**

(Cr D Grimwade)

No items for consideration.

### 11. GENERAL BUSINESS OR RESPONSE TO QUESTIONS TAKEN ON NOTICE

Consideration of general business matters as raised at the meeting, or responses to questions taken on notice.

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#### 12. CLOSED SESSION

(s275 of the Local Government Regulation 2012)

Consideration of confidential officers' reports as referred by the Chief Executive Officer and confidential general business matters as raised at the meeting.

### 12a. CONFIDENTIAL OFFICERS' REPORTS TO COUNCIL

No items for consideration.

#### 12b. CONFIDENTIAL GENERAL BUSINESS

No items for consideration.



# **MINUTES**

# GENERAL MEETING

Tuesday 8 October 2019 commencing at 10.38am

Caboolture Chambers
2 Hasking Street, Caboolture

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#### 1. OPENING PRAYER

The Mayor recited the Opening Prayer and invited Councillors to join him in the recitation of the Lord's Prayer.

#### 2. ATTENDANCE & APOLOGIES

#### Attendance:

Cr Allan Sutherland (Mayor) (Chairperson)

Cr Brooke Savige

Cr Peter Flannery

Cr Adam Hain

Cr Julie Greer

Cr James Houghton

Cr Koliana Winchester

Cr Denise Sims

Cr Mick Gillam

Cr Mike Charlton (Deputy Mayor)

Cr Matthew Constance

Cr Darren Grimwade

Acting Chief Executive Officer

Director Community & Environmental Services

Director Planning & Economic Development

Director Engineering, Construction & Maintenance

Director Infrastructure Planning

Interim Director Finance & Corporate Services

Acting Manager Executive Services

**Chief Digital Officer** 

Meeting Support

(Mr Graeme Kanofski)

(Mr Bill Halpin)

(Mr Mike Pickering)

(Mr Tony Martini)

(Mr Andrew Ryan)

(Mr Bruce Davidson)

(Mr Darren Dallinger)

(Mr James Peet)

(Kim Reid)

#### **Apologies:**

Nil

#### Suspended:

Under section 182A of the Local Government Act 2009 Cr Adrian Raedel is currently suspended from office

#### 3. MEMORIALS OR CONDOLENCES

Cr Matt Constance thanked his colleagues for their sentiments and acknowledged the recent passing of his mother-in-law, **Suzanne Sheraton** also known as "Sue". Cr Constance noted that Sue was known in the Arana Hills area as the 'pink lady' due to her love of everything pink. Sue was heavily involved within the Arana Hills community assisting with a variety of different activities such as fundraising for schools, helping as tuck shop conveyor of the local school and was also involved with the local Lions Club.

Cr Constance noted that Sue was a special person who will be greatly missed by the family and the community.

Council observed a moment's silence for residents who have passed away.

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#### A) CONFIRMATION OF MINUTES FROM PREVIOUS GENERAL MEETING

#### General Meeting - 24 September 2019 (Pages 19/2089 to 19/2134)

#### **RESOLUTION**

Moved by Cr Koliana Winchester Seconded by Cr Julie Greer

CARRIED 12/0

That the minutes of the General Meeting held 24 September 2019, be confirmed.

#### 4. B) CONFIRMATION OF COMMITTEE MEETING REPORT & RECOMMENDATION

#### Audit Committee Meeting - 2 October 2019 (Pages 19/2135 to 19/2138)

#### **RESOLUTION**

**Moved by Cr Matt Constance** Seconded by Cr Darren Grimwade

CARRIED 12/0

That the report and recommendations of the Audit Committee Meeting held 2 October 2019, be adopted.

#### PRESENTATION OF PETITIONS 5.

(Addressed to the Council and tabled by Councillors)

There was no petitions to be tabled.

#### CORRESPONDENCE 6.

There was no correspondence to be tabled.

#### 7. **COMMUNITY COMMENT**

There are no participants in the Community Comment session for this meeting.

#### **NOTIFIED MOTIONS**

There were no notified motions.

#### **NOTICES OF MOTION (Repeal or amendment of resolutions)** 9.

(s262 of the Local Government Regulation 2012)

There was no notices of motion.

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#### **OFFICERS' REPORTS TO COUNCIL (conducted in Sessions)** 10.

(as referred by the Chief Executive Officer)

Consideration of officers' reports as referred by the Chief Executive Officer, to be conducted in Sessions.

The Session Chairperson and designated Spokesperson for the respective portfolio, is as follows:

Session	Spokesperson
1 Governance	Cr Allan Sutherland (Mayor)
2 Planning & Development	Cr Mick Gillam
3 Corporate Services	Cr Matt Constance
4 Asset Construction & Maintenance	Cr Adam Hain
5 Parks, Recreation & Sport	Cr Koliana Winchester
6 Lifestyle & Amenity	Cr Denise Sims
7 Economic Development, Events & Tourism	Cr Peter Flannery
8 Regional Innovation	Cr Darren Grimwade

## **ATTENDANCE**

Mr Darren Dallinger attended the meeting at 10.45am for discussion on Items 1.1 and 1.3. Mr James Peet also attended the meeting at this time for discussion on Item 1.1.

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#### 1 GOVERNANCE SESSION

(Cr A Sutherland, Mayor)

# ITEM 1.1 ADOPTION OF COUNCIL POLICIES - REGIONAL

Meeting / Session: GOVERNANCE

Reference: A19134469: 25 September 2019 Refer Supporting Information A16607135,

A16810648

Responsible Officer: DD, Acting Manager Executive Services (CORP, Executive Services)

#### **Executive Summary**

Council regularly reviews its Policies for applicability, effectiveness, and consistency with relevant legislation, Council resolutions, and other Council documents.

The purpose of this report is to seek Council's consideration of the following policies, as appearing in the supporting information to this report:

Policy 2150-092 - Open Data

Policy 2150-023 - Provision of Financial Securities

## **RESOLUTION**

Moved by Cr Mike Charlton (Deputy Mayor)
Seconded by Cr Matt Constance

CARRIED 12/0

That the following policies be adopted, as appearing in the supporting information to this report:

- Policy 2150-092 Open Data
- Policy 2150-023 Provision of Financial Securities

PAGE 19/2142 Minutes ITEM 1.1 ADOPTION OF COUNCIL POLICIES - REGIONAL - A19134469 (Cont.)

#### OFFICER'S RECOMMENDATION

That the following policies be adopted, as appearing in the supporting information to this report:

- Policy 2150-092 Open Data
- Policy 2150-023 Provision of Financial Securities

#### REPORT DETAIL

#### 1. **Background**

In accordance with the review triggers, Council reviews its Policies for applicability, effectiveness, and consistency with relevant legislation, Council resolutions, and other Council documents.

#### **Explanation of Item**

An explanation of the objective, policy summary, and any amendments made to the identified policies is outlined below:

#### Policy 2150-092 - Open Data

Objective: The objective of this policy is to define the scope and approach for the publishing of non-sensitive Council data using Open Data principles.

Policy Summary: Council recognises that the data it holds is a public asset and that public access to Council's non-sensitive data could potentially improve services, encourage economic growth, increase Council's transparency, and increase community participation in policy making.

Council recognises the benefits in making all non-sensitive data available for effective public access. Furthermore, Council commits to collaborating with the public, business and academia to leverage the value of non-sensitive data.

**Summary of amendments:** Minor administrative changes including updates to definitions.

#### Policy 2150-023 - Provision of Financial Securities

Objective: The objective of this policy is to provide guidance on the process to be followed for the acceptance of financial securities by the Council.

Policy Summary: Council will accept a financial security from a Financial Institution or Authorised Insurer for any purpose relating to the exercise of its local government jurisdiction where the documentation is:

- (1) in a form acceptable to the Manager Legal Services or nominee; and
- (2)duly executed by a person with authority to legally bind the Financial Institution or Authorised Insurer.

A financial security held by Council will be returned to the Financial Institution or Authorised Insurer when the obligations secured by the financial security have been satisfied, or when the financial security is, for any other reason, no longer required.

Summary of amendments: Minor administrative changes including updates to definitions and references to legislation.

#### 3. **Strategic Implications**

#### 3.1 Legislative/Legal Implications

These policies have been developed in accordance with the Local Government Act 2009 and the Local Government Regulation 2012.

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ITEM 1.1 ADOPTION OF COUNCIL POLICIES - REGIONAL - A19134469 (Cont.)

## 3.2 Corporate Plan / Operational Plan

Strengthening Communities: Strong local governance - strong leadership and governance.

#### 3.3 Policy Implications

Council regularly reviews its Policies for applicability, effectiveness, and consistency with relevant legislation, Council resolutions, and other Council documents.

#### 3.4 Risk Management Implications

There are no risk management implications arising as a direct result of this report.

## 3.5 <u>Delegated Authority Implications</u>

There are no delegated authority implications arising as a direct result of this report.

#### 3.6 Financial Implications

There are no financial benefit implications arising as a direct result of this report.

#### 3.7 Economic Benefit

There are no economic benefit implications arising as a direct result of this report.

#### 3.8 Environmental Implications

There are no environmental implications arising as a direct result of this report.

### 3.9 Social Implications

There are no social implications arising as a direct result of this report.

## 3.10 Consultation / Communication

Councillors, the Executive Management team and relevant Council officers have been consulted in the preparation of this report.

#### **ATTENDANCE**

Mr James Peet left the meeting at 10.47am after Item 1.1.

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## ITEM 1.2 ADOPTION OF COUNCIL POLICY - DISPOSAL OF WASTE AT TRANSFER STATIONS - DIVISION 11

Meeting / Session: GOVERNANCE

Reference: A19141743: 26 September 2019 Refer Supporting Information A19139890,

A19157912, A19157917, A19162287

Responsible Officer: AH, Manager Waste Services (ECM, Waste Services)

#### **Executive Summary**

Council regularly reviews its policies for applicability, effectiveness, and consistency with relevant legislation, Council resolutions, and other Council documents.

The purpose of this report is to seek Council's consideration of the following policy, as appearing in the supporting information to this report:

Policy 2150-080 - Disposal of Waste at Transfer Stations

#### **RESOLUTION**

Moved by Cr Darren Grimwade Seconded by Cr Mick Gillam

CARRIED 12/0

That the following policy be adopted, as appearing in the supporting information to this report:

Policy 2150-080 - Disposal of Waste at Transfer Stations

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ITEM 1.2 ADOPTION OF COUNCIL POLICY - DISPOSAL OF WASTE AT TRANSFER STATIONS - DIVISION 11 - A19141743 (Cont.)

## OFFICER'S RECOMMENDATION

That the following policy be adopted, as appearing in the supporting information to this report:

Policy 2150-080 - Disposal of Waste at Transfer Stations

#### REPORT DETAIL

#### 1. Background

In accordance with the review triggers, Council reviews its policies for applicability, effectiveness and consistency with relevant legislation, Council resolutions and other Council documents.

#### 2. Explanation of Item

An explanation of the objective, policy summary, and any amendments made to the identified policies is outlined below:

Policy 2150-080 - Disposal of Waste at Transfer Stations

**Objective:** The objective of this policy is to improve operational efficiency and minimise the adverse impacts of Council's waste transfer stations on nearby residents by restricting access to such facilities.

**Policy Summary:** Council provides transfer stations at Dayboro, Samford and Mount Nebo for the disposal of waste by nearby residents of the Moreton Bay Region.

**Summary of amendments:** Amendments have been affected to provide clearer guidelines including updates to relevant legislation, definitions and administrative amendments.

Site access permissions for Dayboro and Samford Waste Transfer Stations have been amended. Residents living in the localities identified in Column 2 will be permitted to use the corresponding transfer station nominated in Column 1 detailed below:

Column 1	Column 2	
Transfer Station	Localities	
Dayboro	Armstrong Creek, Dayboro, Kings Scrub, Kobble Creek, Kurwongbah, Lacey's	
	Creek, Mount Mee, Mount Pleasant, Mount Samson, Ocean View, Rush Creek,	
	Samsonvale and Whiteside	
Samford	Camp Mountain, Cashmere, Cedar Creek, Clear Mountain, Closeburn, Draper,	
	Highvale, Kobble Creek, Mount Samson, Samford, Samford Valley, Samsonvale,	
	Wights Mountain and Yugar	
Mt Nebo	Jollys Lookout, Mount Glorious and Mount Nebo	

## 3. Strategic Implications

#### 3.1 Legislative/Legal Implications

These policies have been developed in accordance with the *Local Government Act 2009* and the Local Government Regulation 2012.

#### 3.2 Corporate Plan / Operational Plan

Strengthening Communities: Strong local governance - strong leadership and governance.

#### 3.3 Policy Implications

Council regularly reviews its policies for applicability, effectiveness and consistency with relevant legislation, Council resolutions and other Council documents.

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ITEM 1.2 ADOPTION OF COUNCIL POLICY - DISPOSAL OF WASTE AT TRANSFER STATIONS - DIVISION 11 - A19141743 (Cont.)

#### 3.4 Risk Management Implications

Any risk potentially arising from the expansion of access arrangements for Dayboro and Samford Waste Transfer Stations are expected to be successfully managed through minor infrastructure upgrades and appropriate changes to operational site procedures.

#### 3.5 Delegated Authority Implications

There are no delegated authority implications arising as a direct result of this report.

#### 3.6 Financial Implications

Any resulting infrastructure changes or site-specific costs arising from the amendment to catchment areas will be considered and if not able to be accommodated within operational services budget will be the subject of a budget review.

#### 3.7 Economic Benefit

There are no economic benefit implications arising as a direct result of this report.

#### 3.8 Environmental Implications

Any environmental implications potentially arising from the expansion of access arrangements for Dayboro and Samford Waste Transfer Stations are expected to be successfully managed through minor infrastructure upgrades and appropriate changes to operational site procedures.

#### 3.9 Social Implications

There are no social implications arising as a direct result of this report.

#### 3.10 Consultation / Communication

Councillors, and relevant Council officers have been consulted in the preparation of this report.

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# ITEM 1.3 DISCRETIONARY FUNDS APPLICATION - DIVISION 12

Meeting / Session: 1 GOVERNANCE

Reference: A19135099 : 25 September 2019

Responsible Officer: DD, Acting Manager Executive Services (CORP Executive Services)

#### **Executive Summary**

The Council makes discretionary funds available each financial year to community organisations for community purposes in accordance with Council's Discretionary Funds Policy, Availability Notice and Guidelines.

An eligible application for \$10,000 from Share the Dignity Limited has been received under Council's Discretionary Funds for the "It's in the Bag Campaign" initiative.

Given the regional nature of this initiative it has been requested that consideration be given to the provision of discretionary funds from Division 12 as a contribution towards Council's support for this application. Accordingly, this report seeks Council's direction in relation to the allocation of Division 12 discretionary funds.

#### **RESOLUTION**

Moved by Cr Mick Gillam
Seconded by Cr Mike Charlton (Deputy Mayor)

CARRIED 12/0

That the application by Share the Dignity Limited under Council's Discretionary Funds Policy, for the "It's in the Bag" Campaign initiative, be approved in the amount of \$300 from the Division 12 allocation.

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ITEM 1.3 DISCRETIONARY FUNDS APPLICATION - DIVISION 12 - A19135099 (Cont.)

#### OFFICER'S RECOMMENDATION

Council direction is sought in relation to the allocation of Division 12 discretionary funds as a contribution towards the "It's in the Bag" Campaign initiative by Share the Dignity Limited, under Council's Discretionary Funds Policy, Availability Notice and Guidelines.

#### REPORT DETAIL

#### 1. Background

The Council makes discretionary funds available each financial year to community organisations for community purposes in accordance with Council's Discretionary Funds Policy, Availability Notice and Guidelines.

Unless otherwise approved by Council, each financial year community organisations are eligible to apply for a maximum of \$10,000 and \$3,000 in discretionary funds to the Mayor and Councillors respectively. Community organisations may apply for discretionary funds to both the Mayor and Councillors up to a maximum of \$13,000 in total each financial year.

#### **Explanation of Item**

Council has received a Discretionary Funds application from Share the Dignity Limited seeking \$10,000 towards costs associated with the design and printing of promotional collateral for the "It's in the Bag" campaign.

Share the Dignity Limited is a non-profit community organisation that provides practical support to women experiencing homelessness and/or domestic and family violence. Their "It's in the Bag" campaign aims to prepare and distribute bags containing essential and other items for women experiencing homelessness and/or those escaping domestic and family violence. Approximately 500 bags were distributed within the Moreton Bay Region in 2018.

This application has been assessed under Council's Discretionary Funds Policy, Availability Notice and Guidelines, and has been deemed eligible for funding consideration by Council.

Given the regional nature of this application, it has been requested that consideration be given to the allocation of discretionary funds from Division 12 as a contribution towards Council's support for this application.

Under section 182A of the Local Government Act 2009 the Councillor for Division 12, Cr Adrian Raedel, is currently suspended from office and is unable to approve the allocation of discretionary funds. The Department of Local Government, Racing and Multicultural Affairs have advised that in the instance where a Councillor is unable to consider an application for discretionary funds, the funding request should be considered by Council at its General Meeting.

Accordingly, Council direction is sought in relation to the allocation of Division 12 discretionary funds as a contribution towards the "It's in the Bag" Campaign initiative by Share the Dignity Limited, under Council's Discretionary Funds Policy, Availability Notice and guidelines.

#### 3. Strategic Implications

#### 3.1 Legislative/Legal Implications

There are no legislation/legal implications arising as a direct result of this report.

#### 3.2 Corporate Plan / Operational Plan

Strengthening Communities: Strong local governance - a council connected with its community.

#### 3.3 **Policy Implications**

All discretionary funds administered by Council will be in accordance with Council's Discretionary Funds Policy (2150-101), Availability Notice and Guidelines.

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ITEM 1.3 DISCRETIONARY FUNDS APPLICATION - DIVISION 12 - A19135099 (Cont.)

#### 3.4 Risk Management Implications

There are no risk management implications arising as a direct result of this report.

#### 3.5 **Delegated Authority Implications**

There are no delegated authority implications arising as a direct result of this report.

#### Financial Implications 3.6

Sufficient funds remain available within the 2019/20 Division 12 Discretionary Fund budget to support the "It's in the Bag" Campaign initiative up to the maximum value requested (\$10,000).

#### 3.7 **Economic Benefit**

There are no economic benefits arising as a direct result of this report.

#### 3.8 **Environmental Implications**

There are no environmental implications arising as a direct result of this report.

#### 3.9 Social Implications

The provision of discretionary funds towards the "It's in the Bag" Campaign initiative will support women within the Moreton Bay Region and beyond who are experiencing homelessness and/or escaping domestic or family violence.

## 3.10 Consultation / Communication

**Acting Chief Executive Officer** Interim Director Finance and Corporate Services **Acting Manager Executive Services** Manager - Community Services, Sport and Recreation

## **ATTENDANCE**

Mr Darren Dallinger left the meeting at 10.49am after Item 1.3.

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## 2 PLANNING & DEVELOPMENT SESSION

(Cr M Gillam)

No items for consideration.



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#### 3 CORPORATE SERVICES SESSION

(Cr M Constance)

## ITEM 3.1 WRITE OFF SUNDRY DEBTS AND INTEREST - Q1 2019/2020 - REGIONAL

Meeting / Session: 3 CORPORATE SERVICES

Reference: A19122478: 30September 2019 - Refer Confidential Supporting Information

A19122848

Responsible Officer: BD, Interim Director Finance and Corporate Services (CORP Financial

Operations)

#### **Executive Summary**

The Chief Executive Officer has been delegated the authority to write-off bad sundry debts (Council-038) and interest accrued on overdue rates (Council-039). In line with the delegations, it was determined that Council would be advised at the end of each quarter of any bad sundry debts greater than \$2,000 written-off, and the total rates interest written off during the period.

The sundry debts and rates interest as detailed in this report were written-off in the period 1 July 2019 to 30 September 2019.

#### **RESOLUTION**

Moved by Cr Koliana Winchester Seconded by Cr Julie Greer

CARRIED 12/0

That the rates interest and sundry debts greater than \$2,000 which were written off during the period 1 July 2019 to 30 September 2019, be noted as detailed in this report.

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ITEM 3.1 WRITE OFF SUNDRY DEBTS AND INTEREST - Q1 2019/2020 - REGIONAL - A19122478 (Cont.)

#### OFFICER'S RECOMMENDATION

That the rates interest and sundry debts greater than \$2,000 which were written off during the period 1 July 2019 to 30 September 2019, be noted as detailed in this report.

#### REPORT DETAIL

#### 1. **Background**

The following resolution appears on Minute Page 10/2507 of the General Meeting of Council held 19 October 2010:

## Ex Coordination Committee meeting held 19 October 2010 (MP.10/2520):

## RECOMMENDATION

- That under section 257 of the Local Government Act 2009, Council delegates the power to write-off 1. bad sundry debts to the Chief Executive Officer.
- 2. That under section 257 of the Local Government Act 2009, Council delegates the power to write-off interest accrued on overdue rates to the Chief Executive Officer.

#### COMMITTEE RECOMMENDATION

That the officer's recommendations be adopted.

In line with these delegations, it was determined that Council would be advised of any bad sundry debts greater than \$2,000 written-off for the period as well as the total rates interest written-off for the period.

#### **Explanation of Item**

During the period of 1 July 2019 to 30 September 2019 the following were written off:

- one sundry debt totalling \$11,970.97 (excluding GST) as detailed in Confidential Supporting Information #1; and
- interest on overdue rates totalling \$256.34.

#### 3. Strategic Implications

#### Legislative/Legal Implications 3.1

There are no legislative/legal implications arising as a direct result of this report.

#### 3.2 Corporate Plan / Operational Plan

Strengthening Communities: Strong local governance - strong leadership and governance.

#### 3.3 Policy Implications

There are no policy implications as a direct result of this report.

#### 3.4 Risk Management Implications

There are no risk management implications arising as a direct result of this report.

#### 3.5 **Delegated Authority Implications**

The bad debts and rates interest were written on in accordance with the delegation provided under section 257 of the Local Government Act 2019.

#### Financial Implications 3.6

The sundry debt and rates interest written off represent lost revenue to Council.

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ITEM 3.1 WRITE OFF SUNDRY DEBTS AND INTEREST - Q1 2019/2020 - REGIONAL - A19122478 (Cont.)

#### 3.7 **Economic Benefit**

There are no economic benefit implications arising as a direct result of this report.

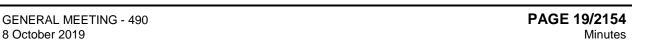
#### 3.8 **Environmental Implications**

There are no environmental implications arising as a direct result of this report.

#### 3.9

 $\frac{Social\ Implications}{\text{There are no social implications arising as a direct result of this report.}}$ 

## 3.10 Consultation / Communication



## **ITEM 3.2**

# PURCHASING ARRANGEMENT - TRAFFIC VOLUME AND INTERSECTION SURVEY SERVICES - REGIONAL

Meeting / Session: 3 CORPORATE SERVICES

Reference: A19099954: 17 September 2019 - Refer Confidential Supporting Information

A19099960

Responsible Officer: JL, Financial Operations Manager (CORP Financial & Project Services)

## **Executive Summary**

A Preferred Supplier Arrangement (Purchasing Arrangement) has been prepared to facilitate the supply of three categories of services used across Council, for a period of 12 months from the date of acceptance with an option to extend for a further two 12 month periods if it is decided to be beneficial to Council.

Council sought tenders from the market (including pricing for 19 schedules of rates for goods/services) in a process which commenced on 13 July 2019. The Preferred Supplier Arrangement tender was open for a minimum of 21 days after date of advertisement to meet advertising requirements under the Local Government Regulation 2012. A total of four submissions were received for this Purchasing Arrangement.

Following assessment of MBRC008834, it is recommended that a total of four suppliers be appointed across three categories as outlined below.

#### **RESOLUTION**

Moved by Cr Peter Flannery Seconded by Cr James Houghton

CARRIED 12/0

- 1. That the following contractors be appointed onto MBRC008834 Preferred Supplier Arrangement Traffic Volume and Intersection Survey Services Category 1 Cyclic Automated Traffic Count Survey Services for a period of 12 months, with an option to extend for a further two 12 month periods if it is decided to be beneficial to Council:
  - a) Traffic Data & Control
  - b) Research & Analytics Pty Ltd
  - c) QATS Management Pty Ltd T/A Austraffic
- 2. That the following contractors be appointed onto MBRC008834 Preferred Supplier Arrangement Traffic Volume and Intersection Survey Services Category 2 Project Specific Automated Traffic Count Survey Services for a period of 12 months, with an option to extend for a further two 12 month periods if it is decided to be beneficial to Council:
  - a) Traffic Data & Control
  - b) QATS Management Pty Ltd T/A Austraffic
  - c) Research & Analytics Pty Ltd
- 3. That the following contractors be appointed onto MBRC008834 Preferred Supplier Arrangement Traffic Volume and Intersection Survey Services Category 3 Project Specific Intersection Traffic Survey Services for a period of 12 months, with an option to extend for a further two 12 month periods if it is decided to be beneficial to Council:
  - a) Research & Analytics Pty Ltd
  - b) TTM Consulting Pty Ltd
  - c) Traffic Data & Control
  - d) QATS Management Pty Ltd T/A Austraffic

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ITEM 3.2 PURCHASING ARRANGEMENT - TRAFFIC VOLUME AND INTERSECTION SURVEY SERVICES - REGIONAL - A19099954 (Cont.)

- 4. That the Council enters into an agreement with each of the above contractors as described in this report.
- 5. That the Chief Executive Officer be authorised to take all action necessary, including but not limited to, negotiating, making, amending, signing and discharging the agreement with each of the above contractors in respect of each preferred supplier arrangement and any required variations of these agreements on Council's behalf.
- 6. The Chief Executive Officer be authorised to determine under each preferred supplier arrangement whether to exercise the option to extend the contract by the two 12 month extension periods or to review the composition of the preferred supplier list and consider whether it is necessary to re-tender the entirety of the preferred supplier arrangement.

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ITEM 3.2 PURCHASING ARRANGEMENT - TRAFFIC VOLUME AND INTERSECTION SURVEY SERVICES -REGIONAL - A19099954 (Cont.)

## OFFICER'S RECOMMENDATION

- 1. That the following contractors be appointed onto MBRC008834 - Preferred Supplier Arrangement -Traffic Volume and Intersection Survey Services - Category 1 - Cyclic Automated Traffic Count Survey Services for a period of 12 months, with an option to extend for a further two 12 month periods if it is decided to be beneficial to Council:
  - Traffic Data & Control a)
  - Research & Analytics Pty Ltd b)
  - c) QATS Management Pty Ltd T/A Austraffic
- That the following contractors be appointed onto MBRC008834 Preferred Supplier Arrangement -2. Traffic Volume and Intersection Survey Services - Category 2 - Project Specific Automated Traffic Count Survey Services for a period of 12 months, with an option to extend for a further two 12 month periods if it is decided to be beneficial to Council:
  - a) Traffic Data & Control
  - b) QATS Management Pty Ltd T/A Austraffic
  - Research & Analytics Pty Ltd c)
- That the following contractors be appointed onto MBRC008834 Preferred Supplier Arrangement -3. Traffic Volume and Intersection Survey Services - Category 3 - Project Specific Intersection Traffic Survey Services for a period of 12 months, with an option to extend for a further two 12 month periods if it is decided to be beneficial to Council:
  - Research & Analytics Pty Ltd
  - TTM Consulting Pty Ltd b)
  - Traffic Data & Control c)
  - QATS Management Pty Ltd T/A Austraffic
- 4. That the Council enters into an agreement with each of the above contractors as described in this report.
- That the Chief Executive Officer be authorised to take all action necessary, including but not limited 5. to, negotiating, making, amending, signing and discharging the agreement with each of the above contractors in respect of each preferred supplier arrangement and any required variations of these agreements on Council's behalf.
- 6. The Chief Executive Officer be authorised to determine under each preferred supplier arrangement whether to exercise the option to extend the contract by the two 12 month extension periods or to review the composition of the preferred supplier list and consider whether it is necessary to re-tender the entirety of the preferred supplier arrangement.

#### REPORT DETAIL

#### Background

Pursuant to section 233 of the Local Government Regulation 2012, Council may enter into a medium-sized contractual arrangement or large-sized contractual arrangement for goods and services, without first inviting written quotes or tenders if the contract is entered into with a supplier under a preferred supplier arrangement. The competitive rates from preferred suppliers approved through the tender process are available to all staff responsible for procurement in Council should they require the services the preferred suppliers offer.

A tender for the establishment of purchasing arrangement MBRC008834 - Traffic Volume and Intersection Survey Services was advertised on 13 July 2019 and closed on 6 August 2019.

The arrangement is to be awarded for a period of 12 months with an option to extend for a further two 12 month periods if it is decided to be beneficial to Council.

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ITEM 3.2 PURCHASING ARRANGEMENT - TRAFFIC VOLUME AND INTERSECTION SURVEY SERVICES -REGIONAL - A19099954 (Cont.)

Council requires the above goods and services in large volumes and frequently. Better value for money can be obtained by accumulating the demand for these goods and services.

#### **Explanation of Item**

The submissions were assessed by the tender assessment team in accordance with Council's Purchasing Policy and the selection criteria set out in the tender documents.

Submissions that did not address mandatory assessment criteria were assessed as non-conforming and did not progress in the evaluation process. The submissions were then assessed on qualitative criteria that included Company Profile, Experience of Company Personnel, Safety Track Record, Environmental Considerations and whether the company was a Local Business and/or Industry. Pricing of Schedule of Rates was also considered.

The following tables list the recommended companies for each arrangement category after the evaluation process was completed:

MBRC008834 - Preferred Supplier Arrangement - Traffic Volume and Intersection Survey Services -Category 1 - Cyclic Automated Traffic Count Survey Services

Category 1 comprises a schedule of approximately 300 local roads and major roads annually where automatic traffic count surveys are required. Information to be collected includes average speed and class of vehicles travelling through the scheduled sites.

A total of four submissions were received, with three companies recommended for appointment to the panel.

Tenderer
Traffic Data & Control
Research & Analytics
QATS Management Pty Ltd T/A Austraffic

MBRC008834 - Preferred Supplier Arrangement - Traffic Volume and Intersection Survey Services -Category 2 - Project Specific Automated Traffic Count Survey Services

Category 2 comprises similar services as Category 1 however the sites selected are specific to road rehabilitation projects to assist in development of pavement design.

A total of four submissions were received, with three companies recommended for appointment to the panel.

	Tenderer
	Traffic Data & Control
1	QATS Management Pty Ltd T/A Austraffic
	Research & Analytics

MBRC008834 - Preferred Supplier Arrangement - Traffic Volume and Intersection Survey Services -Category 3 - Project Specific Inspection Traffic Survey Services

Category 3 comprises traffic surveys at intersections. Approximately 50 - 70 intersection counts will be required annually. In addition to collection of information such as average speed and class of vehicles travelling through all intersection approaches, video imagery is also required.

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ITEM 3.2 PURCHASING ARRANGEMENT - TRAFFIC VOLUME AND INTERSECTION SURVEY SERVICES -REGIONAL - A19099954 (Cont.)

A total of four submissions were received, with four companies recommended for appointment to the panel.

Tenderer
Research & Analytics
TTM Consulting Pty Ltd
Traffic Data & Control
QATS Management Pty Ltd T/A Austraffic

#### 3. Strategic Implications

#### 3.1 Legislative/Legal Implications

The calling of public tenders and establishment of preferred supplier arrangements is in accordance with section 233 of the Local Government Regulation 2012.

#### 3.2 Corporate Plan / Operational Plan

This project is consistent with the Corporate Plan outcome - Strengthening Communities: Strong local governance - strong leadership and governance.

#### 3.3 Policy Implications

These arrangements have been established in accordance with the provisions of Council's Procurement Policy 2150-006.

#### 3.4 **Risk Management Implications**

The appointment of the suppliers will ensure the timely delivery of these programs whilst complying with Council's Procurement Policy. A risk assessment of the goods and services to be supplied under each purchasing arrangements was undertaken during the development of the tender documentation. Where appropriate, specific requirements in relation to risk management and insurance coverage were included in the tender requirements and assessed as part of the overall evaluation process.

#### 3.5 **Delegated Authority Implications**

Adoption of the suppliers by Council and approval of subsequent purchase orders within delegated financial authority limits will satisfy these requirements.

#### 3.6 Financial Implications

Funding for works engaged under these preferred supplier arrangements are included in the Capital (including Minor Works) and Operations' works programs.

#### 3.7 **Economic Benefit**

The appointment of preferred supplier arrangements will enable Council to deliver its programs in a timely and cost-effective manner.

#### **Environmental Implications**

There are no environmental implications arising as a direct result of this report.

#### 3.9 Social Implications

There are no social implications arising as a direct result of this report.

#### 3.10 Consultation / Communication

Representatives from Council's Infrastructure Planning Directorate sat on the evaluation panel for this purchasing arrangement.

External financial assessments have been sought where necessary.

Corporate Procurement managed the process through preparation, release, evaluation and award.

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# ITEM 3.3 PURCHASING ARRANGEMENT - GREENWASTE AND WOODWASTE SERVICES - REGIONAL

Meeting / Session: 3 CORPORATE SERVICES

Reference: A19150115: 27 September 2019 - Refer Confidential Supporting Information

A19150121

Responsible Officer: JL, Financial Operations Manager (CORP Financial & Project Services)

#### **Executive Summary**

A Preferred Supplier Arrangement (Purchasing Arrangement) has been prepared to facilitate the supply of multiple categories of services used across Council, for the period from the date of acceptance to 30 June 2020, with an option to extend for a further three 12-month periods if it is decided to be beneficial to Council.

Council sought tenders from the market (including pricing for 112 schedules of rates for goods/services) in a process which commenced on 25 May 2019. The Preferred Supplier Arrangement tender was open for a minimum of 21 days after date of advertisement to meet advertising requirements under the Local Government Regulation 2012. A total of 10 submissions were received for the Purchasing Arrangement.

Following assessment of MBRC008807, it is recommended that a total of nine suppliers be appointed across the categories as outlined below.

#### **RESOLUTION**

Moved by Cr Mick Gillam Seconded by Cr Adam Hain

CARRIED 12/0

That the Officer's Recommendation be adopted as detailed in the report.

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#### OFFICER'S RECOMMENDATION

1. That the following contractors be appointed onto MBRC008807 - Preferred Supplier Arrangement -Greenwaste and Woodwaste Services - Category 1 - Bunya for the period to 30 June 2020, with an option to extend for a further three 12-month periods if it is decided to be beneficial to Council:

#### PORTION 1 - Processing of Greenwaste

- Eric Child and Sons
- b) Ironjack Recycling Pty Ltd
- McKenzie Bulk Haulage Pty Ltd c)
- Mulch Management (Aust) Pty Ltd d)
- Tree Recyclers e)

#### PORTION 2 - Processing of Greenwaste and Removal of Processed Greenwaste

- Ironjack Recycling Pty Ltd
- b) McKenzie Bulk Haulage Pty Ltd
- Mulch Management (Aust) Pty Ltd c)
- Tree Recyclers d)

#### PORTION 3 - Removal of Processed Greenwaste

- Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil
- Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group b)
- Ironjack Recycling Pty Ltd c)
- McKenzie Bulk Haulage Pty Ltd d)
- Mulch Management (Aust) Pty Ltd

#### PORTION 4 - Shearing of Bulky Items

- Eric Child and Sons a)
- b) Ironjack Recycling Pty Ltd
- McKenzie Bulk Haulage Pty Ltd c)
- Mulch Management (Aust) Pty Ltd d)
- Tree Recyclers e)

## PORTION 5 - Removal of Unprocessed Greenwaste and Woodwaste

- Ironjack Recycling Pty Ltd a)
- b) McKenzie Bulk Haulage Pty Ltd
- Mulch Management (Aust) Pty Ltd c)
- Tree Recyclers d)

## PORTION 6 - Removal of Unprocessed Greenwaste

- Ironjack Recycling Pty Ltd
- McKenzie Bulk Haulage Pty Ltd b)
- Mulch Management (Aust) Pty Ltd c)
- Tree Recyclers d)

## PORTION 7 - Removal of Unprocessed Woodwaste

- Ironjack Recycling Pty Ltd a)
- McKenzie Bulk Haulage Pty Ltd b)
- Mulch Management (Aust) Pty Ltd c)
- Tree Recyclers d)

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2. That the following contractors be appointed onto MBRC008807 - Preferred Supplier Arrangement - *Greenwaste and Woodwaste Services - Category 2 - Dakabin* for the period to 30 June 2020, with an option to extend for a further three 12-month periods if it is decided to be beneficial to Council:

## PORTION 1 - Processing of Greenwaste

- a) Eric Child and Sons
- b) Ironjack Recycling Pty Ltd
- c) McKenzie Bulk Haulage Pty Ltd
- d) Mulch Management (Aust) Pty Ltd
- e) Tree Recyclers

#### PORTION 2 - Processing of Greenwaste and Removal of Processed Greenwaste

- a) Ironjack Recycling Pty Ltd
- b) McKenzie Bulk Haulage Pty Ltd
- c) Mulch Management (Aust) Pty Ltd
- d) Tree Recyclers

#### PORTION 3 - Removal of Processed Greenwaste

- a) Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil
- b) Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group
- c) Ironjack Recycling Pty Ltd
- d) McKenzie Bulk Haulage Pty Ltd
- e) Mulch Management (Aust) Pty Ltd

#### PORTION 4 - Shearing of Bulky Items

- a) Eric Child and Sons
- b) Ironjack Recycling Pty Ltd
- c) McKenzie Bulk Haulage Pty Ltd
- d) Mulch Management (Aust) Pty Ltd
- e) Tree Recyclers

#### PORTION 5 - Removal of Unprocessed Greenwaste and Woodwaste

- a) Ironjack Recycling Pty Ltd
- b) McKenzie Bulk Haulage Pty Ltd
- c) Mulch Management (Aust) Pty Ltd
- d) Tree Recyclers

#### PORTION 6 - Removal of Unprocessed Greenwaste

- a) Ironjack Recycling Pty Ltd
- b) McKenzie Bulk Haulage Ptv Ltd
- c) Mulch Management (Aust) Pty Ltd
- d) Tree Recyclers

## PORTION 7 - Removal of Unprocessed Woodwaste

- a) Ironjack Recycling Pty Ltd
- b) McKenzie Bulk Haulage Pty Ltd
- c) Mulch Management (Aust) Pty Ltd
- d) Tree Recyclers
- 3. That the following contractors be appointed onto *MBRC008807 Preferred Supplier Arrangement Greenwaste and Woodwaste Services Category 3 Caboolture* for the period to 30 June 2020, with an option to extend for a further three 12-month periods if it is decided to be beneficial to Council:

#### PORTION 1 - Processing of Greenwaste

- a) Eric Child and Sons
- b) Ironjack Recycling Pty Ltd

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- c) McKenzie Bulk Haulage Pty Ltd
- d) Mulch Management (Aust) Pty Ltd
- Tree Recyclers e)

#### PORTION 2 - Processing of Greenwaste and Removal of Processed Greenwaste

- Ironjack Recycling Pty Ltd
- McKenzie Bulk Haulage Pty Ltd b)
- Mulch Management (Aust) Pty Ltd c)
- d) Tree Recyclers

#### PORTION 3 - Removal of Processed Greenwaste

- Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil
- Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group b)
- Ironjack Recycling Pty Ltd c)
- d) McKenzie Bulk Haulage Pty Ltd
- Mulch Management (Aust) Pty Ltd e)

## PORTION 4 - Shearing of Bulky Items

- Eric Child and Sons
- b) Ironjack Recycling Pty Ltd
- c) McKenzie Bulk Haulage Pty Ltd
- d) Mulch Management (Aust) Pty Ltd
- Tree Recyclers e)

#### PORTION 5 - Removal of Unprocessed Greenwaste and Woodwaste

- Ironjack Recycling Pty Ltd
- McKenzie Bulk Haulage Pty Ltd b)
- Mulch Management (Aust) Pty Ltd c)
- Tree Recyclers d)

#### PORTION 6 - Removal of Unprocessed Greenwaste

- Ironjack Recycling Pty Ltd
- b) McKenzie Bulk Haulage Pty Ltd
- c) Mulch Management (Aust) Pty Ltd
- Tree Recyclers d)

#### PORTION 7 - Removal of Unprocessed Woodwaste

- Ironjack Recycling Pty Ltd
- McKenzie Bulk Haulage Pty Ltd b)
- Mulch Management (Aust) Pty Ltd c)
- d) Tree Recyclers
- That the following contractors be appointed onto MBRC008807 Preferred Supplier Arrangement -4. Greenwaste and Woodwaste Services - Category 4 - Redcliffe for the period to 30 June 2020, with an option to extend for a further three 12-month periods if it is decided to be beneficial to Council:

## PORTION 1 - Removal of Unprocessed Greenwaste and Woodwaste

- Ironjack Recycling Pty Ltd
- McKenzie Bulk Haulage Pty Ltd b)
- Mulch Management (Aust) Pty Ltd c)
- d) Tree Recyclers

#### PORTION 2 - Removal of Unprocessed Greenwaste

- Ironjack Recycling Pty Ltd a)
- McKenzie Bulk Haulage Pty Ltd b)
- c) Mulch Management (Aust) Pty Ltd
- Tree Recyclers d)

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#### PORTION 3 - Removal of Unprocessed Woodwaste

- a) Ironjack Recycling Pty Ltd
- b) McKenzie Bulk Haulage Pty Ltd
- c) Mulch Management (Aust) Pty Ltd
- d) Tree Recyclers
- 5. That the following contractors be appointed onto *MBRC008807 Preferred Supplier Arrangement Greenwaste and Woodwaste Services Category 5 Ningi* for the period to 30 June 2020, with an option to extend for a further three 12-month periods if it is decided to be beneficial to Council:

#### PORTION 1 - Processing of Greenwaste

- a) AKM Earth Pty Ltd
- b) Ironjack Recycling Pty Ltd
- c) Mulch Management (Aust) Pty Ltd
- d) Mulching Services Pty Ltd
- e) Tree Recyclers

#### PORTION 2 - Processing of Greenwaste and Removal of Processed Greenwaste

- a) Ironjack Recycling Pty Ltd
- b) McKenzie Bulk Haulage Pty Ltd
- c) Mulch Management (Aust) Pty Ltd
- d) Tree Recyclers

#### PORTION 3 - Removal of Processed Greenwaste

- a) Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil
- b) Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group
- c) Ironjack Recycling Pty Ltd
- d) McKenzie Bulk Haulage Pty Ltd
- e) Mulch Management (Aust) Pty Ltd

#### PORTION 4 - Shearing of Bulky Items

- a) AKM Earth Pty Ltd
- b) Ironjack Recycling Pty Ltd
- c) Mulch Management (Aust) Pty Ltd
- d) Mulching Services Pty Ltd
- e) Tree Recyclers

#### PORTION 5 - Removal of Unprocessed Greenwaste and Woodwaste

- a) AKM Earth Pty Ltd
- b) Ironiack Recycling Ptv Ltd
- c) McKenzie Bulk Haulage Pty Ltd
- d) Mulch Management (Aust) Pty Ltd
- e) Tree Recyclers

#### PORTION 6 - Removal of Unprocessed Greenwaste

- a) AKM Earth Pty Ltd
- b) Ironjack Recycling Pty Ltd
- c) McKenzie Bulk Haulage Pty Ltd
- d) Tree Recyclers

#### PORTION 7 - Removal of Unprocessed Woodwaste

- a) AKM Earth Pty Ltd
- b) McKenzie Bulk Haulage Pty Ltd
- c) Tree Recyclers

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That the following contractors be appointed onto MBRC008807 - Preferred Supplier Arrangement -Greenwaste and Woodwaste Services - Category 6 - Toorbul for the period to 30 June 2020, with an option to extend for a further three 12-month periods if it is decided to be beneficial to Council:

#### PORTION 1 - Processing of Greenwaste

- Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil
- Ironjack Recycling Pty Ltd b)
- Mulch Management (Aust) Pty Ltd c)
- d) Tree Recyclers

#### PORTION 2 - Processing of Greenwaste and Removal of Processed Greenwaste

- Ironjack Recycling Pty Ltd
- McKenzie Bulk Haulage Pty Ltd b)
- Mulch Management (Aust) Pty Ltd c)
- Tree Recyclers d)

#### PORTION 3 - Removal of Processed Greenwaste

- Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil
- b) Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group
- c) Ironjack Recycling Pty Ltd
- d) McKenzie Bulk Haulage Pty Ltd
- Mulch Management (Aust) Pty Ltd e)

## PORTION 4 - Shearing of Bulky Items

- Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil
- Ironjack Recycling Pty Ltd b)
- Mulch Management (Aust) Pty Ltd c)
- Tree Recyclers d)

#### PORTION 5 - Removal of Unprocessed Greenwaste and Woodwaste

- AKM Earth Pty Ltd
- b) Ironjack Recycling Pty Ltd
- c) McKenzie Bulk Haulage Pty Ltd
- Mulch Management (Aust) Pty Ltd d)

#### PORTION 6 - Removal of Unprocessed Greenwaste

- AKM Earth Pty Ltd
- McKenzie Bulk Haulage Pty Ltd b)
- Tree Recyclers

#### PORTION 7 - Removal of Unprocessed Woodwaste

- AKM Earth Pty Ltd
- McKenzie Bulk Haulage Pty Ltd
- 7. That the following contractors be appointed onto MBRC008807 - Preferred Supplier Arrangement -Greenwaste and Woodwaste Services - Category 7 - Upper Caboolture for the period to 30 June 2020, with an option to extend for a further three 12-month periods if it is decided to be beneficial to Council:

#### PORTION 1 - Processing of Greenwaste

- Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil a)
- b) Ironjack Recycling Pty Ltd
- Mulch Management (Aust) Pty Ltd c)
- d) Mulching Services Pty Ltd
- Tree Recyclers e)

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#### PORTION 2 - Processing of Greenwaste and Removal of Processed Greenwaste

- Ironjack Recycling Pty Ltd
- McKenzie Bulk Haulage Ptv Ltd b)
- c) Mulch Management (Aust) Pty Ltd
- d) Tree Recyclers

#### PORTION 3 - Removal of Processed Greenwaste

- Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group
- Ironjack Recycling Pty Ltd b)
- McKenzie Bulk Haulage Pty Ltd c)
- Mulch Management (Aust) Pty Ltd d)

#### PORTION 4 - Shearing of Bulky Items

- Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil
- b) Ironjack Recycling Pty Ltd
- Mulch Management (Aust) Pty Ltd c)
- Mulching Services Pty Ltd d)
- e) Tree Recyclers

#### PORTION 5 - Removal of Unprocessed Greenwaste and Woodwaste

- AKM Earth Pty Ltd
- Ironjack Recycling Pty Ltd b)
- McKenzie Bulk Haulage Ptv Ltd c)
- Mulch Management (Aust) Pty Ltd d)

#### PORTION 6 - Removal of Unprocessed Greenwaste

- AKM Earth Pty Ltd
- Ironjack Recycling Pty Ltd b)
- McKenzie Bulk Haulage Pty Ltd c)
- Tree Recyclers d)

#### PORTION 7 - Removal of Unprocessed Woodwaste

- AKM Earth Pty Ltd a)
- b) McKenzie Bulk Haulage Pty Ltd
- 8. That the following contractors be appointed onto MBRC008807 - Preferred Supplier Arrangement -Greenwaste and Woodwaste Services - Category 8 - Wamuran for the period to 30 June 2020, with an option to extend for a further three 12-month periods if it is decided to be beneficial to Council:

#### PORTION 1 - Processing of Greenwaste

- Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil
- Ironjack Recycling Pty Ltd b)
- Mulch Management (Aust) Pty Ltd c)
- Tree Recyclers d)

#### PORTION 2 - Processing of Greenwaste and Removal of Processed Greenwaste

- Ironjack Recycling Pty Ltd
- McKenzie Bulk Haulage Pty Ltd b)
- Mulch Management (Aust) Pty Ltd c)
- Tree Recyclers d)

#### PORTION 3 - Removal of Processed Greenwaste

- Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group
- Ironjack Recycling Pty Ltd b)
- c) Mulch Management (Aust) Pty Ltd

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## PORTION 4 - Shearing of Bulky Items

- Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil
- Ironjack Recycling Pty Ltd b)
- c) Mulch Management (Aust) Pty Ltd
- d) Tree Recyclers

#### PORTION 5 - Removal of Unprocessed Greenwaste and Woodwaste

- AKM Earth Pty Ltd
- McKenzie Bulk Haulage Pty Ltd b)

#### PORTION 6 - Removal of Unprocessed Greenwaste

- AKM Earth Pty Ltd a)
- McKenzie Bulk Haulage Pty Ltd

#### PORTION 7 - Removal of Unprocessed Woodwaste

- AKM Earth Pty Ltd
- b) McKenzie Bulk Haulage Pty Ltd
- That the following contractors be appointed onto MBRC008807 Preferred Supplier Arrangement -9. Greenwaste and Woodwaste Services - Category 9 - Woodford for the period to 30 June 2020, with an option to extend for a further three 12-month periods if it is decided to be beneficial to Council:

## PORTION 1 - Processing of Greenwaste

- Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil
- b) Ironjack Recycling Pty Ltd
- Mulch Management (Aust) Pty Ltd c)
- Tree Recyclers d)

#### PORTION 2 - Processing of Greenwaste and Removal of Processed Greenwaste

- Ironjack Recycling Pty Ltd
- McKenzie Bulk Haulage Pty Ltd b)
- c) Mulch Management (Aust) Pty Ltd
- d) Tree Recyclers

## PORTION 3 - Removal of Processed Greenwaste

- Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group
- b) Ironjack Recycling Pty Ltd
- McKenzie Bulk Haulage Pty Ltd c)
- Mulch Management (Aust) Pty Ltd d)

#### PORTION 4 - Shearing of Bulky Items

- Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil
- Ironjack Recycling Pty Ltd b)
- Mulch Management (Aust) Pty Ltd c)
- Tree Recyclers d)

## PORTION 5 - Removal of Unprocessed Greenwaste and Woodwaste

- AKM Earth Pty Ltd
- b) McKenzie Bulk Haulage Pty Ltd

#### PORTION 6 - Removal of Unprocessed Greenwaste

- AKM Earth Pty Ltd a)
- Ironjack Recycling Pty Ltd b)
- McKenzie Bulk Haulage Pty Ltd c)
- d) Mulch Management (Aust) Pty Ltd
- e) Tree Recyclers

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## PORTION 7 - Removal of Unprocessed Woodwaste

- a) AKM Earth Pty Ltd
- b) McKenzie Bulk Haulage Pty Ltd
- 10. That the following contractors be appointed onto *MBRC008807 Preferred Supplier Arrangement Greenwaste and Woodwaste Services Category 10 Other Locations* for the period to 30 June 2020, with an option to extend for a further three 12-month periods if it is decided to be beneficial to Council:

#### PORTION 1 - Removal of Unprocessed Greenwaste and Woodwaste

- a) AKM Earth Pty Ltd
- b) Ironjack Recycling Pty Ltd
- c) McKenzie Bulk Haulage Pty Ltd
- d) Mulch Management (Aust) Pty Ltd

#### PORTION 2 - Processing of Greenwaste and Removal of Processed Greenwaste

- e) Ironjack Recycling Pty Ltd
- f) McKenzie Bulk Haulage Pty Ltd
- g) Mulch Management (Aust) Pty Ltd
- h) Tree Recyclers

#### PORTION 3 - Removal of Processed Greenwaste

- a) Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group
- b) Ironjack Recycling Pty Ltd
- c) Mulch Management (Aust) Pty Ltd
- 11. That the Council enters into an agreement with each of the above contractors as described in this report.
- 12. That the Chief Executive Officer be authorised to take all action necessary, including but not limited to, negotiating, making, amending, signing and discharging the agreement with each of the above contractors in respect of each preferred supplier arrangement and any required variations of these agreements on Council's behalf.
- 13. The Chief Executive Officer be authorised to determine under each preferred supplier arrangement whether to exercise the option to extend the contract by a further three 12-month periods or to review the composition of the preferred supplier list and consider whether it is necessary to re-tender the entirety of the preferred supplier arrangement.

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ITEM 3.3 PURCHASING ARRANGEMENT - GREENWASTE AND WOODWASTE SERVICES - REGIONAL -A19150115 (Cont.)

#### REPORT DETAIL

#### 1. **Background**

Pursuant to section 233 of the Local Government Regulation 2012, Council may enter into a medium-sized contractual arrangement or large-sized contractual arrangement for goods and services, without first inviting written quotes or tenders if the contract is entered into with a supplier under a preferred supplier arrangement. The competitive rates from preferred suppliers approved through the tender process are available to all staff responsible for procurement in Council should they require the services the preferred suppliers offer.

A tender for the establishment of purchasing arrangement MBRC008807 - Greenwaste and Woodwaste Services was advertised on 25 May 2019 and closed on 27 June 2019.

The arrangement is to be awarded for the period to 30 June 2020 with an option to extend for a further three 12-month periods if it is decided to be beneficial to Council.

Council requires the above goods and services in large volumes and frequently. Better value for money can be obtained by accumulating the demand for these goods and services.

#### **Explanation of Item**

The submissions were assessed by the tender assessment team in accordance with Council's Purchasing Policy and the selection criteria set out in the tender documents.

Submissions that did not address mandatory assessment criteria were assessed as non-conforming and did not progress in the evaluation process. The submissions were then assessed on qualitative criteria that included Company Profile, Experience of Company Personnel, Safety Track Record, Environmental Considerations and whether the company was a Local Business and/or Industry. Pricing of Schedule of Rates was also considered.

To facilitate the effective operation of the arrangement, a number of categories have been created, each representing a different waste management facility within the region. Each category (waste management facility) was then broken into a number of portions that represent the different groups of services required at each of the waste sites. For each of the portions, the term greenwaste includes tree foliage, branches and stumps; and woodwaste includes timber and wood products. Processing of this waste generally involves the chipping or mulching of the material.

The extent of the services required at the different facilities is the same with the exception of Category 4 -Redcliffe which has a reduced number of services required, and Category 10 - Other Locations which represents services that may be required at sites that are outside of the waste management facilities.

The following tables list the recommended companies for each arrangement category after the evaluation process was completed.

## MBRC008807 Greenwaste and Woodwaste Services - Category 1 - Bunya

Portion 1 - Processing of Greenwaste
Eric Child and Sons
Ironjack Recycling Pty Ltd
McKenzie Bulk Haulage Pty Ltd
Mulch Management (Aust) Pty Ltd
Tree Recyclers

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ITEM 3.3 PURCHASING ARRANGEMENT - GREENWASTE AND WOODWASTE SERVICES - REGIONAL -A19150115 (Cont.)

#### Portion 2 - Processing of Greenwaste and Removal of Processed Greenwaste

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

#### Portion 3 - Removal of Processed Greenwaste

Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil

Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

#### Portion 4 - Shearing of Bulky Items

Eric Child and Sons

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

#### Portion 5 - Removal of Unprocessed Greenwaste and Woodwaste

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

#### Portion 6 - Removal of Unprocessed Greenwaste

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

## Portion 7 - Removal of Unprocessed Woodwaste

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

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#### MBRC008807 Greenwaste and Woodwaste Services - Category 2 - Dakabin

Portion 1 - Processing of Greenwaste	
Eric Child and Sons	
Ironjack Recycling Pty Ltd	
McKenzie Bulk Haulage Pty Ltd	
Mulch Management (Aust) Pty Ltd	
Tree Recyclers	

# Portion 2 - Processing of Greenwaste and Removal of Processed Greenwaste

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

#### Portion 3 - Removal of Processed Greenwaste

Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil

Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

#### Portion 4 - Shearing of Bulky Items

Eric Child and Sons

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

## Portion 5 - Removal of Unprocessed Greenwaste and Woodwaste

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

#### Portion 6 - Removal of Unprocessed Greenwaste

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

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ITEM 3.3 PURCHASING ARRANGEMENT - GREENWASTE AND WOODWASTE SERVICES - REGIONAL - A19150115 (Cont.)

# Portion 7 - Removal of Unprocessed Woodwaste

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

#### MBRC008807 Greenwaste and Woodwaste Services - Category 3 - Caboolture

## Portion 1 - Processing of Greenwaste

Eric Child and Sons

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

#### Portion 2 - Processing of Greenwaste and Removal of Greenwaste

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

#### Portion 3 - Removal of Processed Greenwaste

Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil

Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

#### Portion 4 - Shearing of Bulky Items

Eric Child and Sons

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

## Portion 5 - Removal of Unprocessed Greenwaste and Woodwaste

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

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Portion 6 - Removal of Unprocessed Greenwaste	
Ironjack Recycling Pty Ltd	
McKenzie Bulk Haulage Pty Ltd	
Mulch Management (Aust) Pty Ltd	
Tree Recyclers	

Portion 7 - Removal of Unprocessed Woodwaste	
Ironjack Recycling Pty Ltd	
McKenzie Bulk Haulage Pty Ltd	
Mulch Management (Aust) Pty Ltd	
Tree Recyclers	

## MBRC008807 Greenwaste and Woodwaste Services - Category 4 - Redcliffe

Portion 1 - Removal of Unprocessed Greenwaste and Woodwaste	
Ironjack Recycling Pty Ltd	
McKenzie Bulk Haulage Pty Ltd	
Mulch Management (Aust) Pty Ltd	
Tree Recyclers	

Portion 2 - Removal of Unprocessed Greenwaste
Ironjack Recycling Pty Ltd
McKenzie Bulk Haulage Pty Ltd
Mulch Management (Aust) Pty Ltd
Tree Recyclers

Portion 3 - Removal of Unprocessed Woodwaste
Ironjack Recycling Pty Ltd
McKenzie Bulk Haulage Pty Ltd
Mulch Management (Aust) Pty Ltd
Tree Recyclers

## MBRC008807 Greenwaste and Woodwaste Services - Category 5 - Ningi

Portion 1 - Processing of Greenwaste
AKM Earth Pty Ltd
Ironjack Recycling Pty Ltd
Mulch Management (Aust) Pty Ltd
Mulching Services Pty Ltd
Tree Recyclers

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ITEM 3.3 PURCHASING ARRANGEMENT - GREENWASTE AND WOODWASTE SERVICES - REGIONAL - A19150115 (Cont.)

## Portion 2 - Processing of Greenwaste and Removal of Processed Greenwaste

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

#### Portion 3 - Removal of Processed Greenwaste

Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil

Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

#### Portion 4 - Shearing of Bulky Items

AKM Earth Pty Ltd

Ironjack Recycling Pty Ltd

Mulch Management (Aust) Pty Ltd

#### Portion 4 - Shearing of Bulky Items (cont)

Mulching Services Pty Ltd

Tree Recyclers

#### Portion 5 - Removal of Unprocessed Greenwaste and Woodwaste

AKM Earth Pty Ltd

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

#### Portion 6 - Removal of Unprocessed Greenwaste

AKM Earth Pty Ltd

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Tree Recyclers

#### Portion 7 - Removal of Unprocessed Woodwaste

AKM Earth Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Tree Recyclers

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ITEM 3.3 PURCHASING ARRANGEMENT - GREENWASTE AND WOODWASTE SERVICES - REGIONAL - A19150115 (Cont.)

## MBRC008807 Greenwaste and Woodwaste Services - Category 6 - Toorbul

## Portion 1 - Processing of Greenwaste

Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil

Ironjack Recycling Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

# Portion 2 - Processing of Greenwaste and Removal of Processed Greenwaste

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

#### Portion 3 - Removal of Processed Greenwaste

Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil

Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

#### Portion 4 - Shearing of Bulky Items

Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil

Ironjack Recycling Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

#### Portion 5 - Removal of Unprocessed Greenwaste and Woodwaste

AKM Earth Pty Ltd

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

#### Portion 6 - Removal of Unprocessed Greenwaste

AKM Earth Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Tree Recyclers

#### Portion 7 - Removal of Unprocessed Woodwaste

AKM Earth Pty Ltd

McKenzie Bulk Haulage Pty Ltd

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ITEM 3.3 PURCHASING ARRANGEMENT - GREENWASTE AND WOODWASTE SERVICES - REGIONAL - A19150115 (Cont.)

## MBRC008807 Greenwaste and Woodwaste Services - Category 7 - Upper Caboolture

Portion 1 - Processing of Greenwaste
Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil
Ironjack Recycling Pty Ltd
Mulch Management (Aust) Pty Ltd
Mulching Services Pty Ltd

## MBRC008807 Greenwaste and Woodwaste Services - Category 7 - Upper Caboolture

Portion 2 - Processing of Greenwaste  Greenwaste	e and Removal of Processed
Ironjack Recycling Pty Ltd	
McKenzie Bulk Haulage Pty Ltd	
Mulch Management (Aust) Pty Ltd	
Tree Recyclers	

Portion 3 - Removal of Processed Greenwaste
Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group
Ironjack Recycling Pty Ltd
McKenzie Bulk Haulage Pty Ltd
Mulch Management (Aust) Pty Ltd

Portion 5 - Removal of Unprocessed Greenwaste and Woodwaste
AKM Earth Pty Ltd
Ironjack Recycling Pty Ltd
McKenzie Bulk Haulage Pty Ltd
Mulch Management (Aust) Pty Ltd

Portion 6 - Removal of Unprocessed Greenwaste
AKM Earth Pty Ltd
Ironjack Recycling Pty Ltd
McKenzie Bulk Haulage Pty Ltd
Tree Recyclers

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ITEM 3.3 PURCHASING ARRANGEMENT - GREENWASTE AND WOODWASTE SERVICES - REGIONAL - A19150115 (Cont.)

#### Portion 7 - Removal of Unprocessed Woodwaste

AKM Earth Pty Ltd

McKenzie Bulk Haulage Pty Ltd

#### MBRC008807 Greenwaste and Woodwaste Services - Category 8 - Wamuran

#### Portion 1 - Processing of Greenwaste

Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil

Ironjack Recycling Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

# Portion 2 - Processing of Greenwaste and Removal of Processed Greenwaste

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

#### Portion 3 - Removal of Processed Greenwaste

Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group

Ironjack Recycling Pty Ltd

Mulch Management (Aust) Pty Ltd

## Portion 4 - Shearing of Bulky Items

Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil

Ironjack Recycling Pty Ltd

#### Portion 4 - Shearing of Bulky Items (cont)

Mulch Management (Aust) Pty Ltd

Tree Recyclers

#### Portion 5 - Removal of Unprocessed Greenwaste and Woodwaste

AKM Earth Pty Ltd

McKenzie Bulk Haulage Pty Ltd

#### Portion 6 - Removal of Unprocessed Greenwaste

AKM Earth Pty Ltd

McKenzie Bulk Haulage Pty Ltd

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ITEM 3.3 PURCHASING ARRANGEMENT - GREENWASTE AND WOODWASTE SERVICES - REGIONAL - A19150115 (Cont.)

## Portion 7 - Removal of Unprocessed Greenwaste

AKM Earth Pty Ltd

McKenzie Bulk Haulage Pty Ltd

## MBRC008807 Greenwaste and Woodwaste Services - Category 9 - Woodford

## Portion 1 - Processing of Greenwaste

Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil

Ironjack Recycling Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

# Portion 2 - Processing of Greenwaste and Removal of Processed Greenwaste

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

## Portion 3 - Removal of Processed Greenwaste

Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

## Portion 4 - Shearing of Bulky Items

Canerase Pty Ltd ATF Candy Unit Trust T/A Candy Soil

Ironjack Recycling Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

## Portion 5 - Removal of Unprocessed Greenwaste and Woodwaste

AKM Earth Pty Ltd

McKenzie Bulk Haulage Pty Ltd

## Portion 6 - Removal of Unprocessed Greenwaste

AKM Earth Pty Ltd

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

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## Portion 7 - Removal of Unprocessed Woodwaste

AKM Earth Pty Ltd

McKenzie Bulk Haulage Pty Ltd

## MBRC008807 Greenwaste and Woodwaste Services - Category 10 - Other Locations

## Portion 1 - Removal of Unprocessed Greenwaste and Woodwaste

AKM Earth Pty Ltd

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

## Portion 2 - Processing of Greenwaste and Removal of Processed Greenwaste

Ironjack Recycling Pty Ltd

McKenzie Bulk Haulage Pty Ltd

Mulch Management (Aust) Pty Ltd

Tree Recyclers

## Portion 3 - Removal of Processed Greenwaste

Emberwell Pty Ltd ATF The Tebroc Unit Trust T/A Corbet's Group

Ironjack Recycling Pty Ltd

Mulch Management (Aust) Pty Ltd

### 3. Strategic Implications

### 3.1 Legislative/Legal Implications

The calling of public tenders and establishment of preferred supplier arrangements is in accordance with section 233 of the Local Government Regulation 2012.

### 3.2 Corporate Plan / Operational Plan

This project is consistent with the Corporate Plan outcome - Strengthening Communities: Strong local governance - strong leadership and governance.

### Policy Implications 3.3

These arrangements have been established in accordance with the provisions of Council's Procurement Policy 2150-006.

### 3.4 Risk Management Implications

The appointment of the suppliers will ensure the timely delivery of these programs whilst complying with Council's Procurement Policy. A risk assessment of the goods and services to be supplied under each purchasing arrangements was undertaken during the development of the tender documentation. Where appropriate, specific requirements in relation to risk management and insurance coverage were included in the tender requirements and assessed as part of the overall evaluation process.

### 3.5 **Delegated Authority Implications**

Adoption of the suppliers by Council and approval of subsequent purchase orders within delegated financial authority limits will satisfy these requirements.

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ITEM 3.3 PURCHASING ARRANGEMENT - GREENWASTE AND WOODWASTE SERVICES - REGIONAL - A19150115 (Cont.)

## 3.6 Financial Implications

Funding for works engaged under these preferred supplier arrangements are included in the Capital (including Minor Works) and Operations' works programs.

## 3.7 Economic Benefit

The appointment of preferred supplier arrangements will enable Council to deliver its programs in a timely and cost-effective manner.

Two of the nine recommended individual suppliers have a presence within the Moreton Bay Region.

## 3.8 Environmental Implications

There are no environmental implications arising as a direct result of this report.

## 3.9 Social Implications

There are no social implications arising as a direct result of this report.

## 3.10 Consultation / Communication

Representatives from Council's Waste Department sat on the evaluation panel for this purchasing arrangement.

External financial assessments have been sought where necessary.

Corporate Procurement managed the process through preparation, release, evaluation and award.

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## 4 ASSET CONSTRUCTION & MAINTENANCE SESSION

(Cr A Hain)

## **ITEM 4.1 BONGAREE - BRIBIE ISLAND SPORTS COMPLEX - SPORTSFIELD LIGHTING INSTALLATION - DIVISION 1**

4 ASSET CONSTRUCTION & MAINTENANCE Meeting / Session:

Reference: A19083049: 12 September 2019 - Refer Confidential Supporting

Information A19021179

BB, Manager Project Management (ECM Project Management) Responsible Officer:

## **Executive Summary**

Tenders were invited for the 'Bongaree - Bribie Island Sports Complex - Sportsfield Lighting Installation (MBRC008996)' project. The tender closed on 27 August 2019, with seven conforming tenders and one non-conforming tender received.

It is recommended that the tender for the 'Bongaree - Bribie Island Sports Complex - Sportsfield Lighting Installation (MBRC08996)' be awarded to Precision Lighting and Electrical Service Pty Ltd for the sum of \$272,265.00 (excluding GST) as this offer represents the best overall value to Council.

## RESOLUTION

Moved by Cr Brooke Savige Seconded by Cr Peter Flannery

CARRIED 12/0

- 1. That the tender for the 'Bongaree - Bribie Island Sports Complex - Sportsfield Lighting Installation (MBRC008996)' be awarded to Precision Lighting and Electrical Service Pty Ltd for the sum of \$272,265.00 (excluding GST).
- 2. That the Council enters into an agreement with Precision Lighting and Electrical Service Pty Ltd as described in this report.
- 3. That the Chief Executive Officer be authorised to take all action necessary, including but not limited to, negotiating, making, amending, signing and discharging the agreement with Precision Lighting and Electrical Service Pty Ltd for the 'Bongaree - Bribie Island Sports Complex - Sportsfield Lighting Installation (MBRC008996) and any required variations of the agreement on Council's behalf.

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ITEM 4.1 BONGAREE - BRIBIE ISLAND SPORTS COMPLEX - SPORTSFIELD LIGHTING INSTALLATION -DIVISION 1 - A19083049 (Cont.)

## OFFICER'S RECOMMENDATION

- 1. That the tender for the 'Bongaree - Bribie Island Sports Complex - Sportsfield Lighting Installation (MBRC008996)' be awarded to Precision Lighting and Electrical Service Pty Ltd for the sum of \$272,265.00 (excluding GST).
- 2. That the Council enters into an agreement with Precision Lighting and Electrical Service Pty Ltd as described in this report.
- 3. That the Chief Executive Officer be authorised to take all action necessary, including but not limited to, negotiating, making, amending, signing and discharging the agreement with Precision Lighting and Electrical Service Pty Ltd for the 'Bongaree - Bribie Island Sports Complex - Sportsfield Lighting Installation (MBRC008996)' and any required variations of the agreement on Council's behalf.

### REPORT DETAIL

## **Background**

The project is located at the Bribie Island Sports Complex, 156A First Avenue, Bongaree. The project scope includes the installation of 6 tapered steel lighting poles with footings, LED floodlights and associated electrical infrastructure to illuminate soccer fields 2 and 3 at the facility. This project has originated from an Electrical and Lighting Infrastructure Audit undertaken by Ashburner and Francis Consulting Engineers (2017/18). The objective of the project is to provide field lighting compliant with AS2560 and AS4282 to enable further activation of the fields and ensure the overuse of field 1 does not continue.

Detailed design has been completed. Construction will commence in October 2019 with an expected construction period of 12 weeks. Construction, pending award, is due for completion in February 2020 following procurement lead times for poles and luminaires. Site works will be undertaken just prior to delivery of poles and luminaires.

The Bribie Island Football Club is aware of the upcoming works. Their playing season has finished, and arrangements have been made for any training to occur on other fields.

Bribie Island Recreation Grounds Bribie Island **Sports Complex** 

Figure 1 - Location of works - Bribie Island Sports Complex

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ITEM 4.1 BONGAREE - BRIBIE ISLAND SPORTS COMPLEX - SPORTSFIELD LIGHTING INSTALLATION -DIVISION 1 - A19083049 (Cont.)

### **Explanation of Item** 2.

Tenders for the 'Bongaree - Bribie Island Sports Complex - Sportsfield Lighting Installation (MBRC008996)' project closed on 27 August 2019 with seven conforming tenders and one non-conforming tender received. The responses were assessed by an evaluation panel in accordance with Council's Purchasing Policy and the selection criteria as set out in the tender documents.

All tenderers and their evaluation scores are tabled below (ranked from highest to lowest):

RANK	TENDERER	EVALUATION SCORE
1	Precision Lighting and Electrical Service Pty Ltd	95.86
2	T2 Electrical and Data Pty Ltd	95.64
3	Main Constructions Pty Ltd	90.45
4	HIBB Electrical Service	90.20
5	GNB Energy Pty Ltd	82.04
6	Allrange Electrical Services Pty Ltd	78.31
7	Powercom Industries Pty Ltd	69.28
8	Harkins Electrical Services QLD	Non-conforming

Precision Lighting and Electrical Service Pty Ltd (Precision) submitted a comprehensive tender and demonstrated their methodology and experience on projects of a similar scale and complexity. Precision has undertaken the construction of similar projects, including field lighting (sub-contractor) component of Burpengary - Moreton Bay Central Sports Complex - Soccer Stage 1; design and construction of field lighting for Hyde Park gridiron fields (\$135K) for Logan City Council; and construction of field lighting at South Moree Sports Complex rugby league fields for Moree Plains Shire Council (\$320K). At a tender clarification meeting held on 16 September 2019. Precision demonstrated their understanding and methodology to complete this project, including their understanding of the required tree management aspects.

T2 Electrical and Data Pty Ltd (T2) submitted a comprehensive tender and demonstrated their installation methodology and experience on projects of a similar scale and complexity. At a tender clarification meeting on 17 September 2019, T2 demonstrated their understanding and methodology to complete this project; however, there were no additional benefits for the higher price.

Main Constructions Pty Ltd submitted a comprehensive tender and demonstrated their installation methodology and experience on projects of a similar scale and complexity. There were no additional benefits for the higher price.

The non-conforming tender did not provide the mandatory documentation.

### 3. Strategic Implications

### 3.1 Legislative/Legal Implications

Due to value of work being greater than \$200,000, Council called a public tender for the work through the LG Tender system in accordance with the Local Government Act 2009.

### 3.2 Corporate Plan / Operational Plan

This project is consistent with the Corporate Plan outcome - Valuing Lifestyle: Quality recreation and cultural opportunities - active recreation opportunities.

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ITEM 4.1 BONGAREE - BRIBIE ISLAND SPORTS COMPLEX - SPORTSFIELD LIGHTING INSTALLATION - DIVISION 1 - A19083049 (Cont.)

## 3.3 Policy Implications

This project has been procured in accordance with the provisions of the following documents:

- Council's Procurement Policy 2150-006
- Local Government Act 2009
- Local Government Regulation 2012 Chapter 6.

## 3.4 Risk Management Implications

A detailed risk management plan has been prepared. The project risk has been assessed and the following issues identified. The manner in which the identified risks are to be managed is detailed below.

### Financial Risks:

A third-party review of financial status has been carried out and the successful tenderer was rated 'satisfactory'.

## Construction Risks:

- a. The recommended tenderer (contractor) will provide a detailed program of works, a staging plan, environmental management plan and safety plans and will be required to meet relevant workplace health and safety requirements as part of the contract, including safe work method statements.
- b. The contractor has demonstrated their understanding of constructability challenges and their technical capability to complete the works in this environment.
- c. The contractor has provided a program with an allowance (10 days) for wet weather days as part of their tender program.
- d. There are no Development Approvals relating to this site or project.

### **Procurement Risks:**

- a. The supply of poles for this project requires a lead time of eight weeks from the time of ordering as noted in the contractor tender clarification meeting.
- b. The supply of luminaires for this project normally requires a lead time of eight weeks from the time of ordering as noted in the contractor tender clarification meeting, with some luminaires currently in stock.

## 3.5 Delegated Authority Implications

No delegated authority implications arising as a direct result of this report.

## 3.6 Financial Implications

Council has allocated a total of \$540,000 of Capital funding for this project (108182); with \$40,000 for design in the 18-19 FY; and \$500,000 for construction in the 19-20 FY. (In relation to revenue for this project, the state government has provided \$150,000 and the Bribie Island Football Club has contributed \$11,000.)

Design (18/19 FY)	\$	7,870.00
Tender Price (Construction)	\$	272,265.00
Contingency (10%)	\$	27,226.50
QLeave (0.475%)	\$	1,293.26
Total Project Cost	\$	308,654.76
	==	========

Estimated ongoing operational/maintenance costs \$3,500.00 per F/Y

The budget amount for this project is sufficient.

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ITEM 4.1 BONGAREE - BRIBIE ISLAND SPORTS COMPLEX - SPORTSFIELD LIGHTING INSTALLATION -DIVISION 1 - A19083049 (Cont.)

#### 3.7 **Economic Benefit**

This project will assist in maximising the use of the space at the facility and provide floodlighting of fields 2 and 3. The lighting will provide additional competition facilities for night games which is essential for the continued economic growth of the club within the Sunshine Coast Football Zone.

The lighting of field 2 and 3 will allow the club to carry out training and games on these fields, therefore reducing the financial impact on Council for the ongoing maintenance and overuse of field 1.

### 3.8 **Environmental Implications**

An Environmental Management Plan will be provided to Council by the successful tenderer, detailing the management of environmental matters affecting the project during construction.

### Social Implications 3.9

The additional lighting will provide capacity for the club to schedule night fixtures and training on fields 2 and 3. The lighting infrastructure will meet Football Brisbane's required lighting standards. The provision of suitable facilities allows the club and community to promote healthy lifestyles.

## 3.10 Consultation / Communication

A detailed communication plan has been prepared. Communication strategies include project notices, project signs, direct communication with facility user groups and weekly updates to the Divisional Councillor which will be implemented once the tender is awarded. The Divisional Councillor has been consulted and is supportive of the project.

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## **ITEM 4.2 - DECLARATION OF INTEREST**

## Conflict of Interest - Declaration - Cr Allan Sutherland (Mayor)

Pursuant to s175E of the Local Government Act 2009, Cr Allan Sutherland (Mayor) declared a perceived conflict of interest in Item 4.2 as BMD Constructions (a related company to a tenderer of Item 4.2) provided \$2200 on 2 November 2010 to Moreton Futures Trust. A further donation from Urbex, BMD Holdings (possibly a related company to a tenderer of Item 4.2) was received in 2012 for \$1100 to Cr Allan Sutherland (Mayor).

Cr Allan Sutherland (Mayor) retired from the meeting at 11.00am taking no part in the debate or resolution regarding same.

## Conflict of Interest - Declaration - Cr Mike Charlton (Deputy Mayor)

Pursuant to s175E of the Local Government Act 2009, Cr Mike Charlton (Deputy Mayor) declared a perceived conflict of interest in Item 4.2 as BMD Constructions (a related company to a tenderer of Item 4.2) provided \$2200 on 2 November 2010 to Moreton Futures Trust. Cr Charlton advised that he received an interest-free loan in the amount of \$5000 from Moreton Futures Trust in late September 2011 which was repaid in full on 25 January 2012. Cr Charlton has not received a donation since that time.

However, Cr Mike Charlton (Deputy Mayor) has considered his position and is firmly of the opinion that he could participate in the debate and resolution on the matter in the public interest.

## Councillor not voluntarily left meeting - other Councillors who are entitled to vote must decide

Pursuant to s175E(3) of the Local Government Act 2009, the other Councillors who are entitled to vote at the meeting have been informed about a Councillor's personal interests in the matter and the Councillor has not voluntarily left the meeting, and in accordance with \$175E(4) the other Councillors must decide whether the Councillor has a real or perceived conflict of interest in the matter and what action the Councillor must take.

Moved by Cr Mick Gillam Seconded by Cr Matt Constance

CARRIED 10/0

That in accordance with s175E(4) of the Local Government Act 2009, it is considered that Cr Mike Charlton (Deputy Mayor) has a perceived conflict of interest in the matter however, may participate in the meeting including voting on the matter as it is considered that this is in the public interest.

Cr Mike Charlton (Deputy Mayor) remained in the meeting.

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## **ITEM 4.2** CABOOLTURE - AERODROME ROAD - INTERSECTION UPGRADE AND ROAD **REHABILITATION - DIVISION 2**

4 ASSET CONSTRUCTION & MAINTENANCE Meeting / Session:

Reference: A19083444: 12 September 2019 - Refer Confidential Supporting Information

A18988625

Responsible Officer: BB, Manager Project Management (ECM Project Management)

## **Executive Summary**

Tenders were invited for the 'Caboolture - Aerodrome Road - Intersection Upgrade and Road Rehabilitation (MBRC008909)' project. The tender closed on 21 August 2019, with 13 conforming tenders received.

It is recommended that Council award the contract to Ryan Civil Contracting Pty Ltd for the sum of \$1,268,186.67 (excluding GST) as this tender was evaluated as representing the best overall value to Council.

## RESOLUTION

## Moved by Cr Peter Flannery Seconded by Cr Mick Gillam

CARRIED 11/0

Cr Allan Sutherland (Mayor) had declared a conflict of interest and had left the meeting

- That the tender for 'Caboolture Aerodrome Road Intersection Upgrade and Road 1. Rehabilitation (MBRC008909)' be awarded to Ryan Civil Contracting Pty Ltd for the sum of \$1,268,186.67 (excluding GST).
- That the Council enters into an agreement with Ryan Civil Contracting Pty Ltd as described in 2. this report.
- 3. That the Chief Executive Officer be authorised to take all action necessary, including but not limited to, negotiating, making, amending, signing and discharging the agreement with Ryan Civil Contracting Pty Ltd for 'Caboolture - Aerodrome Road - Intersection Upgrade and Road Rehabilitation (MBRC008909)' and any required variations of the agreement on Council's behalf.

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ITEM 4.2 CABOOLTURE - AERODROME ROAD - INTERSECTION UPGRADE AND ROAD REHABILITATION -DIVISION 2 - A1908344 (Cont.)

## OFFICER'S RECOMMENDATION

- 1. That the tender for 'Caboolture - Aerodrome Road - Intersection Upgrade and Road Rehabilitation (MBRC008909)' be awarded to Ryan Civil Contracting Pty Ltd for the sum of \$1,268,186.67 (excluding GST).
- 2. That the Council enters into an agreement with Ryan Civil Contracting Pty Ltd as described in this report.
- 3. That the Chief Executive Officer be authorised to take all action necessary, including but not limited to, negotiating, making, amending, signing and discharging the agreement with Ryan Civil Contracting Pty Ltd for 'Caboolture - Aerodrome Road - Intersection Upgrade and Road Rehabilitation (MBRC008909)' and any required variations of the agreement on Council's behalf.

## REPORT DETAIL

## **Background**

The project is located at Aerodrome Road, from and including the intersection with Lear Jet Drive (southern end) to McNaught Road, Caboolture. The project scope includes the reconfiguration of the existing priority controlled 'T' intersection to traffic signals, including signalised pedestrian crossing facilities and the rehabilitation of the road pavement (722m length and 10m width). The project also includes pathway renewal and widening, on-road bicycle lanes and additional traffic (turn) lanes to the western and northern approaches, raised medians, renewal of the existing surface, landscaping to medians and roadsides, relocation of significant public utility services and some drainage works. The objective of this project is to improve safety for all transport users, reduce traffic congestion and delays, improve safety for access to businesses along the road corridor, improve facilities for pedestrian and cyclists and bring the road pavement to a desirable level of service as the existing road pavement has deteriorated below an acceptable level.

Construction is expected to commence in October 2019, with pavement and stormwater works to be undertaken using night works behind temporary waterfilled barriers, with temporary closure of the existing left turn lane from Aerodrome Road into Lear Jet Drive, re-opening by 6am. Kerb realignments are to be undertaken as day works. The re-construction of the existing concrete driveways will be sequenced, so that access to existing properties will be maintained throughout the project duration. While night pavement works are undertaken, detours will be in place to control traffic around the work site on Lear Jet Drive to reduce delays to traffic.

Construction will take 12 weeks (late January 2020) to complete which includes an allowance for wet weather.

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Figure 2: Location of works - Aerodrome Road Intersection Upgrade and Road Rehabilitation

## 2. Explanation of Item

Tenders for the 'Caboolture - Aerodrome Road - Intersection Upgrade and Road Rehabilitation (MBRC008909)' project closed on 21 August 2019 with 13 conforming tenders received. The tenders were assessed by the assessment panel in accordance with Council's Purchasing Policy and the selection criteria as set out in the tender documents.

All tenderers and their evaluation scores are tabled below (ranked from highest to lowest):

RANK TENDERER		EVALUATION SCORE
1	Ryan Civil Contracting Pty Ltd	97.39
2	Civlec Pty Ltd (trading as GRC Civil)	95.34
3	Ertech (Queensland) Pty Ltd	93.34
4	Pentacon Pty Ltd	91.48
5	CES Civil SEQ Pty Ltd	89.11
6	Winslow Constructors Pty Ltd	86.77
7 BMD Urban Pty Ltd 86.59		86.59
8 Bellwether Contractors Pty Ltd (Alternate) 83.61		83.61
G&H Plant Hire Pty Ltd (T/A as Civil Contractors) 81.68		81.68
10	10 Bellwether Contractors Pty Ltd 80.52	

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ITEM 4.2 CABOOLTURE - AERODROME ROAD - INTERSECTION UPGRADE AND ROAD REHABILITATION -DIVISION 2 - A1908344 (Cont.)

RANK	TENDERER	EVALUATION SCORE
11	Pensar Civil Pty Ltd	77.78
12	Koppens Developments Pty Ltd	75.63
13	HEH Civil Pty Ltd	75.50

Ryan Civil Contracting Pty Ltd (RCC) submitted a comprehensive tender and demonstrated their methodology and experience on projects of a similar scale and complexity. RCC has undertaken the construction of similar projects for various clients, including road rehabilitation of Youngs Crossing Road with a value of \$875,260 and Camelia Avenue road rehabilitation, Everton Hills, with a value of \$1,255,634. At a tender clarification meeting held on 11 September 2019, RCC demonstrated their understanding and methodology to complete this project, including their understanding of the required traffic management, day and night works. The tender submission from Ryan Civil Contracting Pty Ltd was deemed by the evaluation panel to provide the best value offer for Council.

Civlec Pty Ltd trading as GRC Civil (GRC) submitted a comprehensive tender and demonstrated their methodology and experience on projects of a similar scale and complexity; however, there were no additional benefits for the higher price.

Ertech (Queensland) Pty Ltd (Ertech) submitted a comprehensive tender and demonstrated their methodology and experience on projects of a similar scale and complexity; however, there were no additional benefits for the higher price.

### 3. Strategic Implications

### 3.1 Legislative/Legal Implications

Due to value of work being greater than \$200,000, Council called a public tender for the work through the LG Tender system in accordance with the Local Government Act 2009.

### 3.2 Corporate Plan / Operational Plan

This project is consistent with the Corporate Plan outcome - Valuing Lifestyle: Diverse transport options - an integrated regional transport network.

### 3.3 Policy Implications

This project has been procured in accordance with the provisions of the following documents:

- Council's Procurement Policy 2150-006
- Local Government Act 2009
- Local Government Regulation 2012 Chapter 6.

#### 3.4 Risk Management Implications

A detailed risk management plan has been prepared. The project risk has been assessed and the following issues identified. The manner in which the possible impact of these risks is minimised is detailed below.

## Financial Risks:

A third-party review of financial status has been carried out and the successful tenderer was rated 'satisfactory'.

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ITEM 4.2 CABOOLTURE - AERODROME ROAD - INTERSECTION UPGRADE AND ROAD REHABILITATION -DIVISION 2 - A1908344 (Cont.)

## Construction Risks:

- a. The recommended contractor will provide a detailed program of works, a staging plan, site specific traffic management, environmental management and safety plans and will be required to meet relevant workplace health and safety requirements as part of the contract, including safe work method statements. Council officers will review and monitor these plans. Road pavement work and stormwater installation will be undertaken at night in stages, with preparation for night works, kerbing/path works, primarily completed outside of peak times during the day. Traffic management of day works will consider impacts on road users and local businesses.
- b. The contractor has provided a program with an allowance (21 days) for wet weather delays as part of their tendered program.
- c. There are no Development Approvals that impact on these works.

### Procurement Risks:

- a. Ryan Civil Contracting are on Council's latest prequalified Civil Construction panel MBRC008453. Ryan Civil Contracting Pty Ltd have recently been awarded two projects Ningi Basin Construction valued at \$150,000 and Burpengary East Buckley Road pathway valued at \$150,000. At the tender clarification meeting on 11 September 2019, Ryan Civil Contracting Pty Ltd detailed their ability to complete all projects with the extent of resources within their company.
- The major project procurement risk relates to utilities relocations. Procurement for service relocations of Unitywater, Energex, Telstra and NBN assets has been undertaken. Unitywater services have been programmed for relocation next week. As part of the tender, the contractor will be required to coordinate service relocations (Telstra and NBN) at the appropriate time during construction.

### 3.5 **Delegated Authority Implications**

No delegated authority implications arising as a direct result of this report.

### 3.6 **Financial Implications**

Council has allocated a total of \$2,610,000 in Capital funding for this project (101243); with \$210,000 for design in the 18-19 FY and \$2,400,000 in the 19-20 FY for construction. Design for the project was completed in the first quarter of the 19-20FY. All financials below are excluding GST.

Design 18/19 & 19/20	\$	187,695.11
Unitywater relocations	\$	15,007.27
NBN relocations	\$	40,248.89
Telstra relocations	\$	49,818.17
Energex relocations	\$	5,097.92
Tender Price (Construction)	\$1	,268,186.67
Contingency (10%)	\$	126,818.67
QLeave (0.475%)	\$	6,023.89
Total Project Cost	\$1	,698,896.59
	==	=======

Estimated ongoing operational/maintenance costs 10,800 per F/Y

The budget amount for this project is sufficient.

#### 3.7 **Economic Benefit**

The road rehabilitation will extend the pavement life.

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ITEM 4.2 CABOOLTURE - AERODROME ROAD - INTERSECTION UPGRADE AND ROAD REHABILITATION -DIVISION 2 - A1908344 (Cont.)

## **Environmental Implications**

The contractor will provide an Environmental Management Plan that will detail management of the site and include sediment and erosion controls that will be monitored by the project manager.

### 3.9 Social Implications

The upgrade of the intersection will introduce new benefits to the local community, not least being a safer and more efficient intersection, through dedicated pedestrian facilities.

## 3.10 Consultation / Communication

A detailed communication plan has been prepared. Communication strategies include pre-project notices, project notices, project signs, Variable Message Signs (VMS) and weekly email updates to the Divisional Councillor which will be implemented once the tender is awarded. Residents and businesses directly abutting the project site will be contacted by Council to advise on the proposed works and associated timing, providing a minimum of two days' notice for works directly adjacent to their properties via a letter drop and door knocking (visitations). The Divisional Councillor has been consulted and is supportive of the project.

## **ATTENDANCE**

Cr Allan Sutherland (Mayor) returned to the meeting at 11.08am after Item 4.2.

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## **ITEM 4.3** WAMURAN - PATES ROAD - ROAD REHABILITATION (SUPPLY OF ROAD **CONSTRUCTION MATERIALS) - DIVISION 12**

4 ASSET CONSTRUCTION & MAINTENANCE Meeting / Session:

Reference: A19131093: 23 September 2019 - Refer Confidential Supporting

Information A19115969

Responsible Officer: MJ, Acting Coordinator Construction (ECM Asset Maintenance)

## **Executive Summary**

Tenders were invited from Council's prequalified Road Construction Materials Panel for the 'Supply of Road Construction Materials (MBRC008380 VP153684)' as part of the 'Wamuran - Pates Road - Road Rehabilitation' project. Tenders closed on 25 July 2019 with a total of four tenders received.

It is recommended that Council award the contract to Hanson Construction Materials Pty Ltd for the sum of \$283,050.00 (excluding GST) as this tender was evaluated as representing the best overall value to Council.

## RESOLUTION

Moved by Cr Julie Greer Seconded by Cr Mick Gillam

CARRIED 12/0

- 1. That the tender for the 'Supply of Road Construction Materials (MBRC008380 VP153684)' for the Wamuran - Pates Road - Road Rehabilitation (Supply of Road Construction Materials) project be awarded to Hanson Construction Materials Pty Ltd for the sum of \$283,050.00 (excluding GST).
- 2. That the Council enters into an agreement with Hanson Construction Materials Pty Ltd as described in this report.
- That the Chief Executive Officer be authorised to take all action necessary, including but not 3. limited to, negotiating, making, amending, signing and discharging the agreement with Hanson Construction Materials Pty Ltd for 'Supply of Road Construction Materials (MBRC008380 VP153684) for the Wamuran - Pates Road - Road Rehabilitation (Supply of Road Construction Materials) project and any required variations of the agreement on Council's behalf.

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ITEM 4.3 WAMURAN - PATES ROAD - ROAD REHABILITATION (SUPPLY OF ROAD CONSTRUCTION MATERIALS) - DIVISION 12 - A19131093 (Cont.)

## OFFICER'S RECOMMENDATION

- 1. That the tender for the 'Supply of Road Construction Materials (MBRC008380 VP153684)' for the Wamuran - Pates Road - Road Rehabilitation (Supply of Road Construction Materials) project be awarded to Hanson Construction Materials Pty Ltd for the sum of \$283,050.00 (excluding GST).
- 2. That the Council enters into an agreement with Hanson Construction Materials Pty Ltd as described in this report.
- 3. That the Chief Executive Officer be authorised to take all action necessary, including but not limited to, negotiating, making, amending, signing and discharging the agreement with Hanson Construction Materials Pty Ltd for 'Supply of Road Construction Materials (MBRC008380 VP153684)' for the Wamuran - Pates Road - Road Rehabilitation (Supply of Road Construction Materials) project and any required variations of the agreement on Council's behalf.

## REPORT DETAIL

## **Background**

The project scope includes the rehabilitation of Pates Road, Wamuran over a length of 1560 metres. The existing pavement is currently showing significant signs of rutting, pavement fails and block cracking. An 8.0-metre wide formation is proposed due to the high number of commercial vehicles associated with the local land use. There is sub-standard road alignment within private property and it is proposed to realign and upgrade the road to within the current road reserve, as part of the project. The project objective is to renew the pavement and achieve the required level of service.

Preparatory civil works for this project have commenced, with the supply of road construction materials to commence in October 2019. Total project duration is 26 weeks, weather permitting.

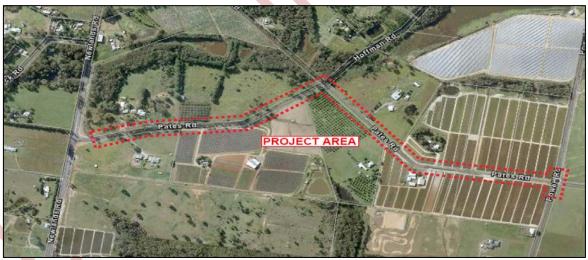


Figure 1: Location of works - Pates Road, Wamuran

### 2. **Explanation of Item**

Tenders were invited for the 'Supply of Road Construction Materials (MBRC008380 VP153684)' as part of the 'Wamuran - Pates Road - Road Rehabiliation' project. Tenders closed on 25 July 2019 with four conforming tenders received.

Tenders were evaluated by the assessment panel in accordance with Council's Purchasing Policy and the selection criteria set out in the request for tender documents.

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ITEM 4.3 WAMURAN - PATES ROAD - ROAD REHABILITATION (SUPPLY OF ROAD CONSTRUCTION MATERIALS) - DIVISION 12 - A19131093 (Cont.)

All tenderers and their evaluation scores are tabled below (ranked from highest to lowest):

RANK	TENDERER	EVALUATION SCORE
1	Hanson Construction Materials Pty Ltd	98.12
2	Brisbane City Council (trading as Bracalba Quarry)	95.37
3	Holcim (Australia) Pty Ltd	90.82
4	Boral Resources (QLD) Pty Ltd	89.09

Hanson Construction Materials Pty Ltd (Hanson), being an approved member of Council's Panel of Pregualified Suppliers - Road Construction Materials (MBRC008380), demonstrated their understanding of Council's requirements and are able to provide a sufficient quantity of materials to satisfy the project needs. The proposed quarry source is located within a reasonable distance of the project site. Hanson submitted the lowest priced offer and received the highest evaluation score. This offer was deemed to provide the best value to Council.

Brisbane City Council T/A Bracalba Quarry (BCC) provided a comprehensive tender submission. BCC demonstrated their knowledge and capability to provide the materials; however, there were few additional benefits for the higher price and therefore this offer was not deemed best value to Council.

Holcim (Australia) Pty Ltd (Holcim) provided a comprehensive tender submission, demonstrating the relevant capability to provide the materials; however, there were few benefits for the higher price and therefore this offer was not deemed best value to Council.

### 3. Strategic Implications

### 3.1 Legislative/Legal Implications

Due to the value of work being greater than \$200,000, Council called tenders for the work through Council's Panel of Prequalified Suppliers - Road Construction Materials (MBRC008380) in accordance with the Local Government Act 2009.

### 3.2 Corporate Plan / Operational Plan

This project is consistent with the Corporate Plan outcome - Valuing Lifestyle: Diverse transport options - an integrated regional transport network.

### 3.3 Policy Implications

This contract has been procured in accordance with the provisions of the following documents:

- Council's Procurement Policy 2150-006
- Local Government Act 2009
- Local Government Regulation 2012 Chapter 6.

### Risk Management Implications

The project risk has been assessed and the following issues identified. The manner in which the possible impact of these risks is minimised is detailed below.

## Financial Risk:

The tenderers were sourced from the Council's Prequalified Road Construction Materials Panel (MBRC008380).

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ITEM 4.3 WAMURAN - PATES ROAD - ROAD REHABILITATION (SUPPLY OF ROAD CONSTRUCTION MATERIALS) - DIVISION 12 - A19131093 (Cont.)

## Construction Risks

- a. Council's internal construction crew have been appointed as the principal contractors for this project. The construction crew have implemented construction management plans to control and monitor the project site. These plans include traffic management plans and environmental and safety plans to meet relevant construction requirements. All contractors will be managed by the internal construction crew and inducted onto the approved management plans.
- The recommended contractor holds the relevant Department of Transport and Main Roads certifications to provide quality materials to satisfy project requirements.

### 3.5 **Delegated Authority Implications**

No delegated authority implications arising as a direct result of this report.

### 3.6 **Financial Implications**

Council has allocated a total of \$1,600,000 in Capital funding in the 19-20 FY for the 'Wamuran -Pates Road - Road Rehabilitation' project (104320). The 'Supply of Road Construction Materials (MBRC008380 VP153684)' will be funded from the project budget.

Supply of Road Construction Materials contract	\$ 283,050.00
10% Contingency	\$ 28,305.00
Total Cost	\$ 311,355.00
	========

### 3.7 **Economic Benefit**

The project objective is to renew the pavement and achieve the desired standards of service.

### 3.8 **Environmental Implications**

Council's internal construction section have implemented an Environmental Management Plan which contractors will be inducted into. This plan details the management of environmental matters affecting the project during construction.

#### 3.9 Social Implications

The works will improve vehicle safety and the road's structural integrity and rideability.

## Consultation / Communication

Communication strategies have been implemented by ECM Construction including project notices, project signs and variable message road signs. Residents directly abutting the project site have been contacted by Council to advise on the proposed works and associated timing.

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## **ITEM 4.4** SCARBOROUGH - EVERSLEIGH ROAD - RETAINING WALL AND TREE REMOVAL - DIVISION 5

Meeting / Session: 4 ASSET CONSTRUCTION & MAINTENANCE

Reference: A19064147: 25 September 2019 - Refer Confidential Supporting Information

A18958604

Responsible Officer: BB, Manager Project Management (ECM Project Management)

## **Executive Summary**

Tenders were invited from the Council's prequalified Civil Construction Panel (MBRC008453) for the 'Scarborough - Eversleigh Road - Retaining Wall and Tree Removal (MBRC008453/VP152167)' project. The tender closed on 7 August 2019, with five conforming tenders received.

It is recommended that Council award the contract to Auzcon Pty Ltd for the sum of \$211,000 (excluding GST) as this tender was evaluated as representing the best overall value to Council.

## RESOLUTION

Moved by Cr James Houghton Seconded by Cr Koliana Winchester

CARRIED 12/0

- That the tender for 'Scarborough Eversleigh Road Retaining Wall and Tree Removal 1. (MBRC008453/VP152167)' be awarded to Auzcon Pty Ltd for the sum of \$211,000 (excluding GST).
- 2. That the Council enters into an agreement with Auzcon Pty Ltd as described in this report.
- That the Chief Executive Officer be authorised to take all action necessary, including but not 3. limited to, negotiating, making, amending, signing and discharging the agreement with Auzcon Pty Ltd for 'Scarborough - Eversleigh Road - Retaining Wall and Tree Removal (MBRC008453 / VP152167)' project and any required variations of the agreement on Council's behalf.

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ITEM 4.4 SCARBOROUGH - EVERSLEIGH ROAD - RETAINING WALL AND TREE REMOVAL - DIVISION 5 -A19064147 (Cont.)

## OFFICER'S RECOMMENDATION

- That the tender for 'Scarborough Eversleigh Road Retaining Wall and Tree Removal 1. (MBRC008453/VP152167)' be awarded to Auzcon Pty Ltd for the sum of \$211,000 (excluding GST).
- 2. That the Council enters into an agreement with Auzcon Pty Ltd as described in this report.
- 3. That the Chief Executive Officer be authorised to take all action necessary, including but not limited to, negotiating, making, amending, signing and discharging the agreement with Auzcon Pty Ltd for 'Scarborough - Eversleigh Road - Retaining Wall and Tree Removal (MBRC008<mark>453 / V</mark>P152167)' project and any required variations of the agreement on Council's behalf.

## REPORT DETAIL

## **Background**

This project is located at the eastern end of Eversleigh Road, adjacent to 106 Prince Edward Parade Scarborough. The scope of works includes the removal of a large rubber tree and consolidation and stabilisation of the embankment by constructing a retaining wall providing a level viewing platform and seating. The project's objective is to remove the tree before the tree's invasive root system damages the nearby building structure.

Works are expected to commence in October 2019 and take 20 weeks to complete, weather permitting. The project will be in two phases - (1) tree poisoning and (2) tree removal and wall construction.



Figure 1: Locality plan - Eversleigh Road, Scarborough

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ITEM 4.4 SCARBOROUGH - EVERSLEIGH ROAD - RETAINING WALL AND TREE REMOVAL - DIVISION 5 -A19064147 (Cont.)

## **Explanation of Item**

Tenders were invited from Council's prequalified Civil Construction Panel (MBRC008453) for the 'Scarborough - Eversleigh Road - Retaining Wall and Tree Removal (MBRC008453/VP152167)' project. The tender closed on 7 August 2019 with five conforming tenders received. The tenders were assessed by the assessment panel in accordance with Council's Purchasing Policy and the selection criteria as set out in the tender documents.

All tenderers and their evaluation scores are tabled below (ranked from highest to lowest):

RANK	TENDERER	EVALUATION SCORE
1	Auzcon Pty Ltd	98.14
2	The Landscape Construction Company Pty Ltd	84.85
3	Main Constructions Pty Ltd	82.58
4	Queensland Civil Group Pty Ltd	81.74
5	AllenCon Pty Ltd	54.64

Auzcon Pty Ltd (Auzcon) submitted a comprehensive tender and demonstrated their methodology and experience on projects of a similar scale and complexity. Auzcon has undertaken the construction of similar projects for Council, including Margate Parade Sea Wall and Boardwalk valued at \$3.2M; and Jubilee Street, Caboolture - Footbridge Construction valued at \$197,000. At a tender clarification meeting held on 23 August 2019, Auzcon demonstrated their understanding and an appropriate methodology to complete this project. The evaluation panel recommends that this submission represents the best overall value to Council.

The Landscape Construction Company Pty Ltd submitted a comprehensive tender and demonstrated their methodology and experience on projects of a similar scale and complexity including their extensive retaining wall, concrete pavements, landscaping and service connection knowledge; however, there were no additional benefits for the higher price.

Main Constructions Pty Ltd submitted a comprehensive tender and demonstrated their methodology and experience on projects of a similar scale and complexity including their extensive retaining wall, earthworks, concrete pathways, and landscaping knowledge; however, there were no additional benefits for the higher price.

Other contractors on the panel who did not submit a tender for this project were queried as to why they did not tender for the project. Their advice cited a number of reasons including:

- current workload did not accommodate new projects
- works were outside normal scope of works.

### Strategic Implications 3.

### 3.1 Legislative/Legal Implications

Due to value of work being greater than \$200,000, Council called for tenders for the work through the Council's prequalified Civil Construction Panel (MBRC008453) in accordance with the Local Government Act 2009.

### 3.2 Corporate Plan / Operational Plan

This project is consistent with the Corporate Plan outcome - Creating Opportunities: Well-planned growth - a sustainable and well-planned community.

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ITEM 4.4 SCARBOROUGH - EVERSLEIGH ROAD - RETAINING WALL AND TREE REMOVAL - DIVISION 5 -A19064147 (Cont.)

### 3.3 Policy Implications

This project has been procured in accordance with the provisions of the following documents:

- Council's Procurement Policy 2150-006
- Local Government Act 2009
- Local Government Regulation 2012 Chapter 6.

#### 3.4 **Risk Management Implications**

A detailed risk management plan has been prepared. The project risk has been assessed and the following issues identified. The manner in which the identified risks are to be managed is detailed below.

### Financial Risks:

Tenders were invited from Council's prequalified Civil Construction Panel (MBRC008453).

### Construction Risks

- The recommended contractor has recognised the construction risks with removing the existing tree. For this reason, the contingency has been increased to 40% due to the uncertainty associated with the tree and its removal.
- The recommended contractor will provide a program of works, traffic management plan, safety b. management plan and environmental plan as part of the contract to identify and detail how they will manage and mitigate project construction risks.
- The recommended contractor has demonstrated their understanding of the project site and the c. need to manage the impact of the works and the safety of the park's users and visitors.
- d. The recommended contractor has indicated in their program of works that they have taken into consideration the provision of appropriate resources to complete the works effectively.

## Procurement Risks:

a. The staged works require the poisoning of the rubber tree. The tree poisoning process and duration to determine the completed activity has required the procurement of a staged approach and this may impact on the physical construction timing of the retaining wall.

## **Development Risks:**

There are no adjacent Development Approvals associated with this project.

### Delegated Authority Implications 3.5

No delegated authority implications arising as a direct result of this report.

### 3.6 Financial Implications

Council has allocated a total of \$352,993 in Capital funding for this project (106808); with \$47,933 for design in the 2018-19 FY and \$305,000 for construction in the 2019-20 FY. All financials below are excluding GST.

Design 2018/19	\$ 36,060.00
Tender price (construction)	\$ 211,000.00
Contingency (40%)	\$ 84,400.00
QLeave (0.475%)	\$ 1,002.25
Total Project Cost	\$ 332,462.25
•	========

Estimated ongoing operational/maintenance costs \$5,750.00 per F/Y

The budget amount for this project is sufficient.

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ITEM 4.4 SCARBOROUGH - EVERSLEIGH ROAD - RETAINING WALL AND TREE REMOVAL - DIVISION 5 -A19064147 (Cont.)

### 3.7 **Economic Benefit**

No economic benefits arising as a direct result of this report.

### 3.8 **Environmental Implications**

An Environmental Management Plan will be provided to Council by the successful tenderer, detailing the management of environmental matters affecting the project during construction. The contractor will be monitored by Council's project manager for the duration of the works to ensure compliance with the Environmental Management Plan.

### 3.9 **Social Implications**

The project aims to promote a healthy and inclusive community, that encourages active living and views of the water for all visitors.

## 3.10 Consultation / Communication

A detailed communication plan has been prepared. Project signage will be displayed prior to and throughout the works, including project notices distributed prior to the commencement of works. The Divisional Councillor will be provided with fortnightly email updates on progress of the works.

The Divisional Councillor has been consulted and is supportive of the project.

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## **ITEM 4.5**

## TENDER - INSTALLATION AND REMOVAL OF CHRISTMAS DECORATIONS (MBRC009013) - REGIONAL

4 ASSET CONSTRUCTION & MAINTENANCE Meeting / Session:

Reference: A19110006: 17 September 2019 - Refer Confidential Supporting

Information A19051616, A19051610

Responsible Officer: PE, Facility Support Officer (ECM Asset Maintenance)

## **Executive Summary**

The installation and removal of Christmas decorations across the region are undertaken through a contract arrangement. Tenders were called for 'Installation and Removal of Christmas Decorations (MBRC009013)' through open tender using LG Tenderbox. Tenders closed on 3 September 2019, with one submission received for each portion. The tender was divided into three separable portions based on decoration type. Separable Portion 3 will not be awarded as part of this report as it is deemed more cost effective to undertake these works internally.

Separable Portion 1 - Installation and Removal of Banner Decorations (MBRC009013). It is recommended that Separable Portion 1 be awarded to Mainline Electrics Pty Ltd for an estimated sum of \$98,980.00 (excluding GST) for the initial contract period of 15 months (from date of signing to 25 January 2021 which covers the two Christmas periods of 2019 and 2020), with an option to extend by a further two x one-year periods, subject to satisfactory performance.

Separble Portion 2 - 'Installation and Removal of Tree Decorations (MBRC009013). It is recommended that Separable Portion 2 be awarded to Mainline Electrics Pty Ltd for an estimated sum of \$372,180.00 (excluding GST) for the initial contract period of 15 months (from date of signing to 25 January 2021 which covers the two Christmas periods of 2019 and 2020), with an option to extend by a further two x one-year periods, subject to satisfactory performance.

## RESOLUTION

Moved by Cr Denise Sims Seconded by Cr Julie Green

CARRIED 12/0

- That the tender for 'Installation and Removal of Christmas Decorations (MBRC009013 -1. Separable Portion 1 - Banner Decorations)' be awarded to Mainline Electrics Pty Ltd for the estimated sum of \$98,980.00 (excluding GST) for the initial period of 15 months (from date of signing to 25 January 2021), with an option to extend by a further two x one-year periods, subject to satisfactory performance.
  - a) That the Council enters into an agreement with Mainline Electrics Pty Ltd as described in this report.
  - That the Chief Executive Officer be authorised to take all action necessary, including but not limited to, negotiating, making, amending, signing and discharging the agreement with Mainline Electrics Pty Ltd for 'Installation and Removal of Christmas Decorations (MBRC009013 - Separable Portion 1 - Banner Decorations)' and any required variations of the agreement on Council's behalf.
- 2. That the tender for 'Installation and Removal of Christmas Decorations (MBRC009013 -Separable Portion 2 - Tree Decorations)' be awarded to Mainline Electrics Pty Ltd for the estimated sum of \$372,180.00 (excluding GST) for the initial period of 15 months (from date of signing to 25 January 2021), with an option to extend by a further two x one-year periods, subject to satisfactory performance.

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ITEM 4.5 TENDER - INSTALLATION AND REMOVAL OF CHRISTMAS DECORATIONS (MBRC009013) - REGIONAL - A19110006 (Cont.)

- a) That the Council enters into an agreement with Mainline Electrics Pty Ltd as described in this report.
- b) That the Chief Executive Officer be authorised to take all action necessary, including but not limited to, negotiating, making, amending, signing and discharging the agreement with Mainline Electrics Pty Ltd for 'Installation and Removal of Christmas Decorations (MBRC009013 Separable Portion 2 Tree Decorations)' and any required variations of the agreement on Council's behalf.



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ITEM 4.5 TENDER - INSTALLATION AND REMOVAL OF CHRISTMAS DECORATIONS (MBRC009013) -REGIONAL - A19110006 (Cont.)

## OFFICER'S RECOMMENDATION

- 1. That the tender for 'Installation and Removal of Christmas Decorations (MBRC009013 - Separable Portion 1 - Banner Decorations)' be awarded to Mainline Electrics Pty Ltd for the estimated sum of \$98,980.00 (excluding GST) for the initial period of 15 months (from date of signing to 25 January 2021), with an option to extend by a further two x one-year periods, subject to satisfactory performance.
  - That the Council enters into an agreement with Mainline Electrics Pty Ltd as described in this a) report.
  - That the Chief Executive Officer be authorised to take all action necessary, including but not b) limited to, negotiating, making, amending, signing and discharging the agreement with Mainline Electrics Pty Ltd for 'Installation and Removal of Christmas Decorations (MBRC009013 -Separable Portion 1 - Banner Decorations)' and any required variations of the agreement on Council's behalf.
- That the tender for 'Installation and Removal of Christmas Decorations (MBRC009013 Separable 2. Portion 2 - Tree Decorations)' be awarded to Mainline Electrics Pty Ltd for the estimated sum of \$372,180.00 (excluding GST) for the initial period of 15 months (from date of signing to 25 January 2021), with an option to extend by a further two x one-year periods, subject to satisfactory performance.
  - That the Council enters into an agreement with Mainline Electrics Pty Ltd as described in this a)
  - b) That the Chief Executive Officer be authorised to take all action necessary, including but not limited to, negotiating, making, amending, signing and discharging the agreement with Mainline Electrics Pty Ltd for 'Installation and Removal of Christmas Decorations (MBRC009013 -Separable Portion 2 - Tree Decorations)' and any required variations of the agreement on Council's behalf.

## REPORT DETAIL

## Background

Council currently undertakes Christmas decoration installation and removal across the region through contracted works. The current contract for these services expired on 28 January 2019.

This contract (separable portions 1 and 2) allows for the installation and removal of banner and tree decorations to 222 roadside utility poles, six community event notice poles, 13 living trees and one artificial tree across the region. Installation will occur during November of each year and removal will be undertaken in January the following year. Decorative lights will be activated on 1 December each year.

## **Explanation of Item**

Tenders were called for 'Installation and Removal of Christmas Decorations (MBRC009013)' through open tender using LG Tenderbox. The tender closed on 3 September 2019, with one submission received for each portion. The installation and removal of Christmas decorations is a specialised field and requires specific equipment and additional certification from Energex, as some items are erected in close proximity to main power lines. This has resulted in Council only receiving one tender submission for this contract. The prices received, however, are in line with previous pricing received for this service.

The contract was divided into three separable portions based on the type of decoration. Separable Portion 3 included the installation and removal of a number of non-electrical/electrical type decorations typically hung from Council owned buildings across the region. It has been deemed more cost effective for these works to be undertaken internally.

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The tender was assessed by a selection panel in accordance with Council's Procurement Policy and the mandatory selection criteria set out in the tender documentation.

The tenderer and final weighting score is tabled below.

## Separable Portion 1 - Installation and Removal of Banner Decorations:

Rank	Tenderer	Evaluation Score
1	Mainline Electrics Pty Ltd	100

Mainline Electrics Pty Ltd (ME) submitted a comprehensive tender submission. ME's submission demonstrated the required level of skill, knowledge, experience and their capacity to undertake the works required. At the post tender clarification meeting, ME provided the evaluation team with confidence in their ability to deliver the works required. The offer from ME for Separable Portion 1 is the recommendation of this report.

## Separable Portion 2 - Installation and Removal of Tree Decorations:

Rank	Tenderer	<b>Evaluation Score</b>
1	Mainline Electrics Pty Ltd	100

Mainline Electrics Pty Ltd (ME) submitted a comprehensive tender submission. ME's submission demonstrated the required level of skill, knowledge, experience and their capacity to undertake the works required. At the post tender clarification meeting, ME provided the evaluation team with confidence in their ability to deliver the works required. The offer from ME for Separable Portion 2 is the recommendation of this report.

### Strategic Implications 3.

### 3.1 Legislative/Legal Implications

Due to the value of the service being greater than \$200,000, Council called a public tender for the services through LG Tenderbox system in accordance with the Local Government Act 2009.

### Corporate Plan / Operational Plan 3.2

This project is consistent with the Corporate Plan outcome - Valuing Lifestyle: Quality recreation and cultural opportunities - celebrating local arts, culture and community.

### 3.3 Policy Implications

This contract has been procured in accordance with the provisions of the following documents:

- Council's Procurement Policy 2150-006
- Local Government Act 2009
- Local Government Regulation 2012 Chapter 6.

#### 3.4 Risk Management Implications

The project risk has been assessed and the following issues identified. The manner in which the possible impact of these risks is minimised is detailed below.

Risk	Mitigation
Install and remove all decorations within the timeframes considering the large geographical spread and number	Mainline Electrics Pty Ltd confirmed they will install and remove all decorations within the tendered timeframe and have the required technicians and plant resources
of decoration locations.	available to fulfil the requirements of the tender.

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ITEM 4.5 TENDER - INSTALLATION AND REMOVAL OF CHRISTMAS DECORATIONS (MBRC009013) -REGIONAL - A19110006 (Cont.)

Risk	Mitigation
No Council attendance during decoration installation and removal to validate completion.	Mainline Electrics Pty Ltd confirmed they will submit photographic reports as evidence once works are completed.

A third-party review of financial status of the recommended tenderer has been carried out with a rating of 'satisfactory', which has confirmed that they have the financial capacity to carry out the required works.

### 3.5 **Delegated Authority Implications**

No delegated authority implications arising as a direct result of this report.

### 3.6 Financial Implications

The estimated costs as tendered by Mainline Electrics Pty Ltd are within budget allocation. All financials shown below are excluding GST.

Tender Price - Separable Portion	n 1	\$ 98,9	80.00
Tender Price - Separable Portion	12	\$ 372,1	80.00
Contingency 5%		\$ 23,5	58.00
Total Project Cost (2 years)	`	\$ 494,7	18.00

The estimated cost for Separable Portion 3 is \$66,000 in total for the two Christmas periods. Separable Portion 3 will be delivered internally by Asset Maintenance staff.

### 3.7 **Economic Benefit**

Participation in Christmas festivity supports Council's regional image, helps project confidence and encourages growth.

### **Environmental Implications** 3.8

No environmental implications arising as a direct result of this report.

### 3.9 **Social Implications**

Participation in Christmas festivity continues to demonstrate Council's commitment to its obligation as an actively responsible member of the local community.

## 3.10 Consultation / Communication

Consultation for the delivery of this contract has been undertaken with Councillors, relevant officers and the procurement section of Council.

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## **ITEM 4.6 - DECLARATION OF INTEREST**

## Conflict of Interest - Declaration - Cr Allan Sutherland (Mayor)

Pursuant to s175E of the Local Government Act 2009, Cr Allan Sutherland (Mayor) declared a real conflict of interest in Item 4.6 as BMD Constructions (a related company to a tenderer of Item 4.6) provided \$2200 on 2 November 2010 to Moreton Futures Trust. A further donation from Urbex, BMD Holdings (possibly a related company to a tenderer of Item 4.6) was received in 2012 for \$1100 to Cr Allan Sutherland (Mayor).

Cr Allan Sutherland (Mayor) retired from the meeting at 11.18am taking no part in the debate or resolution regarding same.

## Conflict of Interest - Declaration - Cr Mike Charlton (Deputy Mayor)

Pursuant to s175E of the Local Government Act 2009, Cr Mike Charlton (Deputy Mayor) declared a perceived conflict of interest in Item 4.6 as BMD Constructions (a related company to a tenderer of Item 4.6) provided \$2200 on 2 November 2010 to Moreton Futures Trust. Cr Charlton advised that he received an interest-free loan in the amount of \$5000 from Moreton Futures Trust in late September 2011 which was repaid in full on 25 January 2012. Cr Charlton has not received a donation since that time.

However, Cr Mike Charlton (Deputy Mayor) has considered his position and is firmly of the opinion that he could participate in the debate and resolution on the matter in the public interest.

## Councillor not voluntarily left meeting - other Councillors who are entitled to vote must decide

Pursuant to s175E(3) of the Local Government Act 2009, the other Councillors who are entitled to vote at the meeting have been informed about a Councillor's personal interests in the matter and the Councillor has not voluntarily left the meeting, and in accordance with s175E(4) the other Councillors must decide whether the Councillor has a real or perceived conflict of interest in the matter and what action the Councillor must take.

Moved by Cr Denise Sims Seconded by Cr James Houghton

CARRIED 10/0

That in accordance with s175E(4) of the Local Government Act 2009, it is considered that Cr Mike Charlton (Deputy Mayor) has a perceived conflict in the matter however, may participate in the meeting including voting on the matter as it is considered that this is in the public interest.

Cr Mike Charlton (Deputy Mayor) remained in the meeting.

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## **ITEM 4.6** DAKABIN - 458 BOUNDARY ROAD - ROAD SAFETY UPGRADE - DIVISION 7

Meeting / Session: 4 ASSET CONSTRUCTION & MAINTENANCE

Reference: A19149059: 16 September 2019 - Refer Confidential Supporting

Information A19059118

Responsible Officer: BB, Senior Project Manager (ECM Project Management)

### **Executive Summary**

Tenders were invited for the 'Dakabin - 458 Boundary Road - Road Safety Upgrade (MBRC008905)' project. The tender closed on 21 August 2019 with a total of 17 tenders received, of which 16 were conforming.

It is recommended that Council award the contract to Ryan Civil Contracting Pty Ltd for the sum of \$498,190.36 (excluding GST) as this tender was evaluated as representing the best overall value to Council.

## **RESOLUTION**

## Moved by Cr Denise Sims Seconded by Cr Julie Greer

CARRIED 11/0

Cr Allan Sutherland (Mayor) had declared a conflict of interest and had left the meeting

- That the tender for 'Dakabin 458 Boundary Road Road Safety Upgrade (MBRC008905)' be 1. awarded to Ryan Civil Contracting Pty Ltd for the sum of \$498,190.36 (excluding GST).
- 2. That the Council enters into an agreement with Ryan Civil Contracting Pty Ltd as described in this report.
- That the Chief Executive Officer be authorised to take all action necessary, including but not 3. limited to, negotiating, making, amending, signing and discharging the agreement with Ryan Civil Contracting Pty Ltd for the 'Dakabin - 458 Boundary Road - Road Safety Upgrade (MBRC008905) project and any required variations of the agreement on Council's behalf.
- That Council commits to the reprovision of \$661,089 to project 106768 from the 18-19 FY to 4. the 19-20 FY for this project to proceed.

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ITEM 4.6 DAKABIN - 458 BOUNDARY ROAD - ROAD SAFETY UPGRADE - DIVISION 7 - A19149059 (Cont.)

## OFFICER'S RECOMMENDATION

- That the tender for 'Dakabin 458 Boundary Road Road Safety Upgrade (MBRC008905)' be awarded to Ryan Civil Contracting Pty Ltd for the sum of \$498,190.36 (excluding GST).
- 2. That the Council enters into an agreement with Ryan Civil Contracting Pty Ltd as described in this report.
- 3. That the Chief Executive Officer be authorised to take all action necessary, including but not limited to, negotiating, making, amending, signing and discharging the agreement with Ryan Civil Contracting Pty Ltd for the 'Dakabin - 458 Boundary Road - Road Safety Upgrade (MBRC008905)' project and any required variations of the agreement on Council's behalf.
- That Council commits to the reprovision of \$661,089 to project 106768 from the 18-19 FY to the 19-4. 20 FY for this project to proceed.

## REPORT DETAIL

## **Background**

The project is located over a 270 metre section of Boundary Road, west of Bazeridge Drive near 458 Boundary Road, Dakabin. The project scope includes realignment of a curve with acceptable super elevation. This curve has a high loss of control crash record. The objective of the project is to improve safety for all road users. This project is funded through the Federal Government Transport Infrastructure Development Scheme - Black Spot Program. This project has originated due to a number of single vehicle run off carriageway on curve type crashes. The existing deficiencies include a sharp bend with poor super elevation. The expected outcome of the project is to improve the radius of curvature, super elevation and shoulder width to permit better control of vehicles travelling around this curve in either direction.

Works will proceed from late-October 2019 through to end-December 2019, which includes an allowance for wet weather.



Figure 1 - Extent of works - Boundary Road, Dakabin

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### **Explanation of Item**

Tenders for the 'Dakabin - 458 Boundary Road - Road Safety Upgrade (MBRC008905)' project closed on 21 August 2019 with a total of 17 tenders received, of which 16 were conforming. The tenders were assessed by the assessment panel in accordance with Council's Purchasing Policy and the selection criteria as set out in the tender documents.

All tenderers and their evaluation scores are tabled below (ranked from highest to lowest):

RANK	TENDERER	EVALUATION SCORE		
1	Ryan Civil Contracting Pty Ltd	92.00		
2	Pentacon Pty Ltd	89.87		
3	Civlec Pty Ltd (trading as GRC Civil)	89.83		
4	Durack Civil Pty Ltd	89.02		
5	BMD Urban Pty Ltd	87.44		
6	Sunshine Coast Consulting Pty Ltd	84.47		
7	Doval Constructions (QLD) Ltd	83.21		
8	AllenCon Pty Ltd	82.16		
9	HEH Civil Pty Ltd	80.08		
10	Aramira Civil Engineering Pty Ltd	79.00		
11	CES Civil SEQ Pty Ltd	77.41		
12	Naric Pty Ltd	76.88		
13	SEE Civil Pty Ltd	68.05		
14	Allroads Pty Ltd	67.51		
15	Winslow Constructors Pty Ltd	65.95		
16	Ertech (Queensland) Pty Ltd	53.63		
17	Sign Up Roadsign Installation Non-conforming			

Ryan Civil Contracting Pty Ltd (RCC) submitted a comprehensive tender and demonstrated their methodology and experience on projects of a similar scale and complexity. RCC has undertaken the construction of similar projects for MBRC including Young's Crossing Road Rehabilitation valued at \$875,260; Mewett Street Caboolture Upgrade valued at \$398,962 and Camelia Avenue Road Rehabilitation, Everton Hills valued at \$1,255,633.94. At a tender clarification meeting held on 11 September 2019, RCC demonstrated their understanding and methodology to complete this project, including their understanding of the required traffic management and construction works.

Pentacon Pty Ltd (Pentacon) submitted a comprehensive tender and demonstrated their methodology and experience on projects of a similar scale and complexity; however, there were no additional benefits for the higher price.

Civlec Pty Ltd T/A GRC Civil (Civlec) submitted a comprehensive tender and demonstrated their methodology and experience on projects of a similar scale and complexity; however, there were no additional benefits for the higher price.

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The non-conforming tender did not provide the mandatory tender documentation.

### 3. Strategic Implications

### 3.1 Legislative/Legal Implications

Due to value of work being greater than \$200,000, Council called a public tender for the work through the LG Tender system in accordance with the Local Government Act 2009.

### 3.2 Corporate Plan / Operational Plan

This project is consistent with the Corporate Plan outcome - Strengthening Communities: Safe neighbourhoods - a safe and resilient community.

### 3.3 **Policy Implications**

This project has been procured in accordance with the provisions of the following documents:

- Council's Procurement Policy 2150-006
- Local Government Act 2009
- Local Government Regulation 2012 Chapter 6.

### 3.4 Risk Management Implications

A detailed risk management plan has been prepared. The project risk has been assessed and the following issues identified. The manner in which the identified risks are to be managed is detailed below.

### Financial Risks:

A third-party review of financial status has been carried out and the successful tenderer was rated 'sound'.

### Construction Risks:

- e. The recommended contractor will provide a detailed program of works, a staging plan, site specific traffic management, environmental management and safety plans and will be required to meet relevant workplace health and safety requirements as part of the contract, including safe work method statements. Traffic management of works will consider safety of and impacts on road users and adjacent properties and resident's access and egress.
- The contractor has demonstrated their understanding of constructability challenges and their technical capability to complete the works in this environment.

## Procurement Risks:

a. The recommended contractor has demonstrated their capacity to complete this project following the awarding to them of other recent Council road construction projects.

## Development Risks

b. There are no current or pending Development Approvals that impact on these works.

#### 3.5 Delegated Authority Implications

No delegated authority implications arising as a direct result of this report.

### 3.6 Financial Implications

Council allocated a total of \$747,000 in Capital funding in the 18-19 FY. Due to delays in design, \$661,089 needs to be re-provided to the project in the 19-20 FY. The project has received funding through the Federal Government Transport Infrastructure Development Scheme - Black Spot Program to a value of \$747,000 (project number 106768).

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ITEM 4.6 DAKABIN - 458 BOUNDARY ROAD - ROAD SAFETY UPGRADE - DIVISION 7 - A19149059 (Cont.)

All financials below are excluding GST.

Design 18/19 and finalised in 19/20	\$ 96,278.64
Energex works (estimate)	\$ 50,000.00
Unitywater service relocations	\$ 45,666.00
Tender (construction)	\$ 498,190.36
Contingency (10%)	\$ 49,819.04
QLeave (0.475%)	\$ 2,366.40
Total project cost	\$ 742,320.44

Estimated ongoing operational/maintenance costs \$6,000 per F/Y

The budget amount for this project is sufficient on the basis of the reprovision being approved.

### 3.7 **Economic Benefit**

The upgrade will improve the safety of a localised section of road alignment and pavement, as well as extending the pavement life. A reduction in crash rates provides wider economic savings and benefit.

### **Environmental Implications** 3.8

An Environmental Management Plan will be provided to Council by the successful tenderer, detailing the management of environmental matters affecting the project during construction. There will be tree removal in the road reserve to allow for the new road alignment and associated infrastructure, but there is an offset planting scheme in Bazeridge Drive Park that will be completed early in the project. The contractor will also work with a wildlife spotter and arborist to ensure compliance with tree management plans and the safety of wildlife.

### 3.9 Social Implications

The upgrade will introduce new benefits to the local community, not least being a safer alignment for passing motorists and the local community alike.

## 3.10 Consultation / Communication

A detailed communication plan has been prepared. Communication strategies include project notices, black spot project signs (already in place), forewarning variable message signs (VMS) and weekly updates to the Divisional Councillor. Residents directly abutting the project site will be contacted by Council to advise on the proposed works and associated timing, providing a minimum of two days' notice for works directly adjacent to their properties. The Divisional Councillor has been consulted and is supportive of the project.

## **ATTENDANCE**

Cr Allan Sutherland (Mayor) returned to the meeting at 11.22am after Item 4.6.

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## **ITEM 4.7 - DECLARATION OF INTEREST**

## Conflict of Interest - Declaration - Cr Allan Sutherland (Mayor)

Pursuant to s175E of the Local Government Act 2009, Cr Allan Sutherland (Mayor) declared a perceived conflict of interest in Item 4.7 as BMD Constructions (a related company to a tenderer of Item 4.7) provided \$2200 on 2 November 2010 to Moreton Futures Trust. A further donation from Urbex, BMD Holdings (possibly a related company to a tenderer of Item 4.7) was received in 2012 for \$1100 to Cr Allan Sutherland (Mayor).

Cr Allan Sutherland (Mayor) also declared a perceived conflict of interest in Item 4.7 as Philip Usher Constructions who owns land across the river to The Mill and which is included in the Priority Development Area, was a contributor to Moreton Futures Trust.

Cr Allan Sutherland (Mayor) retired from the meeting at 11.24am taking no part in the debate or resolution regarding same.

## Conflict of Interest - Declaration - Cr Julie Greer

Pursuant to s175E of the Local Government Act 2009, Cr Julie Greer declared a perceived conflict of interest in Item 4.7 as Philip Usher Constructions who owns land across the river to The Mill and which is included in the Priority Development Area, was a contributor to Moreton Futures Trust who in turn contributed part of the \$2488.35 to Cr. Greer's 2016 election campaign.

Cr Julie Greer retired from the meeting at 11.28am taking no part in the debate or resolution regarding same.

## Conflict of Interest - Declaration - Cr Mike Charlton (Deputy Mayor)

Pursuant to s175E of the Local Government Act 2009, Cr Mike Charlton (Deputy Mayor) declared a perceived conflict of interest in Item 4.7 as J Mac Constructions Ptv Ltd is a wholly owned subsidiary of BMD Holdings. BMD Holdings provided \$2200 on 2 November 2010 to Moreton Futures Trust. Cr Charlton advised that he received an interest-free loan in the amount of \$5000 from Moreton Futures Trust in late September 2011 which was repaid in full on 25 January 2012. Cr Charlton has not received a donation since that time.

However, Cr Mike Charlton (Deputy Mayor) has considered his position and is firmly of the opinion that he could participate in the debate and resolution on the matter in the public interest.

## Conflict of Interest - Declaration - Cr Peter Flannery

Pursuant to s175E of the Local Government Act 2009, Cr Peter Flannery declared a perceived conflict of interest in Item 4.7 as during the Councillors 2016 Election campaign, he received in-kind support in the amount of \$160 from Philip Usher Constructions who owns land across the river to The Mill and which is included in the Priority Development Area was one of nine businesses in total who made a donation to Moreton Futures Trust.

However, Cr Peter Flannery has considered his position and is firmly of the opinion that he could participate in the debate and resolution on the matter in the public interest.

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## Conflict of Interest - Declaration - Cr James Houghton

Pursuant to s175E of the Local Government Act 2009, Cr James Houghton declared a perceived conflict of interest in Item 4.7 as the Councillor received in kind support amount of \$2873 from Moreton Futures Trust of which Philip Usher Constructions was a contributor. Philip Usher Constructions owns land across the river to The Mill and which is included in the Priority Development Area.

However, Cr James Houghton has considered his position and is firmly of the opinion that he could participate in the debate and resolution on the matter in the public interest.

## Councillors not voluntarily left meeting - other Councillors who are entitled to vote must decide

Pursuant to s175E(3) of the Local Government Act 2009, the other Councillors who are entitled to vote at the meeting have been informed about a Councillor's personal interests in the matter and the Councillor has not voluntarily left the meeting, and in accordance with s175E(4) the other Councillors must decide whether the Councillor has a real or perceived conflict of interest in the matter and what action the Councillor must take.

Moved by Cr Koliana Winchester Seconded by Cr Mick Gillam

**CARRIED 7/0** 

That in accordance with s175E(4) of the Local Government Act 2009, it is considered that Cr Mike Charlton (Deputy Mayor) has a perceived conflict of interest in the matter however, may participate in the meeting including voting on the matter as it is considered that this is in the public interest.

Cr Mike Charlton (Deputy Mayor) remained in the meeting.

Moved by Cr Mick Gillam Seconded by Cr Koliana Winchester

CARRIED 7/0

That in accordance with s175E(4) of the Local Government Act 2009, it is considered that Cr Peter Flannery has a perceived conflict of interest in the matter however, may participate in the meeting including voting on the matter as it is considered that this is in the public interest.

Cr Peter Flannery remained in the meeting.

Moved by Cr Koliana Winchester Seconded by Cr Mick Gillam

CARRIED 4/3

Cr Brooke Savige, Cr Denise Sims, Cr Matt Constance voted against the motion

That in accordance with s175E(4) of the Local Government Act 2009, it is considered that Cr James Houghton has a perceived conflict of interest in the matter however, may participate in the meeting including voting on the matter as it is considered that this is in the public interest.

Cr James Houghton remained in the meeting.

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# **ITEM 4.7** PETRIE MILL REDEVELOPMENT STAGE 1 - THE OVAL (MBRC008893) - DIVISION

4 ASSET CONSTRUCTION & MAINTENANCE Meeting / Session:

Reference: A19147386: 27 September 2019 - Refer Confidential Supporting

Information A19048570

Responsible Officer: AJB, Engineer (ECM Major Projects)

### **Executive Summary**

Tenders were invited for 'Petrie Mill Redevelopment Stage 1 - The Oval (MBRC008893)' for the construction of The Oval regional park (The Oval) within the Petrie Mill Redevelopment. Tenders closed on 3 September 2019, with four conforming and one non-conforming tenders received.

It is recommended that Council award the contract for 'Petrie Mill Redevelopment Stage 1 - The Oval (MBRC008893)' to J Mac Constructions Pty Ltd for the sum of \$8,999,100.95 (excl. GST), as this was evaluated as representing the best overall value to Council.

### RESOLUTION

## Moved by Cr Denise Sims

Seconded by Cr Mike Charlton (Deputy Mayor)

CARRIED 10/0

Cr Allan Sutherland (Mayor) and Cr Julie Greer had declared a conflict of interest and had left the meeting

- 1. That the tender for 'Petrie Mill Redevelopment Stage 1 - The Oval (MBRC008893)' be awarded to J Mac Constructions Pty Ltd for the sum of \$8,999,100.95 (excl. GST).
- 2. That the Council enters into an agreement with J Mac Constructions Pty Ltd as described in this report.
- That the Chief Executive Officer be authorised to take all action necessary, including but not 3. limited to, negotiating, making, amending, signing and discharging the agreement with J Mac Constructions Pty Ltd for the 'Petrie Mill Redevelopment Stage 1 - The Oval (MBRC008893)' project and any required variations of the agreement on Council's behalf.

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ITEM 4.7 PETRIE MILL REDEVELOPMENT STAGE 1 - THE OVAL (MBRC008893) - DIVISION 7 - A19147386 (Cont.)

## OFFICER'S RECOMMENDATION

- 1. That the tender for 'Petrie Mill Redevelopment Stage 1 - The Oval (MBRC008893)' be awarded to J Mac Constructions Pty Ltd for the sum of \$8,999,100.95 (excl. GST).
- 2. That the Council enters into an agreement with J Mac Constructions Pty Ltd as described in this report.
- 3. That the Chief Executive Officer be authorised to take all action necessary, including but not limited to, negotiating, making, amending, signing and discharging the agreement with J Mac Constructions Pty Ltd for the 'Petrie Mill Redevelopment Stage 1 - The Oval (MBRC008893)' project and any required variations of the agreement on Council's behalf.

#### REPORT DETAIL

## **Background**

The Oval forms a key component of the overall Petrie Mill Redevelopment, being that it frames the entry to the redevelopment from Gympie Road and is opposite the University of Sunshine Coast (USC) foundation building. The Oval will provide a regional recreation facility consisting of passive and active recreational uses that blend into the surrounding open spaces and revegetation areas.



Figure 1 - Locality plan - The Oval

## **Explanation of Item**

Tenders were invited for the 'Petrie Mill Redevelopment Stage 1 - The Oval (MBRC008893)' for the construction of open space and park facilities for Stage 1 of the Petrie Mill Redevelopment project. The tender closed on 3 September 2019 with four conforming tenders and one non-conforming tender received.

The tenders were assessed by the assessment panel in accordance with Council's Purchasing Policy and the selection criteria set out in the tender documents.

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ITEM 4.7 PETRIE MILL REDEVELOPMENT STAGE 1 - THE OVAL (MBRC008893) - DIVISION 7 - A19147386 (Cont.)

All tenderers and their final weightings are tabled below (ranked from highest to lowest).

RANK	TENDERER	EVALUATION SCORE
1	J Mac Constructions Pty Ltd	82.11
2	Koppens Developments Pty Ltd	70.76
3	McIlwain Civil Engineering Pty Ltd	67.70
4	Hazell Bros QLD PTY LTD	66.34
5	Eureka Landscapes Pty Ltd	Non-conforming

J Mac Constructions Pty Ltd received the highest overall ranking based on their response to the selection criteria. The tender submission was very comprehensive and demonstrated a very good understanding in the delivery of this type of project and their capability to complete the works. The submission and subsequent clarification meeting demonstrated a superior methodology and confidence in their capacity to adhere to the required program duration and contract requirements.

Koppens Developments Pty Ltd received the second highest overall ranking based on their response to the selection criteria. The tender submission was comprehensive and demonstrated a good understanding in the delivery of construction works; however, was not as comprehensive in terms of experience and capability as the preferred tenderer.

McIlwain Civil Engineering Pty Ltd received the third highest overall ranking based on their response to the selection criteria. The tender submission was comprehensive and demonstrated a good understanding in the delivery of construction works; however, was not as comprehensive in terms of experience and capability as the preferred tenderer.

Th non-conforming tenderer did not meet the completion schedule requirements specified within the tender document.

#### 3. Strategic Implications

#### 3.1 Legislative/Legal Implications

Due to value of work being greater than \$200,000, Council called a public tender for the work through the LG Tender system in accordance with the Local Government Act 2009.

#### 3.2 Corporate Plan / Operational Plan

This project is consistent with the Corporate Plan outcome - Valuing Lifestyle: Quality recreation and cultural opportunities - active recreation opportunities.

#### Policy Implications 3.3

This contract has been procured in accordance with the provisions of the following documents:

- Council's Procurement Policy 2150-006
- Local Government Act 2009
- Local Government Regulation 2012 Chapter 6

#### 3.4 Risk Management Implications

The project risk has been assessed and the following issues identified. The manner in which the possible impact of these risks is minimised is detailed below.

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## Timely delivery of Petrie Mill Redevelopment:

Tenders were called in parallel with the design process with a number of significant amendments captured during the tender phase. Further amendments to the design are expected, including the additional light package, which will be agreed post award in order to achieve project schedule.

#### Interface:

The preferred tenderer has been briefed in relation to working with other contractors adjacent to and within the site and has considered this within their lump sum pricing.

## Public safety traffic and pedestrian management:

The appointed contractor will be responsible for managing public safety during construction of the works in accordance with a Construction Safety Management Plan and approved Traffic Guidance Scheme.

#### Financial status:

A third-party review of financial status has been undertaken and the successful tenderer's financial capacity has been rated as 'satisfactory'.

#### Communication.

The project team have developed a Communications Plan, and engagement with relevant stakeholders will be conducted in advance of the works in accordance with the Stakeholder Management Plan.

## 3.5 <u>Delegated Authority Implications</u>

No delegated authority implications arising as a direct result of this report.

### 3.6 Financial Implications

Council has allocated \$70M and \$30M in the 2018/2019 and 2019/20 financial years respectively for Stage 1 of the Petrie Mill Redevelopment project. The works associated with these works will be debited to Project Number 105223.

	==========
Estimated contract cost	\$ 10.621,738.74
Lighting upgrade	\$ 500,000.00
QLeave (0.475%)	\$ 42,745.73
Contingency (12%)	\$ 1,079,892.06
Tender price	\$ 8,999,100.95

The budget amount for this project is sufficient.

## 3.7 Economic Benefit

This redevelopment has significant regional economic benefits and is a catalyst for overall outcomes for the site as part of the broader 'The Mill at Moreton Bay' PDA.

## 3.8 Environmental Implications

The Operational Works submission includes management plans for fauna, vegetation, acid sulphate, erosion and sediment control and other environmental factors. The recommended contractor will be required to implement a Construction Environmental Management Plan incorporating relevant provisions of these plans.

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ITEM 4.7 PETRIE MILL REDEVELOPMENT STAGE 1 - THE OVAL (MBRC008893) - DIVISION 7 - A19147386 (Cont.)

#### 3.9 **Social Implications**

The overall Petrie Mill Redevelopment project will provide significant social benefits and will facilitate development of a university campus along with associated facilities.

3.10 <u>Consultation / Communication</u>
The works will be managed by Council's Major Projects team in line with communication policies and protocols.



## **ATTENDANCE**

Cr Allan Sutherland (Mayor) and Cr Julie Greer returned to the meeting at 11.55am after Item 4.7.

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## 5 PARKS, RECREATION & SPORT SESSION

(Cr K Winchester)

## **ITEM 5.1 NEW LEASE - NARANGBA DEMONS BASEBALL CLUB INC - DIVISION 11**

Meeting / Session: 5 PARKS. RECREATION & SPORT

Reference: A19072943: 10 September 2019 - Refer Supporting Information A19072942

Responsible Officer: CM, Supervisor Community Leasing (CES Community Services, Sport &

Recreation)

## **Executive Summary**

This report seeks Council's approval for the provision of a trustee lease (lease) to Narangba Demons Baseball Club Inc. at Harris Avenue Sportsgrounds, 164 Young Road, Narangba (refer Supporting Information #1).

## **RESOLUTION**

Moved by Cr Darren Grimwade Seconded by Cr Matt Constance

CARRIED 12/0

- That the exception contained in section 236(1)(b)(ii) of the Local Government Regulation 2012 1. applies to the Council regarding the disposal of the land referred to in this report.
- That, subject to recommendation 3, Narangba Demons Baseball Club Inc. be granted a lease 2. over an area at 164 Young Road, Narangba (refer Supporting Information #1) for a period of five years.
- That the terms and conditions of this lease be in accordance with Council's Community 3. Leasing Policy, with annual rental commencing at \$1.00 per annum.
- That the Chief Executive Officer be authorised to take all action necessary including, but not 4. limited to, negotiating, making, amending, signing and discharging the lease and any required variations of the lease on the Council's behalf, as described in this report.

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### OFFICER'S RECOMMENDATION

- That the exception contained in section 236(1)(b)(ii) of the Local Government Regulation 2012 applies to the Council regarding the disposal of the land referred to in this report.
- 2. That, subject to recommendation 3, Narangba Demons Baseball Club Inc. be granted a lease over an area at 164 Young Road, Narangba (refer Supporting Information #1) for a period of five years.
- 3. That the terms and conditions of this lease be in accordance with Council's Community Leasing Policy, with annual rental commencing at \$1.00 per annum.
- 4. That the Chief Executive Officer be authorised to take all action necessary including, but not limited to, negotiating, making, amending, signing and discharging the lease and any required variations of the lease on the Council's behalf, as described in this report.

## REPORT DETAIL

#### 1. **Background**

Established in 1985, the Narangba Demons Baseball Club Inc. currently utilises a batting and pitching enclosure at 164 Young Road, Narangba (refer Supporting Information #1) for club activities. The club has sought Council's approval to undertake renewal works at this location, however, there are currently no formal tenure arrangements in place between the group and Council.

#### 2. **Explanation of Item**

The Narangba Demons Baseball Club Inc. has lodged an IWA to Council to upgrade its batting and pitching enclosure (refer Supporting Information #1). This application has been assessed by Council's key stakeholder departments, with no objections received.

As the batting and pitching enclosure is utilised exclusively by the club, to enable Narangba Demons Baseball Club Inc. to proceed with its proposed project, Council would need to provide the group with a lease over the area where the facility is located (refer Supporting Information #1).

This report recommends that Council approves the provision of a lease, under the terms and conditions of Council's Community Leasing Policy, over the area identified in Supporting Information #1 for a period of five (5) years.

#### 3. Strategic Implications

#### 3.1 Legislative/Legal Implications

The proposed lease will be registered with the Department of Natural Resources, Mines and Energy in accordance with the Land Act 1994.

The Council must comply with the Local Government Act 2009 and Local Government Regulation 2012 when it disposes of valuable non-current assets. Resolving to rely on the exception provided under section 236(1)(b)(ii) of the Regulation will allow the Council to complete the disposal to a community organisation by means other than tender or auction.

#### Corporate Plan / Operational Plan 3.2

Valuing Lifestyle: Quality recreation and cultural opportunities - active recreation opportunities.

#### 3.3 **Policy Implications**

The terms and conditions of the proposed lease agreement will be in accordance with Council's Community Leasing Policy (2150-079).

#### Risk Management Implications 3.4

There are no risk management implications arising as a direct result of this report.

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## 3.5 <u>Delegated Authority Implications</u>

As per Officer's Recommendation 4 of this report, it is proposed that the Chief Executive Officer be authorised to take all action necessary to execute the new lease.

### 3.6 Financial Implications

There are no financial implications arising as a direct result of this report.

### 3.7 Economic Benefit

There are no economic benefit implications arising as a direct result of this report.

## 3.8 <u>Environmental Implications</u>

There are no environmental implications arising as a direct result of this report.

## 3.9 Social Implications

The issuing of a lease to Narangba Demons Baseball Club Inc. will provide the club with facilities to support its operations.

## 3.10 Consultation / Communication

Councillor Grimwade (Division 11)

Relevant Council departments

Narangba Demons Baseball Club Inc.

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## **6 LIFESTYLE & AMENITY SESSION**

(Cr D Sims)

No items for consideration.

## 7 ECONOMIC DEVELOPMENT, EVENTS & TOURISM SESSION

(Cr P Flannery)

No items for consideration.

## **8 REGIONAL INNOVATION SESSION**

(Cr D Grimwade)

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#### **GENERAL BUSINESS OR RESPONSE TO QUESTIONS TAKEN ON NOTICE** 11.

## **ITEM 11.1** KALLANGUR MOVIE NIGHT

Cr Denise Sims made mention of the Kallangur movie night held on Saturday night, 5 October 2019 at the Kallangur State School.

Cr Sims acknowledged Council's events team as well as the P&C and Mr Andrew Swales, Principal of Kallangur State School who was always very supportive of holding the event.

## **RESOLUTION**

Moved by Cr Denise Sims Seconded by Cr Julie Greer

CARRIED 12/0

That a Mayoral letter of congratulation be sent to Mr Andrew Swales, Principal of Kallangur State School for opening the school to the community for the event.

## **ITEM 11.2 REGIONAL EVENTS**

Cr Peter Flannery made mention of his attendance on Friday, 27 September 2019 at the unveiling of the Police Memorial Garden and Monument at the Caboolture Police Station with the ceremony being held to coincide with National Police Remembrance Day. The Queensland Police Service were appreciative of Council's contribution to the construction of the monument.

Cr Julie Greer advised of her recent attendance at the **Teddy Bears Picnic** which was held at Kinsella's Field, North Lakes. Cr Greer advised this was a well-attended event and offered her thanks to all staff that were involved with the successful running of the Picnic.

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### 12. CLOSED SESSION

(s275 of the Local Government Regulation 2012)

Consideration of confidential officers' reports as referred by the Chief Executive Officer and confidential general business matters as raised at the meeting.

## **CLOSED SESSION**

## **RESOLUTION**

Moved by Cr Koliana Winchester Seconded by Cr Mike Charlton (Deputy Mayor)

**CARRIED 12/0** 

That Council move into closed session pursuant to the provisions of s275 (1) of the Local Government Regulation 2012 to discuss Items C.1 to C.2.

Members of the press and public gallery left the Chambers. The closed session commenced at 12.00pm

## **OPEN SESSION**

## **RESOLUTION**

Moved by Cr Adam Hain Seconded by Cr Brooke Savige

CARRIED 12/0

That Council resume in open session and that the following motions be considered.

The open session resumed at 12.16pm.

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### 12a. CONFIDENTIAL OFFICERS' REPORTS TO COUNCIL

### ITEM C.1 - CONFIDENTIAL

## PROPOSED LAND ACQUISITION - FUTURE TRUNK PUBLIC PARKS NETWORK -**DAYBORO - DIVISION 11**

Meeting / Session: 5 Parks, Recreation & Sport (Cr K Winchester)

A18964482: 15 August 2019 - Refer Confidential Supporting Information Reference:

A18971973

JC, Senior Sports Planner (IP Parks & Recreation Planning) Responsible Officer:

### **Basis of Confidentiality**

Pursuant to s275 (1) of the Local Government Regulation 2012, clause (h), as the matter involves other business for which a public discussion would be likely to prejudice the interests of the Council or someone else, or enable a person to gain a financial advantage.

### **Executive Summary**

This report outlines the need for additional land to create a trunk district sports park and seeks a resolution of Council to acquire the necessary land as detailed in this report.

## **RESOLUTION**

Moved by Cr Darren Grimwade Seconded by Cr Adam Hain

CARRIED 12/0

### **That Council:**

- Delegates to the Chief Executive Officer the power to negotiate and finalise the taking of the 1. land described in this confidential report (Land) for recreation grounds purposes by way of a resumption agreement under the Acquisition of Land Act 1967 (Act);
- 2. Failing a settlement by way of a resumption agreement on terms satisfactory to the Chief Executive Officer, delegates the power to the Chief Executive Officer to take the Land for recreation grounds purposes, by way of compulsory acquisition in accordance with the requirements of the Act (which includes, without limitation, the power to prepare, serve and amend a notice of intention to resume);
- 3. If no objections are received, delegates the power to the Chief Executive Officer to make an application to the Minister for Natural Resources, Mines and Energy to take the Land under section 9 of the Act:
- 4. Delegates authority to the Chief Executive Officer to settle the claim for compensation if the Land is compulsorily acquired; and
- 5. Authorises the Chief Executive Officer to do all other things that are necessary to give effect to the taking of the Land.

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## ITEM C.2 - CONFIDENTIAL

FERNY HILLS - SAMFORD ROAD - DESIGN AND CONSTRUCTION OF A PEDESTRIAN AND CYCLE PATHWAY AND WAHMINDA POND DECOMMISSION -AGREEMENT TO VARY CONTRACT SCOPE - DIVISION 10

4 Asset Construction & Maintenance (Cr A Hain) Meeting / Session:

A19110416: 19 September 2019 - Refer Confidential Supporting Information Reference:

Responsible Officer: BB, Manager Project Management (ECM Project Management)

## **Basis of Confidentiality**

Pursuant to s275(1) of the Local Government Regulation 2012, clause (e), as the matter involves contracts proposed to be made by the Council.

### **Executive Summary**

Council is currently constructing a pedestrian pathway along Samford Road and through Wahminda Park, Ferny Hills. Following project changes, additional works to that tender are required to complete the project.

A Tender Consideration Plan (Plan) has been prepared under section 230 of the Local Government Regulation 2012 (Qld) to enter into a large-sized contractual arrangement with the current contractor as an exception to the usual requirement for a written tender process.

## RESOLUTION

Moved by Cr Mick Gillam Seconded by Cr Koliana Winchester

CARRIED 12/0

- 1. That Council prepares a Tender Consideration Plan for the large-sized contractual arrangement with AllenCon Pty Ltd to proceed with a variation to the existing contract for the completion of construction works at the Ferny Hills - Samford Road (Pedestrian and Cycle Pathway).
- 2. That the Tender Consideration Plan for the large-sized contractual arrangement with AllenCon Pty Ltd to proceed with a variation to the existing contract for the construction of works at the Ferny Hills - Samford Road (Pedestrian and Cycle Pathway) be adopted as contained in Confidential Supporting Information.
- That Council enters into an agreement with AllenCon Pty Ltd to proceed with a variation to the 3. existing contract for the completion of construction works at the Ferny Hills - Samford Road (Pedestrian and Cycle Pathway) as described in this report.
- 4. That the Chief Executive Officer be authorised to take all action necessary, including but not limited to, negotiating, making, amending, signing and discharging the variation of the agreement with AllenCon Pty Ltd for the construction of works at Ferny Hills - Samford Road (Pedestrian and Cycle Pathway) and any further required variations of the agreement on Council's behalf.
- That to complete the amended project, Council commits to re-provide \$57,456 from project 5. 102138 in the 18-19 FY to the project (102138) in the 19-20 FY and further commits to providing an additional sum of \$867,239.80 (excluding GST) in the 19-20 FY to complete the project.

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## **ITEM C.3 - DECLARATION OF INTEREST**

### Conflict of Interest - Declaration - Cr Allan Sutherland (Mayor)

Pursuant to s175E of the Local Government Act 2009, Cr Allan Sutherland (Mayor) declared a perceived conflict of interest in Item C.3 as Philip Usher Constructions who owns land across the river to The Mill and which is included in the Priority Development Area, was a contributor to Moreton Futures Trust.

Cr Allan Sutherland (Mayor) retired from the meeting at 12.18pm taking no part in the debate or resolution regarding same.

### Conflict of Interest - Declaration - Cr Julie Greer

Pursuant to s175E of the Local Government Act 2009, Cr Julie Greer declared a perceived conflict of interest in Item C.3 as Philip Usher Constructions who owns land across the river to The Mill and which is included in the Priority Development Area, was a contributor to Moreton Futures Trust who in turn contributed part of the \$2488.35 to Cr. Greer's 2016 election campaign.

Cr Julie Greer retired from the meeting at 12.18pm taking no part in the debate or resolution regarding same.

### Conflict of Interest - Declaration - Cr Peter Flannery

Pursuant to s175E of the Local Government Act 2009, Cr Peter Flannery declared a perceived conflict of interest in Item C.3 as during the Councillors 2016 Election campaign, he received in-kind support in the amount of \$160 from Philip Usher Constructions who owns land across the river to The Mill and which is included in the Priority Development Area, and was one of nine businesses in total who made a donation to Moreton Futures Trust.

However, Cr Peter Flannery has considered his position and is firmly of the opinion that he could participate in the debate and resolution on the matter in the public interest.

## Conflict of Interest - Declaration - Cr James Houghton

Pursuant to s175E of the Local Government Act 2009, Cr James Houghton declared a perceived conflict of interest in Item C.3 as the Councillor received in kind support amount of \$2873 from Philip Usher Constructions who owns land across the river to The Mill and which is included in the Priority Development Area, and was one of nine businesses in total who made a donation to Moreton Futures Trust.

However, Cr James Houghton has considered his position and is firmly of the opinion that he could participate in the debate and resolution on the matter in the public interest.

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### Councillors not voluntarily left meeting - other Councillors who are entitled to vote must decide

Pursuant to s175E(3) of the Local Government Act 2009, the other Councillors who are entitled to vote at the meeting have been informed about a Councillor's personal interests in the matter and the Councillor has not voluntarily left the meeting, and in accordance with s175E(4) the other Councillors must decide whether the Councillor has a real or perceived conflict of interest in the matter and what action the Councillor must take.

Moved by Cr Adam Hain Seconded by Cr Mick Gillam

**CARRIED 8/0** 

That in accordance with s175E(4) of the Local Government Act 2009, it is considered that Cr Peter Flannery has a perceived conflict of interest in the matter however, may participate in the meeting including voting on the matter as it is considered that this is in the public interest.

Cr Peter Flannery remained in the meeting.

Moved by Cr Koliana Winchester Seconded by Cr Mick Gillam

CARRIED 5/3

Cr Brooke Savige, Cr Denise Sims, Cr Matt Constance voted against the motion

That in accordance with s175E(4) of the Local Government Act 2009, it is considered that Cr James Houghton has a perceived conflict of interest in the matter however, may participate in the meeting including voting on the matter as it is considered that this is in the public interest.

Cr James Houghton remained in the meeting.

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## **CLOSED SESSION**

## **RESOLUTION**

Moved by Cr Matt Constance Seconded by Cr Koliana Winchester

**CARRIED 10/0** 

That Council move into closed session pursuant to the provisions of s275 (1) of the Local Government Regulation 2012 to discuss Item C.3.

Members of the press and public gallery left the Chambers. The closed session commenced at 12.26pm.

Mr James Peet attended during the closed session for discussion on Item C.3.

## **OPEN SESSION**

## **RESOLUTION**

Moved by Cr James Houghton Seconded by Cr Mick Gillam

**CARRIED 10/0** 

That Council resume in open session and that the following motions be considered.

The open session resumed at 12.28pm.

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## **ITEM C.3 – CONFIDENTIAL**

## **NBN MASTER DEVELOPER AGREEMENT - PETRIE MILL - REGIONAL**

Meeting / Session: 8 Regional Innovation (Cr D Grimwade)

Reference: A19138865 : 2 October 2019

Responsible Officer: JP, Chief Digital Officer (CORP Directorate)

## **Basis of Confidentiality**

Pursuant to s275 (1) of the Local Government Regulation 2012, clause (e), as the matter involves contracts proposed to be made by the Council.

### **Executive Summary**

As developer of the Petrie Mill Redevelopment, Council is required under the *Telecommunications Act* 1997 (Cth) (the Act) to design and build a "fibre ready" pit and pipe network in accordance with NBN technical specifications along with paying any fees due.

A Master Developer Agreement between NBN and Council allows NBN to install fibre optic cabling within Stage 1 and any future stages of the development project.

Because the scale and cost of future stages of the Petrie Mill project are currently unknown, Council is requested to authorise the CEO to sign the Master Developer Agreement.

### RESOLUTION

### Moved by Cr Denise Sims

### Seconded by Cr Matt Constance

CARRIED 10/0

Cr Allan Sutherland (Mayor) and Cr Julie Greer had declared a conflict of interest and had left the meeting

- 1. That pursuant to s235(a) of the Local Government Regulation 2012, Council is satisfied that NBN Co Ltd is the only supplier reasonably available to provide NBN wholesale infrastructure at the Petrie Mill Redevelopment site.
- 2. That the Council enters into a Master Developer Agreement with NBN Co Ltd as described in this report.
- 3. That the Chief Executive Officer be authorised to take all action necessary, including, but not limited to, negotiating, making, amending, signing and discharging the Master Developer Agreement with NBN Co Ltd, any access licenses under the Agreement and any required variations of the Agreement on Council's behalf.

## **ATTENDANCE**

Cr Allan Sutherland (Mayor) and Cr Julie Greer returned to the meeting at 12.29pm after Item C.3.

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## **CONFIRMATION CERTIFICATE**

Graeme Kanofski

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No items for consideration.

**CLOSURE** 

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**13.** 

The foregoing minutes were confirmed by resolution of Council at its meeting held Tuesday 22 October 2019.

Graeme Kanofski **Acting Chief Executive Officer**  Councillor Allan Sutherland Mayor

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