

**Redland**  
CITY COUNCIL

# **AGENDA**

## **GENERAL MEETING**

**Wednesday, 20 July 2022**  
**commencing at 9:30am**

**The Council Chambers**  
**91 - 93 Bloomfield Street**  
**CLEVELAND QLD**

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## **1 DECLARATION OF OPENING**

On establishing there is a quorum, the Acting Mayor will declare the meeting open.

### **Recognition of the Traditional Owners**

Council acknowledges the Quandamooka people who are the traditional custodians of the land on which we meet. Council also pays respect to their elders, past and present, and extends that respect to other indigenous Australians who are present.



**2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE**

Motion is required to approve leave of absence for any Councillor absent from today's meeting.

### **3        DEVOTIONAL SEGMENT**

Member of the Ministers' Fellowship will lead Council in a brief devotional segment.

#### **4 RECOGNITION OF ACHIEVEMENT**

Acting Mayor to present any recognition of achievement items.

**5 RECEIPT AND CONFIRMATION OF MINUTES**

General Meeting - 15 June 2022.

Special Budget Meeting – 23 June 2022.

## 6 DECLARATION OF PRESCRIBED CONFLICT OF INTERESTS AND DECLARABLE CONFLICT OF INTERESTS

Councillors are reminded of their responsibilities in relation to a Councillor's Prescribed Conflict of Interest and Declarable Conflict of Interest at a meeting. For full details see Chapter 5B of the *Local Government Act 2009*.

In summary:

### Obligation of Councillor with Prescribed Conflict of Interest

Section 150EL of the *Local Government Act 2009* requires Councillors to declare a Prescribed Conflict of Interest in a matter as soon as they become aware of their interest in the matter, either:

- (1) *at a local government meeting, or*
- (2) *as soon as practicable, by giving the Chief Executive Officer written notice of the prescribed conflict of interest.*
- (3) The declaration must include the following particulars:
  - (a) *For a gift, loan or contract – the value of the gift, loan or contract;*
  - (b) *For an application for which a submission has been made – the matters the subject of the application and submission;*
  - (c) *The name of any entity, other than the Councillor, that has an interest in the matter;*
  - (d) *The nature of the Councillor's relationship with the entity mentioned in (c) above;*
  - (e) *Details of the Councillor's, and any other entity's, interest in the matter.*

### Dealing with Prescribed Conflict of Interest at a Meeting

Pursuant to Section 150EM of the *Local Government Act 2009*, if a Councillor declares a Prescribed Conflict of Interest in a matter, ***the Councillor must leave the place at which the meeting is being held, including any area set aside for the public, and stay away from the place while the matter is discussed and voted on.***

### Obligation of Councillor with Declarable Conflict of Interest

Section 150EQ of the *Local Government Act 2009* requires Councillors to declare a Declarable Conflict of Interest in a matter as soon as they become aware of their interest in the matter, either:

- (1) *at a local government meeting, or*
- (2) *as soon as practicable, by giving the Chief Executive Officer written notice of the declarable conflict of interest.*
- (3) The declaration must include the following particulars:
  - (a) *The nature of the declarable conflict of interest;*
  - (b) *If the declarable conflict of interest arises because of the councillor's relationship with a related party:*
    - (i) *The name of the related party; and*
    - (ii) *The nature of the relationship of the related party to the Councillor; and*
    - (iii) *The nature of the related party's interests in the matter;*

- (c) *If the Councillor's or related party's personal interests arise because of the receipt of a gift or loan from another person:*
- (i) *The name of the other person; and*
  - (ii) *The nature of the relationship of the other person to the Councillor or related party; and*
  - (iii) *The nature of the other person's interests in the matter; and*
  - (iv) *The value of the gift or loan, and the date the gift was given or loan was made.*

#### **Procedure if Councillor has Declarable Conflict of Interest**

Pursuant to Section 150ES of the *Local Government Act 2009*, eligible Councillors at the meeting must, by resolution, decide whether the Councillor who has declared the interest:

- (1) *May participate in a decision about the matter at the meeting, including by voting on the matter; or*
- (2) *Must leave the place at which the meeting is being held, including any area set aside for the public, and stay away from the place while the eligible Councillors discuss and vote on the matter.*

#### **Duty to report another Councillor's Prescribed Conflict of Interest or Declarable Conflict of Interest**

Pursuant to section 150EW of the *Local Government Act 2009*, a Councillor who reasonably believes or reasonably suspects another Councillor has a Prescribed Conflict of Interest or a Declarable Conflict of Interest in a matter must:

- (1) *Immediately inform the person who is presiding at the meeting about the belief or suspicion; or*
- (2) *As soon as practicable, inform the Chief Executive Officer of the belief or suspicion.*

*The Councillor must also inform the person presiding, or the Chief Executive Officer, of the facts and circumstances forming the basis of the belief or suspicion.*

#### **Record of Prescribed and Declarable Conflicts of Interest**

Where a Councillor informs the meeting of a Prescribed or Declarable Conflict of Interest, section 150FA of the *Local Government Act 2009* requires the following information to be recorded in the minutes of the meeting:

- (1) The name of the Councillor who may have a prescribed or declarable conflict of interest in the matter;
- (2) The particulars of the prescribed or declarable conflict of interest;
- (3) If another Councillor informs the meeting of a belief of suspicion, about another Councillor's Conflict of Interest:
  - (a) The action the Councillor takes;
  - (b) Any decision by eligible Councillors; and
  - (c) The name of each eligible Councillor who voted in relation to whether the Councillor has a declarable conflict of Interest, and how each eligible Councillor voted.
- (4) Whether the Councillor participated in deciding the matter, or was present for deciding the matter;
- (5) For a matter to which the Prescribed or Declarable Conflict of Interest relates:
  - (a) *The name of the Councillor who has declared the conflict of interest;*

- (b) The nature of the personal interest, as described by the Councillor;*
  - (c) The decision made;*
  - (d) Whether the Councillor participated in the meeting under an approval by the Minister;*
  - (e) If the Councillor voted on the matter, how they voted; and*
  - (f) How the majority of Councillors voted on the matter.*
- (6) If the Councillor has a Declarable Conflict of Interest, in addition to the information above, the following information must be recorded in the minutes:
- (a) The decision and reasons for the decision as to whether the Councillor with the Declarable Conflict of Interest may participate in the decision, or must not participate in the decision; and
  - (b) The name of each eligible Councillor who voted on the decision, and how the eligible Councillor voted.

## **7 MATTERS OUTSTANDING FROM PREVIOUS COUNCIL MEETINGS**

### **7.1 PROPOSED STORMWATER IMPROVEMENT WORKS PROGRAM**

At the General Meeting 16 March 2022 (Item 19.4 refers), Council resolved as follows:

*That Council resolves as follows:*

- 1. To note the contents of the report relates to flood events prior to 2022.*
- 2. To authorise the Chief Executive Officer to negotiate the voluntary acquisition of properties 1 and 2 as listed in the report.*
- 3. To authorise the Chief Executive Officer to use the Taking of Land procedure under the Acquisition of Land Act 1967 to resume properties 1 and 2 identified in the report for the purposes of removing flood risk.*
- 4. That the capital works timing and planning cost estimates, detailed in Table 1 be endorsed for inclusion in the future capital works program.*
- 5. To authorise the Chief Executive Officer to negotiate, make, vary and discharge all documents relevant to effecting this decision.*
- 6. That a report will be brought back to a future meeting of Council to highlight some of the impacts of the March 2022 weather events.*
- 7. That this report and attachments remain confidential until any eventual settlement or as required by any legal or statutory obligation, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information.*

A report will be brought to a future meeting of Council.



**7.2 THE DRAFT BIRKDALE COMMUNITY PRECINCT MASTER PLAN**

At the Special Meeting 28 April 2022 (Item 4.1 refers), Council resolved as follows:

*That Council resolves as follows:*

- 1. To adopt the Draft Birkdale Community Precinct Master Plan (Attachment 3) and associated background reports (Attachments 5, 6 and 7) for community consultation.*
- 2. To undertake a non-statutory second phase of significant community consultation on the Draft Birkdale Community Precinct Master Plan to seek feedback in regards the principle elements of the plan, including the relevant design, delivery and implementation components.*
- 3. To bring back a report to Council in regards to the community consultation to inform the final Birkdale Community Precinct Master Plan.*
- 4. To authorise the Chief Executive Officer to negotiate, make, vary and discharge all documents relevant to this decision.*

A report will be brought to a future meeting of Council.

**7.3 PETITION CR PETER MITCHELL - REQUEST TO REVERSE THE CHANGES TO REGULATED PARKING IN THE CLEVELAND CENTRAL BUSINESS DISTRICT**

At the General Meeting 20 April 2022 (Item 10.1 refers), Council resolved as follows:

*That the petition be received and referred to the Chief Executive Officer for consideration and a report to the local government.*

A report will be brought to a future meeting of Council.

**7.4 NOTICE OF MOTION - INVESTIGATION INTO LOCATION FOR WILDLIFE HOSPITAL**

At the General Meeting 15 June 2022 (Item 17.1 refers), Council resolved as follows:

1. *To note and acknowledge the work of Council over a number of years in regard to the situation of a wildlife hospital, as well as the ongoing investigations being undertaken through Council to identify appropriate locations for a wildlife hospital, which may attract private investment within the Redland Local Government Area.*
2. *To support the ongoing discussions on this matter with stakeholders in this endeavour and to have a workshop provided to Councillors by 16 November 2022 and a report back to Council as to the outcome of those discussions.*

A report will be brought to a future meeting of Council.

## **8 MAYORAL MINUTE**

In accordance with s.6.9 of Council Meeting Standing Orders, the Mayor may put to the meeting a written motion called a 'Mayoral Minute', on any matter. Such motion may be put to the meeting without being seconded, may be put at that stage in the meeting considered appropriate by the Mayor and once passed becomes a resolution of Council.

## 9 PUBLIC PARTICIPATION

In accordance with s.6.10 Council Meeting Standing Orders:

1. In each meeting (other than special meetings), a period of 15 minutes may be made available by resolution to permit members of the public to address the local government on matters of public interest relating to the local government. This period may be extended by resolution.
2. Priority will be given to members of the public who make written application to the CEO no later than 4.30pm two days before the meeting. A request may also be made to the chairperson, when invited to do so, at the commencement of the public participation period of the meeting.
3. The time allocated to each speaker shall be a maximum of five minutes. The chairperson, at his/her discretion, has authority to withdraw the approval to address Council before the time period has elapsed.
4. The chairperson will consider each application on its merits and may consider any relevant matter in his/her decision to allow or disallow a person to address the local government, e.g.
  - a) Whether the matter is of public interest;
  - b) The number of people who wish to address the meeting about the same subject
  - c) The number of times that a person, or anyone else, has addressed the local government previously about the matter;
  - d) The person's behaviour at that or a previous meeting; and
  - e) If the person has made a written application to address the meeting.
5. Any person invited to address the meeting must:
  - a) State their name and suburb, or organisation they represent and the subject they wish to speak about;
  - b) Stand (unless unable to do so);
  - c) Act and speak with decorum;
  - d) Be respectful and courteous; and
  - e) Make no comments directed at any individual Council employee, Councillor or member of the public, ensuring that all comments relate to Council as a whole.

**10 PETITIONS AND PRESENTATIONS****10.1 PETITION ACTING MAYOR JULIE TALTY - REQUEST FOR MAYOR OF REDLAND CITY COUNCIL TO RESIGN**

In accordance with s.6.11 of Council Meeting Standing Orders, Acting Mayor Julie Talty will present the petition and motion as follows:

**That the petition be received.**

**10.2 PETITION ACTING MAYOR JULIE TALTY - CALL FOR REDLAND CITY COUNCIL TO DISMISS MAYOR KAREN WILLIAMS**

In accordance with s.6.11 of Council Meeting Standing Orders, Acting Mayor Julie Talty will present the petition and motion as follows:

**That the petition be received.**

**10.3 PETITION ACTING MAYOR JULIE TALTY - REQUEST THE QUEENSLAND GOVERNMENT TO APPOINT AN ADMINISTRATOR**

In accordance with s.6.11 of Council Meeting Standing Orders, Acting Mayor Julie Talty will present the petition and motion as follows:

**That the petition be received.**



**10.4 PETITION ACTING MAYOR JULIE TALTY - ADOPT A POLICY OF ZERO ALCOHOL CONSUMPTION IN THE WORKPLACE BY ELECTED OFFICIALS**

In accordance with s.6.11 of Council Meeting Standing Orders, Acting Mayor Julie Talty will present the petition and motion as follows:

**That the petition is of an operational nature and be received and referred to the Chief Executive Officer for consideration.**

**10.5 PETITION CR LANCE HEWLETT - GATED DOG OFF-LEASH DESIGNATED AREA ON COOCHIEMUDLO ISLAND**

In accordance with s.6.11 of Council Meeting Standing Orders, Cr Lance Hewlett will present the petition and motion as follows:

**That the petition is of an operational nature and be received and referred to the Chief Executive Officer for consideration.**

**11 MOTION TO ALTER THE ORDER OF BUSINESS**

The order of business may be altered for a particular meeting where the Councillors at that meeting pass a motion to that effect. Any motion to alter the order of business may be moved without notice.

## **12      REPORTS FROM THE OFFICE OF THE CEO**

Nil.

## 13 REPORTS FROM ORGANISATIONAL SERVICES

### 13.1 INTERIM JUNE 2022 MONTHLY FINANCIAL REPORT

**Objective Reference:** A6758737

**Authorising Officer:** Deborah Corbett-Hall, Chief Financial Officer

**Responsible Officer:** Deborah Corbett-Hall, Chief Financial Officer

**Report Author:** Udaya Panambala Arachchilage, Corporate Financial Reporting Manager

**Attachments:** 1. Interim Monthly Financial Report RCC June 22 [↓](#)

#### PURPOSE

To note the interim year to date financial results as at 30 June 2022.

#### BACKGROUND

Council adopts an annual budget and then reports on performance against the budget on a monthly basis. This is not only a legislative requirement but enables the organisation to periodically review its financial performance and position and respond to changes in community requirements, market forces or other outside influences.

#### ISSUES

##### *Monitoring of the capital program progress*

As mentioned in the risk management section below, the Executive Leadership Team reviews the progress of the capital program on a regular basis. For the last two years, the global pandemic has played a role in the procurement lead time, availability of contractors and price of materials. Constant focus, review and mitigation where possible is occurring by the organisation's senior leaders and these factors are considerations when management reviews the organisation risk registers.

##### *Loan drawdown 2021-2022*

Council received approval on 23 May 2022 from the Department of State Development, Infrastructure, Local Government and Planning to borrow \$10.3M for the 2021-2022 capital works. Accordingly, the borrowing was obtained from Queensland Treasury Corporation and the loan was drawn down on 15 June 2022.

##### *Interim results*

The interim June 2022 Monthly Financial Performance Report is prepared based on interim financial results for the year ended 30 June 2022 (prior to the finalisation of the end of year accounts). Significant movement is expected through the finalisation of year-end adjustments over the coming weeks. The final results for the year ended 30 June 2022 will be reflected in the audited annual financial statements.

#### STRATEGIC IMPLICATIONS

Council has either achieved or favourably exceeded the following key financial stability and sustainability ratios as at the end of June 2022, prior to end of year accounts finalisation.

- Operating surplus ratio
- Net financial liabilities

- Level of dependence on general rate revenue
- Ability to pay our bills – current ratio
- Ability to repay our debt – debt servicing ratio
- Cash balance
- Cash balances – cash capacity in months
- Longer term financial stability – debt to asset ratio
- Interest coverage ratio
- Operating performance

The following ratio did not meet the target at the end of June 2022:

- Asset sustainability ratio

The asset sustainability ratio continues to be a stretch target for Council with renewal spends of \$39.00M and depreciation expense of \$60.94M year to date on infrastructure assets. This ratio is an indication of how Council currently maintains, replaces and renews its existing infrastructure assets as they reach the end of their useful lives. Capital spend on non-renewal projects increases the asset base and therefore increases depreciation expense, resulting in a lower asset sustainability ratio.

Council's Capital Portfolio Prioritisation Administrative Directive demonstrates its commitment to maintaining existing infrastructure and the adoption of a renewal strategy for its existing assets ahead of 'upgrade' and/or 'new' works.

### **Legislative Requirements**

The interim June 2022 financial report is presented in accordance with the legislative requirement of section 204(2) of the *Local Government Regulation 2012*, requiring the Chief Executive Officer to present the financial report to a monthly Council meeting.

### **Risk Management**

The interim June 2022 financial report has been noted by the Executive Leadership Team and relevant officers who can provide further clarification and advice around actual to budget variances.

### **Financial**

There is no direct financial impact to Council as a result of this report; however it provides an indication of interim financial outcomes at the end of June 2022.

### **People**

Nil impact expected as the purpose of the attached report is to provide interim financial information to Council based upon actual versus budgeted financial activity.

### **Environmental**

Nil impact expected as the purpose of the attached report is to provide interim financial information to Council based upon actual versus budgeted financial activity.

### **Social**

Nil impact expected as the purpose of the attached report is to provide interim financial information to Council based upon actual versus budgeted financial activity.

## Human Rights

There are no human rights implications for this report as the purpose of the attached report is to provide interim financial information to Council based upon actual versus budgeted financial activity.

## Alignment with Council's Policy and Plans

This report has a relationship with the following items of Council's *Our Future Redlands – A Corporate Plan to 2026 and Beyond*:

Efficient and effective organisation objectives

- 7.1 Improve the efficiency and effectiveness of Council's service delivery to decrease costs, and enhance customer experience and community outcomes.
- 7.4 Demonstrate good governance through transparent, accountable processes and sustainable practices and asset management.

## CONSULTATION

Consulted	Date	Comment
Council departmental officers	Year to date June 2022	Consulted on financial results and outcomes.
Financial Services Group officers	Year to date June 2022	Consulted on financial results and outcomes.
Executive Leadership Team and Senior Leadership Team	Year to date June 2022	Recipients of variance analysis between actual and budget. Consulted as required.

## OPTIONS

### Option One

That Council resolves to note the interim financial position, results and ratios for June 2022 as presented in the attached Monthly Financial Report.

### Option Two

That Council resolves to request additional information.

## OFFICER'S RECOMMENDATION

**That Council resolves to note the interim financial position, results and ratios for June 2022 as presented in the attached Monthly Financial Report.**



# Monthly Financial Report

## Interim June 2022

Note: This interim report is prepared at year end pending finalisation of statutory financial statements due 8 September 2022.





## Monthly Financial Report

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## 1. EXECUTIVE SUMMARY

This interim monthly report illustrates the financial performance and position of Redland City Council compared to its adopted budget at an organisational level for the year ended 30 June 2022. The year to date annual revised budget referred to in this report incorporates the changes from budget review adopted by Council on 16 February 2022.

The June 2022 Monthly Financial Report is prepared based on interim financial results for the year ended 30 June 2022 (prior to the finalisation of the end of year accounts) and significant movement is expected through the finalisation of accruals, deferrals and other year-end adjustments. The final results for the year ended 30 June 2022 will be reflected in the audited financial statements.

## Key Interim Financial Highlights and Overview

Key Interim Financial Results (\$000)	Annual Revised Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	(386)	(386)	6,198	6,584	1706%	✓
Recurrent Revenue	314,224	314,224	312,473	(1,751)	-1%	✗
Recurrent Expenditure	314,610	314,610	306,275	(8,335)	-3%	✓
Capital Works Expenditure	106,621	106,621	68,631	(37,990)	-36%	✓
Closing Cash & Cash Equivalents	195,979	185,979	248,667	62,688	34%	✓

Council reported a year to date operating surplus of \$6.20M which is favourable to budget by \$6.58M mainly on account of lower than budgeted expenditure on materials and services, lower depreciation expenses and higher operating grants, offset by lower levies and utility charges.

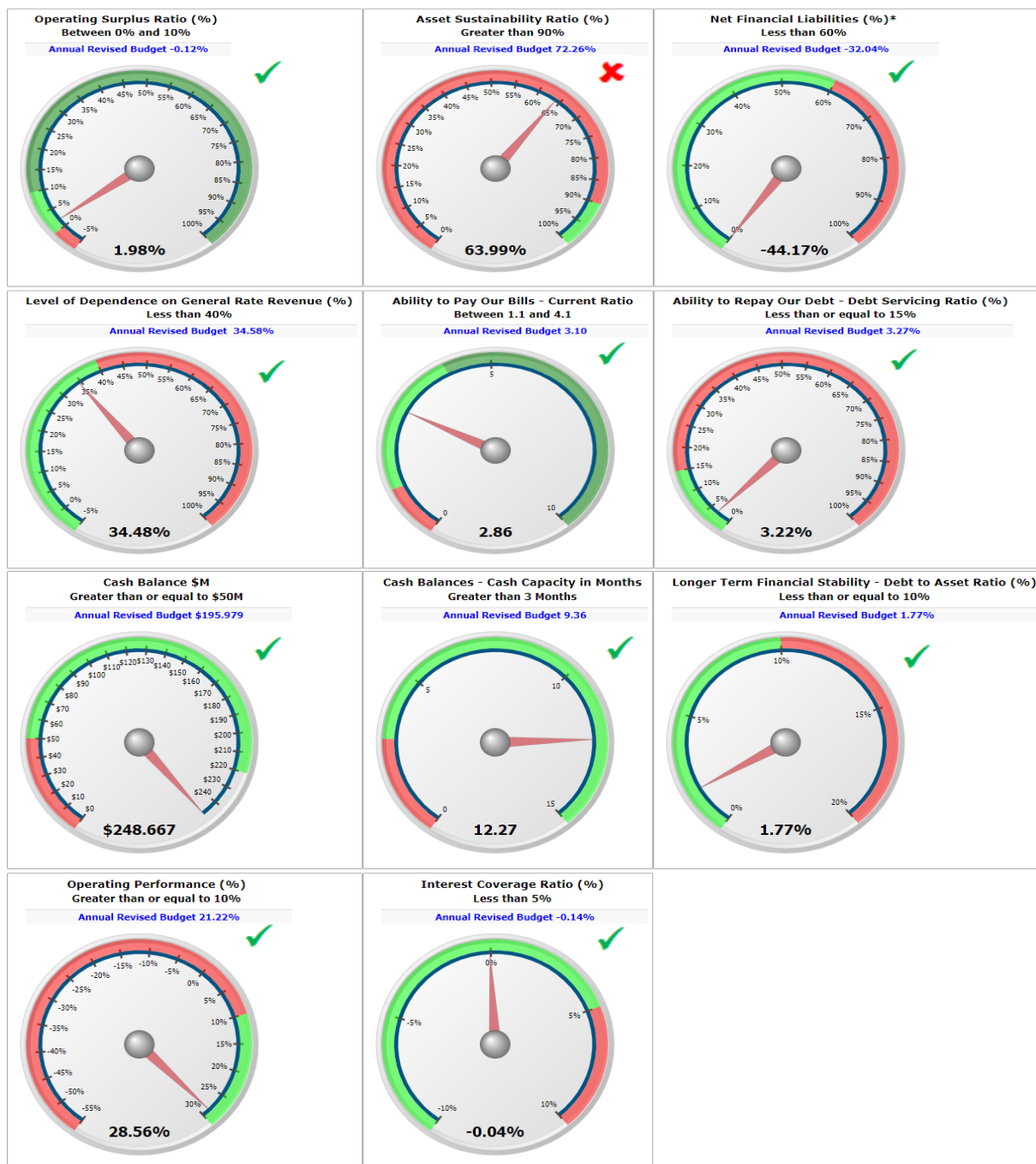
The Infrastructure and Operations (I&O) Department presented a briefing to Council that addressed the supply chain issues that are contributing to forecast underspends to the FY2021-22 capital works portfolio. This briefing included mitigation strategies that addressed the risks to delivering the capital works which was agreed to and resolved by Council at the General Meeting held on 20 October 2021.

Council's cash balance is over budget mainly due to lower payments for property, plant and equipment and the receipt of \$21.95M advance waste levy payment from the State Government for next four financial years. Constrained cash reserves represent 47% of the cash balance.

## Monthly Financial Report

## 2. INTERIM KEY PERFORMANCE INDICATORS

■ Target met 
 ■ Target exceeded 
 ■ Target not met



\* The net financial liabilities ratio is negative as current assets are greater than total liabilities.

## Monthly Financial Report

## 3. INTERIM STATEMENT OF COMPREHENSIVE INCOME

INTERIM STATEMENT OF COMPREHENSIVE INCOME					
For the period ending 30 June 2022					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
<b>Recurrent revenue</b>					
Rates charges	111,574	111,650	111,650	110,803	(847)
Levies and utility charges	170,378	170,378	170,378	165,851	(4,527)
Less: Pensioner remissions and rebates	(3,486)	(3,486)	(3,486)	(3,569)	(83)
Fees	15,337	17,797	17,797	18,508	711
Rental income	1,067	1,214	1,214	1,335	121
Interest received	2,037	2,016	2,016	1,716	(300)
Sales revenue	3,682	4,147	4,147	4,807	660
Other income	469	546	546	977	431
Grants, subsidies and contributions	9,496	9,962	9,962	12,045	2,083
<b>Total recurrent revenue</b>	<b>310,554</b>	<b>314,224</b>	<b>314,224</b>	<b>312,473</b>	<b>(1,751)</b>
<b>Recurrent expenses</b>					
Employee benefits	97,172	97,872	97,872	98,366	494
Materials and services	145,459	148,858	148,858	140,411	(8,447)
Finance costs	2,007	2,007	2,007	2,545	538
Depreciation and amortisation	67,563	67,563	67,563	66,702	(861)
Other expenditure	522	522	522	448	(74)
Net internal costs	(2,213)	(2,213)	(2,213)	(2,197)	16
<b>Total recurrent expenses</b>	<b>310,511</b>	<b>314,610</b>	<b>314,610</b>	<b>306,275</b>	<b>(8,335)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>43</b>	<b>(386)</b>	<b>(386)</b>	<b>6,198</b>	<b>6,584</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	22,133	30,721	30,721	24,566	(6,155)
Non-cash contributions	2,461	2,461	2,461	(574)	(3,035)
<b>Total capital revenue</b>	<b>24,594</b>	<b>33,182</b>	<b>33,182</b>	<b>23,992</b>	<b>(9,190)</b>
<b>Capital expenses</b>					
(Gain) / loss on disposal of non-current assets	289	(50)	(50)	2,548	2,598
<b>Total capital expenses</b>	<b>289</b>	<b>(50)</b>	<b>(50)</b>	<b>2,548</b>	<b>2,598</b>
<b>TOTAL INCOME</b>	<b>335,148</b>	<b>347,407</b>	<b>347,407</b>	<b>336,465</b>	<b>(10,941)</b>
<b>TOTAL EXPENSES</b>	<b>310,799</b>	<b>314,560</b>	<b>314,560</b>	<b>308,823</b>	<b>(5,737)</b>
<b>NET RESULT</b>	<b>24,349</b>	<b>32,847</b>	<b>32,848</b>	<b>27,642</b>	<b>(5,204)</b>
<b>Other comprehensive income / (loss)</b>					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>24,349</b>	<b>32,847</b>	<b>32,848</b>	<b>27,642</b>	<b>(5,204)</b>

The interim Statement of Comprehensive Income will adjust over coming weeks as the accounts are being finalised and final results will be reflected in the audited financial statements for the year ended 30 June 2022. Other Comprehensive Income will change as a result of asset revaluations. The audited financial statements for the year ended 30 June 2022 will reflect the final revalued position and impact and will be presented as part of the 2021/2022 Annual Report.

## Monthly Financial Report

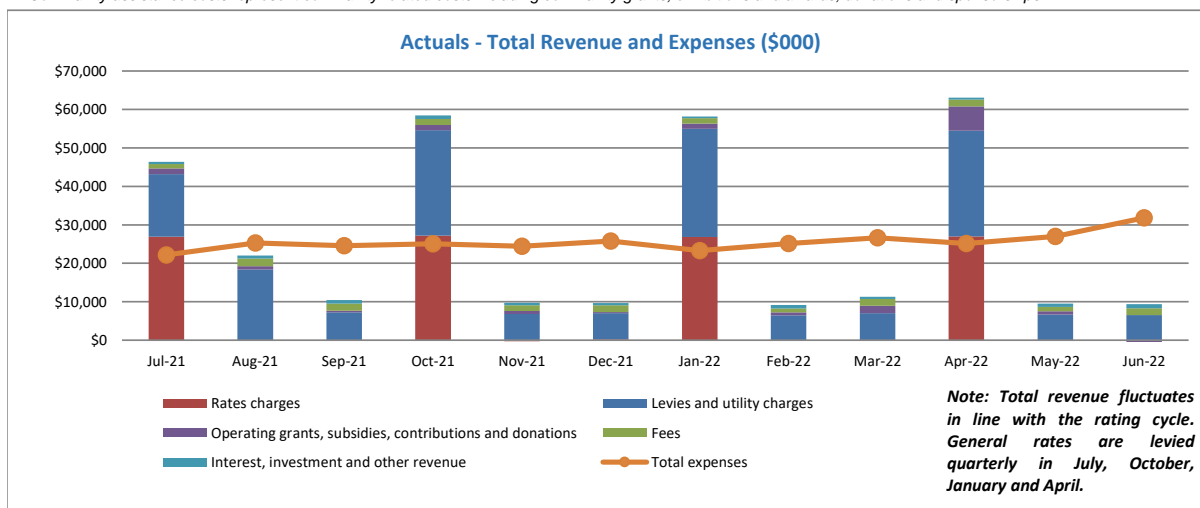
## 3. INTERIM STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

INTERIM LEVIES AND UTILITY CHARGES ANALYSIS					
For the period ending 30 June 2022					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Levies and utility charges</b>					
Refuse collection rate charge	30,931	30,931	30,931	30,991	60
SES separate charge	514	514	514	513	(1)
Environment & Coastal Management Separate Charge	10,802	10,802	10,802	10,750	(52)
Separate charge landfill remediation	3,473	3,473	3,473	3,456	(17)
Wastewater charges	50,354	50,354	50,354	50,447	93
Water access charges	20,949	20,949	20,949	20,878	(71)
Water consumption charges	53,355	53,355	53,355	48,816	(4,539)
<b>Total levies and utility charges</b>	<b>170,378</b>	<b>170,378</b>	<b>170,378</b>	<b>165,851</b>	<b>(4,527)</b>

INTERIM MATERIALS AND SERVICES ANALYSIS					
For the period ending 30 June 2022					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Materials and services</b>					
Contractors	37,448	40,053	40,007	35,525	(4,482)
Consultants	2,775	4,748	4,729	4,823	94
Other Council outsourcing costs*	26,444	23,736	23,817	23,238	(579)
Purchase of materials	54,490	55,818	55,813	52,189	(3,624)
Office administration costs	7,194	7,366	7,356	6,841	(515)
Electricity charges	5,723	5,755	5,754	5,660	(94)
Plant operations	3,458	3,481	3,481	3,897	416
Information technology resources	3,686	3,698	3,698	4,230	532
General insurance	1,467	1,399	1,399	1,398	(1)
Community assistance**	1,716	1,736	1,736	1,597	(139)
Other material and service expenses	1,058	1,068	1,068	1,013	(55)
<b>Total materials and services</b>	<b>145,459</b>	<b>148,858</b>	<b>148,858</b>	<b>140,411</b>	<b>(8,447)</b>

\* Other Council outsourcing costs are various outsourced costs including refuse collection and disposal, waste disposal, legal services, traffic control, external training, valuation fees, etc.

\*\* Community assistance costs represent community related costs including community grants, exhibitions and awards, donations and sponsorships.



The interim income and expenses will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2022. The financial statements will be presented as part of the 2021/2022 Annual Report.

## Monthly Financial Report

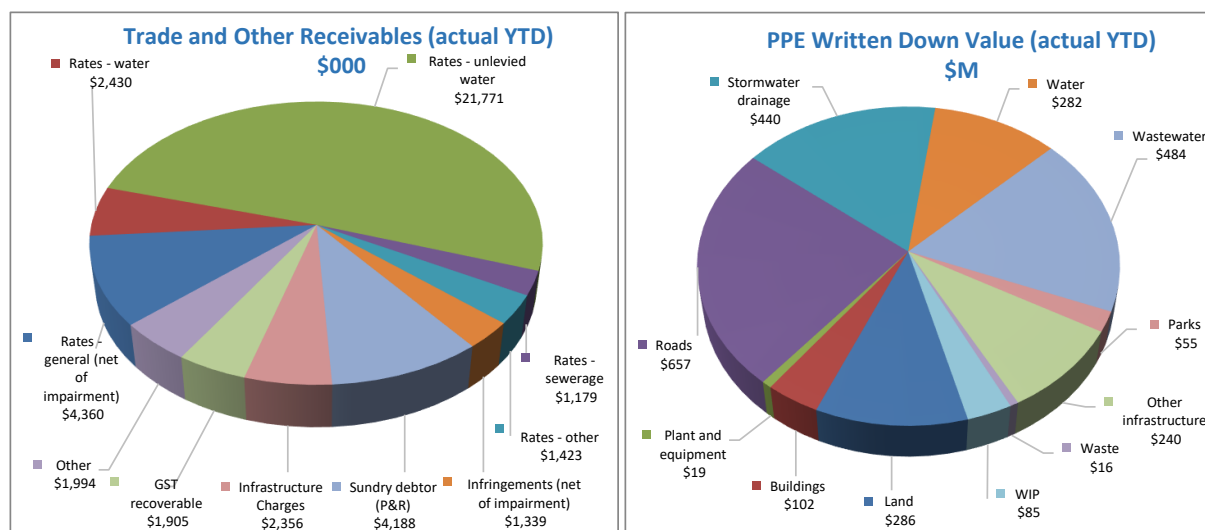
## 4. INTERIM STATEMENT OF FINANCIAL POSITION

INTERIM STATEMENT OF FINANCIAL POSITION As at 30 June 2022				
	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	198,990	195,979	185,979	248,667
Short-term investment - CBA	-	-	10,000	10,068
Trade and other receivables	42,672	43,012	43,012	42,945
Inventories	916	1,024	1,024	566
Other current assets	1,810	4,967	4,967	5,486
<b>Total current assets</b>	<b>244,389</b>	<b>244,982</b>	<b>244,982</b>	<b>307,732</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	1,225	1,225	1,225	1,225
Property, plant and equipment	2,619,909	2,709,572	2,709,572	2,666,565
Intangible assets	1,135	1,160	1,160	1,612
Right-of-use assets	4,723	4,984	4,984	4,972
Other financial assets	73	73	73	73
Investment in other entities	12,657	12,657	12,657	12,657
<b>Total non-current assets</b>	<b>2,639,722</b>	<b>2,729,671</b>	<b>2,729,671</b>	<b>2,687,104</b>
<b>TOTAL ASSETS</b>	<b>2,884,111</b>	<b>2,974,652</b>	<b>2,974,652</b>	<b>2,994,836</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	37,171	45,927	45,927	46,769
Borrowings - current	8,326	8,919	8,919	9,355
Lease liability - current	1,294	1,130	1,130	1,130
Provisions - current	15,270	17,207	17,207	19,016
Other current liabilities *	1,911	5,758	5,758	31,320
<b>Total current liabilities</b>	<b>63,972</b>	<b>78,941</b>	<b>78,941</b>	<b>107,590</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings - non-current	38,659	37,990	37,990	37,583
Lease liability - non-current	4,377	4,704	4,704	4,908
Provisions - non-current	21,539	22,675	22,675	19,619
<b>Total non-current liabilities</b>	<b>64,576</b>	<b>65,370</b>	<b>65,370</b>	<b>62,110</b>
<b>TOTAL LIABILITIES</b>	<b>128,547</b>	<b>144,311</b>	<b>144,311</b>	<b>169,700</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,755,563</b>	<b>2,830,341</b>	<b>2,830,341</b>	<b>2,825,136</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	1,035,840	1,106,353	1,106,353	1,106,353
Retained surplus	1,619,513	1,620,669	1,620,669	1,601,896
Constrained cash reserves	100,210	103,319	103,319	116,887
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,755,563</b>	<b>2,830,341</b>	<b>2,830,341</b>	<b>2,825,136</b>

\* YTD actual Other current liabilities includes \$21.95m advance waste levy payment received from the State Government in June 2022 for next four financial years.

## Monthly Financial Report

## 4.INTERIM STATEMENT OF FINANCIAL POSITION - CONTINUED



### INTERIM RIGHT-OF-USE ASSETS

For the period ending 30 June 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
<b>Right-of-use asset</b>				
Buildings	2,109	2,152	2,152	2,139
Land	2,435	2,508	2,508	2,512
Plant and Equipment	179	324	324	321
<b>Closing balance</b>	<b>4,723</b>	<b>4,984</b>	<b>4,984</b>	<b>4,972</b>

### INTERIM PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT\*

For the period ending 30 June 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
<b>PPE movement</b>				
Opening balance (includes WIP from previous years)	2,614,439	2,667,979	2,667,979	2,667,979
Acquisitions and WIP in year movement	72,958	109,081	109,081	67,317
Depreciation in year	(65,977)	(65,977)	(65,977)	(64,815)
Disposals	(1,511)	(1,511)	(1,511)	(4,057)
Other adjustments**	-	-	-	141
<b>Closing balance</b>	<b>2,619,909</b>	<b>2,709,572</b>	<b>2,709,572</b>	<b>2,666,565</b>

\* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets.

\*\* Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

The interim Statement of Financial Position will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2022. The financial statements will be presented as part of the 2021/2022 Annual Report.

## Monthly Financial Report

## 5. INTERIM STATEMENT OF CASH FLOWS

INTERIM STATEMENT OF CASH FLOWS For the period ending 30 June 2022				
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	297,941	301,019	301,019	<b>298,600</b>
Payments to suppliers and employees	(246,606)	(249,290)	(249,290)	<b>(241,330)</b>
	<b>51,334</b>	<b>51,729</b>	<b>51,729</b>	<b>57,270</b>
Interest received	2,037	2,016	2,016	<b>1,658</b>
Rental income	1,067	1,214	1,214	<b>1,335</b>
Non-capital grants and contributions*	14,109	14,575	14,575	<b>38,847</b>
Borrowing costs	(1,763)	(1,763)	(1,763)	<b>(1,770)</b>
Right-of-use assets interest expense	(131)	(131)	(131)	<b>(117)</b>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>66,654</b>	<b>67,641</b>	<b>67,640</b>	<b>97,223</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(70,498)	(106,620)	(106,620)	<b>(68,289)</b>
Payments for intangible assets	-	-	-	<b>(740)</b>
Proceeds from sale of property, plant and equipment	1,222	1,562	1,562	<b>1,509</b>
Capital grants, subsidies and contributions	22,133	30,721	30,721	<b>26,094</b>
Other cash flows from investing activities**	3,500	3,500	3,500	<b>3,500</b>
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(43,642)</b>	<b>(70,838)</b>	<b>(70,837)</b>	<b>(37,926)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds of borrowings	10,324	10,324	10,324	<b>10,301</b>
Repayment of borrowings	(7,243)	(7,243)	(7,243)	<b>(7,230)</b>
Right-of-use lease payment	(1,145)	(1,145)	(1,145)	<b>(941)</b>
<b>Net cash inflow / (outflow) from financing activities</b>	<b>1,936</b>	<b>1,936</b>	<b>1,936</b>	<b>2,130</b>
<b>Net increase / (decrease) in cash held</b>	<b>24,947</b>	<b>(1,261)</b>	<b>(1,261)</b>	<b>61,427</b>
Cash and cash equivalents at the beginning of the year	174,043	197,240	187,240	<b>187,240</b>
<b>Cash and cash equivalents at the end of the financial year / period</b>	<b>198,990</b>	<b>195,979</b>	<b>185,979</b>	<b>248,667</b>

**Cash Inflow (actual YTD)**

Category	Percentage
Utility charges	43%
Rates charges	28%
Operating grants and contributions	10%
Other cash receipts	6%
Capital grants, subsidies and contributions	7%
Fees	5%
Interest received	1%

**Cash Outflow (actual YTD)**

Category	Percentage
Materials and services	45%
Employee costs	30%
Payments for property, plant and equipment	21%
Repayment of borrowings	3%
Borrowing costs	1%

<b>Total Cash Funding (Actual YTD)</b>	<b>381,844</b>	<b>Total Cash Expenditure (Actual YTD)</b>	<b>320,417</b>
Total Cash Funding (Annual Revised Budget)	364,931	Total Cash Expenditure (Annual Revised Budget)	366,192
% of Budget Achieved YTD	105%	% of Budget Achieved YTD	87%

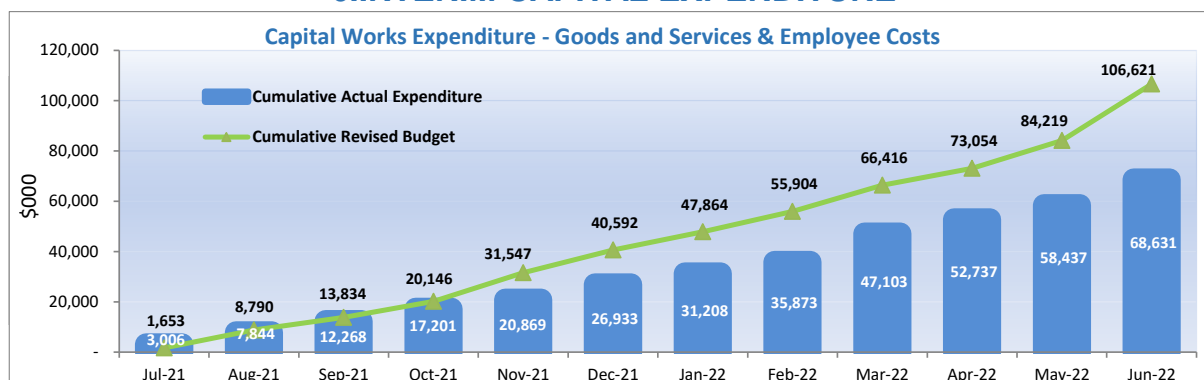
\* YTD actual Non - capital grants & contributions includes \$21.95m advance waste levy received from the State Government in June 2022 for next four financial years.

\*\* Loan drawn down by RIC from February to June 2021 has been repaid in July 2021.

The interim Statement of Cash Flows will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2022. The financial statements will be presented as part of the 2021/2022 Annual Report.

## Monthly Financial Report

## 6.INTERIM CAPITAL EXPENDITURE

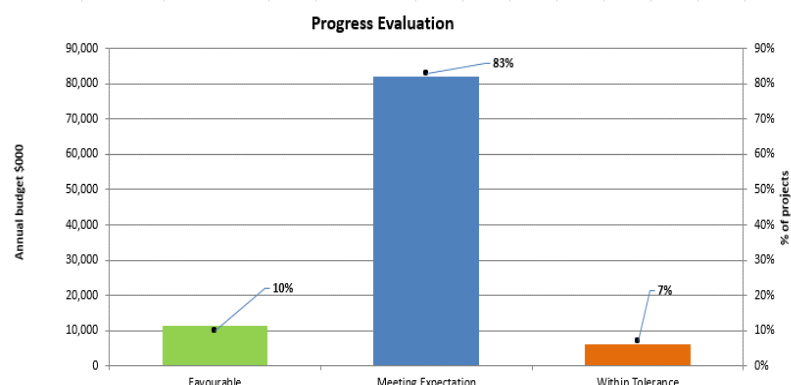


	Annual Revised Budget \$'000	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services*	98,763	98,763	61,000	(37,763)
Capitalised employee costs	7,858	7,858	7,631	(227)
<b>Total</b>	<b>106,621</b>	<b>106,621</b>	<b>68,631</b>	<b>(37,990)</b>

\* Excludes capital prepayments.

## 7. INTERIM PROGRAM AND PROJECT UPDATE

<span style="color: green;">■</span> Favourable (budget under/schedule on track)	<span style="color: blue;">■</span> Meeting expectations (budget and schedule on track)	<span style="color: orange;">■</span> Within tolerance (either budget and schedule not on track)
--	---	--



- Programs and projects are what Council uses to introduce change to achieve corporate outcomes. They allow new infrastructure, products, systems, procedures and services to be delivered. Projects may be undertaken on a standalone basis or as part of a program. Programs and projects may span multiple financial years.
- Council is currently progressing more than 100 programs and projects.

## Notable Projects

The status of two notable projects are as follows:

Project description	Progress
<p>Bus Shelter &amp; Seat Renewal Program - This provides following benefits:</p> <ul style="list-style-type: none"> <li>• easy and convenient access to public transport, and</li> <li>• public transport stops within approx. 400m for each dwelling in an urban area.</li> </ul> <p>All bus stops are planned to build in accordance with the Disability for Accessible Public Transport Act 2002.</p>	Favourable
<p>Road Upgrade &amp; Expansion Program (SMBI Greenseal) - This provides following benefits:</p> <ul style="list-style-type: none"> <li>• easy movement of vehicles, and</li> <li>• drainage infrastructure to provide an appropriate level of flood immunity.</li> </ul>	Meeting Expectations

The interim Capital Funding Statement will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2022. The financial statements will be presented as part of the 2021/2022 Annual Report.

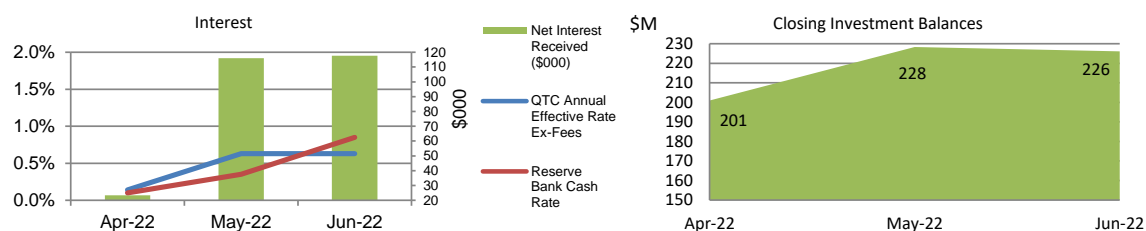


## Monthly Financial Report

## 8. INTERIM INVESTMENT &amp; BORROWINGS REPORT

For the period ending 30 June 2022

## INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total QTC Investment at End of Month was \$226.13M

Council investments are currently held predominantly in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC). In October 2021 \$10.068M was re-invested in a term deposit of Commonwealth Bank of Australia (CBA) to maximise interest earnings.

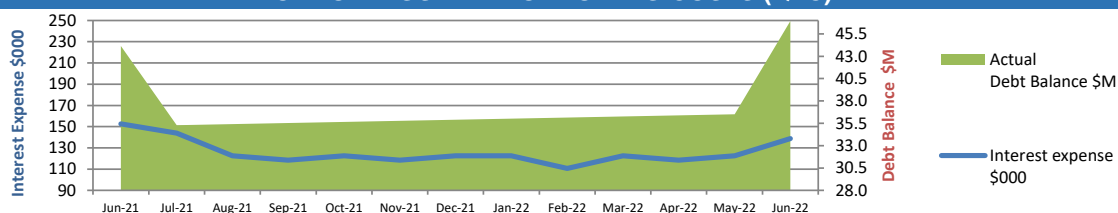
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle. The interest income increased from April to June due to increase in QTC annual effective rate (excluding fee) from 0.14% to 0.63%.

Note: the Reserve Bank increased the cash rate to 0.85% during June 2022.

On a daily basis, cash surplus to requirements is deposited with QTC to earn higher interest as QTC is offering a higher rate than what is achieved from Council's transactional bank accounts. The current annual effective interest rate paid by QTC is 0.63%. Term deposit rates are being monitored to identify investment opportunities to ensure Council maximises its interest earnings.

Council adopted its Investment Policy (FIN-001-P) in June 2021 for the 2021/2022 financial year

## BORROWINGS AND BORROWING COSTS (QTC)



The existing loan accounts were converted to fixed rate loans on 1 April 2016 following a QTC restructure of loans and policies. In line with Council's debt policy, debt repayment of \$9.00M, being \$7.23M principal and \$1.77M interest has been made in July 2021 for 2021/2022, which will result in the loans being repaid approximately one year earlier.

The debt balance increased in June 2022 due to new borrowings of \$10.30M as part of Council's Capital Works Plan.

In July 2021 the debt balance showed a decrease due to the Annual Debt Service Payment (ADSP). Interest will accrue monthly on a daily balance until next ADSP in July 2022 which is reflected in the increasing debt balance.

Total Borrowings at End of Month were \$46.94M

Council adopted its Debt Policy (FIN-009-P) in June 2021 for the 2021/2022 financial year

## BORROWINGS

For the period ending 30 June 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
<b>Borrowings</b>				
Opening balance	(44,228)	(44,153)	(44,153)	(44,153)
Accrued interest on borrowings	(1,439)	(1,438)	(1,438)	(1,484)
Interest paid on borrowings	1,763	1,763	1,763	1,769
Principal repaid	7,243	7,243	7,243	7,231
Loan drawdown	(10,324)	(10,324)	(10,324)	(10,301)
<b>Closing balance</b>	<b>(46,985)</b>	<b>(46,909)</b>	<b>(46,909)</b>	<b>(46,938)</b>

## Monthly Financial Report

## 9. INTERIM CONSTRAINED CASH RESERVES

Reserves as at 30 June 2022	Purpose of reserve	Opening Balance \$'000	To Reserve \$'000	From Reserve \$'000	Closing Balance \$'000
<b>Special Projects Reserve:</b>					
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	-	26	(26)	0
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	-	653	(1)	652
Waste Levy Reserve	To fund Waste Levy Program	-	5,259	(5,117)	142
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	4,265	2,749	(3,276)	3,738
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	3,716	2,719	(1,836)	4,599
		<b>7,981</b>	<b>11,406</b>	<b>(10,256)</b>	<b>9,131</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	6,148	3,898	(5,824)	4,222
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	4,829	468	-	5,297
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,760	192	-	14,952
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	11,165	3,682	(1,506)	13,341
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	36,517	5,754	(840)	41,431
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	13,288	2,092	(561)	14,819
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	9,898	660	-	10,558
Tree Planting Reserve	Acquisition and planting of trees on footpaths	169	100	(10)	259
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	226	22	(119)	129
Special Property Reserve	Acquisition of property in line with the strategic property framework	-	1,771	-	1,771
		<b>97,000</b>	<b>18,639</b>	<b>(8,860)</b>	<b>106,779</b>
<b>Separate Charge Reserve:</b>					
Environment & Coastal management Separate Charge Reserve	Ongoing conservation and maintenance operations	-	10,751	(10,751)	-
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	70	513	(463)	120
		<b>70</b>	<b>11,264</b>	<b>(11,214)</b>	<b>120</b>
<b>Special Charge Reserve - Canals:</b>					
Aquatic Paradise Canal Reserve*	Maintenance and repairs of Aquatic Paradise canals	758	-	-	758
Sovereign Waters Lake Reserve*	Maintenance and repairs of Sovereign Lake	431	-	-	431
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	219	-	-	219
1718 Aquatic Paradise Canal Reserve	Service, facility or activity of works in respect of the canals of the Aquatic Paradise canal estate	(495)	-	-	(495)
1718 Sovereign Waters Lake Reserve	Service, facility or activity of works in respect of the lake	(56)	-	-	(56)
		<b>857</b>	<b>-</b>	<b>-</b>	<b>857</b>
<b>TOTALS</b>		<b>105,908</b>	<b>41,309</b>	<b>(30,330)</b>	<b>116,887</b>
		Closing cash and cash equivalents		248,667	
		Reserves as percentage of cash balance		47%	

\*No interest charged for these reserves in June 2022 year to date due to low prevailing interest rate.

## Monthly Financial Report

## 10.INTERIM CITY WATER STATEMENTS

INTERIM CITY WATER SUMMARY OPERATING STATEMENT					
For the period ending 30 June 2022					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	128,167	128,331	128,331	123,726	(4,605)
Total expenses	75,785	76,235	76,235	70,859	(5,376)
Earnings before interest, tax and depreciation (EBITD)	52,382	52,096	52,096	52,867	771
External interest expense	224	224	224	231	7
Internal interest expense	15,139	15,139	15,139	15,139	-
Depreciation	24,711	24,711	24,711	24,756	45
Operating surplus / (deficit)	12,309	12,022	12,022	12,741	719
INTERIM CITY WATER CAPITAL FUNDING STATEMENT					
For the period ending 30 June 2022					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	2,956	2,956	2,956	3,874	918
Net transfer (to) / from constrained capital reserves	1,019	(1,498)	(1,498)	(3,781)	(2,283)
Non-cash contributions	2,379	2,379	2,379	36	(2,343)
New loans	3,368	3,368	3,368	-	(3,368)
Funding from utility revenue	(2,699)	7,529	7,529	4,327	(3,202)
Total sources of capital funding	7,023	14,733	14,733	4,456	(10,277)
Contributed assets	2,379	2,379	2,379	36	(2,343)
Capitalised expenditure	3,982	11,692	11,692	3,796	(7,896)
Loan redemption	662	662	662	624	(38)
Total application of capital funds	7,023	14,733	14,733	4,456	(10,277)

## 11.INTERIM CITY WASTE STATEMENTS

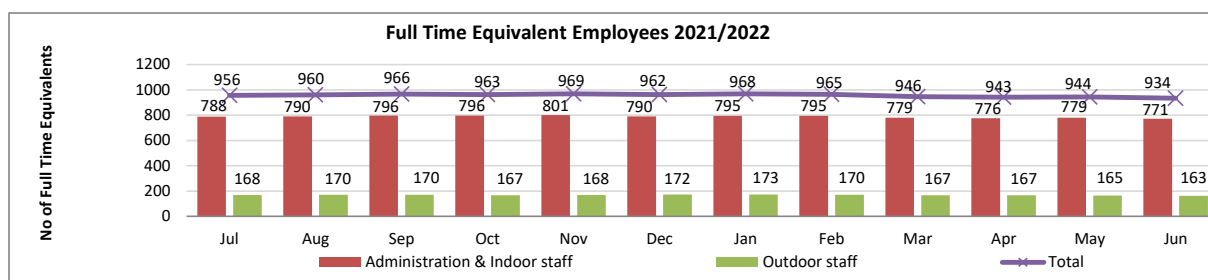
INTERIM CITY WASTE OPERATING STATEMENT					
For the period ending 30 June 2022					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	32,893	32,904	32,904	33,190	286
Total expenses	23,973	24,033	24,033	24,303	270
Earnings before interest, tax and depreciation (EBITD)	8,920	8,870	8,871	8,887	16
External interest expense	7	7	7	7	-
Depreciation	423	423	423	562	139
Operating surplus / (deficit)	8,490	8,440	8,441	8,318	(123)
INTERIM CITY WASTE CAPITAL FUNDING STATEMENT					
For the period ending 30 June 2022					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Funding from utility revenue	755	1,329	1,329	557	(772)
Total sources of capital funding	755	1,329	1,329	557	(772)
Capitalised expenditure	600	1,174	1,174	448	(726)
Loan redemption	155	155	155	109	(46)
Total application of capital funds	755	1,329	1,329	557	(772)

The interim Water and Waste Statements will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2022. The financial statements will be presented as part of the 2021/2022 Annual Report.

## Monthly Financial Report

## 12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

## Workforce Reporting



June 2022: Headcount		Employee Type			
Department Level	Casual	Full Time	Part Time	Total	
Office of CEO and People and Culture	3	40	10	53	
Organisational Services	3	201	21	225	
Community and Customer Services	51	273	61	385	
Infrastructure and Operations	8	343	16	367	
<b>Total</b>	<b>65</b>	<b>857</b>	<b>108</b>	<b>1,030</b>	

Note: Full Time Equivalent Employees includes all full time employees at a value of 1 and all other employees, at a value less than 1. The table above demonstrates the headcount by department. Following Ourspace, the table includes contract of service and temporary personnel. It includes casual staff in their non-substantive roles as at the end of the period where relevant.

## Overdue Rates Debtors &amp; Statistics

Comparison June 2022 to June 2021									
Days Overdue	Jun-22	% Overdue	Jun-21	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics		
0 - 30	\$1,580	0.0%	\$444	0.0%	\$1,136	0.0%	Levied (Billed) Rates & Charges	\$294,692,311	\$282,705,701
31 - 60	\$3,784,333	1.2%	\$4,147,672	1.4%	-\$363,339	-0.2%	Rate arrears b/fwd	\$10,693,344	\$12,988,652
61 - 90	\$836	0.0%	\$0	0.0%	\$836	0.0%	<b>Total</b>	<b>\$305,385,655</b>	<b>\$295,694,353</b>
91 - 180	\$1,713,099	0.6%	\$1,790,975	0.6%	-\$77,876	0.0%	Balance of overdue rates & charges	\$9,031,746	\$10,693,344
>180	\$3,531,898	1.2%	\$4,754,253	1.6%	-\$1,222,355	-0.4%	<b>Percentage Overdue</b>	<b>3.0%</b>	<b>3.6%</b>
<b>Total</b>	<b>\$9,031,746</b>	<b>3.0%</b>	<b>\$10,693,344</b>	<b>3.6%</b>	<b>-\$1,661,597</b>	<b>-0.6%</b>			

## Monthly Financial Report

## 13. GLOSSARY

## Key Terms

**Written Down Value:**

*This is the value of an asset after accounting for depreciation or amortisation, and it is also called book value or net book value.*

**Work In Progress:**

*This represents an unfinished project that costs are still being added to. When a project is completed, the costs will be either capitalised (allocated to relevant asset class) or written off.*

## Definition of Ratios

**Operating Surplus Ratio\*:**

*This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes*

Net Operating Surplus

Total Operating Revenue

**Asset Sustainability Ratio\*:**

*This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out*

Capital Expenditure on Replacement of Infrastructure Assets (Renewals)

Depreciation Expenditure on Infrastructure Assets

**Net Financial Liabilities\*:**

*This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues*

Total Liabilities - Current Assets

Total Operating Revenue

**Level of Dependence on General Rate Revenue:**

*This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues)*

General Rates - Pensioner Remissions

Total Operating Revenue - Gain on Sale of Developed Land

**Current Ratio:**

*This measures the extent to which Council has liquid assets available to meet short term financial obligations*

Current Assets

Current Liabilities

**Debt Servicing Ratio:**

*This indicates Council's ability to meet current debt instalments with recurrent revenue*

Interest Expense\*\*\* + Loan Redemption^

Total Operating Revenue - Gain on Sale of Developed Land

**Cash Balance - \$M:**

*Cash balance includes cash on hand, cash at bank and other short term investments.*

Cash Held at Period End

**Cash Capacity in Months:**

*This provides an indication as to the number of months cash held at period end would cover operating cash outflows*

Cash Held at Period End

[[Cash Operating Costs + Interest Expense] / Period in Year]

**Longer Term Financial Stability - Debt to Asset Ratio:**

*This is total debt as a percentage of total assets, i.e. to what extent will our long term debt be covered by total assets*

Current and Non-current Debt\*\*

Total Assets

**Operating Performance:**

*This ratio provides an indication of Council's cash flow capabilities*

Net Cash from Operations + Interest Revenue and Expense

Cash Operating Revenue + Interest Revenue

**Interest Coverage Ratio:**

*This ratio demonstrates the extent to which operating revenues are being used to meet the financing charges*

Net Interest Expense on Debt Service\*\*\*

Total Operating Revenue

\* These targets are set to be achieved on average over the longer term and therefore are not necessarily expected to be met on a monthly basis.

\*\* Debt includes lease liabilities.

\*\*\* Interest expense includes interest on leases.

^ Loan redemption includes lease redemption.

**13.2 AUDIT COMMITTEE 9 JUNE 2022****Objective Reference:** A6718602**Authorising Officer:** Amanda Pafumi, General Manager Organisational Services**Responsible Officer:** Tony Beynon, Group Manager Corporate Governance**Report Author:** Kailesh Naidu, Principal Adviser Internal Audit**Attachments:** 1. Audit Committee Minutes 9 June 2022 [↓](#)**PURPOSE**

To present the minutes of the Audit Committee meeting held on 9 June 2022 to Council for adoption in accordance with section 211 of the *Local Government Regulation 2012*.

**BACKGROUND**

The primary objective of the Audit Committee is to assist Council in fulfilling its corporate governance role and oversight of financial measurement and reporting responsibilities imposed under the *Local Government Act 2009* and other relevant legislation.

To fulfil this objective and to enhance the ability of Councillors to discharge their legal responsibility, it is necessary that a written report is presented to Council as soon as practicable after a meeting of the Audit Committee about the matters reviewed at the meeting and the Audit Committee's recommendations about these matters.

**ISSUES**

Refer to the attached minutes of the Audit Committee held on 9 June 2022.

**STRATEGIC IMPLICATIONS****Legislative Requirements**

This report has been prepared in accordance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

**Risk Management**

There are no opportunities or risks as a result of this report.

**Financial**

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

**People**

There are no implications on people as a result of this report.

**Environmental**

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

**Social**

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

**Human Rights**

There are no human rights implications as a result of this report.

**Alignment with Council's Policy and Plans**

Internal Audit Policy (GOV-010-P)

Audit Committee Policy (GOV-011-P)

*Our Future Redlands - A Corporate Plan to 2026 and Beyond*

**CONSULTATION**

Consulted	Consultation Date	Comments/Actions
Audit Committee members and relevant officers	10-15 June 2022	Audit Committee members and relevant officers were consulted to review and approve the minutes prior to being finalised.

**OPTIONS****Option One**

That Council resolves to adopt the minutes of the Audit Committee meeting held on 9 June 2022, as attached to this report.

**Option Two**

That Council resolves to note this report and requests additional information.

**OFFICER'S RECOMMENDATION**

**That Council resolves to adopt the minutes of the Audit Committee meeting held on 9 June 2022, as attached to this report.**



# MINUTES

## AUDIT COMMITTEE MEETING

**Thursday, 9 June 2022**  
**Commencing at 9:30am**

The Council Chambers  
91 - 93 Bloomfield Street  
CLEVELAND QLD



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**AUDIT COMMITTEE MEETING MINUTES****9 JUNE 2022****Order Of Business**

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**AUDIT COMMITTEE MEETING MINUTES****9 JUNE 2022**

**AUDIT COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBERS, 91 - 93 BLOOMFIELD STREET, CLEVELAND QLD  
ON THURSDAY, 9 JUNE 2022 AT 9:30AM**

**1 DECLARATION OF OPENING**

The Chair declared the meeting open at 9:30am.

**2 RECORD OF ATTENDANCE AND APOLOGIES**

**MEMBERS PRESENT:** Cr Karen Williams (Mayor), Cr Tracey Hughes (Division 8), Mr Mitchell Petrie (External Member and Chairperson), Ms Mary Goodwin (External Member)

**SECRETARY:** Mr Kailesh Naidu (Principal Adviser Internal Audit)

**APOLOGIES:** Ms Amanda Daly (Executive Group Manager People, Culture and Organisational Performance), Ms Aneta Zimon-Killoran (Service Manager Corporate Finance)

**EXECUTIVE LEADERSHIP TEAM:** Mr Andrew Chesterman (Chief Executive Officer), Ms Amanda Pafumi (General Manager Organisational Services) Ms Louise Rusan (General Manager Community and Customer Services), Dr Nicole Davis (General Manager Infrastructure and Operations), Mr Andrew Ross (Executive Group Manager Procurement, Risk and General Counsel), Ms Deborah Corbett-Hall (Executive Group Manager Financial Services and Chief Financial Officer)

**ATTENDEES:** Mr Tony Beynon (Group Manager, Corporate Governance), Ms Kristen Foster (Chief Information Officer), Mr Shannon Ahern (Group Manager Health, Safety and Wellbeing), Mr Kaiyomerz Sattha (Internal Auditor), Ms Leticia O'Donovan (Service Manager Asset Management), Ms Christine Cartwright (External Funding Manager), Mr Peter Kelly (Chief Executive Officer, Redland Investment Corporation), Ms Rukmie Lutherus (Financial Controller, Redland Investment Corporation), Ms Julie O'Brien (Senior Manager, Queensland Audit Office), Ms Ashley Carle (Partner, Bentleys Chartered Accountants), Ms Marita Corbett (Partner, BDO), Mr Mitchell Witt (Associate Director, BDO)

**OBSERVERS:** Cr Peter Mitchell (Division 2), Cr Paul Bishop (Division 10), Mr Alexander Trim (Manager, Bentleys)

**MINUTES:** Ms Natalie Merlehan, Acting Corporate Meetings & Registers Team Leader

**AUDIT COMMITTEE MEETING MINUTES****9 JUNE 2022****3 DECLARATION OF PRESCRIBED CONFLICT OF INTERESTS AND DECLARABLE CONFLICT OF INTERESTS**

Nil.

**4 RECEIPT AND CONFIRMATION OF MINUTES**

Minutes of the previous Audit Committee of 27 April 2022 were approved via circular resolution by the Audit Committee Meeting and will be put to Council for adoption at the General Meeting of 15 June 2022.

**COMMITTEE RECOMMENDATION 2022/17**

Moved by: Mr Mitchell Petrie

To confirm the minutes of the Audit Committee Meeting of 27 April 2022 be noted.

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**AUDIT COMMITTEE MEETING MINUTES****9 JUNE 2022****5 BUSINESS ARISING FROM PREVIOUS MINUTES****5.1 BUSINESS ARISING FROM PREVIOUS AUDIT COMMITTEE MEETING**

Business arising from the minutes of the Audit Committee of 27 April 2022 was presented by the Chairperson to the Audit Committee.

**COMMITTEE RECOMMENDATION 2022/18**

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the business arising from the minutes of the Audit Committee Meeting 27 April 2022 as presented.

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

Item No.	Business Arising from Previous Audit Committee Meeting	Action	Status
SEP2021-1	External audit recommendations related to disaster recovery planning are taken to the Operational Risk Management Committee and Information Management Steering Committee for consideration.	The item will be tabled at the next Operational Risk Management Committee scheduled for 5 September 2022.	Open
APR2022-1	An update on the implementation of the recommendations graded as 'major non-compliance' in the Drinking Water Quality Management Plan audit (Report 2022-06).	An update was provided by the General Manager Infrastructure and Operations. Work is in progress to address the recommendations and completion is on target.	Completed
APR2022-2	The recommendations register will be cleansed to consolidate recommendations with the same intent.	This item has been completed in consultation with the Audit Committee Chair on 27 May 2022.	Completed
APR2022-3	The recommendations from audit report 2021-01 Asset Data will be managed as a separate program of work, will be removed from the outstanding audit recommendations report and reported to the Audit Committee in an Asset Data Program update on a six-monthly basis.	The recommendations have been removed from the recommendations report presented to the Audit Committee. A report on the progress made on the recommendations will be presented twice yearly until completion.	Completed

**6 REQUEST TO ALTER THE ORDER OF BUSINESS**

Nil.

**AUDIT COMMITTEE MEETING MINUTES****9 JUNE 2022****7 UPDATE FROM THE CHIEF EXECUTIVE OFFICER****7.1 CHIEF EXECUTIVE OFFICER UPDATE**

The Chief Executive Officer provided a comprehensive verbal update on general organisational and Council matters to the Audit Committee.

**COMMITTEE RECOMMENDATION 2022/19**

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the verbal update from the Chief Executive Officer as presented.

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**8 REDLAND INVESTMENT CORPORATION REPORTS****8.1 DRAFT INTERIM FINANCIAL STATEMENTS 2021-2022**

A report on the Draft Interim Financial Statements 2021-2022 was presented to the Audit Committee.

**COMMITTEE RECOMMENDATION 2022/20**

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the draft Redland Investment Corporation Interim Financial Statements for 2021-2022.

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**9 COUNCIL FINANCIAL REPORTS****9.1 APRIL 2022 MONTHLY FINANCIAL REPORT**

Council's month end financial report for April 2022 was presented to the Audit Committee.

**COMMITTEE RECOMMENDATION 2022/21**

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the report and attachment.

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**AUDIT COMMITTEE MEETING MINUTES****9 JUNE 2022****9.2 ASSET VALUATIONS 2021-2022**

A report on asset valuations for 2021-2022 was presented to the Audit Committee.

**COMMITTEE RECOMMENDATION 2022/22**

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the report and attachment.

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**9.3 BUDGET 2022-2023 AND LONG-TERM FINANCIAL STRATEGY**

An overview of Budget 2022-2023 and long term financial strategy was presented to the Audit Committee.

**COMMITTEE RECOMMENDATION 2022/23**

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the report and attachment.

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**10 UPDATE FROM EXTERNAL AUDITORS****10.1 EXTERNAL AUDITORS REPORT**

The external auditors presented their briefing papers and provided an update to the Audit Committee on notable matters.

**COMMITTEE RECOMMENDATION 2022/24**

Moved by: Mr Mitchell Petrie

That the Audit Committee noted the External Auditors' reports as presented.

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**11 INTERNAL AUDIT REPORTS****11.1 INTERNAL AUDIT REPORTS ISSUED**

The internal audit reports issued since the previous Audit Committee meeting were presented to the Audit Committee.

The Committee received an overview of each internal audit report from the relevant authors.

**COMMITTEE RECOMMENDATION 2022/25**

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the internal audit reports as presented.

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**AUDIT COMMITTEE MEETING MINUTES****9 JUNE 2022****11.2 INTERNAL AUDIT ACTIVITIES 2021-2022**

The status of the planned activities for 2021-2022 in the Strategic Internal Audit Plan 2021-2024 was presented to the Audit Committee.

**COMMITTEE RECOMMENDATION 2022/26**

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the status of the planned activities for 2021-2022 in the Strategic Internal Audit Plan 2021-2024.

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**11.3 AUDIT RECOMMENDATIONS**

The Audit recommendations due for implementation were presented to the Audit Committee.

**COMMITTEE RECOMMENDATION 2022/27**

Moved by: Mr Mitchell Petrie

That the Audit Committee notes as follows:

1. The update provided on the recommendations currently tracked for implementation.
2. The interim management actions are provided for high risk recommendations with extensive implementation timeframes.

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**11.4 INTERNAL AUDIT AND AUDIT COMMITTEE CHARTERS**

The Internal Audit and Audit Committee Charters were presented to the Audit Committee.

**COMMITTEE RECOMMENDATION 2022/28**

Moved by: Mr Mitchell Petrie

That the Audit Committee resolves as follows:

1. To endorse the changes proposed to the Internal Audit and Audit Committee Charters.
2. To update to the name of the Committee to the Audit and Risk Management Committee.
3. To update the Committee Charter to allow for the Committee to be composed of at least two independent members.

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**AUDIT COMMITTEE MEETING MINUTES****9 JUNE 2022****11.5 STRATEGIC INTERNAL AUDIT PLAN 2022-2025**

The Strategic Internal Audit Plan 2022-2025 was presented to the Audit Committee for approval.

**COMMITTEE RECOMMENDATION 2022/29**

Moved by: Mr Mitchell Petrie

**That the Audit Committee approves the Strategic Internal Audit Plan for 2022-2025.**

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**11.6 AUDIT COMMITTEE MEETINGS PLAN 2022-2023**

The Audit Committee Meetings Plan 2022-2023 was presented to the Audit Committee for approval.

**COMMITTEE RECOMMENDATION 2022/30**

Moved by: Mr Mitchell Petrie

**That the Audit Committee approves the Audit Committee Meetings Plan for 2022-2023.**

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**12 OTHER BUSINESS****12.1 SELF-INSURANCE AUDIT - WORK HEALTH AND SAFETY 2022**

The results from the Self-insurance Audit 2022 was presented to the Audit Committee.

**COMMITTEE RECOMMENDATION 2022/31**

Moved by: Mr Mitchell Petrie

**That the Audit Committee notes the results from the self-insurance audit as presented.**

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**12.2 STRATEGIC PROCUREMENT UPDATE**

A strategic procurement update was presented to the Audit Committee.

**COMMITTEE RECOMMENDATION 2022/32**

Moved by: Mr Mitchell Petrie

**That the Audit Committee notes the strategic procurement update as presented.**

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.



**AUDIT COMMITTEE MEETING MINUTES****9 JUNE 2022****12.3 GOVERNANCE AND COMPLIANCE**

A report on governance and compliance activities was presented to the Audit Committee.

**COMMITTEE RECOMMENDATION 2022/33**

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the report as presented.

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**13 AUDIT COMMITTEE MEETING PLAN****13.1 AUDIT COMMITTEE MEETING PLAN**

The Chairperson presented the Audit Committee Meeting Plan for the current financial year for noting.

**COMMITTEE RECOMMENDATION 2022/34**

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the Audit Committee Meeting Plan 2021-2022.

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**14 MEETING CLOSURE**

The Meeting closed at 11:37 am.

### 13.3 INTERNAL AUDIT AND AUDIT COMMITTEE CHARTERS

**Objective Reference:** A6743387

**Authorising Officer:** Amanda Pafumi, General Manager Organisational Services

**Responsible Officer:** Tony Beynon, Group Manager Corporate Governance

**Report Author:** Kailesh Naidu, Principal Adviser Internal Audit

**Attachments:**

1. GOV-010-SD Internal Audit Charter [↓](#)
2. GOV-011-SD Audit and Risk Management Committee Charter [↓](#)

#### PURPOSE

To present the changes to the Internal Audit and Audit Committee Charters for Council's approval.

#### BACKGROUND

The Internal Audit and Audit Committee Charters have been implemented in support of the GOV-010-P Internal Audit Policy and the GOV-011-P Audit Committee Policy, respectively.

The Internal Audit Charter outlines the purpose, authorities and responsibilities of the Internal Audit function at Redland City Council and its controlled entities, while the Audit Committee Charter sets out the objectives, scope, authority, responsibilities, composition, tenure, reporting and administrative arrangements associated with the Audit Committee.

The Charters attached to this report have been updated to reflect the changes proposed by Internal Audit. These changes have been endorsed by the Audit Committee at its meeting on 9 June 2022.

#### ISSUES

The following changes have been endorsed by the Audit Committee:

##### Internal Audit Charter

- Wording changes have been made in the document to replace “co-sourced partner” with “service provider” to reflect the flexibility for the function to use a variety of consultants and not just a singular firm (sections 7, 13 and 15).
- A new section has been included to provide guidance on the review of the Charter, including timeframe for the review and approval protocol (section 16).

##### Audit Committee Charter

- A change to the name of the Audit Committee to “Audit and Risk Management Committee” in order to align the Committee's name to its functional focus on risk management.
- An update to the Committee composition requirements to allow for at least two independent members so that Council has the flexibility to access further skillset and subject matter expertise on the Committee when required (section 6).
- A new section has been included to provide guidance on the review of the Charter, including timeframe for the review and approval protocol (section 15).

## STRATEGIC IMPLICATIONS

### Legislative Requirements

The Charters have been updated in consideration of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

### Risk Management

There are no risks associated with this report.

### Financial

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

### People

There are no implications for staff as a result of this report.

### Environmental

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

### Social

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

### Human Rights

There are no human rights implications as a result of this report.

### Alignment with Council's Policy and Plans

This report is aligned to the following:

GOV-010-P Internal Audit Policy

GOV-011-P Audit Committee Policy

*Our Future Redlands - A Corporate Plan to 2026 and Beyond*

## CONSULTATION

Consulted	Consultation Date	Comments/Actions
Audit Committee	9 June 2022	Review of proposed changes to the Charters and endorsement for approval by Council.

## OPTIONS

### Option One

That Council resolves as follows:

1. To approve the name of the Audit Committee to be changed to Audit and Risk Management Committee.
2. To approve the changes proposed to the Internal Audit and Audit Committee Charters as attached.

### Option Two

That Council resolves to note this report and requests additional information.

**OFFICER'S RECOMMENDATION**

**That Council resolves as follows:**

- 1. To approve the name of the Audit Committee to be changed to Audit and Risk Management Committee.**
- 2. To approve the changes proposed to the Internal Audit and Audit Committee Charters as attached.**

# REDLAND CITY COUNCIL INTERNAL AUDIT CHARTER

Document Identifier: GOV-010-SD  
Endorsed by: Audit and Risk Management Committee  
Endorsement date: 9 June 2022  
Approved by:  
Date of Approval:  
Effective Date:  
Review Date:  
Version: 4

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## Internal Audit Charter

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## Internal Audit Charter

### 1. Purpose

This Charter has been developed in support to the *Internal Audit Policy (GOV-010-P)* and outlines the purpose, authorities and responsibilities of the Internal Audit function at Council.

### 2. Legislative Mandate

Internal Audit's mandate and responsibilities are established and governed in accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, which require each local government to establish an efficient and effective internal audit function.

### 3. Objective

Internal Audit is an independent, objective assurance and consulting activity that seeks to add value and improve Council's operations. The activity assists Council in accomplishing its objectives, by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal control, financial reporting and governance processes, financial administration and project management. Internal Audit provides assurance to Council, executive management and the Audit and Risk Management Committee (ARMC) that key organisational risks are identified understood and managed appropriately. It also serves as an in-house advisory service providing management with guidance, advice and support in relation to governance, risk and control matters.

### 4. Scope

The scope of Internal Audit responsibilities under this Charter includes the operations and activities of Council and its controlled entities<sup>1</sup>.

### 5. Independence

Maintaining appropriate independence is essential to the effectiveness of the internal audit function. Consequently, Internal Audit will maintain operational and managerial independence from the functions and activities it reviews. The manager responsible for the Internal Audit function has direct access to the Chief Executive Officer, and the ARMC, and is authorised to independently meet with the Chair and other members of Council's ARMC as required. Internal auditors will sign-off annual Code of Ethics and Conflict of Interest Declarations to affirm ongoing independence and objectivity.

### 6. Authority and Confidentiality

Internal Audit is authorised to have full, free and unrestricted access to all functions, premises, assets, personnel, records, and other documentation and information that is considered necessary to enable Internal Audit to meet its responsibilities. All records, documentation and information accessed in the course of undertaking internal audit activities are to be used solely for the conduct of these activities. Internal auditors are responsible and accountable for maintaining the confidentiality of the information they receive during the course of their work.

### 7. Organisational Structure

Internal Audit reports directly to the Chief Executive Officer and the ARMC with respect to audit and investigation findings. For administrative, financial and employee management, Internal Audit reports to a senior manager as defined in the corporate structure.

Internal Audit function will be resourced according to the Council's annual budget. Service providers will be selected in accordance with Council's procurement policy and will work alongside the in-house Internal Audit team to deliver the Audit Plan. The Principal Adviser Internal Audit will assign audit projects to service providers based on resource requirements.

<sup>1</sup> The approved Service Agreement between Redland City Council and Redland Investment Corporation (RIC) requires Council's Internal Audit function to at least annually audit part of RIC's operational risk register controls.

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## Internal Audit Charter

### 8. Roles and Responsibilities

The primary responsibility of Internal Audit is to provide independent and objective advice, assessment and recommendations to management and the ARMC in relation to governance, risk management, financial reporting and internal control matters.

In the conduct of its activities, internal audit will play an active role in:

- Developing and maintaining a culture of accountability, integrity and adherence to efficient and effective business practices and high ethical standards
- Developing and facilitating continuous improvement of Council's internal control framework
- Facilitating the integration of risk management into day-to-day business activities and processes
- Promoting a culture of control cost-consciousness and self-assessment by management.

Internal Audit's review and appraisal does not in any way relieve management of their assigned responsibilities and accountability.

The Principal Adviser Internal Audit is accountable for ongoing maintenance of key internal audit artefacts including the audit universe and audit manual.

### 9. Audit Plan

In accordance with Section 207 of the *Local Government Regulation 2012* Council is required to prepare an internal audit plan for each financial year. The internal audit plan is to state:

- The way in which Council's operational risks have been evaluated
- The most significant operational risks identified from the evaluation
- The control measures that Council has adopted, or is to adopt, to manage the most significant operational risks.

### 10. Audit Methodology

For all audits undertaken, the manager for the activity under review will be advised and given the opportunity to discuss:

- The scope and risks of the audit to be conducted, prior to the commencement of such audit
- The findings and proposed recommendations on the completion of an audit, and, where appropriate, an opportunity to provide comments.

Internal Audit will be guided by the *International Standards for the Professional Practice of Internal Audit* and *Code of Ethics* of the Institute of Internal Auditors.

Auditors will adopt a systems-based auditing approach which involves the identification of the key controls within each relevant process and an assessment of the extent to which each control can be relied upon to ensure the integrity of output from the process. Where possible data analytics will be used to inform sampling and to identify exceptions and risk areas.

### 11. Reporting to the Audit and Risk Management Committee

A report on audit activities will be provided to the ARMC three times a year at each full meeting. This report will detail, as a minimum:

- audit activities undertaken since the previous report
- whether, in Internal Audit's opinion, appropriate action has been taken on audit findings
- insights into recurring issues, emerging risks and themes identified from completed audits
- issues likely to affect Internal Audit's performance in the coming quarter.

Executive Leadership Team members are responsible for presenting internal audit reports relating to their area of operations to the ARMC.

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## Internal Audit Charter

### 12. Relationship with External Audit

Internal Audit reports and associated work papers will be available for review by the external auditor's representatives. Both parties will discuss their audit plans on a regular basis to ensure that the widest coverage can be undertaken using the available resources and that duplication of effort is minimised.

### 13. Staffing

All auditors, including service providers will have professional qualifications to the level required for the grade of auditor. The staffing of Internal Audit may comprise other disciplines with qualifications and experience as deemed appropriate should the circumstances arise.

Auditors must be willing to keep abreast of current advances in modern auditing, data processing, management and control techniques. An appropriate number of days and budget will be allocated to staff training. This shall comprise a combination of attendances at internal and external seminars and conferences, and courses organised by Council and other professional bodies.

### 14. Performance Measures

Records will be maintained of times spent on each audit and on other projects. KPIs will be set in accordance with Council's corporate policy on performance management.

### 15. Quality Assurance

An evaluation form will be provided to the business area under review after the completion of each audit.

Internal Audit will perform a self-assessment every two years to facilitate continuous improvement of the Internal Audit function.

As part of a comprehensive quality assurance program, an independent external review of the efficiency and effectiveness of the operations of the Internal Audit function will be carried out at least every five years. The results of the quality assurance program and, in particular, of the external review, will be reported to the ARMC.

In accordance with the terms and conditions of the contractual agreement, a review of service providers' work will be performed by the Principal Adviser Internal Audit.

### 16. Review of the Charter

This Charter will be reviewed every two years and endorsed by the ARMC. Any substantive changes will be formally approved by Council on the recommendation of the ARMC.

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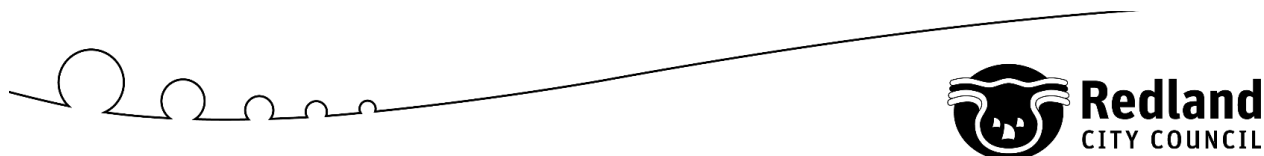
# REDLAND CITY COUNCIL

## AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

Document Identifier: GOV-011-SD  
Endorsed by: Audit and Risk Management Committee  
Endorsement date: 9 June 2022  
Approved by:  
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Review Date:  
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## Audit and Risk Management Committee Charter

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## Audit and Risk Management Committee Charter

### 1. Purpose

The Audit and Risk Management Committee (ARMC) Charter sets out the objectives, scope, authority, responsibilities, composition, tenure, reporting and administrative arrangements associated with the ARMC of Redland City Council. This Charter has been developed in support of *Audit and Risk Management Committee Policy (GOV-011-P)*.

### 2. Legislative Mandate

The ARMC is an advisory committee of Council, established and governed in accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, which require each local government to establish an ARMC.

### 3. Objective

The primary objective of the ARMC is to promote good corporate governance through the provision of independent assurance, oversight and advice to Council and the Chief Executive Officer on matters relating to fraud and corruption control, risk management, internal control, governance, compliance, audit, financial statement preparation and financial reporting.

### 4. Scope

The scope of ARMC responsibilities under this Charter includes the operations and activities of Council and its controlled entities as stipulated in the Service Agreement<sup>1</sup> between Redland City Council and the relevant entities.

### 5. Independence and Access

As an advisory committee of Council, the ARMC is independent of management and does not have any executive powers, delegated responsibility or authority to implement actions over which management has responsibility. Whilst the primary responsibility for financial and other reporting, internal control and compliance with laws, regulations and ethics within Council rest with management, the ARMC exercises a monitoring, oversight, review and advisory role.

The ARMC shall have the authority to seek information it requires from any person employed by Council, or employees of Council-controlled entities in order to fulfil its oversight responsibilities. Requests for Council officers, employees of Council-controlled entities and independent experts to attend an Audit and Risk Management Committee meeting or provide information will be undertaken through the Chief Executive Officer and be in accordance with Council policies.

### 6. Composition

Section 210 of the *Local Government Regulation 2012* specifies that the ARMC of a local government must consist of at least three and no more than six members; and must include at least one, but no more than two councillors.

The ARMC of Council shall comprise two Councillors and at least two independent external appointees, all appointed by resolution of Council.

To improve the level of independence and objectivity, suitably qualified independent external members, including an independent Chair, will be appointed to the Committee under terms and conditions resolved by Council from time to time.

In accordance with section 210 (1) (b) (ii) of the *Local Government Regulation 2012*, at least one member must have significant experience and skills in financial matters.

The officer responsible for internal audit will act as Secretary of the ARMC and has no voting rights.

<sup>1</sup> The approved Service Agreement between Redland City Council and Redland Investment Corporation (RIC) requires Council's Internal Audit function to at least annually audit part of RIC's operational risk register controls.

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## Audit and Risk Management Committee Charter

The Chief Executive Officer and other members of the Executive Leadership Team will attend each meeting where appropriate, but are not members of the ARMC Committee and do not have voting rights. Similarly, Councillors who are not members of the Committee may attend each meeting as observers without voting rights.

The Queensland Audit Office and its representatives have an open invitation to attend each meeting.

Other Council officers will be invited by the ARMC to attend committee meetings as and when required to assist the Committee.

Section 211(2) of the *Local Government Regulation 2012* requires a quorum of at least half the number of members of the Committee, i.e. 2 in the case of Council.

### 7. Appointments and Tenure

Councillor members will be appointed to the Committee for the full Council term unless otherwise determined by Council.

Independent external members will be recruited via a publicly advertised merit-based selection process, and will be appointed for the period determined by Council which is generally between two and four years. External members may be recommended to Council for appointment for one subsequent four year term following a review of their performance by the Chief Executive Officer. Where the initial appointment is for a period of two years or less, that initial period will not be counted towards the two consecutive four year terms. External members will generally serve on the Committee for a maximum of two consecutive four year terms after which the position will be publicly advertised. Remuneration of external members, including the independent Chair, is set by Council in recognition of the skills and experience, time commitment and responsibilities assumed and required to fulfil the role.

### 8. Chair of the Audit and Risk Management Committee

The Chair of the ARMC presides over each meeting and has the role of:

- Focussing the agenda on the important issues: quality financial accounting, corporate reporting and effective internal controls.
- Setting the tone: dedicated, informed, probing, and independent. Able and willing to hold management to account where necessary.
- Ensuring both the quality and timeliness of pre-meeting materials.
- Ensuring that all Committee members understand the critical risks to the business – risks to its strategies and plans.
- Emphasising continuous improvement.

### 9. Role and Responsibilities of the Audit and Risk Management Committee

The ARMC will provide oversight, monitoring, review and advisory activities in the following responsibility areas:

#### 9.1 Financial Statements and Reporting

- Monitor progress against agreed financial statement preparation and auditing milestones.
- Review Council's draft annual financial statements prior to their provision to the external auditors including for compliance with relevant accounting standards and other relevant policies.
- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgemental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Monitoring management's readiness and planning for forthcoming changes in accounting standards.
- Provide guidance to management in relation to the simplification and readability of Council's financial statements.
- Review significant adjustments or changes between draft and final financial statements with management and the external auditors.
- Review Council's final financial statements and provide advice to the Chief Executive Officer on whether appropriate action has been taken in response to audit recommendations and adjustments.

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## Audit and Risk Management Committee Charter

- Satisfy itself about the adequacy of key internal controls supporting the timeliness and integrity of Council's financial statement preparation process.
- Review, evaluate and provide advice on Council's significant accounting and financial management policies including any substantive changes to these policies.
- Overview the preparation process of Council-controlled entities' financial statements to ensure an efficient process is undertaken and that such financial statements comply with relevant accounting standards and legislation.
- Encourage Council-controlled entities to adopt consistent financial reporting approaches and statements.
- Receive and review reports issued by the Queensland Audit Office (or its nominated contractor) in relation to Council-controlled entities.

### 9.2 External Audit

- Review the external auditor's proposed audit scope, approach and client strategy for the ensuing year, including coordination of audit effort with internal audit.
- Review Auditor-General's reports relating to council's interim and final audit, and monitor management's responsiveness to external audit recommendations and the timeliness of implementation of agreed actions.
- Provide input and feedback on financial statement and performance audit coverage proposed by external audit, and provide feedback on the audit services provided.
- Review Auditor-General observation reports issued to Council-controlled entities and monitor management's responsiveness in addressing recommendations.
- As required, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed.
- Monitor and review the effectiveness, independence and objectivity of Council's external auditors, being the Queensland Audit Office or its nominated contractors.
- Provide advice to the Chief Executive Officer on action to be taken on significant issues raised in relevant external audit reports or better practice guides.
- Monitor sector wide Auditor-General reports, including management's response to those reports with relevant observations and recommendation for Council.

### 9.3 Internal Audit

- Contribute to the development of internal audit plans and resourcing. Review and approve the risk-based three year Strategic Internal Audit Plan, and monitor its implementation.
- Monitor the activities, staffing and resource levels, independence and organisational placement of the Internal Audit function.
- Review internal audit progress reports for preceding financial years and monitor management's progress and timeliness in addressing audit recommendations and actions.
- Review internal audit reports and provide advice to the Chief Executive Officer on significant issues identified in audit reports and action to be taken, including identification and dissemination of good practice.
- As required, meet separately with the manager responsible for Internal Audit to discuss any matters that the Committee and Internal Audit Unit believe should be discussed.

### 9.4 Governance and Internal Control

- Review Council's governance arrangements as determined by the Committee and suggest improvements, where appropriate, to the Chief Executive Officer.
- Monitor management's approach to maintaining an effective internal control framework, including external parties such as contractors, suppliers, business partners and advisers.
- Consider how management identifies any required changes to the design or implementation of key internal controls.
- Monitor whether management has taken steps to embed a culture that promotes the proper use of council resources and is committed to ethical and lawful behaviour.
- Review and consider the relevance of better practice guidance and reports released by external

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## Audit and Risk Management Committee Charter

review agencies.

- Recommend governance and internal control improvements for management consideration.

### 9.5 Fraud and Corruption Control

- Monitor whether management has in place a current and comprehensive fraud and corruption control strategy, including Council's policy, plan, actions and targets together with self-assessment tools.
- Monitor the process of developing and implementing fraud and corruption control arrangements including mechanisms in place to identify, assess and manage fraud and corruption risks.
- Consider reports on fraud and corruption that outline any identified allegations of fraud and corruption, the status and/or outcomes of significant investigations and any changes to identified fraud and/or corruption risk profiles.
- Determine whether there are adequate responsibility structures in place, with roles, responsibilities and accountabilities clearly defined.
- Determine the adequacy of fraud and corruption reporting systems and reporting to capture, monitor and report on fraudulent and/or corrupt activities including Public Interest Disclosures in an efficient, effective and timely manner.

### 9.6 Risk Management

- Monitor whether management has in place a current and comprehensive enterprise risk management framework and associated procedures for effective identification, assessment, management and reporting of risks.
- Determine whether a sound and effective approach has been followed in managing risks including those associated with major projects, programs, services and activities.
- Determine whether a sound and effective approach has been followed in establishing business continuity planning and disaster management arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested.
- Consider risk and probity matters associated with significant procurement activities.
- Consider opportunities which have been identified to improve the efficiency and effectiveness of the Council's operations.
- Monitor whether management has in place a current cyber security control strategy.
- Consider the workings of the workplace health and safety systems within Council.

### 9.7 Legislative and Policy Compliance

- Consider whether management has in place relevant policies and procedures which reflect legislative, regulatory and policy requirements, and that these are periodically reviewed and updated.
- Monitor the effectiveness of the system and structure for ensuring compliance with laws and regulations, with particular focus on the *Local Government Act 2009* and other legislative requirements relevant to Committee's areas of focus.
- Review the findings of any examinations by external regulatory agencies, and monitor management's implementation of improvement recommendations including timeliness of implementation.
- Monitor the process for communicating the Code of Conduct to Council staff and to external parties where appropriate, and for monitoring compliance.
- Obtain and review regular updates from management and Council's legal services regarding compliance matters.
- Determine whether management has appropriately considered legal and compliance risks as part of Council's enterprise risk management plan.
- Monitor compliance with relevant regulations for Council's activities including statutory regulations for Council-controlled entities.

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## Audit and Risk Management Committee Charter

### 10. Member Responsibilities

Members of the Committee are expected to observe the legal requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Members are expected to at all times:

- Act in the best interest of Council.
- Apply good analytical skills, objectivity and judgement.
- Maintain confidentiality of information and documentation considered by the Committee.
- Express opinions constructively and openly, raise issues that relate to the Committee's responsibilities and pursue independent lines of enquiry.
- Contribute the necessary time required to review agenda papers prior to attending meetings.

### 11. Conflict of Interest

Committee members are required to provide written declarations for any potential or actual conflicts of interest they may have in relation to their responsibilities.

As they arise between meetings, or at the beginning of each Committee meeting, members are required to declare any new or changed potential or actual conflicts of interest that may apply to specific matters on the meeting agenda.

Where required, the members will be excused from the meeting or from the Committee's consideration of the relevant agenda item(s). Details of potential or actual conflicts of interest declared by members and action taken will be appropriately recorded.

### 12. Meetings and Reporting

The Committee shall meet as often as it determines, desirably quarterly, but as a minimum twice per year. One meeting will be scheduled to consider the draft financial statements for the preceding financial year before the statements are certified and given to the Auditor-General for auditing, while a further meeting will be scheduled to review the Auditor-General's audit report and financial statements for the preceding financial year. Other meetings will be scheduled as determined by the Committee.

The manager responsible for Internal Audit will pre-circulate the agenda to the Committee members and appropriate attendees no later than one week in advance of each meeting. Minutes of Committee meetings will be circulated within two weeks of the meeting to each Committee member and Committee observers, as appropriate. The Committee, through the Chief Executive Officer, will provide Council a written report about the matters reviewed at each meeting and the Committee's recommendations about the matters as soon as practicable after the meeting.

### 13. Performance Review and Assessment

The Chairperson of the ARMC, in consultation with the Chief Executive Officer, will initiate a review of the performance of the Committee at least every two years. A self-assessment questionnaire will be used to facilitate this review with appropriate input sought from the Chief Executive Officer, Committee members, senior management, internal and external auditors. The manager responsible for Internal Audit will assist the Chairperson with the administration of the self-assessment questionnaire.

### 14. Induction of New Members

New members of the ARMC will be provided with induction material (ARMC Charter, Internal Audit Charter, related policies and plans) to allow members to familiarise themselves with the organisation and to facilitate their understanding of its principal operations and activities, corporate practices and culture.

### 15. Review of the Charter

This Charter will be reviewed every two years and endorsed by the ARMC. Any substantive changes will be formally approved by Council on the recommendation of the ARMC.

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### 13.4 STRATEGIC CONTRACTING PROCEDURES

**Objective Reference:** A6798250

**Authorising Officer:** Andrew Ross, General Counsel

**Responsible Officer:** Andrew Ross, General Counsel

**Report Author:** Barbara Clarke, Procurement Transformation Manager

**Attachments:**

1. LSV-001-P Corporate Procurement Policy [↓](#)
2. LSV-001-SD Procurement and Contract Manual [↓](#)
3. 2022-2023 Annual Contracting Plan [↓](#)

#### PURPOSE

To adopt the attached LSV-001-P Corporate Procurement Policy, LSV-001-SD Procurement and Contract Manual and Annual Contracting Plan 2022-2023 as per the Strategic Contracting Procedures (SCP) under Chapter 6, Part 2 of the *Local Government Regulation 2012* (LGR 2012).

To authorise the Chief Executive Officer (CEO) powers within Schedule A of the Procurement and Contract Manual for strategic procuring and disposal activities in accordance with section 257(1)(b) of the *Local Government Act 2009* (LGA 2009).

#### BACKGROUND

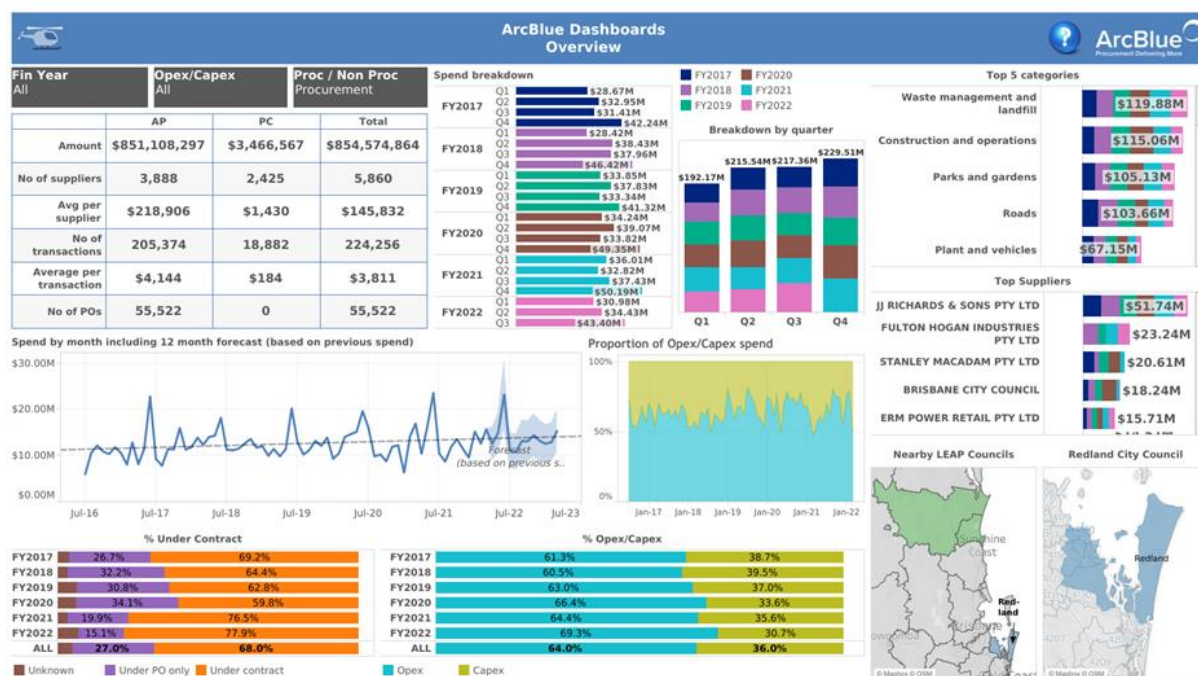
The report recommends Council continue the SCP to its procurement and contracting activity as first adopted by Council on 22 July 2020.

The SCP uses a multi-year category management approach to procurement and contracting activity providing greater visibility of spending activity across all service levels. The SCP increases the ability to influence not only economic values, through bulk buying and local precinct planning, but social and sustainable quadruple bottom outcomes that require longer planning cycles, reviewing supply chain risks and opportunities; and community and market engagement on service levels that single year transactional contracting does not provide.

The past three years has seen a steady realisation of the financial values through business transformation and procurement activities recorded in the Annual Report at >\$2M in 2018-2019; >\$10M in 2019-2020 and >\$9M in 2020-2021. Some examples of the savings and efficiencies include the review of Council's energy consumption and practices; the reuse of road profiling in its road program and the negotiation and broad category planning in areas of bus shelters, parks and sports fields and tracks and trails, where all delivered savings against budget.

The 2022-2023 financial year and continuing is particularly challenging from a regional Consumer Price Index (CPI) increase, COVID-19 service impacts, international trade restrictions and increased local domestic building competition is leading to increased pricing, longer project lead times and variable scope changes to consider new products. A strategic procurement model is recommended as the preferred model to respond to these challenges. In this respect Council's last quarter three procurement dashboards show the highest spend over the past three years and local spend increasing from 25% in 2020-2021 to just over 26% in 2021-2022 (quarter 3) or currently \$26.5M spent locally.

The SCP is part of the 2022–2023 Operational Plan where outcomes are tracked and reported quarterly through centralised analytical dashboards and contract management systems. The below example is of a Dashboard Overview that shows procurement spend over quarters for the past six years identifying the Top 5 spend categories, suppliers and break down of operational and capital costs and percentage spend under contract. This information can be further broken down into information subsets across service industries to better inform operational decision making.



The report also recommends Council continues to authorise powers within Schedule A of the LSV-001-SD Procurement and Contract Manual for strategic procuring and disposal activities in accordance with section 257(1)(b) of the LGA 2009. The contracting powers are identified in section 262 (3)(a) of the LGA 2009 to support the SCP and allow for greater flexibility and agility when engaging the market for goods and services and specifically creates a principle rather than prescriptive approach. Schedule A provides a list of 23 exceptions for sole, specialised or select tendering and quoting arrangements where compliant with the sound contracting principles under s104 of the LGA 2009.

## ISSUES

### Strengthening Social Procurement

Council officers are currently in the process of strengthening the integration of social procurement initiatives in all procurement processes from the Procurement Policy position to Contract Management of Key Performance Indicators (KPIs). Social Procurement is currently embodied within Council SCP based on the sound contracting principles under section 104 of the LGA 2009, Procurement Policy and document templates for assessing and evaluating tenders, quotes and contracting activity.

Social Procurement is when Council uses its buying power to generate social value and benefit that goes above and beyond the cost of the goods, services or asset disposal that is being purchased or financially valued. Having regard to social procurement by considering elements such as equality, inclusion and diversity supports Council's quadruple bottom line approach, which assists in the delivery of social, economic, environmental and governance outcomes.

Giving consideration to social elements in all of our procurement processes enables Council to increase the social benefit and economic prosperity for the community as a direct result of Council purchasing of goods, services and works.

## Integrating Social Procurement



Below is a table that provides examples of procurement sourcing approaches:

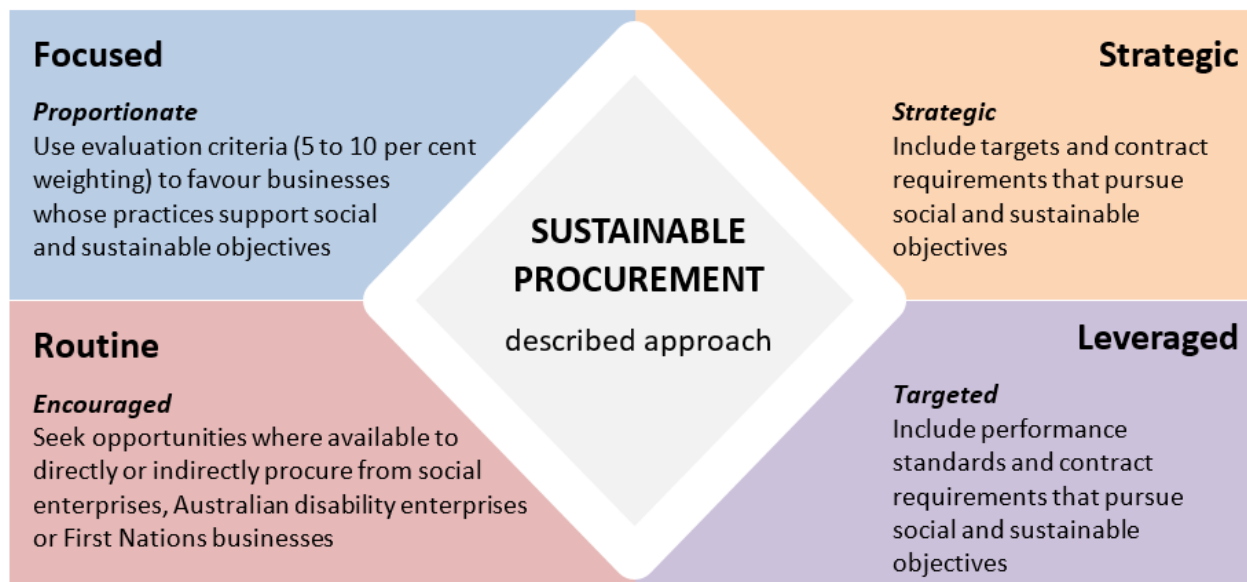
Social procurement sourcing approach	Description
Bundle	Joining together to increase the size and scope of the procurement process to enable a social or sustainable solution
Unbundle	Decreasing the size and scope of a project/contract where social enterprises or First Nations businesses in the supply market do not have the capacity to meet the full size of scope
Evaluation criteria or targets for delivering social value	Asking all suppliers to demonstrate impact, while communicating to the market the importance placed on social value
Evaluation criteria or targets for subcontracting	Higher value contracts can require or encourage suppliers to incorporate social enterprises or First Nations businesses in their supply chain
Targeted sole and specialised sourcing	Allowing direct sourcing from known social enterprises with demonstrated capability.

Some examples of social procurement objectives include:

Example Social Procurement KPIs	
Objective	Outcomes
Opportunities for First Nations people	<ul style="list-style-type: none"> <li>Purchasing goods or services from First Nations businesses (awarding of a contract to First Nations businesses whether directly or through subcontracting)</li> <li>Suppliers have a Reconciliation Action Plan (RAP)</li> <li>Employment of First Nations people by suppliers that Council purchase from</li> </ul>
Opportunities for people with a disability	<ul style="list-style-type: none"> <li>Purchasing goods or services from social enterprises and disability enterprises</li> <li>Employment of people with disability by suppliers that Council purchase from</li> </ul>
Opportunities for disadvantaged people	<ul style="list-style-type: none"> <li>Purchasing goods or services from social enterprises (awarding of a contract to a social enterprise either directly or through subcontracting)</li> </ul>
Equity of access to opportunities	<ul style="list-style-type: none"> <li>Purchasing goods or services from suppliers who have demonstrated a commitment to human rights, gender equality at operational and management level, and improving local communities</li> </ul>

## **Sustainable Procurement**

Separate to social procurement, sustainable procurement includes specific environmental factors that can be considered that will deliver benefits. Reducing our environmental impacts is a must and this can be achieved through our purchasing activities. This can embrace using reusable or recycled materials and choosing energy efficient options within design and construction projects. Allowing for sustainability within a procurement process ensures Council achieves value for money for the life of the project by generating benefits not only for Council but also for the community and economy whilst minimising the impact on the environment.



Sustainable procurement involves decision making that has the most positive environmental, social and economic impacts possible across the entire life cycle of goods and services. A key focus for our Council is to ensure that we enter into contracts that will contribute to creating a fair, inclusive community that is both environmentally and socially sustainable.

Some examples of sustainable procurement objectives that could be included in your procurement process are provided below:

Example Sustainable Procurement KPIs	
Objective	Outcomes
Seeking a reduction of CO2 emissions	<ul style="list-style-type: none"> <li>Less energy consumed by Council</li> <li>Suppliers who are committed to reduction of energy eg. Solar savers, investing in alternative energy or offsetting carbon emissions</li> </ul>
Minimising waste production	<ul style="list-style-type: none"> <li>Reduced use of non-renewable resources</li> <li>Reduced demand for raw materials and natural resources</li> <li>Reduction in waste</li> <li>Suppliers commit to utilising recyclable content in building and construction materials such as concrete and asphalt</li> <li>Suppliers commit to recycling programs</li> <li>Suppliers commit to using sustainably sourced FSC certified timber products in buildings</li> </ul>
Environmentally sustainable business practices	Suppliers that demonstrate their sustainably business practices through: <ul style="list-style-type: none"> <li>Formal Environmental Management System</li> </ul>

Example Sustainable Procurement KPIs	
Objective	Outcomes
	<ul style="list-style-type: none"> <li>• ISO accreditation</li> <li>• Environmental management policies and procedures</li> </ul>
Reducing water consumption and activities that impact bio-diversity	<ul style="list-style-type: none"> <li>• Less water used and less impact on water quality</li> <li>• Activities don't threaten natural habitats</li> <li>• Suppliers commit to reduction of water use in production techniques or use of rainwater tanks on site</li> </ul>

## STRATEGIC IMPLICATIONS

### Legislative Requirements

The Corporate Procurement Policy and Annual Contracting Plan 2022-2023 must be reviewed and adopted annually under section 198 of the LGA 2009 and Chapter 6, Part 2 of the LGR 2012.

The CEO authorisation to enter into contracts consistent with Council's adopted 'Financial Management Systems' as described in sections 104 ('Sound Contracting Principles') and 262 (Power to Enter into Contracts) of the LGA 2009; is consistent with section 257(1)(b) of the LGA 2009.

### Risk Management

The SCP is an approach that identifies potential opportunities and public benefits while managing adverse risks as per section 217(2) of the LGR 2012. The State Government Value Risk Matrix is part of SCP Procurement and Contracting Manual to carry out a market assessment of contract types to assess the relative cost and difficulty in securing supply under each type of contract as per the requirements of section 220 of the LGR 2012.

### Financial

The costs and benefits of applying the SCP was reported to Council on 20 November 2019 and continues to drive internal efficiencies and external benefits as reported annually. The strategic approach costs no more, and likely less than the costs associated with maintaining the previous procurement framework under the Default Contracting Procedures.

### People

The internal resourcing of the SCP is part of the Procurement Transformation Program reported through Council's Portfolio Management Office and Operational Plan 2022-2023.

### Environmental

The SCP is based on the sound contracting principles and quadruple bottom line where contracting must have regard to the environmental protection principles under s104 LGA 2009.

### Social

The SCP aligns to the Corporate Plan and related Community Surveys on Local Supplier Benefits; the objectives of the Economic Development Framework 2014 to 2041 and the Financial Strategy 2022 to 2032 to maintain Council's financial and infrastructure capital over the long term.

### Human Rights

The SCP enables human rights for social, First Nations, sustainable and financial beneficial outcomes.

## Alignment with Council's Policy and Plans

*Local Government Act 2009*

*Local Government Regulation 2012*

*Our Future Redlands – A Corporate Plan to 2026 and Beyond* and Operational Plan 2022-23 (Goal 7: Efficient and Effective Organisation: Objective 7.4 Key Initiative Activity – Strategic Procurement Practices)

Integrated Planning Framework 2018

LSV-001-P Corporate Procurement Policy

LSV-001-SD Procurement and Contract Manual (last adopted 22 July 2020)

GOV-005-P Delegation of Powers and Appointment of Authorised Persons Policy

GOV-005-001-G Delegation of Powers and Appointment of Authorised Persons

## CONSULTATION

Consulted	Consultation Date	Comments/Actions
Councillors	Monthly	Monthly Briefings on key procurement activities and business metrics from the Procurement Spend Dashboards
Procurement Transformation Steering Committee	Quarterly	The Committee consists of key internal stakeholders and subject matter experts to assist the implementation of the Procurement Transformation Project initiatives

## OPTIONS

### Option One

That Council resolves as follows:

1. To adopt the attached LSV-001-P Corporate Procurement Policy, LSV-001-SD Procurement and Contract Manual and Annual Contracting Plan 2022-2023 as per the Strategic Contracting Procedures under Chapter 6, Part 2 of the *Local Government Regulation 2012*.
2. To authorise the Chief Executive Officer under section 257(1)(b) of the *Local Government Act 2009*, the power under section 262(3)(a) of the *Local Government Act 2009* to strategically procure, contract and dispose of assets as identified in Schedule A of the Procurement and Contract Manual.

### Option Two

That Council resolves to not adopt the LSV-001-P Corporate Procurement Policy, LSV-001-SD Procurement and Contract Manual and Annual Contracting Plan 2021-22 and requests further information and clarification.

## OFFICER'S RECOMMENDATION

That Council resolves as follows:

1. To adopt the attached LSV-001-P Corporate Procurement Policy, LSV-001-SD Procurement and Contract Manual and Annual Contracting Plan 2022-2023 as per the Strategic Contracting Procedures under Chapter 6, Part 2 of the *Local Government Regulation 2012*.
2. To authorise the Chief Executive Officer under section 257(1)(b) of the *Local Government Act 2009*, the power under section 262(3)(a) of the *Local Government Act 2009* to strategically procure, contract and dispose of assets as identified in Schedule A of the Procurement and Contract Manual.



# Corporate Procurement Policy

Policy Identifier:	LSV-001-P
Approved by:	General Meeting
Date of Approval:	22 July 2020
Effective Date:	22 July 2020
Review Date:	22 July 2023
Version:	11

## Head of Power

*Local Government Regulation 2012* (Qld) Section 198 requires Council to prepare and adopt a procurement Policy and review the Policy annually.

The Policy sets out Council's framework for its procurement and contracting activities in a manner that complies with applicable laws, including s.104 of the *Local Government Act 2009* (Qld) and the *Local Government Regulation 2012* (Qld).

*Corporate Plan 2018-2023 –Outcomes 6 Supportive and vibrant economy and 8 Inclusive and ethical governance*

## Policy Objective

To set out Council's framework for its procurement and contracting activities in a manner that complies with applicable laws.

Council has adopted the Strategic Contracting Procedures under Part 2 of Chapter 6 of the *Local Government Regulation 2012* for its contracting arrangements and disposal of valuable non-current assets, excluding land.

This Policy has been established to be consistent with legislation which applies to Procurement. Relevant legislation will prevail to the extent of any inconsistency between this Policy and legislation. Council's goal to reduce red tape and save public funds will also be a consideration in Council's annual review of this Policy and its procurement practices.

## Policy Statement

Redland City Council, through its Corporate Plan, is committed to enriching community lifestyles and making a positive difference in our customers' lives through the services we provide. We are forward thinking, engaged and strive to maintain the highest standards of service to ensure we are delivering real value.

Council is committed to:

- Developing systems that allow Council to carry out Procurement in a manner that is consistent with the Sound Contracting Principles outlined in detail in the Procurement Manual which are:
  - i. *Value for money; and*
  - ii. *Open and effective competition; and*
  - iii. *The development of competitive local business and industry; and*
  - iv. *Environmental protection; and*
  - v. *Ethical behaviour and fair dealing.*





## Corporate Procurement Policy

- Ensuring integrity, accountability and transparency in the way in which Redland City Council undertakes procurement.
- Ensuring all procurement processes are conducted in accordance with the requirements of this Policy and any associated policies, manuals, guidelines, procedures and standards.
- Ensuring compliance with *Local Government Regulation 2012* Strategic Contracting Procedures (Chapter 6, Part 2, ss. 217-222) and apply a principles based approach to all procurement activities founded on Sound Contracting Principles of s104 of the *Local Government Act 2009* to its Procurement.
- Conduct procurement and contracting activities within a sound governance and probity environment consistent with the Delegation of Powers and Appointment of Authorised Persons Policy.
- Encourage sustainable and innovative procurement practices.
- The efficient and timely delivery of Council's capital works, operational and service delivery programs.
- Achieving value for money for Council.
- Promoting an open, efficient and competitive market place for suppliers, including the ability for market led proposals.
- Implementing procurement processes that are ethical and fair.
- Developing local and indigenous business and industry.
- Promoting, developing and utilising the services of social enterprises.

### Definitions

Term	Definition
Procurement	The acquisition through purchase or lease of real property, goods or other products (including intellectual property), works or services.
Corporate Plan	See Section 104 (5) of the <i>Local Government Act 2009</i> (Qld).
Governance	The framework of rules, relationships, systems and processes by which the Council is directed
Probity	Evidence of ethical behaviour, and can be defined as complete and confirmed integrity, uprightness and honesty in procurement activity.
Sustainable Procurement	The meeting of business needs for materials, goods, utilities and services in an environmentally-friendly, responsible and ethical way.
Contract	A contract (including purchase orders and purchase card transactions) for: (d) the supply of goods or services; or (e) the carrying out of work; or (f) the disposal of non-current assets. In this instance, the term does not include a contract of employment between Council and a Local Government Employee (as defined in the LGA 2009)
Social Procurement	A strategic approach to meeting social objectives through procurement and in particular providing employment opportunities via procurement to disadvantaged communities.

### Associated Documents

Governance Policy ([A196640](#))  
 Employee Code of Conduct ([A196608](#))  
 Delegation of Powers and Appointment of Authorised Persons Policy ([A3154860](#))  
 Fraud and Corruption Prevention ([A3155236](#))  
 Information Privacy ([A176868](#))

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# Corporate Procurement Policy

Procurement and Contract Manual ([A214677](#))

Council's current Operational Plan ([A3913090](#))

Local Government Act 2009 (Qld)

Local Government Regulation 2012 (Qld)

## Document Control

Only Council can approve amendments to this document by resolution of a General Meeting, with the exception of administrative amendments which can be approved by the relevant ELT member. Refer to *Policy Instrument Development Manual* for an explanation on administrative amendments ([A4063988](#)).

Any requests to change the content of this document must be forwarded to relevant Service Manager(s).

Approved documents must be submitted to the Corporate Meetings and Registers Team for registration.

## Version Information

Version number	Date	Key Changes
4	December 2012	<ul style="list-style-type: none"> <li>Change to incorporate local Preference Policy</li> </ul>
5	June 2013	<ul style="list-style-type: none"> <li>Change in line with the Local Government Regulations 2012 (Qld).</li> </ul>
6	May 2014	<ul style="list-style-type: none"> <li>Annual Review incorporating more detail and legislative requirements</li> </ul>
7	November 2015	<ul style="list-style-type: none"> <li>Annual Review – No change</li> </ul>
8	November 2016	<ul style="list-style-type: none"> <li>Annual Review – No change</li> </ul>
9	November 2017	<ul style="list-style-type: none"> <li>Annual Review - Updated 'Head of Power' include Council Corporate Plan 2018-2023.</li> <li>Updated Council Corporate Plan 2018-2023 Section with reference to Policy alignment to the corporate plan under legislative requirements specific reference to the integration of council's strategic priorities.</li> <li>Updated definitions</li> <li>Updated document control as per POL-001 Policy Guidelines and Procedure Development Manual</li> <li>Updated associated documents</li> </ul>
10	November 2019	<ul style="list-style-type: none"> <li>Administrative changes in line with Policy framework review</li> </ul>
11	July 2020	<ul style="list-style-type: none"> <li>Added information to objective around strategic contracting procedures</li> <li>Updated referenced Section number under LGR2012 strategic contracting procedures under Policy statement</li> <li>Updated dot points 6, 9 and 11 under Policy statement</li> <li>Deleted default contracting procedure from definitions table</li> </ul>

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Supporting Document Identifier: LSV-001-SD  
 Approved by: General Counsel  
 Date of Approval: 6 October 2021  
 Effective Date: 6 October 2021  
 Review Date: 6 October 2024  
 Version: 9

## 1. Authorisation & Introduction

This Procurement and Contract Manual ('Manual') is authorised by s222 of the *Local Government Regulation 2012* (LGR) to guide Council staff on all procurement and contract management activities in accordance with *Local Government Act 2009* (LGA) and related procedures.

### 1.1. Scope & Purpose

This manual is administered by the General Counsel group and applies to all contracts, and the purchase of all goods, services and works, and the disposal of Council assets. Its objective is to:

- a) Apply the strategic contracting procedures and sound contracting principles.
- b) Achieve the strategic direction stated in the 5-year corporate plan.
- c) Be consistent with applicable forward contracting plans and annual sourcing plans.
- d) Deal with any non-current assets, including disposing interests in land.
- e) Set procedures for carrying out all contracts, including revenue generating contracts, grants, subsidies, leasing and licensing arrangements.

### 1.2. Actions & Responsibilities

- a) The General Counsel group is accountable and responsible for maintaining the Manual and associated advice, documents, systems and training to support procurement and contract management activities across Council.
- b) The Operational Leadership group is accountable and responsible for planning, managing and undertaking their procurement and contract obligations and requirements relevant to their work area as part of the budget and financial reporting controls.
- c) All staff exercising contractual delegations are accountable and responsible for ensuring their decisions are consistent with this manual and the sound contracting principles, in particular informing senior line managers of potential conflicts of interests and ethical issues.
- d) A decentralised and collaborative approach is provided by key working groups including:
  - i. Portfolio Management Office (PMO): Portfolio Management Office (PMO): to engage relevant areas to ensure project/program justifications are aligned with financial plans, strategic plans and asset management plans; and that they are planned and delivered in accordance with the program/project management framework.
  - ii. Project Delivery Group (PDG): to deliver and act as contract managers for key operational and capital work projects on a day to day basis.
  - iii. Procurement and Contracts Unit (PCT): to support and administer whole of Council procurement activities and related compliance auditing and reporting.

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- e) Council may establish from time to time a Purchasing and Contract Board to oversee and develop specialist procurement category committees and tender selection panels.

## 1.3. Strategic Procurement, Improvement & Innovation

- a) Procurement is the purchase of goods, services and works to deliver government functions and services through operational and capital work programs. It is fundamentally a process driven by an annual budget, operational and capital work programs and market analysis.
- b) Procurement process efficiencies are achieved by standardising documents, centralising managerial responsibility and automating and streamlining procurement systems and processes to reduce timeframes and duplicity; and increase data integrity, predictability, probity and confidence. Efficiency is maintained by integrated planning cycles.
- c) Council is committed to strengthening a Strategic Procurement model that builds on procurement efficiencies to align to and deliver longer term goals established by the 5 year Corporate Plan and 10 year capital work programs and asset management plans.
- d) Council is committed to strengthening innovation by reducing overly prescriptive tender or development standards and seeking alternative outcome based solutions, whilst allocating contractual risk fairly rather than transferring it to parties less able to manage it.
- e) Council acknowledges that public procurement and social procurement practices are collaborative processes where innovative strategies and solutions can be used to improve the engagement of suppliers, develop markets and deliver community outcomes.

## 1.4. Quick Purchasing Tips – 8 Stages: Procurement on a Page

- a) Purchasing goods, services or work is easy if officers follow these quick guiding stages:
  - i. Stage 1: Specification & Deliverables: Identify the specific goods, services or work that is required to be delivered and when and to what standard, frequency and duration, including any continuing maintenance, warranty, service or training requirements and opportunities (or risks) for integrating with other projects, program or systems.
  - ii. Stage 2: Delegation & Budget: Identify the relevant budget (capex / opex) and the officer who has the financial delegation to approve the purchase or disposal and has the ongoing responsibility to manage the contract and its performance.
  - iii. Stage 3: Preparation: Prepare your purchase as early as possible usually 12 months prior to any existing contract expiring or as part of a future years budget so that you know the availability of potential suppliers, market trends and options, resources and technology so that key dates and contract milestones can be established and met.
  - iv. Stage 4: Procurement Process: The quickest and most efficient process is to buy from a Council contract/arrangement that has been established. However, if there is not a current Council contract/arrangement for the products or services that you require, an alternative procurement process is to buy from suppliers that are registered on pre-approved government panels (Local, State, Federal) or contract arrangements generally referred to as, 'whole of government arrangements' or 'standing offer arrangements' eg: Local Buy Pty Ltd and Queensland Government Contracts Directory.

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- v. Stage 5: Principles, Quotes & Tenders: All purchases must have regard to the sound contracting principles to deliver value for money. If there is no 'panel' arrangement or exception then purchases over \$15,000 must first invite 3 written quotes and purchases over \$200,000 must first invite expressions of interests or public tenders unless the sourcing plan is otherwise approved in the adopted Contracting Plan.
- vi. Stage 6: Negotiation & Performance: Every purchase involves multiple opportunities to negotiate costs when evaluating offers, selecting suppliers, reviewing standards and renewing or re-quoting the contract by relying on performance records and measures like Quality, Delivery, Service and Cost or bundling the purchase with other contract proposals or unbundling to identify cost saving measures. Remember to ask the supplier/s what options are available to deliver the outcome at a reduced cost.
- vii. Stage 7: Documents & Standards: Council has established standard processes and documents for purchasing, contracting, paying and reviewing the performance of suppliers as currently identified in this manual and available from the PCT intranet site.
- viii. Stage 8: Public Records and Contract Systems: Complete records of purchases must be recorded in the relevant records and contract systems (eg Objective, Finance 1 Contracts Module), to identify the relevant procurement and contract information.

## 2. Sound Contracting Principles & Rules

- a) Regard must be had to the sound contracting 'principles' when entering into any contract (of any value) for the supply of goods or services, the carrying out of work, and the disposal of assets. The sound contracting principles identified in s104 of the LGA 2009 are:
  - i. value for money;
  - ii. open and effective competition;
  - iii. the development of competitive local business and industry;
  - iv. environmental protection;
  - v. ethical behaviour and fair dealing.
- b) The law does not require equal consideration to each sound contracting 'principle' however they must be applied to every purchase, irrespective of the value and complexity. In addition to these five principles Council has identified five rules underpinning the principles:
  - i. Rule 1: Separation of Duties:  
Council prohibits officers from raising and approving their own requisitions and requires an independent officer to review and release requisitions.
  - ii. Rule 2: Conflicts of Interests:  
Council requires the mere perception of a conflict between officer's public duties and their private interests (including interests of family members, friendships, work colleagues) to be identified and referred to the relevant senior manager (at any stage of the procurement or contract).
  - iii. Rule 3: Order Splitting:  
Council prohibits officers from splitting purchase orders to avoid financial procurement thresholds of quotes at \$15,000 and tenders at \$200,000, or in any way attempting to split the full purchasing cost across different or multiple requisitions or budget items.

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## iv. Rule 4: Record Management:

Council requires officers to complete full and accurate records (work diaries, emails, standard forms) of all procurement and contract activities (quotes, evaluations, site inspections) to ensure an open, independent and merits based decision process is used and recorded in the records and contract management system.

## v. Rule 5: Honesty and Probity

Council requires all officers to act honestly in the public interests when conducting procurement and contracting activities in accordance with the Employee Code of Conduct and the Fraud and Corruption Policy and relevant procedures.

### 2.1. Value for money

Obtaining value for money does not mean that Council is obliged to accept the lowest price. The concept of value for money involves taking into account both costs and non-cost factors including:

- i. advancing Council's priorities;
- ii. fitness for purpose;
- iii. quality;
- iv. service and support;
- v. whole-of-life costs and transaction costs associated with acquiring, using, and holding, maintaining and disposing of goods, services, works or assets.

### 2.2. Open and effective competition

- a) All prospective suppliers/vendors must be treated (and be seen to be treated) fairly in an open and transparent manner with the same access to information about the procurement to enable them to submit prices/quotations/tenders on the same basis.
- b) Council must adequately test the market in a consistent manner without any bias, or perception of bias, so that potential suppliers have an equal opportunity to make submissions so that they and the public have confidence in the outcome.

### 2.3. The Development of competitive local business and industry

- a) Council encourages the development of competitive local business, and endeavours to promote and support competitive local industry in its procurement and contracting activities. When conducting procurement and contracting activities, Council may consider:
  - i. The creation of local employment opportunities, in particular indigenous.
  - ii. Economic growth within the local area.
  - iii. Readily available servicing support.
  - iv. The benefit to Council of contracting with local suppliers and the associated local commercial transactions that flow from that contracting.
- b) Council can directly and indirectly benefit local business by procuring from a local, Queensland or interstate supplier by using whole-of-government arrangements to access local and other domestic suppliers of works, goods or services. This strategy will encourage local business to compete within a wider market through whole-of-government contracts.

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- c) Council promotes a competitive local industry in its procurement activities by providing weighted evaluation criteria of up to 15% in evaluations to suppliers that can demonstrate their location in the Redlands are and use of local employees, contractors and products.
- d) Council's support of the local Indigenous community in business initiatives in accordance with the sound contracting principles. In particular Council supports working with the Quandamooka People and the Quandamooka Yoolooburabee Aboriginal Corporation's aspiration to grow their business capacity, employment opportunity and skill sets.
- e) Where price, performance, quality, suitability and other evaluation criteria are equal, purchasing officers are to also consider the following factors in the context of any bid or quote provided by the Quandamooka People:
  - i. The opportunity to create local Indigenous employment opportunities.
  - ii. The convenience of the established formal and informal communications between Council and the Quandamooka People.
  - iii. The benefits of supporting economic growth within the local area.
  - iv. The benefit to Council of being associated with local Quandamooka commercial transactions.

## 2.4. Environmental protection

Council may take into account the following environmental factors:

- a) The environmental benefits and impacts for the whole life cycle of products and services including manufacture, supply, use, maintenance and disposal.
- b) The procurement of environmentally responsible goods, services, works and assets that satisfy whole-of-life value for money criteria.
- c) Products that use fewer resources and have reduced environmental impacts throughout their life cycle, such as lower toxicity, less packaging, less waste to landfill, energy efficient and reduce carbon pollution, water efficient and reduce water use.
- d) Use of products made from recycled materials, recycled green organics and/or recycled materials.
- e) Providing an example to business, industry and the community in promoting the use of environmentally responsible goods, services, works and assets.

## 2.5. Ethical behaviour and fair dealing

Council's procurement and contract practices must be fair, impartial and merit based. Ensuring the proper conduct of procurement serves to:

- a) Facilitate the achievement of value for money.
- b) Reduce the risk of Council being exposed to legal and/or financial loss.
- c) Provide potential contractors with confidence about fair treatment, with consequential improvements in competition and performance.
- d) Guard against collusion and fraud.

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## 2.6. Conflicts of Interest

Council seeks to avoid, where possible, any conflict of interest in dealing with a supplier or service provider. Any existing, emerging or potential conflict of interest must be disclosed immediately. Talk to your Manager and the Procurement Transformation Manager to agree next steps.

- a) A conflict of interest is a situation where the impartiality of an officer in discharging their duties could be called into question because of the potential, perceived or actual conflict between official duties and obligations and private interests.
- b) The perception of a conflict of interest can be as damaging as the reality if not immediately corrected. Officers must not only behave ethically, but they must also be seen to behave ethically.
- c) If it is likely that the individual with the interest could be influenced by that interest, or that a reasonable individual would believe that he or she could be so influenced, a conflict of interest could arise. To ensure the procurement process is not prejudiced, conflicts of interest must be identified early and dealt with effectively.

Where a member of the evaluation panel has declared a conflict of interest, refer to the Redland City Council [Employee Code of Conduct Policy](#), Section 3.1.3. Managing Conflict between Public Duty and Private Interest.

## 3. Purchasing Procedures

**Delegations** Council has delegated procurement and contracting powers to the CEO who has sub-delegated these powers to appropriately qualified Council employees (s257/s259 LGA).

- b) The delegations must be recorded in a register of delegations that the public may inspect and are also available on the intranet corporate directory (listed under each employee).
- c) Only delegated officers can exercise statutory powers for procurement and contracting activities up to the amount of their financial delegation consistent with the adopted Financial Management Systems, budget and related policies and manual.
- d) On 21 July 2021, Council at its General Meeting delegated to the Chief Executive Officer uncapped financial and capped financial delegations for contracting and expenditure. The uncapped financial delegation can be exercised by the CEO and sub-delegates for (a) Utility contracts, including electricity, water, waste and gas; (b) Government Grants and Funding Contracts and (c) Urgent or emergency contracts. The capped financial delegations for all other contracts is up to \$10m including GST. The CEO has sub-delegated these powers generally as follows including GST:
  - ii. General Managers: May approve contracts up to \$2,000,000
  - iii. Group Managers: May approve contracts up to \$500,000
  - iv. Service Managers: May approve contracts up to \$100,000
- e) Council maintains internal controls over procurement processes. This includes:

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CONTROL	REQUIREMENT
Segregation of duties in key risk areas	It is inappropriate for officers to raise and approve their own requisitions. All requisitions must be approved by an officer in a higher position and with the appropriate delegation than the initial creator of the requisition.
A clearly documented audit trail for procurement activities promoting transparency of process	Council requires officers to complete full and accurate records of all procurement and contract activities to ensure an open, independent and merit based decision process is followed and recorded in Council's agreed records and contract management system.
Identification, management and/or elimination of conflicts of interest	Actual or perceived conflicts between an officer's public duties and their private interests (including interests of family members, friendships, work colleagues) should be either avoided or declared, identified and referred to the relevant senior manager (at any stage of the procurement or contract) to determine appropriate next steps.
No order splitting and appropriate authorisations obtained	It is inappropriate for officers to split purchase orders to avoid financial procurement thresholds and higher approval delegations or in any way attempting to split the full purchasing cost across different or multiple requisitions or budget items.

This is supported by regular exception reporting and periodic internal audit of the procurement function across council.

## 3.2 Aggregation of contractual arrangements in a financial year

In relation to the below thresholds, the expected value of a contractual relationship with a supplier for a financial year, or over the proposed term (including options) of the contractual arrangement, is the total expected value of all of Council's contracts with the supplier for goods and services of a similar type under the arrangement.

Example: A contract for the supply of a service over a 5 year period that is expected to be worth, \$80,000 each year has a total expected value of \$400,000 [see s224 LGR].

## 3.3 Financial Thresholds

Council has adopted the Strategic Contracting Procedures under Chapter 6 Part 2 of the Local Government Regulations (LGR) to focus on multiyear contracting activities by category and precinct planning using expanded exceptions in Schedule of A of the Procurement & Contract Manual. However officers can still use the default contracting exceptions under Section 224 LGR that identifies three contract value thresholds that will determine the procurement procedure that must be adopted. Those thresholds are:

- a) Less than the \$15,000 (Principles): A low-sized *contractual arrangement* - is a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, less than \$15,000 in a financial year, or over the proposed term of the contractual arrangement;
  - i. Procedure: Must follow and document the sound contracting 'principles' to select a preferred supplier. It is recommended but not required to request written quotes.  
Note: It may be a breach of this manual and involve disciplinary action if an officer splits contract orders (into multiple orders) from a single supplier of similar goods, services or work, to avoid a financial threshold limit.

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- b) Between \$15,000 and \$200,000 (Quotes): A medium-sized *contractual arrangement* - is a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$15,000 or more but less than \$200,000 in a financial year, or over the proposed term of the contractual arrangement;
- i. Procedure: Must follow and document the sound contracting principles PLUS request a quote from at least three suppliers qualified to perform the work.
- Note: It is not mandatory for Council to receive at least three quotations; only that Council invite at least three qualified suppliers to provide quotations, which is then recorded in the contract management and records systems.
- c) Over \$200,000 (Tenders): A large-sized *contractual arrangement* - is a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$200,000 or more in a financial year, or over the proposed term of the contractual arrangement.
- i. Procedure: May invite Expression of Interest or Tender published electronically for approximately 21 days. Advertising Tenders is not mandatory under Strategic Contracting Procedures and can be done so at discretion in consultation with the Procurement Transformation Manager.
- d) Over \$10m and Significant Contracts: A significant contract is a contract over the CEO capped financial delegation, excluding uncapped financial delegation contracts, and identified by Council in the Annual Contracting Plan. A Significant Contract must be made by Council by adopting a Significant Contracting Plan for the contract as per s221 of the LGR.
- e) Corporate Credit Card Purchases: For low value purchases for usual standard low risk transactions in accordance with procedures generally based on the following thresholds
- Please note:** No goods that may present a Work Health and Safety risk to Council (i.e. chemicals, dangerous goods, plant, tool and equipment) can be purchased with a Corporate Credit Card.

Spend Threshold	Category
\$200	• Office Equipment
\$500	• Office Furniture
\$500	• Fixtures and Fittings
\$500	• Plant and Equipment
\$1,000	• Computer Hardware
\$1,000	• Computer Software

- f) If you would like more information on obtaining and using a corporate purchasing card, or to define assets, please refer to policy document LSV-001-001-034-PR referenced in Appendix 1.

## 3.4 Quoting, Sourcing, Tendering Platform

All quoting, sourcing and tendering activity should be conducted through the Vendor Panel Platform. This is a very user-friendly tool to connect buyers with suppliers and is a great way to record the process followed and the resultant decision.

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A purchase order still needs to be entered in Council's Finance System to allow for supplier payment. Please contact Procurement and Contracts Unit if you have any questions or training requirements in relation to Vendor Panel or the Finance System.

Suppliers are invited to self-register to [VendorPanel Market Place](#) via the Redland City Council website. Under 'Doing Business with Council' resources pages on the council website, suppliers can review existing 'Tenders' and 'Contractor Information' for information.

## 3.5 Exceptions from Quotes or Tenders

The LGR 2012 and Schedule A provides exceptions from obtaining quotations or tenders for medium-sized and large-sized contractual arrangements provided the sound contracting principles are followed. The main exceptions are purchasing from pre-approved supplier arrangements established as 'whole of government arrangement', 'standing offer arrangement', 'panel arrangements' and can be accessed generally from the following websites:

- i. Redland City Council: Contract Register
- ii. Local Buy Pty Ltd: Contract Register
- iii. Qld. State Government Contract Directory.

Council's PCU team can assist with enquiries to source or buy from suitable suppliers.

[SCHEDULE A](#) lists exceptions from the general tender, proposal, quote and expression of interest requirements. Use of any exception must be recorded, must state how value for money is demonstrated and is subject to Internal Audit. Consultation with the Procurement Transformation Manager is required before exercising an exception.

## 4. Evaluation Committee – Quotes or Tenders

- a) The majority of procurement activities will be conducted by a single purchasing officer (delegate) buying from pre-approved panels, in consultation with their line managers and end service or product users.
- b) For contracts above \$15,000 (excl.GST) or that involve complex or sensitive information or proposals may involve an evaluation committee of at least two people, consisting of a senior manager familiar with the subject matter of the proposal and a procurement officer.
- c) The evaluation committee should be established during the formulation of the specification, and prior to quotations or tenders being called. This allows members of the evaluation committee to have input into the specification, evaluating method, criteria and weightings.
- d) The evaluation committee is normally chaired by the person managing the procurement process. Other members of the committee or support officers will depend on the nature of the purchase.

### 4.1 Responsibilities of the evaluation committee

The evaluation committee is responsible for:

- a) Maintaining and promoting probity in the procurement process.
- b) Evaluating the quotes/tenders in accordance with the agreed conditions for participation.
- c) Criteria and methodology (generally set out in the evaluation plan).
- d) Documenting the evaluation process.
- e) Preparing an evaluation report.
- f) Seeking approval to proceed with a contract with the preferred supplier.
- g) Debriefing unsuccessful supplier(s).

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## 4.2 Role of the Chairperson

The Chairperson of the evaluation committee is responsible for managing the evaluation and decision-making process and:

- a) Ensures that committee members are aware of their responsibilities.
- b) Ensures the document control, confidentiality and conflicts of interest checks.
- c) Ensures timely decision making.
- d) Manages communications between committee members and interested parties.
- e) Provides the evaluation committee members with the relevant documentation.
- f) Assesses the tender responses (eg: the initial request documents, scoresheets, etc).
- g) Ensures appropriate approval by delegate and transfer to contract manager.

## 5. Specification & Scope of Work

A specification is the basis of all offers and the foundation of every contract as it specifies the essential requirements for goods, services or works and typically identifies why and what is required to be delivered and when and to what standard, frequency and duration.

### 5.1 The specification should:

- a) Support standardisation and rationalisation of the end product, service or work, so as to integrate with existing or future Council works, services, systems and processes.
- b) Not restrict competition or act as a barrier to the introduction of alternative products or new technology, so as to increase market choice and competitive pricing.
- c) Encourage suppliers to offer innovative options or solutions to produce financial and non-financial savings so as to deliver contracts in a more cost-effective manner.
- d) Identify needs for goods, services and/or works to engage with relevant stakeholders to scope safety/operational requirements.

### 5.2 A good specification is:

- a) Clear and easy to understand.
- b) Specific. It is detailed and describes precisely what is required so there can be no confusion. If it includes too much information and are too demanding, it may become too difficult to get what we need. If the specifications do not carry enough information, and are not specific enough, then it becomes too easy to get something that we do not want.
- c) Accurate. A specification must specify exactly the requirements. Specifications should be written in terms of what the goods, service, work is meant to achieve (the outputs or functions to be fulfilled) rather than listing specific technical requirements.
- d) Complete. All aspects are fully covered. This saves time as it reduces the number of questions and phone calls from bidders later on.
- e) Essential requirements: It includes those things that are essential to what is required, and critical to the performance. When evaluating the quotes/tenders, quotes/tenders should NOT be considered if they have failed to meet a requirement identified in the specification as essential.
- f) Desirable requirements: It includes those things that are desirable; the things we would like, but which are NOT critical or essential to performance.

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- g) Includes evaluation criteria. These evaluations provide a score, indicating how important each of the items is to us. A higher score is given to items that are essential. A lower score is given to items that are desirable, but not essential.
- h) Function. The specifications should emphasise what the product is meant to do rather than emphasis the technical requirements. This maintains the focus on purchasing a product to meet our needs and purpose
- i) Consistency. Specifications for similar requirements should be much the same e.g. computer specs should be similar unless we want to use them for different functions.
- j) For complex procurement a staged approach to developing and refining the specification should be considered. This may involve an Expression of Interest (EOI), specifying general requirements. As the process moves toward the shortlisting and selective tendering phase, the specification must become more detailed and specific to the point of contract formation.

## 6. Evaluation Method & Assessment Model - Quote / Tender

The evaluation committee may select the appropriate evaluation method to assess the quote or tender including any of the below methodologies:

### 6.1 Qualitative Narrative Assessment

This methodology is a written assessment, which discusses the relative merits of tenderers to assist in making a judgement about the best value for money using a qualitative comparison. This process is more subjective and generally not considered appropriate for complex evaluation and other situations where this will not distinguish between the values offered by the tenders.

### 6.2 Comparative Assessment & Ranking Method

- a) Comparative assessment involves ranking the tenders in relative order of merit against the requirements of the Request for Tender (RFT) documents, evaluating each criterion and the overall merit of each tender against all requirements.
- b) The Tender Evaluation Plan (TEP) must define the ranking method to be used during the evaluation to assist in comparing tenders. In particular, specific guidance should be provided on the scoring or other system to apply in the ranking of tenders and on any other matters to be considered in the determination of relative value for money.
- c) The TEP should identify the required justification for all ranking judgements. For example, Tender X provides a higher quality of (brief details) and level of (% for X and % for Y) and provides better value for money than tender Y, and is therefore preferred on this criterion. Any qualitative arguments would be supported by quantitative analysis.

### 6.3 Least Cost Method

The Least Cost or 'first past the post' involves selection of the lowest reasonable priced tender or cost item that meets all mandatory requirements and is otherwise acceptable. If an item or tender does not meet all mandatory criteria it is passed over and no longer considered.

### 6.4 Matrix Selection Method (most often used by Council)

- a) This method is used where it is necessary to evaluate using a number of variables or criteria. The method combines a numerical scoring system and criteria weighting to identify the level of importance of each of the evaluation criteria. The score is a measure of the level of compliance or merit whilst the weighting identifies the relative level of importance of each evaluation criteria.

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- b) The first step is to identify and assign a weighting to each of the measured evaluation criteria. As the desirability of the criteria increases the weighting of the criteria increases. The weighting could be determined by considering the relative importance of each criterion using a paired comparison matrix.
- c) The individual weightings should be decided prior to the release of any RFT documents and the percentage weighting for the price component and the percentage weighting for the non-price component included in the RFT documents. The breakdown of the weighting for each non-price criterion would not normally be provided in the RFT documents. Mandatory "pass or fail" criteria such as financial capacity would not be weighted or scored against.
- d) There should be a balance between more and less desirable evaluation criteria and their weightings so that innovations such as new product types, alternatives and other innovative offers, are given due consideration. Note that too many mandatory evaluation criteria might exclude reasonable potential tenderers from responding.
- e) The comparison of tenders is achieved by using a scoring or merit scale to rate each tenderer's level of compliance and relative value (as with the numerical scoring methods described below). These scores are then multiplied by the weighting of each criterion to provide a weighted score. For example a 0-5 scoring scale is used below. All tenders are assumed to have met any mandatory (pass or fail) criteria in this example.

## 7. Approaching the market

### 7.1 Contracting Plan

If available, based on the category plans, Procurement and Contracts Unit develops a contracting plan in conjunction with stakeholders to manage its sourcing activity for the financial year.

Key sourcing activities for the financial year are included in the Contracting Plan and Disposal Schedule. With access to an enterprise view of expenditure, Procurement and Contracts Unit will engage with stakeholders to facilitate cross functional working groups to deliver better outcomes where it makes good business sense.

The Contracting Plan must include in compliance with s220 of the *LGR 2012 (QLD)*:

- the types of contracts that Council proposes to make for the financial year (estimated value, duration, proposed sourcing strategy and time to market)
- the principles and strategies for performing the contracts
- a market assessment of each type of contract based on an assessment of relative cost and difficulty of securing supply
- the contracts Council considers significant having regard to the market assessment

Council, by resolution, may amend the Contracting Plan at any time before the end of the financial year to which the plan relates.

Council officers will, subject to the exceptions for valuable non-current assets or unless an alternative disposal approach is approved in the Annual Sourcing Plan, dispose of non-current assets through the invitation to tender or sale by public auction above the following values.

- Plant or equipment - worth \$5,000 (excluding GST).
- Any other non-current asset - worth \$10,000 or more (excluding GST).

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Items of lesser value may be disposed of by other means provided probity is maintained and value for money is achieved.

## 7.2 Integrated Planning Cycle

Annual Procurement Planning forms part of Council's Integrated Planning Cycle including Annual Business Planning and Budget Development Process.

Council is committed to establishing key arrangements needed to conduct the regular business of Council. The focus is on providing the necessary services to our community in the most efficient and effective way possible. These arrangements and the forward contracting plan are informed by the collaborative process of forecasting requirements, and agreeing the annual budget including operational and capital works programs, based on Asset and Service Management Plans (ASMPs) that prioritise the maintenance and renewal of existing assets over creating or accepting new assets.

While budgets are agreed on an annual basis, a large proportion of our requirements are recurring or similar in nature. It is possible to deliver better outcomes through negotiating longer term arrangements with suppliers, as this allows our suppliers to continually innovate, compete regionally, and plan better. Council permits and encourages the entering into of longer term contracts beyond a one year horizon subject to appropriate governance. In some circumstances, we understand that the ability to plan is not possible e.g. a genuine emergency. In these circumstances, when making procurement decisions it is still important to:

- give due consideration to value and risk
- choose the most appropriate method to contain our costs, and deliver the best value for money outcome
- maintain transparency

## 7.3 Purchasing Plan (Procurement Plan)

Before approaching the market; the purchasing officer should consider the PMO Framework and related business case and create a purchasing plan taking into account the following (essentially answering the questions of what, when and why):

- a) What is needed from the purchase and why (focus on specific outcome not process).
- b) What are the key deliverables, standards, specifications (mandatory or discretionary).
- c) Identify key roles and responsibilities for Contractors/Suppliers and Contract Managers to achieve the desired workplace health and safety outcomes to minimize and/or eliminate risks.
- d) When is the purchase required to start, finish and other key timeframes?
- e) The expertise or resources required to identify or evaluate the purchasing outcomes.
- f) The budget for the purchase (opex / capex).
- g) The budget spend over the past 3 to 5 years to identify any variance in the spend, the reason for the variance (up or down e.g. cost drivers) and opportunities to reduce costs.
- h) The delegated officer to conduct the purchase and manage the contract.
- i) The potential suppliers (there may be multiple suppliers in complex cases).
- j) The purchasing options and the pros and cons of each including related resources, time and cost (e.g. internal operations, pre-approved panels, quotes, EOI, tenders).

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- k) The risks and control measures in the planning, procuring and delivery process according to a 'Value Risk Matrix Assessment' to assist with contract management, guide decision-making throughout the sourcing process, including sourcing strategy, contract development, supplier/contractor management approach, resource allocation and approval processes.

Value Risk Classifications for contracts are as follows;

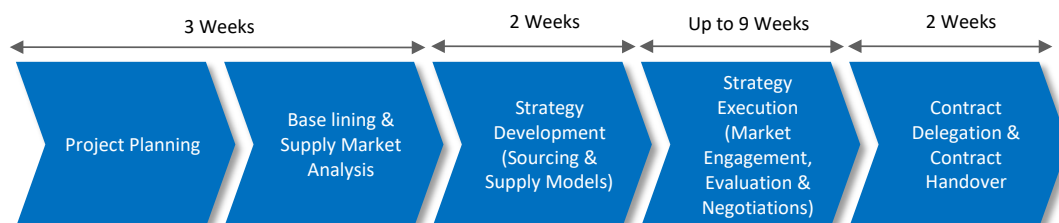
1. Routine – Low risk & Low value (total expenditure)
2. Focused – Low risk & High value
3. Leveraged – High risk & Low value
4. Strategic – High risk & High value

For more information on risk assessment please see Section 10.5 Risk management.

- l) A Cost Enhancement strategy, considering whole of life costs, levels of service and standards, innovation and options to provide continuous improvement and value for money.

The standard purchasing process for procurement activities over \$200,000 with medium complexity should take approximately 16 weeks including analysis of Council spend, partnering with stakeholders to understand requirements, conducting market research, developing a strategy and engaging the market through a structured method, which is designed to enhance value for money outcomes.

- A simple procurement activity will take up to 8 weeks
- A complex procurement activity will take longer than 16 weeks – approximately 24 weeks or more



In all scenarios, timeframes should be agreed up front with stakeholders and their commitment levels agreed. A standard purchasing process will always follow 5 key steps on conceptualising, specifying, procuring, delivering and finalising.

## 7.4 Governance arrangements for procurement

Procurement and Contracts Unit administers a number of advisory groups which play a key role in Council's governance arrangements for procurement.

These are attended by appropriately qualified officers to ensure that sourcing processes and decisions are robust, meet probity requirements, deliver on intended objectives, and trade-offs are discussed and agreed. Advisory Groups, which may be internal or external, are also to ensure the council is accountable, effective, efficient and sustainable in their performance.

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The purpose of these governance bodies is to review submissions which are proceeding to higher delegates or Council and to provide advice to delegates on the exercising of delegations. They provide a forum for delegates to consider and approve the strategy for a contracting activity (pre-market approval) and also approve entering into contracts for a procurement or disposal (post-market approval). Value and risk play an important part in determining which governance body will provide the appropriate oversight

The process for gaining approval for the following strategic artefacts is a collaborative interactive process **led by the Procurement Transformation Manager** (with key stakeholders) to ensure that direction is received prior to approval.

STRATEGIC		
Artefact	Endorsement	Approval
Policy & Annual Contracting Plan	Procurement Transformation Program Steering Committee	Council
Significant Contracting Plans	Procurement Transformation Program Steering Committee	Council
Category Plans	Procurement Transformation Manager	Procurement Transformation Program Steering Committee
Strategic Contracts (High Value/High Risk and/or Complex)	Procurement Transformation Manager	Procurement Transformation Program Steering Committee
Standard Operational Contracts	Business Group and Procurement Unit	In accordance with delegations

## 7.5 Persons and Responsibilities

Person	Responsibilities
<b>Category Manager</b>	Is an evolving role within the Strategic Procurement Model that is a senior leadership team group manager from the business that is accountable for the budget/cost centre for the majority of the contracted goods, services or service standards within the category established under Council's strategic procurement model (for example the 22 categories published under the ArcBlue procurement dashboards).
<b>Contracts Owner/s</b>	Is a senior leadership team group manager from the business that provides the contract service or outcomes and accountable for the budget/cost centre that funds the contract. Is responsible for contract service planning within and beyond the contract terms, continuous review and improvement of contract services, industry and stakeholder engagement, good governance oversight of the contract and contract manager. Appoints the Contract Management role. Has or can be given delegation to negotiate, engage, make, vary or discharge the contract; approves contract specifications, performance measures and reporting. Approve contract payments and variations within financial delegations consistent with budget.

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Person	Responsibilities
	Assists the Contract Manager with service standards, performance disputes/complaints that haven't been resolved quickly.
<b>Contracts Manager/s</b>  <b>A Contracts Manager is a Council worker who is delegated responsibility for the management of a contract and/or contractor.</b>	<p>Is a service manager/team leader from the business who provides the contract service or outcomes and accountable for the budget/cost centre that funds the contract.</p> <p>Is directly involved in the procurement process to inform contract financial estimates, contract specifications/scope of work, performance measures, safety requirements, evaluate supplier offers and tenders and recommend or approve contract terms within their financial delegation and budget.</p> <p>Has or can be given delegation to negotiate, engage, make, vary or discharge the contract, noting the contract owner may condition these responsibilities. Including approving prequalified supplier panels and purchase from public auctions.</p> <p>Is responsible for the day to day contract management and reporting including but not limited to checking invoices are in line with contract rates and in compliance with contract terms and performance measures, including safety and stakeholder and customer engagement.</p> <p>In consultation with the contract owner; responsible for business continuity planning associated with the contract service delivery and manage risks where relevant.</p>
<b>Contract Stakeholder/s</b>	<p>Responsible for planning, managing, and undertaking their procurement and contract obligations.</p> <p>Is recommended to be from the business area that is impacted by the contract outcomes.</p> <p>May form part of an evaluation team, panel and/or committee.</p>
<b>Procurement Transformation Program Steering Committee</b>	<p>Drive strategic artefacts to deliver outcomes and benefits identified in the procurement activity. Oversee resolution of the contract risks where relevant.</p> <p>Provide visible and practical support to the Procurement Officer/s and Contract Manager/s.</p> <p>Facilitate cross-functional integration including resolution of dependencies between pieces of work.</p> <p>Commit resources and ensure effective and unified decision making and communication.</p>
<b>Procurement Officer/s</b>	<p>To support all relevant procurement activity through adoption and integration into the procurement policies and processes.</p> <p>Ensure the relevant stakeholders have been consulted and supported in the purchase, and all relevant considerations have been included within the procurement documentation as approved by the relevant manager.</p> <p>Utilise Governance arrangements for Procurement where relevant.</p>

## 7.6 Quote / Tender evaluation plan and probity plan

The evaluation committee must agree on the substance of the quote and tender request documentation and if applicable the Tender evaluation and probity plan. Council's template Tender evaluation and probity plan sets out the matters which must be considered.

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## 8 Request for tender, expression of interest and select tender

- a) An expression of interest (EOI) is often the first step in a two-stage tender process and is usually followed by a prequalified tender. Prequalified tenders are approaches to the market to a select group of suppliers who have been shortlisted from an EOI or are suppliers in a multi-use list.
- b) A request for tender (RFT) or EOI is used for an open approach to the market and must be advertised in a newspaper that circulates generally in the local government area.
- c) Council has generated Template documents for drafting of RFTs and EOIs which may be used in conjunction with this manual. Those template documents are in Appendix 2.

### 8.1 Minimum form and content requirements

Proposals that do not meet minimum form and content requirements may be eliminated from further consideration. Accordingly, potential suppliers must be advised of these requirements and that their proposal may be excluded from further consideration if the requirements are not met. Examples of minimum form requirements could include that all tenders be presented in English refer to Australian units of measurement.

### 8.2 Conditions for participation

- a) Conditions for participation are mandatory requirements, usually requiring a "yes" or "no" response or are measured by the content of the response in terms of pass or fail or compliant or non-compliant. A supplier that does not comply with a condition for participation is generally deemed non-compliant and must be excluded.
- b) However, if Council wishes to contemplate the possibility of awarding a contract to a non-conforming tender then the tender documentation must make provision for non-conforming tenders to be received and considered.
- c) Conditions for participation describe minimum standards or essential characteristics that suppliers must meet to be considered. Mandatory requirements generally cover:
  - i. confirmation of insurance policies and level of cover held
  - ii. compliance with work health and safety standards
  - iii. provision of financial information
- d) They may also cover:
  - i. quality assurance: systems/accreditation to deliver quality
  - ii. management systems to deliver the contract
  - iii. environmental sustainability: the impact of the proposed contract on the environment and/or in relation to the tenderer's environmental management practices.

For example, if a requirement is for services in which the industry has certification standards such as accounting services which require the personnel to have a Certified Practising Accountant (CPA) qualification, you may require the suppliers to state if they have this qualification in the form of a "yes" or "no" answer. You might also ask suppliers to provide evidence of the CPA qualification as part of the minimum form and content requirements.

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## 8.3 Contact officer

You must nominate a contact officer for all EOI's and RFT's and contact information.

## 8.4 Lodgment details

The address and process for lodgment of responses must be stated in the RFT/EOI. If responses are required to be lodged in hard copy, this must be stated, as well as the location, date and time for lodgment. If responses are required to be lodged through the LG Tender Box, or other e-lodgment system, or in hard copy and electronically, this must be stated, together with the date and time for lodgment. Tenders must be kept secure and not opened until after the closing date and time.

## 8.5 Tender opening

- a) The tender opening process will vary depending on whether an electronic lodgment system as well as a physical tender box will operate. The process adopted must be specified within the request and evaluation documentation.
- b) The opening and recording of tenders, including downloading electronic tenders, should be conducted by staff that have no actual or perceived conflict of interest.
- c) An electronic tendering system will automatically record the time and date of the lodgment of each tender. The following steps are important to the audit and the probity process:
  - i. Physical tenders must be received into a locked tender box.
  - ii. The tender box must be closed or removed at closing time.
  - iii. All tenders should be opened at the one time.
  - iv. Receiving officers' names should be identified on the tender register.
  - v. Receiving officer should register each tender with the tenderer's details, time received, number of packages, and date stamp each tender.
  - vi. Any late tenders must be identified.
  - vii. Tenders, together with a copy of the tender register, are to be delivered to the Evaluation Committee Chair.
  - viii. Template documents in Appendix 2 may be used for keeping a register of tenders.

## 8.6 Late tenders

- a) Council should be cautious before accepting late tenders as the integrity of the process may be compromised if one or more tenderers are provided with extra time to submit tenders thus providing an advantage in comparison to compliant tenders.
- b) The condition that late tenders will or will not be accepted must be included in the request for tender. Once tenders have closed late tenders should be kept unopened in a secure location and returned to the tenderer unopened with appropriate accompanying advice.
- c) Late tenders should be returned within seven days of tender. This ensures that the documents are not accidentally opened and demonstrates the fairness and impartiality of the process.

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## 8.7 Opening and registering tenders

Tenders must not be opened until the Tender evaluation and probity plan (if applicable) has been finalised. All tenders and tender documents should be kept confidential and not removed from Council without a senior manager approval. Template document 10 in Appendix 2 may be used for keeping a record of the number of compliant and non-compliant tenders received.

## 8.8 Conducting industry briefings or site visits

- a) It is not mandatory to conduct industry briefings or site visits as part of the procurement process. However, if you are considering conducting such an event, you must ensure that all potential tenderers have equal opportunity to attend and equal access to information about the tender. You must also consult the probity adviser (if engaged) who will attend and observe the briefing or site visit.
- b) Industry briefings are usually only conducted if the procurement is complex. The briefing is used to explain the procurement and may be useful to explain certain aspects of the RFT to avoid uncertainty clarify PCT and project team capabilities, and to provide a forum to promote mutual understanding.
- c) Site visits are usually conducted where suppliers are not able to accurately respond to the EOI/RFT unless they have visited the site.

## 8.9 Industry briefing and site visit documentation

Where attendance is a mandatory condition for participation, all tenderers that do not attend the briefing or site visit must be eliminated from further consideration. In all instances, relevant details of industry briefings or site visits, including venue, date and time, must be specified in the EOI/RFT and, if using LG Tender Box or other e-lodgment system, brought to the attention of suppliers.

## 8.10 Probity when conducting industry briefing or site visit

- a) When conducting an industry briefing or site visit:
  - i. require attendees to register by providing their details (i.e. company name, name, position, contact details)
  - ii. if appropriate consider limiting the number of people attending on behalf of each tenderer
  - iii. explain the procurement and evaluation process
  - iv. reiterate the published tender documentation including scope of work, desired outcomes and timing
  - v. record all material questions and the answers, if provided at the briefing, and for later distribution in writing to all respondents (de-identified)
  - vi. explain that if there is a discrepancy between answers provided at the briefing and the released addendum, the addendum takes precedence
  - vii. following the briefing, respond to questions in writing by issuing a published addenda
  - viii. maintain an audit trail of the briefing on the tender file

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## 8.11 Evaluation criteria (Weighted)

- a) Council's tendering processes aim to ensure that the most suitable contractor is selected, to aid in this all evaluation criteria and they must be clear, measureable and transparent.
- b) Evaluation criteria are the core of the evaluation process and are used to establish the capability and capacity of suppliers to meet Council's requirements. They also inform suppliers of what Council is looking for in a supplier.
- c) The weighted criteria method of tender evaluation requires that evaluation criteria in addition to price are included in tender documents and form part of the tender assessment process. A system of weighting the evaluation criteria is used to compare tenders and identify the tenderer with the best performance record in terms of time, cost and value for money. There are also other evaluation methods that may be used.

## 8.12 Principles

- a) The weighted criteria tender assessment process is based on the following principles:
  - i. evaluation criteria that reflect the critical elements of the project
  - ii. evaluation criteria that can be assigned a weighting
  - iii. weightings that reflect the relative importance of evaluation criteria
  - iv. scores that are based on information submitted with the tender bid
  - v. normalising the non-price criteria and the tender price before applying the weightings to allow for the true effect and advantage of the weighting system
- b) The system recognises contractors who have better performance records in terms of quality, time and cost.
- c) Weighting on the tender price normally exceeds 60%. A lower weighting on tender price would represent special circumstances. Evaluation Committees adopting a weighting of less than 60% will be required to justify their decision to their Senior Line Manager.

## 8.13 Evaluation criteria

- a) The tender evaluation process generally applies weighting for skills, quality, experience and previous performance in a manner to ensure value for money. Note that different evaluation methods may be used.
- b) To assess tenders, a system of criteria intended to encapsulate the competence of the tendering organisation to undertake a particular project is used to rate the tenderers' bids.
- c) All relevant information requested in the tender documents and provided with the tender is used in the tender evaluation.
- d) Care must be taken to ensure that information requested from tenderers can be used in the evaluation. For example, requesting tenderers to complete tender schedules, or to provide a document such as a Quality Management Plan or Certification, that do not relate to the evaluation criteria cannot be evaluated or weighted in the evaluation process.
- e) Alternatively, the provision of a document, such as a certified Quality Management System, or the requirement to be certified, may be a condition for participation. In that way, if the document is not provided, or the supplier is not certified, they will be excluded.

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- f) Evaluation criteria are intended to assess the competence of the tendering organisations to achieve the required project outcome and are used to rate each of the tenders. Generally no more than five criteria should be used.
- g) The evaluation criteria should reflect the critical elements of the project and align with the statement of requirements, however they are usually selected from the following:
  - i. relevant experience
  - ii. appreciation of the task
  - iii. past performance
  - iv. management and technical skills
  - v. resources
  - vi. management skills and systems
  - vii. methodology
  - viii. price
- h) When weighting non-price evaluation criteria, Council must ensure that any difference in score between a good submission and a satisfactory submission does not overshadow a substantial price difference. When assessing submissions with a substantial price difference, Council must justify their selection in terms of value for money if the higher priced tender submission gets the higher score.

## 8.14 Relevant experience

Previous experience of the tenderer needs to be assessed in relation to the fields of expertise required to achieve the intended outcomes of the project. Recent experience is more valuable than historic experience. The company's previous experience in technical areas comparable to the tendered project, the scale of past projects and the role undertaken within those projects should be considered.

## 8.15 Past performance

- a) The tendering organisation's performance in completing past projects to the quality standards required, time performance, within budget, claims history, project management, and product value need to be assessed.
- b) Extension to the contract completion date and claims for variations also give an indication of performance capability. Similarly, the satisfaction of previous clients regarding the management of the project and outcome provide useful information on performance.
- c) The information required should include the following information on each project:
  - i. project name
  - ii. client's project manager (name, phone number and email)
  - iii. quality standards, target performance levels
  - iv. tender price, variations and final cost
  - v. completion date and extensions of time granted
  - vi. details of work health and safety records

## 8.16 Technical skills

The competence of key management, professional and technical personnel that the tenderer proposes to employ on the project needs to be assessed, with particular emphasis on the skills and experience in technical areas comparable to the project. Comprehensive details of the proposed project team should be submitted. Such detail may include relevant persons' names, functions, and any technical expertise.

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## 8.17 Management skills and systems

- a) The availability within the tenderer's organisation of personnel with appropriate management skills together with effective management systems and methods appropriate to the successful management of the project needs to be assessed.
- b) The information required should include the following:
  - i. quality system
  - ii. project management tools
  - iii. program software
  - iv. environmental management system
  - v. work health and safety management system

## 8.18 Resources and Methodology

- a) The equipment, including facilities and intellectual property, which the tenderer proposes to use on the project needs to be assessed. Where applicable, tenderers should be required to provide details of relevant specialist equipment, skilled labour and facilities.
- b) The tenderer should be able to demonstrate its capability to bring the contract to a satisfactory conclusion by describing the methodology of approach to accomplish the project's required outcomes. The information required shall include the following:
  - i. program of works
  - ii. key performance indicators
  - iii. division of works into subcontracts
  - iv. innovative procedures to be used
  - v. recording and reporting systems
  - vi. Quality Plan.

## 8.19 Price

The price is the sum that Council would be required to pay to the tenderer for the work or service provided. This must include all costs over the duration of the contract.

## 8.20 Local Business / Local Benefit Preference

- a) In accordance with Council's policy on local business and industry, Council encourages the development of competitive local business (in particular aboriginal initiatives), and will endeavour to promote and support competitive local industry in its procurement and contracting activities.
- b) All Council procurement activity must consider local supplier and local benefit preference, including an assessment criteria weighting of up to 15% of what a supplier would bring to the Redland local government area. The origin of a supplier is not the only relevant feature; what is important is the benefit that a supplier can bring locally. For example, a supplier who is located outside the local area can still provide a benefit by using a local workforce or by using local businesses including manufacturers in the supply chain.

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- c) Other elements such as capability, quality and price remain critical – however, factors such as stimulating local employment, education and training opportunities and supporting social objectives may be considered among the decision-making criteria. The decision making evaluation criteria for local preference and benefit may consider a singular global 15% ranking or be separated into sub-criteria weighted criteria depending on the nature of the procurement activity and supplier as per the below table.

## Local Benefit Deliverables

	Local Benefit	Description
1	<b>Business Location</b>	The number of business offices or sites located in the Redlands area
2	<b>Jobs</b>	The number of local jobs supported by the procurement activity
3	<b>Supply chain</b>	The number or amount of use of local contractors, manufacturers and supply chain directly relating to the supply or manufacture of goods and/or services
4	<b>Education &amp; Training</b>	The number of local apprenticeships and traineeships supported by the procurement activity
5	<b>Aboriginal and Torres Strait Islander jobs</b>	The number of local Aboriginal jobs and Torres Strait Islander jobs supported by the procurement activity
6	<b>Socio-economic</b>	The interest, engagement and support of local community and sporting groups and activities
7	<b>Reporting</b>	Contract Management plan to indicate how the above will be measured and reported on during the life of the contract

The weighting of a local business and local benefit should reflect how the benefit will be readily identified, evaluated, measured and reported on by the supplier if the contracted activity is awarded.

Local benefit scoring methodology please refer to section 8.25.

## Local Business Scoring Methodology

0	Respondent located internationally and providing services from an international location.
1	Respondent located interstate and providing services from an interstate location.
2	Respondent located interstate but will be using Queensland staff and suppliers.
3	Respondent located interstate but will be using Redlands staff and suppliers. This may include the use of local accommodation, car hire business, fuel services and food locations.
4	Respondent located within Queensland and providing goods, services or works from within Queensland.
5	Respondent located within neighbouring Councils of Logan, Brisbane and Gold Coast City Council areas and will NOT use local Redlands staff, suppliers and subcontractors.

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6	Respondent located within Queensland, but will be using some Redlands staff and suppliers. This may include using some local Redlands staff, suppliers and subcontractors.
7	Respondent located within neighbouring Councils of Logan, Brisbane and Gold Coast City Council areas using some (less than 50%) local Redlands staff, suppliers and subcontractors.
8	Respondent located within neighbouring Councils of Logan, Brisbane and Gold Coast City Council areas using mostly (50% and up) local Redlands staff, suppliers and subcontractors.
9	Respondent located in Redlands or developing a local office of facility, using mostly (less than 70%) local Redlands staff, suppliers and subcontractors.
10	Respondent located in Redlands using 70% - 100% local staff, suppliers and subcontractors.

## 8.21 Evaluation criteria and weighting

- a) The criteria and weightings (if applicable) to be used must be selected so that the most appropriate criteria are used to review the tenders. The best value for money outcome is the one that reflects the requirements of the particular project.

If the project is highly technical or difficult, emphasis should be placed on the weightings of the total of the non-price criteria and the sub-attributes of technical skills and methodology. Additionally, if the project is made up of multiple separable parts and requires a number of trade skills as subcontracts, then a higher weighting should be given to management skills.

- b) Evaluation criteria must be comprehensive and cover all the information required to allow the tender evaluation to take place. Only information provided by the tenderer in response to the evaluation criteria, and other information requested in the tender documents, is permitted to be used in the tender evaluation.

## 8.22 Quality certification and plans

- a) The level of risk, and therefore the contract quality management requirements for suppliers, will vary depending on the value and type of work being procured.
- b) Council officers will assess the likelihood of nonconforming work arising, the extent of the associated adverse impacts, and thus the level of risk, for each contract. The outcome of this risk assessment and the value and type of contract involved will help (with any other specific criteria) Council determine the contract quality management requirement for a Quality Management System, and/or a Quality Management Plan (including any design plan) and Inspection and Test Plans.
- c) The contract quality management requirements for suppliers may be determined using the following guide or comparable guide developed from time to time.

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			Type of Work and Risk under the Contract	
			COMPLEX, with a definite possibility of nonconformity with the specification and significant impacts	SIMPLE, or simple and repetitive with some or little possibility of nonconformity with the specification
VALUE AND TYPE OF CONTRACT	Construction Contracts	Valued at \$1m or more	HIGH – Service provider must have a certified Quality Management System, and implement a Quality Management Plan and Inspection and Test Plans	MEDIUM - Service provider must implement a Quality Management Plan and Inspection and Test Plans
		Valued at under \$1m	MEDIUM – Service provider must implement a Quality Management Plan and Inspection and Test Plans	LOW - Service provider must have and implement Inspection and Test Plans
	Consultancies or Service Provision	Valued at \$100,000 or more	HIGH – Service provider must have a certified Quality Management System and implement a Quality Management Plan	MEDIUM - Service provider must implement a Quality Management Plan and certify service conformity
		Valued at under \$100,000	MEDIUM – Service provider must implement a Quality Management Plan and certify service conformity	LOW - Service provider must implement a basic Quality Management Plan and certify service conformity
	Product Supply	Valued at \$50,000 or more	HIGH – Product supplier must have a certified Quality Management System and provide test certificates and product certification of product conformity with requirements	LOW - Council will rely on delivery inspections and/or the provision of certification of product conformity with requirements
		Valued under \$50,000	MEDIUM – Product supplier must provide test certificates and certification of product conformity with requirements	LOW - Council will rely on delivery inspections and/or the provision of certification of product conformity with requirements

## 8.23 Criteria notification

Evaluation criteria, which will be used in the tender evaluation process, must be included in the request for tender document, together with the weighting to be assigned to the criteria. The tender documents may also require that additional information is to be provided for use in the tender evaluation.

## 8.24 Weighting

- As noted in sections 7.6 and 8.7, the *Tender evaluation and probity plan* should be settled before inviting tenders to ensure the assignment of weighting to evaluation criteria occurs prior to the issue of the tender. This is an important probity issue and avoids the possibility of weightings being adjusted (consciously or unconsciously) to favour any tenderer after tenders close.

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- b) When assigning weights (if used), the Evaluation Committee chairperson must ensure that:
- all evaluation criteria to be used are assigned a weight;
  - criteria weightings are to be within the range outlined below; and
  - the sum of all weights total 100.

The weighting range for evaluation criteria may be within the following:

Required (Mandatory):

Range	Criteria	Minimum/Maximum
Non-Price	Local Business and Benefit	0 -15%
Price	Whole of Life Costs	0 – 25%

Suggested (to total score up to 100%):

Range (Suggested)	Criteria (Suggested )	Minimum/Maximum (Suggested)
Non-Price	Innovation & Value Adds	0 – 5%
	General Operational Capability and Experience	0 – 10%
	Ability to meet Specification	0 – 45%
Other Non-Price	Technical Skills	10 – 60%
	Resources	10 – 60%
	Management Skills	10 – 60%
	Methodology	10 – 60%
	Social Value	10 – 60%
	Indigenous Business	10 – 60%
	Sustainability / Environment	10 – 60%

An example of an Evaluation Criteria and Weightings table for a works project  
Template No. 06 Invitation to Tender – template (22/10/2020):

TENDER EVALUATION CRITERIA		
Mandatory Criteria	Reference to Tender Deliverable Attachments	Weighting %
• Form of Tender	Tender Deliverable Attachment	-
• Statement of Non Compliance	Tender Deliverable Attachment	-
• Nominated Trades & Locations	Tender Deliverable Attachment	-
• Insurance Details	Tender Deliverable Attachment	-
• Conflict of Interest Declaration and Declaration of Previous Employment	Tender Deliverable Attachment	-
• BNG Contractor Accreditation	Tender Deliverable Attachment	-

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TENDER EVALUATION CRITERIA		
Mandatory Criteria	Reference to Tender Deliverable Attachments	Weighting %
• Licensing Details	Tender Deliverable Attachment	-
• Environmental Management Plan	Tender Deliverable Attachment	-
• Workplace Health and Safety System	Tender Deliverable Attachment	-
• Traffic Management Plan and Traffic Guidance Scheme	Tender Deliverable Attachment	-
Other Criteria	Reference to Tender Deliverable Attachments	Weighting %
• Tendered Rates	Tender Deliverable Attachment	30%
• General Operational Capability and Experience	Tender Deliverable Attachment	55%
• Local Business and Benefit	Tender Deliverable Attachment	15%
• Domestic Family Violence	Tender Deliverable Attachment	-
• Fire Ant Management	Tender Deliverable Attachment	-

Template documents in Appendix 2 include evaluation matrices to be used by the tender evaluation committee for evaluation of tenders in accordance with the above criteria.

## 8.25 Scoring

The following is an example 10 point evaluation scoring guide:

Rating	Characteristics	Score
Exceptional	<ul style="list-style-type: none"> <li>Exceeds requirements in all areas and offers value-added services.</li> <li>All claims are fully substantiated.</li> <li>No identifiable weaknesses or deficiencies.</li> <li>The solution offered represents nil or negligible risk to Council.</li> <li>Where referee comments have been sought, they are entirely positive.</li> <li>Exceptional probability of success.</li> </ul>	10
Outstanding	<ul style="list-style-type: none"> <li>Exceeds requirements in some areas, and meets all other requirements to a very high standard.</li> <li>All claims are fully substantiated.</li> <li>No identifiable weaknesses or deficiencies.</li> <li>The solution offered represents negligible risk to Council.</li> <li>Where referee comments have been sought, they are entirely positive.</li> <li>Outstanding probability of success.</li> </ul>	9

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Rating	Characteristics	Score
Very Good	<ul style="list-style-type: none"> <li>Meets all requirements to a very good standard.</li> <li>Most claims are fully substantiated.</li> <li>Any deficiencies are minor, and do not affect essential aspects of service delivery.</li> <li>The solution offered is sound and represents a very low, manageable risk to Council.</li> <li>Where referee comments have been sought, they generally provide strong support for the tenderer.</li> <li>Very good probability of success.</li> </ul>	8
Good	<ul style="list-style-type: none"> <li>Meets all requirements to a good standard.</li> <li>Most claims are substantiated.</li> <li>Some minor weaknesses, but the solution is sound in all key areas and represents a low, but manageable risk to Council.</li> <li>Where referee comments have been sought, they provide support for the tenderer with few reservations.</li> <li>Good probability of success.</li> </ul>	7
Fair	<ul style="list-style-type: none"> <li>Generally meets requirements, but some requirements are not addressed in sufficient detail, or suggest that the tenderer has not put sufficient thought into the solution offered.</li> <li>Some claims are not substantiated.</li> <li>Some weaknesses which could indicate a low or moderate risk to Council in the tenderer meeting contract requirements in all areas.</li> <li>Where referee comments have been sought, they provide some support for the tenderer but with some reservations.</li> <li>Fair probability of success.</li> </ul>	6
Acceptable	<ul style="list-style-type: none"> <li>Meets minimum requirements but generally to a low standard. Requirements are not addressed in sufficient detail, or suggest that the tenderer has not put sufficient thought into the solution offered.</li> <li>Only some claims are substantiated.</li> <li>The solution is workable, but has weaknesses in some significant areas, resulting in a moderate risk to Council.</li> <li>Where referee comments have been sought, they are mixed, or provide only limited support for the tenderer.</li> <li>Acceptable probability of success.</li> </ul>	5

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Rating	Characteristics	Score
Marginal	<ul style="list-style-type: none"> <li>Meets minimum requirements to a low standard.</li> <li>Claims are generally not substantiated.</li> <li>The solution offered is generally unworkable, with weaknesses in key areas, or is unable to be properly understood.</li> <li>The solution represents a moderate to high risk to Council.</li> <li>Where referee comments have been sought, they provide only limited support for the tenderer and note some reservations about the tenderer's performance or abilities.</li> <li>Marginal probability of success.</li> </ul>	4
Poor	<ul style="list-style-type: none"> <li>Requirements are marginally addressed, or in some areas not addressed at all.</li> <li>Claims are largely unsubstantiated.</li> <li>The solution offered is unworkable, with major deficiencies in key areas, resulting in a high risk to Council.</li> <li>Where referee comments have been sought, they provide only limited support for the tenderer and note some reservations about the tenderer's performance or abilities.</li> <li>Low probability of success.</li> </ul>	3
Very Poor	<ul style="list-style-type: none"> <li>Requirements are poorly addressed, and in some areas not addressed at all.</li> <li>Claims are unsubstantiated.</li> <li>The information provided is insufficient to allow any proper judgment of the tenderer's proposed solution, or the solution shows a very poor understanding of Council requirements.</li> <li>The solution represents a very high risk to Council.</li> <li>Where referee comments have been sought, they disclose significant reservations about the tenderer's performance or abilities.</li> <li>Very low probability of success.</li> </ul>	2
Unacceptable	<ul style="list-style-type: none"> <li>Requirements are very poorly addressed, and in some areas not addressed at all.</li> <li>Claims are almost totally unsubstantiated and the proposed represents an extreme risk to Council.</li> <li>Little or no information has been supplied in relation to the proposed solution, or the proposed solution fundamentally misunderstands Council requirements.</li> <li>Where referee comments have been sought, they disclose significant shortcomings.</li> <li>No probability of success.</li> </ul>	1

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Rating	Characteristics	Score
Non-Compliant	<ul style="list-style-type: none"> <li>The tenderer has completely failed or refused to provide a response, or the response is entirely non-compliant with the requirements.</li> </ul>	0

## 8.26 Tender evaluation procedure

The tender evaluation committee should communicate as soon as possible after tenders close (with the probity adviser, if engaged) and the chairperson should:

- Provide a brief introduction and outline of the evaluation process that the committee will follow in accordance with the Tender evaluation and probity plan (if applicable).
- Provide a probity briefing (provided by probity adviser, if engaged).
- Advise members of the names of the respondents to the tender.
- Ask members to advise if there are any issues or circumstances to disclose that related to the probity of the process or which could be perceived as a conflict of interest.
- Ask each member to complete and sign a Conflict of interest declaration (if applicable).
- Ask each member that is not an employee of Council to complete and sign a Confidentiality Deed (if applicable).
- Advise the committee of the result of the conformance check and the names of any tenderers that failed to meet the min requirements and seek committee's agreement to exclude any non-compliant tenders from further consideration.
- Distribute the tenders to the committee members to complete their individual evaluations of the tenders and record their individual comments and scores.
- Agree on a time for the committee to communicate again, after they have had sufficient time to complete their individual evaluation.

## 8.27 Individual assessments of the tenders

The committee will meet again to complete the assessment of the tenders (with the probity adviser, if engaged) and the chairperson should:

- Ask members to advise if there are any issues or circumstances to disclose that related to the probity of the process or which could be perceived as a conflict of interest that had not already been disclosed to the chairperson.
- Ask members to confirm they have had sufficient time to complete their evaluation of the tenders and record their individual comments and scores.
- Each member's initial scoring against the evaluation criteria is then recorded.

## 8.28 Detailed assessment of the tenders

- Each tender is assessed in detail and each committee member may record their individual comments in relation to each criteria or schedule, one criteria or schedule at a time and one tender at a time, with each member addressing the strengths and weaknesses of each.
- Following the detailed assessment of each tender, a committee consensus score is agreed for each criteria or schedule of each tender. The committee's discussion in arriving at agreed

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scores should be open, collaborative and detailed, with references to the evaluation criteria and scoring guide as required.

- c) Where there is divergence on individual scores, the committee's discussion should include references to the evaluation criteria and scoring guide before reaching consensus and coming to committee agreed scores for each tender. Once this stage is finalised, the committee then moves to the comparative assessment stage of the evaluation.

## 8.29 Comparative assessment

- a) The committee then examines the committee agreed score for each tender to determine a committee agreed ranking. The committee compares and contrasts the tenders, or the shortlisted tenders, and in doing so the committee examines the committee agreed scores for each of those tenders, by evaluation criteria or schedule, in comparison to the other tenders to determine a committee agreed ranking.
- b) The object of the comparative assessment is to determine if the scores of each of the tenders reflect the merits of their submission, and whether any adjustment to a tender's evaluation criteria score is required to ensure the scores reflect the merits of a submission when compared to other tenders.

## 8.30 Clarifications

The tender evaluation committee may require clarification of details contained within a tender and may need to request clarification from the tenderer. This should only be done where the tender is unclear or ambiguous as to particular details and should not be used to allow the tenderer to provide further support for its tender. Template document 26 in Appendix 2 may be used to seek clarification of details contained within a tender. Council should make clear the details of which it is seeking clarification to ensure a brief and concise response is received by the tenderer.

## 8.31 Extending the Tender Validity Period

The tender evaluation procedure can take some time, and tenders will only be valid for a set period set out in the tender; Council may be required to request an extension to the period for which a tender remains valid (template document 8 in Appendix 2 may be used for extending the validity period).

## 8.32 Short listing

- a) Short listing is the process of eliminating unsatisfactory tenders, usually with the intention of subjecting the remaining short-listed tenderers to further revaluation. Where it is intended to adopt this approach, it should be noted in the tender documentation and Tender evaluation and probity plan.
- b) It is a requirement that before compiling a short list you must conduct an initial evaluation process taking into account all of the evaluation criteria. You must be satisfied that the short listed tenders are the tenders that represent better value for money, and those to be excluded from detailed evaluation are clearly non-competitive and have no prospect of exhibiting the best value for money compared to the short listed tenders.

## 8.33 Tender evaluation report (Delegate Report)

Following the tender evaluation procedure, the chairperson will prepare, or oversee the preparation of the tender evaluation report, which should contain a brief description of the:

- a) Proposed contract, price (annual and total), key dates and deliverables, successful party and contract manager and department.

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- b) Procurement process, evaluation committee members and evaluation results.
- c) Successful tenderer/s and the key distinction and or reasons between them and the unsuccessful tenderer/s.
- d) Local and Indigenous suppliers in comparison to others.
- e) Date the tender was issued and the tender closing date.
- f) Risk associated with the preferred tenderer/s.
- g) Any transitional or integration matters to or from incumbent suppliers.
- h) The report of the evaluation committee is made to the staff member holding the delegation to make a decision on awarding the contract.

## 8.34 Notifying tenderers, debriefing and record generation

When the delegate has approved the selection of the preferred tenderer, the preferred tenderer should be immediately notified in writing. Unsuccessful tenders should be notified of the outcome at the same time, with the offer of a debriefing.

## 8.35 Debriefing

- a) The object of the debriefing will be to elaborate on the reasons behind the evaluation, in general terms, regarding the good and not so good points on the tenderer's submission.
- b) Debriefings are offered for the purpose of ensuring local industry standards continuously rise by employing feedback as a learning opportunity. This process does not permit an exploration of the merits of the submissions of others.
- c) The chairperson should represent Council and when accepting an invitation for a debriefing the tenderer must nominate a single representative for the tenderer.

## 8.36 Requisition and Orders

Once the successful tenderer has been notified, Council must raise a requisition for the tender in accordance with Council's usual finance policy and procedures, for more information refer to procedure documents LSV-001-001-001-PR, LSV-001-001-003-PR, LSV-001-001-004-PR, LSV-001-001-009-PR, LSV-001-001-012-PR, LSV-001-001-013-PR.

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## 9 Complaints

Council officers undertaking procurement are to have regard to, and comply with, Council's *Administrative Action Complaints Process* (GOV-014-P) when considering complaints made in relation to a Council procurement.

## 10 Contract management

The aim of contract management is to ensure the parties meet their obligations under the contract so that the project objectives are achieved on time, on budget to agreed standards.

### 10.1 Establish contract management team

A contract team should be established as early as possible, preferably during the procurement phase. The size and composition of the project team will depend on the nature and scale of the project, and will need to be determined by the contract manager. If the contract requires Council to appoint a superintendent to administer the contract, the superintendent should be part of the contract management team.

### 10.2 Review the contract

- a) The contract management team should consider the PMO Framework and related business case and review the contract carefully so they have a thorough understanding of the contract terms. This is crucial to effective contract management and will enable the team to take a proactive approach to dealing with risks and ensuring the project meets its objectives.
- b) It is important to ensure the contractor is held to its negotiated contract obligations. Failure to do so reduces the value of the negotiated terms, and may also result in Council implicitly assuming risks intended to be allocated to the contractor or waiving their contractual rights.
- c) At a broad level, the matters the contract management team should identify include:

#### Checklist

- ☐ the work or services the contractor is required to deliver (and any exclusions)
  - ☐ which party is responsible for the design of the works or services
  - ☐ which party is responsible for obtaining the necessary approvals or licenses for the works or services
  - ☐ the time frames in which the contractor is required to deliver the work or services, including any significant milestones
  - ☐ the contract price and how it is to be calculated and paid (e.g. monthly, at completion of certain milestones, or with reference to the volume of work carried out or services performed)
  - ☐ what plant, equipment or services the Council is required to provide
  - ☐ whether the Council is required to appoint an independent superintendent or contract supervisor
- d) On a more detailed level, the matters the contract management team should identify include:

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- ☐ the insurance policies the contractor and Council are required to maintain, including currency of those policies (template document 19 in Appendix 2 is to be used to notify the contractor when a contractor managed insurance policy is due to expire)
- ☐ the security the contractor is required to provide
- ☐ what testing, quality control and performance reporting requirements are imposed on the contractor
- ☐ what preconditions apply to the contractor claiming and receiving payment
- ☐ the procedures for making changes to the contract, including for variations to the works or services
- ☐ the circumstances in which the contractor is entitled to an extension of time to the delivery dates for the works or services
- ☐ in what circumstances the contractor is entitled to additional payment
- ☐ the requirements for giving of notices, including any time bars that apply to making claims
- ☐ the defined dispute resolution procedures
- ☐ the damages payable by the contractor for failing to deliver the work or services within the required timeframes
- ☐ the damages payable by the Council for any interference to the contractor's ability to deliver the work or services within the required timeframes
- ☐ the default provisions and the procedures for terminating the contract
- ☐ the procedures for extending the term of the contract
- ☐ how the contractor allocates responsibility for the following risks:
  - ☐ unexpected site conditions
  - ☐ inclement weather
  - ☐ changes in legal requirements or approval conditions
  - ☐ unavailability of labour or materials
  - ☐ force majeure events
  - ☐ increases in the cost of labour or materials
  - ☐ the key contractor personnel and contact details

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## 10.3 Identify unresolved matters

- a) At an early stage, the project team should identify and attend to any matters which have not been resolved at the commencement of the contract, such as:

### Checklist

- ☐ approvals or licenses
  - ☐ final designs for the works or services
  - ☐ outcomes of reviews in the procurement phase
  - ☐ formal execution of the contract by the parties
  - ☐ giving the contractor access to premises or systems
  - ☐ ensuring necessary financial arrangements are in place
- b) The contract management team should ensure any outstanding matters are dealt with as soon as possible.
- c) Template documents 34, 35 and 36 in Appendix 2 are to be used by Council to request missing documents, such as insurance certificates of currency and unreturned executed contract documents to be returned to Council prior to commencement.

## 10.4 Matters not addressed in contract

Occasionally there may be matters or risks which are not directly addressed in the contract. The contract management team should identify any such issues as early as possible and determine how they should be resolved, which may include discussions with the contractor to determine how the risk should be dealt with, or taking appropriate action to prevent the risk from arising.

## 10.5 Risk management

- a) The contract / project management team should carry out risk management procedures throughout the contract as outlined in the Risk Management chapter of this manual. The term contract management and project management is generally interchangeable with project usually referring to multiple contracts interrelated and dependent.
- b) Risk management should be carried out in accordance with any risk management plan which has been prepared for the project, or as determined appropriate by the contract management team. The contract management team may also elect to prepare a risk management plan for the contract management phase of the project if one has not already been prepared.
- c) Utilise the Risk Assessment Handbook 2019 Final in accordance with Council FR-2701 Enterprise Risk Management Framework.

Workplace health and safety risk can be reviewed further in **section 13. Work health and safety in procurement.**

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## 10.6 Identify and assign tasks and responsibilities

The contract management team should prepare a list of tasks and responsibilities that need to be attended to for the efficient management of the contract, which is likely to include:

### Checklist

- ☐ overall responsibility for the contract management
- ☐ document management and record keeping
- ☐ scheduling and attending meetings with the contractor
- ☐ ensuring financial arrangements are in place for payment of the contract price
- ☐ performance monitoring and reporting
- ☐ ensuring relevant insurance policies are obtained and maintained (both Council's and the contractor's)
- ☐ assessing and responding to payment claims, extension of time claims, and variation requests
- ☐ managing intellectual property
- ☐ managing privacy requirements
- ☐ managing workplace health and safety requirements (including site inductions)
- ☐ organising contractor access to premises or systems, and relevant security measures
- ☐ arranging contractor induction, including security and health and safety issues
- ☐ processing payments to the contractor
- ☐ reporting to Council and other stakeholders on progress of the project
- ☐ addressing any unresolved issues (referred to above)
- ☐ managing any matters not addressed in the contract (referred to above)
- ☐ any other project-specific tasks or responsibilities

- a) The contract management team needs to assign these specific tasks and responsibilities to the appropriate individual or individuals. If a superintendent is appointed under the contract, the majority of these tasks will be performed by the superintendent. Once the tasks have been allocated, the contract management team should establish an internal reporting and monitoring system to ensure that all Council responsibilities are met.

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## 10.7 Contract data

The contract management team should ensure that the contract data is recorded in Council's contract management system for future reference. A copy of the signed contract should also be kept in hard copy and on Council's record management system and legal document register.

## 10.8 Contract program

- a) A contract program should be developed in cooperation with the contractor which sets out the order in which the contractor's activities are to be carried out and the dates by which milestones or other performance measures are to be achieved.
- b) The contract program will need to be regularly updated to take account of the actual progress of work or services and any matters which have affected or which may affect the progress of the work and services.

## 10.9 Progress reports

- a) The contract management team, with the contractor, should prepare regular progress reports which will enable the contractor to monitor the progress of the contract and ensure targets are being met and the contract is on track to meet the project objectives.
- b) Progress reports should identify:

### Checklist

- ☐ the progress of the project compared with activities, milestones and performance measures set out in the contract or the contract program
- ☐ milestones or performance measures which have been achieved
- ☐ milestones or performance measures which have not been achieved
- ☐ any matters which have prevented milestones or performance measures from being achieved (such as changes to the contract, inclement weather or other matters affecting the work or services)
- ☐ upcoming milestones or performance measures
- ☐ any matters which may prevent upcoming milestones or performance measures from being achieved, and any action which needs to be taken accordingly, such as:
  - ☐ obtaining approvals
  - ☐ obtaining designs or reports
  - ☐ providing instructions to the contractor
- ☐ any work health and safety matters affecting the work or services
- ☐ the costs incurred to date and how that compares with the forecasted budget

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## 10.10 Site meetings

- a) Formal site meetings should be held weekly, fortnightly or monthly depending on the nature of the services or work the contractor is providing, and the scope of the project. Formal minutes of each meeting should be recorded, with copies sent to all parties.
- b) The site meetings should be attended by:
  - i. the person nominated by the contract management team to attend site meetings;
  - ii. an appropriately senior representative of the contractor;
  - iii. the superintendent (if there is one);
  - iv. representatives of any significant subcontractors; and
  - v. anyone else considered appropriate by the contract management team who can discuss the progress of the works or services and discuss any issues with the contractor.
- c) The following matters should be addressed at site meetings:
  - i. any matters which have or which could affect the progress of the work or services;
  - ii. any matters which could improve the delivery of the works or services;
  - iii. any work health and safety issues affecting the site;
  - iv. any other matters affecting the work or services.

## 10.11 Document management and record keeping

Effective record keeping is vital for effective contract management in terms of ensuring project objectives are met, performance monitoring, avoiding disputes and protecting the Council's position if a dispute arises, insurance purposes, and establishing tender criteria and improving contractor performance in future projects. The contract management team should ensure they comply with Council's Record Management Guideline at all times.

## 10.12 Verbal communications

Any significant verbal communications between personnel of the Council and the contractor should be documented as soon as practicable after they occur. Failure to document verbal communications is one of the main causes of contractual disputes.

## 10.13 Site diaries

An accurate diary shall be kept for all construction projects, which record relevant events that may affect the project, including:

- a) details of weather conditions (particularly in respect of working time lost)
- b) a summary of work carried out, particularly of completed sections or stages
- c) the personnel on site
- d) inspections, tests, checks carried out
- e) a summary of site agreements and verbal instructions
- f) any other matters of significance to the contract

For significant projects the site diaries should be carried out on a daily basis.

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## 10.14 Changes to the contract

- a) Changes to the scope of works or services during the course of the contract are almost inevitable, and can arise for various reasons, including:
  - i. requests from the contractor (e.g. due to unavailability of materials, increases in costs of materials, cheaper or preferred construction methods);
  - ii. requests from Council;
  - iii. inadequate or inefficient design;
  - iv. unexpected site conditions;
  - v. changes in legal requirements or approval conditions;
  - vi. other unforeseen circumstances affecting the project.
- b) The contract will normally define the procedure for approval of changes to the contract. In construction contracts, changes to the scope of works to be carried out by the contractor are called variations.
- c) The following tasks may be carried out when a change to the contract is being considered:

### Checklist

- ☐ identify whether the change being proposed is in fact a change to the contract (i.e. whether the proposed change already falls within the contract scope of works or services);
  - ☐ identify the relevant contract requirements for requesting and approving changes (in terms of what needs to be included in relevant notices, and when the notices need to be given) and ensure they are followed;
  - ☐ identify the reason for the proposed change, and who is responsible for the cost of the change under the contract;
  - ☐ identify the alternatives to proceeding with the change and the risks of not proceeding, and carry out a cost benefit analysis of proceeding with the change;
  - ☐ price the change in accordance with the contract;
  - ☐ approve the change (if appropriate) in accordance with the contract, and by the person authorised to approve changes;
  - ☐ ensure the change is fully documented (including the reason for the change, the extent of the change, the date the change was requested, the date the change was approved, the effect the change has on the contract price); and
  - ☐ consider whether reasons for variation indicate an emerging or actual performance problem, and if so take appropriate steps to resolve the problem to prevent or minimise further changes.
- d) If a superintendent is appointed, the superintendent will be responsible for directing changes to the works or services, and approving resulting changes to the contract price. It is vital that complete and proper records of all changes to the contract are kept, as they are the most common sources of dispute, particularly in relation to construction contracts.

Templates 21, 18 and 23 in Appendix 2 may be used when a variation to the contract is required.

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## 10.15 Extension of time claims

- a) The progress of the works or services can be delayed for various reasons, many of which will entitle the contractor to an extension of time to the date for completion.
- b) The contract will define the causes of delays which entitle the contractor to an extension of time, and the following tasks need to be carried out when an extension of time claim is being considered:

### Checklist

- ☐ identify the relevant contract requirements for requesting and approving extension of time claims (in terms of what needs to be included in relevant notices, and when the notices need to be given);
- ☐ ensure the contractor has claimed for the extension of time in accordance with the contract, including within the required time limits;
- ☐ identify the cause and likely extent of the delay;
- ☐ identify if the delay entitles the contractor to an extension of time under the contract - which will usually be the case for:
  - ☐ inclement weather
  - ☐ the contractor being directed to carry out additional work or services
  - ☐ industrial action for which the contractor is not responsible
  - ☐ other unforeseen circumstances, such as latent ground conditions, which could not have reasonably been anticipated by an experienced contractor
- ☐ identify if the alleged cause of the delay has actually affected the progress of the works (for example, inclement weather will not necessarily cause a delay if work can be carried out indoors)
- ☐ identify any options for avoiding the delay (for example, requesting the contractor to carry out work which is not affected by the cause of the delay)
- ☐ ensure a response to the extension of time claim is given within the time limits in the contract
- ☐ consider the potential impact of the cause of the delay on the outcome of the project and Council's ability to provide services or fulfil its obligations, and identify steps to mitigate the impact of the delay

Where a superintendent is appointed, the superintendent will be responsible for assessing extension of time claims and approving extension of times.

## 10.16 Assessing and responding to payment claims

- a) The contract will define when and how the contractor is to claim payment.
- b) The following tasks need to be carried out when a payment claim is received:

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- ☐ ensure the payment claim is made in accordance with the contract requirements, including:
  - ☐ that the payment claim has been submitted at the appropriate time;
  - ☐ that the payment claim adequately identifies the work or services to which it relates;
  - ☐ if it is accompanied by necessary supporting documentation such as statutory declarations or releases, and reporting or quality control documentation;
  - ☐ any other contractual preconditions for claiming payment have been met;
- ☐ assess the value of the work or services carried out with reference to the amount claimed, and identify any work or services for which payment has been claimed but which has not been carried out or provided;
- ☐ ensure any variations claimed have been approved in accordance with the contract;
- ☐ identify any outstanding matters which are required from the contractor before payment can be approved, such as:
  - ☐ additional substantiation of claims;
  - ☐ documents which are preconditions to the contractor claiming payment but which were not included with the payment claim (such as statutory declarations or releases, and reporting or quality control documentation);
  - ☐ additional work to be carried out;
- ☐ if there are outstanding matters which justify the withholding of payment, for example:
  - ☐ incomplete or defective work which would justify the withholding of the cost of completing or rectifying the incomplete or defective work;
  - ☐ property damage caused by the contractor which would justify the withholding of the cost of repairing the damage;
  - ☐ any other real or potential claims caused by the contractor's defective work or other breach of the contract;
- ☐ consider whether a payment should be withheld in full or in part, bearing in mind:
  - ☐ the significance of the outstanding matters, the risk of them not being provided, and the potential cost to the Council if they are not provided;
  - ☐ the potential effect withholding payment will have on Council's relationship with the contractor;
- ☐ respond to the payment claim in accordance with the contractual requirements, including by ensuring that:
  - ☐ the payment claim has been assessed in accordance with the contract;
  - ☐ the response to the payment claim contains the information required by the contract;
- ☐ process payment in accordance with the contract

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If a superintendent is appointed under the contract, the superintendent will be responsible for assessing payment claims and issuing payment certificates.

## 11 Subcontractors

### 11.1 Approving subcontractors

- a) For many projects, the contractor will have been required to nominate its significant subcontracts as part of its tender. In other situations, the Council will have a right to (or be required to) approve subcontractors during the course of the subcontract. The same principles which apply to approving subcontractors at tender phase apply when approving subcontractors while the subcontract is on foot.

Template document 30 in Appendix 2 is to be used by Council for notifying the contractor of approval of a subcontractor.

### 11.2 Communications with subcontractors

- b) All subcontractors are engaged by and responsible to the main contractor. Therefore all formal communications from Council should be with the main contractor and not with the subcontractor.
- c) It is appropriate for Council personnel to communicate with subcontractors directly where the subcontractor has more expertise than the contractor in relation to the subcontracted work or services, and in particular is able to better inform Council of any issues potentially affecting the delivery of the work or services.

### 11.3 Completion of the contract

- a) The works or services will either be completed at the end of a fixed term, or once the contractor has completed the fixed scope of works or services set out in the contract.
- b) For contracts for the provision of goods, the contractor's obligations will generally be completed following the delivery and acceptance of the last item(s) required under the contract.
- c) For contracts with a fixed term, the contract management team will need to consider whether or not to extend the term. This will require the contract management team to:

#### Checklist

- ☐ Identify when the fixed term comes to an end.
- ☐ Assess the contractor's performance during the term and determine if the term should be extended
- ☐ Identify the process for extending the term in the contract.
- ☐ If appropriate, extending the term in accordance with the contract.
- ☐ Use template documents in Appendix 2 for extending the period of the contract
- d) For contracts with a fixed scope of works or services (which will include most construction contracts), it is the contractor's responsibility to notify Council (or the superintendent) when it considers that the works or services have been or will be completed.
- e) Upon being notified that the works or services have been or will be completed, the contract management team will need to carry out the following tasks:

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- ☐ identify the contractual requirements for completion or "practical completion" (in most construction contracts the works will be considered to have reached "practical completion" when they are essentially completed and able to be used, apart from minor defects, but there are often additional criteria which need to be satisfied before practical completion can be reached);
- ☐ carry out an inspection of the works and services and identify if the contract criteria for completion has been met;
- ☐ if not, provide a list of defects or omissions which remain outstanding to the contractor;
- ☐ if so, given formal written notice that the works or services have been completed (in construction contracts this is called "a certificate of practical completion"), along with a list of minor defects or omissions which must be attended to by the contractor;
- ☐ organise the return of any equipment or other goods provided to the contractor by the Council;
- ☐ ensure all documents, records and other information the contractor is required to provide under the contract has been provided;
- ☐ authorise the release of any security or retention monies held by the Council which are due to be returned to the contractor under the contract (under construction contracts usually 50% of the security or retention monies held by Council are due for release to the contractor at practical completion – template document in Appendix 2 may be used for notification of the contractor of release of security or retention monies);
- ☐ ensure that the appropriate insurance policies are in place after practical completion for construction contracts, the Council will usually take over responsibility for insuring the works once practical completion has been achieved;
- ☐ ensure all access rights and security authorisations are terminated as appropriate, and ensure all security passes are returned or deactivated;
- ☐ ensure any intellectual property rights arising from the contract are properly documented (including in relation to any designs, technical data or reports which were generated in the course of the contract).

If a superintendent has been appointed, the majority of the above tasks will be performed by the superintendent.

## 11.4 Defects liability period

- a) For construction contracts, there is usually a 6 or 12 month defects liability period after practical completion is reached during which the contractor is required to address any minor defects or omissions in the works which were present at practical completion.
- b) During the defects liability period, the following tasks need to be carried out:

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- ☐ Identify any defects or omissions in the works which need to be attended to by the contractor.
  - ☐ Collect any documents the contractor is required to deliver after practical completion, such as "as built" drawings, operations manuals and warranty documents.
  - ☐ Notify the contractor of the defects and omissions in accordance with the contract.
  - ☐ In co-ordination with the contractor, prepare a maintenance schedule in accordance with which the contractor is required to attend to the defects and omissions.
  - ☐ Ensure that the defects and omissions have been attended to by the contractor.
  - ☐ If not, engage alternative contractors to carry out the work (after first ensuring that the contractor has been given all notices which are required to be given under the contract).
- c) If a superintendent has been appointed, the above tasks will be performed by the superintendent.
- d) The defects liability period will often be extended every time the contractor carries out rectification work.

## 11.5 Final Completion

- a) For construction contracts, "final completion" occurs at the end of the final defects liability period. The following tasks will need to be carried out at final completion:

## Checklist

- ☐ Carry out an inspection to determine if all defects and omissions have been attended to.
- ☐ Determine if the Council is entitled to withhold payment of any amounts from the contractor as a result of the contractor's failure to attend to defects and omissions, or for any other claim Council may have against the contractor.
- ☐ Assess the contractor's final payment claim (see heading above "Assessing and responding to payment claims").
- ☐ Authorise the release of the balance of security or retention monies held by Council under the contract, if appropriate (template document in Appendix 2 may be used for notification of the contractor of release of security or retention monies).

If a superintendent has been appointed, the above tasks will be performed by the superintendent.

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## 11.6 Evaluating contract performance

- a) Following the completion of the contract and at regular intervals, the contract management team should also carry out a review of the contract to identify and document:

### Checklist

- ☐ the contractor's performance;
- ☐ the extent to which the project objectives were achieved;
- ☐ the extent to which the contract delivered the works or services to the standard required under the contract (see "Performance management and reporting");
- ☐ any shortcomings in the project management of the contract;
- ☐ any "lessons learned" from the contract and how similar contracts could be more effectively managed in the future, including by recommending any appropriate policy or procedure changes.

## 11.7 Dispute resolution

Any dispute that arises should be dealt with as early as possible, and at the appropriate level, so that they can be resolved quickly and effectively. Any dispute resolution procedure set out in the contract should be adhered to. Where possible the contractor should be encouraged to continue with its obligations under the contract while the dispute is being resolved.

- a) Effective dispute resolution involves:

### Checklist

- ☐ identifying the actual issues in dispute between the parties
- ☐ identifying and understanding each party's position in relation to the issue in dispute
- ☐ seeking appropriate legal or technical advice in relation to the issue in dispute
- ☐ reserving the Council's rights in relation to the dispute where necessary
- ☐ taking steps to mitigate or prevent any losses which could occur until the dispute is resolved
- ☐ identifying the potential consequences and the cost to the Council if the contractor's position is accepted by the Council
- ☐ identifying the potential outcomes if the Council's position is not accepted by the contractor (including the Council's rights under the contract and the cost of exercising those rights)
- ☐ identifying any "middle ground" which would be acceptable to both the contractor and the Council
- ☐ carrying out a cost-benefit analysis of the various possible outcomes
- ☐ based on that analysis, identifying the scope within which Council is prepared to negotiate a compromised resolution to the dispute
- ☐ attempt to negotiate a resolution to the dispute with the contractor (ensuring all communications are made on a "without prejudice" basis)

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- a) If a resolution to the dispute cannot be negotiated in a timely fashion, the contract management should seek legal advice in regards to terminating the contract or potential legal action against the contractor.

## 11.8 Termination

- a) There are a number of reasons why Council may be required to terminate a contract with a contractor. These include breaches of contract by the contractor, excessive delay to the progress of the work, damage to the work, force majeure (ie fire, earthquake) and convenience.
- b) If the contract management team is considering termination of a contract, the contract management team should seek legal advice, as the consequences for wrongful termination of a contract can be severe. Reference to the contract terms regarding termination of the contract and issuing a notice of termination is essential.
- c) Most contracts will permit termination for breach provided that Council provides the contractor a notice advising the contractor of its breach and allowing the contractor a specified period of time within which to remedy that breach, or allowing the contractor a specified period within which to show cause why the contract should not be terminated for that breach.
- d) Template documents in Appendix 2 are to be used for notification to the contractor of a breach of contract. **Ensure that you consult with the General Counsel Group prior to issuing any of these template documents.**
- e) **A formal notice of termination should only be issued in consultation with the General Counsel Group.**

## 12 Performance management and reporting

An effective performance management system is crucial to ensure the project objectives are achieved. Performance management involves:

- i. **performance monitoring** – collecting data on the contractor's performance;
- ii. **performance assessment** – deciding whether the contractor's performance meets Council's requirements;
- iii. **taking appropriate action** – taking steps to address any underperformance as required in the circumstances.

### 12.1 Performance monitoring

- a) Performance monitoring may be done by examining information from a number of sources such as data provided by the contractor, Council inspections and reports from third parties.
- b) The contract management team should identify the most appropriate performance monitoring systems taking account of:

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## Checklist

- ☐ The nature of the work or services being carried out.
- ☐ The performance monitoring requirements of the contract - the appropriate performance monitoring obligations of the contract should generally have been considered by the PCT and incorporated into the contract.
- ☐ other performance measures which are difficult to record, but may be useful for assessing the contractor's performance, such as:
  - ☐ The contractor's standards of communication with the Council.
  - ☐ The contractor's compliance with notification requirements in the contract (e.g. submitting payment claims, extension of time claims or variation claims in the correct form and within the required time limits).
  - ☐ The contractor's ability to co-operate with the Council, adapt to and deal with changes to the contract and matters which affect the contractor's ability to deliver the work or services.
  - ☐ The contractor's record standard of keeping.
  - ☐ The contractor's approach to dealing with disputes.
  - ☐ The competency of the contractor's personnel.
  - ☐ The cost to the Council of changes to the contract or matters affecting the contractor's ability to provide the work or services.
  - ☐ The key project objectives and the contractor's key deliverables.
  - ☐ The complexity of the project and the degree of risk involved.
  - ☐ The cost, time, resources and expertise of each performance monitoring option.
  - ☐ The cost and resources required to collect, store and analyse performance monitoring data, including what information systems or databases may be required to store and analyse the data.
- c) The contract management team should then prepare a performance monitoring strategy which should encompass the following elements:

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- ☐ Identifies the performance data to be provided by the contractor, including the nature of the data and the frequency with which it is to be provided.
- ☐ Identifies the performance data to be provided by Council, including the nature of the data and the frequency with which it is to be provided.
- ☐ Identifies the performance data to be provided by any third parties, including the nature of the data and the frequency with which it is to be provided.
- ☐ Allocates responsibility for the collection of the performance monitoring data to appropriate individuals.
- ☐ Identifies the form in which the performance data is to be recorded.
- ☐ Establishes an appropriate document management system for the performance monitoring data (with appropriate levels of security).

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## 12.2 Performance assessment

- a) Performance assessment is made on the basis of the information collected from performance monitoring. The contract will usually set out very specific targets which can be measured quantitatively, but there are also a number of broader performance measures that need to be assessed on a more qualitative basis but which are also highly relevant to the contractor's performance
- b) The contract management team should prepare a performance assessment strategy which:

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- ☐ Identifies the performance data which is to be collected (as discussed above).
- ☐ Identifies the targets, standards and indicators by which the contractor's performance is to be assessed (with reference to the performance data which is to be collected).
- ☐ Identifies the methods for assessing the contractor's performance against the targets, standards and indicators by which the contractor's performance is to be assessed.
- ☐ Allocates responsibility for the assessment of the contractor's performance to appropriate individuals.
- ☐ Identifies the frequency with which performance assessments are to be carried out, and reports on the contractor's performance are to be provided (and to whom).
- ☐ Identifies the form in which reports on the contractor's performance are to be provided.
- ☐ Identifies the action to be taken by the Council in the event of underperformance by the contractor in respect of any particular performance measure (discussed below).

Template document 17 in Appendix 2 is to be used for keeping records of contractor performance.

## 12.3 Taking action in the event of underperformance

- a) The action to be taken by Council, if any, in the event of underperformance by the contractor will depend on a number of factors, including:
  - i. the nature and extent of the underperformance
  - ii. the potential effect the underperformance may have on the project meeting its objectives
  - iii. Council's rights under the contract in relation to the underperformance
  - iv. the extent to which the action will affect Council's relationship with the contractor.
- b) The options available to Council in the event of underperformance by the contractor include:
  - i. recording the underperformance so it can be taken into account for future projects
  - ii. discussing the underperformance with contractor on an informal level
  - iii. discussing the underperformance with contractor at a senior management level
  - iv. increased performance monitoring and reporting of the contractor's performance

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- v. increased supervision of the contractor
  - vi. amending the requirements of the contract to meet changing needs
  - vii. withholding or reducing payment to take account of the underperformance (to the extent allowed by the contract)
  - viii. implementing the formal dispute resolution procedures set out in the contract
  - ix. issuing a formal breach notice in accordance with the contract
  - x. taking work out of the contractor's hands
  - xi. terminating the contract (although this should only be done with formal legal advice).
- c) The contract management team will need to identify the appropriate course of action to take in each circumstance as it arises, although some guidance should be taken from the performance assessment strategy discussed above.

## 13 Work health and safety in procurement

Consideration of Work Health and Safety (WHS) is an important part of procurement risk management practice. Refer to the 'Procure Safely' documentation; WHS-001-055-116-PR Procure Safely Procedure, WHS Act and procurement;

- a) The WHS Framework, as espoused in the WHS Act, sets out the health and safety duties of officers undertaking procurement. All persons must comply with relevant WHS duties as part of the procurement process, including identifying risk and considering what is 'reasonably practicable' to ensure the health and safety of workers and others.
- b) The extent to which WHS considerations will require specific treatment in the procurement will depend on what is being procured, what type of contractor will be involved and how the procurement is conducted.

### 13.1 Reasonably practicable

Deciding on what is 'reasonably practicable' to ensure the health and safety of workers and others requires taking into account and weighing up all relevant matters including:

- i. The likelihood of a hazard or risk occurring.
- ii. The degree of harm that might result from the hazard or risk.
- iii. What the relevant person knows or ought to know about the hazard or risk, and ways of eliminating or minimising the risk.
- iv. The availability and suitability of ways to eliminate or minimise the risk.
- v. The cost associated with the ways of eliminating or minimising the risk, including whether the cost is grossly disproportionate to the risk.

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## 13.2WHS issues to consider when procuring goods and services

From the Planning Stage for the Procurement

- vi. Is this type of activity or equipment new for Council? What are the new WHS risks?
- vii. Is this the type of activity or equipment where there are known WHS risks?
- viii. What WHS risks are inherent in the goods or services? How will the risk be best managed?
- ix. Who is best placed to manage these risks?
- x. How will you ensure all potential workers adhere to the same health and safety vision as the persons conducting a business or undertaking (PCBU)?
- xi. Have you considered legal advice?
- xii. Does the specification clearly address WHS standards, training requirements, and performance metrics?
- xiii. Are there any specific WHS reports, certificates or information to include in the specification?
- xiv. What will Council do with the goods or services after delivery? Clearly state the purpose of the goods or services.
- xv. Are there any specific WHS codes of practice, safety standards or Council policies relevant to the goods or services, or the purpose to which they will be put?

## 13.3WHS Considerations

When conducting a procurement is it important that the following actions are undertaken:

- xvi. be clear in who is responsible in relation to WHS duties;
- xvii. use an evaluation methodology that takes account of WHS;
- xviii. ensure that you have the necessary resources and expertise to select a suitable contractor/product;
- xix. ensure that all parties understand WHS responsibilities; and
- xx. consider the impact of WHS laws on workers travelling or based overseas.

## 14 Sales Contracts: Land, Plant, Equipment: Non-Current Assets

- a) The LGR regulates the sale or disposal of non-current assets which is defined under s224 of the LGR as (a) land; or (b) another non-current asset that has an apparent value that is equal to or more than a limit set by the Council.
- b) There is no limit set for the sale or disposal of land, including a lease meaning any land sale or lease of any value is regulated by the LGR.
- c) The limit set by the Council under the above clause cannot be more than (a) \$5,000 for plant or equipment; and (b) \$10,000 for another type of non-current asset.
- d) The sale or disposal (including lease) of land (any value), plant with an apparent value of \$5,000, equipment with an apparent value of \$10,000 must be by tender or auction unless the sales contract is an exception.

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## 14.1 Exceptions for valuable non-current asset contracts

Council may dispose of a valuable non-current asset other than by tender or auction if:

<p>Previously offered for sale by tender or auction</p> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>▪ Council resolution required.</li> <li>▪ Council may only dispose of land or an interest in land if the consideration would be equal to, or more than, the market value of the land or the interest in land, including the market value of any improvements on the land.</li> <li>▪ A written report about the market value from a registered valuer who is not an employee of Council is evidence of the market value.</li> </ul>	<p>The valuable non-current asset was previously offered for sale by tender or auction but was not sold, and is sold for more than the highest tender or auction bid that was received.</p>
<p>Sale to government agency or community organisation</p> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>▪ Council resolution required.</li> </ul>	<p>The valuable non-current asset is disposed of to a government agency or community organisation. A Government agency is defined above. A community organisation means (a) an entity that carries on activities for a public purpose; or (b) another entity whose primary object is not directed at making a profit.</p>
<p>Disposal of land or interest in land</p> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>▪ Council resolution required.</li> <li>▪ Council may only dispose of land or an interest in land if the consideration would be equal to, or more than the market value of the land or the interest in land, including the market value of any improvements on the land, except where: <ul style="list-style-type: none"> <li>&gt; the land is disposed of to a person whose restored enjoyment of the land is consistent with Aboriginal tradition or Island custom.</li> </ul> </li> <li>▪ A written report about the market value from a registered valuer, who is not an employee of Council, is evidence of the market value.</li> </ul>	<p>For the disposal of land or an interest in land:</p> <ul style="list-style-type: none"> <li>▪ the land will not be rateable land after the disposal;</li> <li>▪ the land is disposed of to a person whose restored enjoyment of the land is consistent with Aboriginal tradition or Island custom;</li> <li>▪ the disposal is for the purpose of renewing the lease of land to the existing tenant of the land; or the land is disposed of to a person who owns adjoining land if: <ul style="list-style-type: none"> <li>&gt; the land is not suitable to be offered for disposal by tender or auction for a particular reason, including, for example, the size of the land or the existence of particular infrastructure on the land;</li> <li>&gt; there is not another person who owns other adjoining land who wishes to acquire the land;</li> <li>&gt; it is in the public interest to dispose of the land without a tender or auction; and</li> <li>&gt; the disposal is otherwise in accordance with the sound contracting principles; or</li> </ul> </li> <li>▪ all or some of the consideration for the disposal is consideration other than money, for example, other land given in exchange for the disposal, if: <ul style="list-style-type: none"> <li>&gt; it is in the public interest to dispose of the land without</li> </ul> </li> </ul>

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	<ul style="list-style-type: none"> <li>a tender or auction; and</li> <li>&gt; the disposal is otherwise in accordance with the sound contracting principles; or</li> <li>▪ the disposal is for the purpose of a lease for a telecommunications tower; or</li> </ul>
	<ul style="list-style-type: none"> <li>▪ the disposal is of an interest in land that is used as an airport or for related purposes if:               <ul style="list-style-type: none"> <li>&gt; it is in the public interest to dispose of the land without a tender or auction; and</li> <li>&gt; the disposal is otherwise in accordance with the sound contracting principles.</li> </ul> </li> </ul>
Forms of disposal - other than land	For the disposal of a valuable non-current asset, other than land, by way of a trade-in for the supply of goods or services to Council, provided the supply is, or is to be, made under this part and the disposal is, or is to be, part of the contract for the supply.
Ministerial exemption <i>Notes:</i> <ul style="list-style-type: none"> <li>▪ <i>An exemption may be given subject to conditions.</i></li> </ul>	The Minister exempts Council from complying with the requirement to invite written tenders or offer the non-current asset for sale by auction.
Other strategic exception	Consistent with Asset Service Management Plans, Disposal Schedule and sound contracting principles

## 14.2 Revenue Contracts, Grants and Subsidies

- a) Council has a number of contracts involving business transactions generating revenue (income), usually in the form of selling or leasing public space, goods or equipment.
- b) Council also receives grants, subsidies and funding which may be tied to a contractual arrangement to deliver a particular item, service or work which may have immediate or ongoing maintenance obligations and asset responsibilities.
- c) In each case the relevant officer and delegates should consider the sound contracting principles and rules identified in this manual.

## 15 Other legislative requirements

### 15.1 Unauthorised spending

- a) Council may spend money in a financial year before adopting its budget for the financial year only if Council provides for the spending in the budget for the financial year. If Council's budget for a financial year is amended after the money is spent, the amendment must take the spending into account.
- b) However, Council may spend money, not authorised in its budget, for genuine emergency or hardship if Council makes a resolution about spending the money before, or as soon as is practicable after, the money is spent. The resolution must state how the spending is to be funded.

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## 15.2 Publishing details of contracts worth \$200,000 or more

Council must, as soon as practicable after entering into a contractual arrangement worth \$200,000 or more (excl. GST) calculated based on the contract's total value over its term, publish the relevant details of the contractual arrangement on Council's website, and display the relevant details in a conspicuous place in Council's public office, for at least 12 months. Relevant details include the person with whom Council has entered into the contractual arrangement, and the value and purpose of the contractual arrangement.

## 15.3 Other contents - annual report

Council's annual report for a financial year must contain the number of invitations to change tenders under section 228(7) of the LGR 2012.

## 15.4 Councillor requests for information

- a) A Councillor may ask a Council employee to provide advice to assist the Councillor to carry out his or her responsibilities under the LGA 2009 or, subject to any limits prescribed under a regulation, ask the CEO to provide information relating to Council.
- b) The request must comply with the acceptable requests guidelines adopted by resolution of Council. Councillors and Council employees must also comply with the legislation, policies, procedures and codes of conduct when dealing with procurement and contracting activities.
- c) Councillors must not attempt to influence any procurement or contracting activity. Such conduct may result in a breach of legislation or policy, cause the procurement process to be compromised or expose Council to complaint or liability.
- d) Councillors should direct any request for advice or information in relation to procurement and contracting activities to the CEO, general manager or manager of PCT.

## 16 Risk management

All procurements involve a degree of risk that can never be completely eliminated, however they can be identified and managed or mitigated. Managing risks is an integral part of good project management. Risk management generally involves five broad phases:

- i. **identifying context** - determining the appropriate level of time and resources to dedicate to risk management based on the size and nature of the project;
- ii. **identifying the risks** - determining what, where, when, why and how a risk could happen;
- iii. **evaluating the risks** - prioritising risks based on the likelihood of occurrence and potential impact;
- iv. **treating the risks** - implementing strategies to mitigate risks;
- v. **ongoing monitoring and assessment** - continuing management of risks throughout the life of the project.

### 16.1 Identifying context

Council will need to manage risk for contracts of any size. However, the time and resources dedicated to risk management will depend on the size and nature of the project. Appropriate risk management procedures should be identified at an early stage. For medium and large projects Council may need to prepare a formal risk management plan tailored for the project, however low risk projects may be managed in an informal manner.

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## 16.2 Identifying the risks

Risk identification is the process of determining what, where, when, why and how a risk could happen. For medium and large projects a project risk register should be created to record all identified risks. Potential risks will include:

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- ☐ risk of the contractor being unable to comply with its obligations under the contract, including:
  - ☐ the contractor having insufficient resources or expertise to comply with its obligations;
  - ☐ the contractor not having the financial capacity to comply with its obligations;
- ☐ risks which do not involve a breach of contract by the contractor but which nevertheless have the potential to interrupt the delivery of the work or services, or otherwise affect the project objectives, such as:
  - ☐ unexpected site conditions
  - ☐ inadequate design
  - ☐ changes in design or project requirements
  - ☐ inclement weather
  - ☐ changes in legal requirements or approval conditions
  - ☐ changes in project requirements
  - ☐ unavailability of labour or materials
  - ☐ force majeure events (such as natural disasters, terrorist events or war)
  - ☐ increases in the cost of labour or materials
  - ☐ industrial action
- ☐ risks associated with the inefficient procurement and contract management by the Council, including:
  - ☐ Council setting unrealistic project objectives (including in terms of cost, standards, and time frames)
  - ☐ Council not complying with the required procedures during the procurement phase
  - ☐ insufficient finance
  - ☐ poor performance monitoring
  - ☐ inaccurate assessment of payment claims
  - ☐ inadequate control over changes to work and cost increases
  - ☐ inadvertent waiver of rights due to failure to respond to claims or give required notices
  - ☐ inadvertent assumption of the contractor's risk or waiver of the contractor's obligations (e.g. approval of designs for which the contractor is responsible)
- ☐ risk of damage to property;
- ☐ health and safety risks;
- ☐ Native Title and Aboriginal Cultural Heritage
- ☐ breaches of security.

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## 16.3 Evaluating the risks

The contract management team should identify:

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- ☐ the likelihood of each risk occurring, including the likelihood of the contractor failing to comply with each of its obligations
- ☐ the potential consequences of the risk occurring, which may include:
  - ☐ Council not achieving value for money
  - ☐ the project not meeting its objectives
  - ☐ cost overruns
  - ☐ the work or services being delivered to a lower standard than required by the contract;
  - ☐ the work or services not being delivered within the required timeframes;
  - ☐ Council's inability to provide services which are dependent on the contractor fulfilling its contractual obligations;
  - ☐ the additional cost of engaging an alternative contractor to complete the project;
  - ☐ the cost and delays involved with rectifying deficient work or services;
  - ☐ liability to third parties;
  - ☐ injury or death.
- ☐ Council should then prioritise the risks based on their likelihood of occurring and the consequences of them occurring.
- ☐ The time and resources spent prioritising the risks will depend on the nature and complexity of the project, and the level of detail required should be set out in any risk management plan which has been prepared.

## 16.4 Treating the risk

- a) There are generally four categories of methods of dealing with a risk:
  - i. avoidance – avoiding the risk by discontinuing the activity that generates it, or seeking an alternative means of reaching the same outcome
  - ii. transfer – shifting ownership of risk to the contractor or a third party (e.g. an insurer)
  - iii. acceptance – retaining the risk when it cannot be avoided or transferred, or the cost of doing so is not worthwhile
  - iv. mitigation – reducing the likelihood and impact of a risk
- b) Council will need to consider the appropriate method for dealing with each identified risk, depending on:
  - i. the priority given to the risk from the evaluation phase
  - ii. availability and cost of mitigation measures or alternative options
  - iii. market conditions and standard industry practice

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- iv. the contractor's willingness or ability to take on ownership of the risk
- v. availability of appropriate insurances

## 16.5 Ongoing monitoring and assessment

The risk profile of a project will very rarely remain static therefore ongoing risk management is necessary. The extent of the risk management procedures required will depend on the size and nature of the project, and should be outlined in any risk management plan prepared for the contract.

## 17 Probity

- a) In the context of procurement, probity is a defensible process which is able to withstand internal and external scrutiny. The process achieves both accountability and transparency, providing tenderers and suppliers with fair and equitable treatment.
- b) Probity principles are central to achieving value for money, as well as non-discrimination and confidence in the outcome. The following probity principles have been identified as providing the foundation for integrating probity considerations in local government procurement:
  - i. compliance with the legal and policy framework applying to procurement (section 3 above);
  - ii. use of an appropriately competitive process;
  - iii. fairness and impartiality;
  - iv. consistency and transparency of process;
  - v. identification and management of conflicts of interest;
  - vi. appropriate security and confidentiality arrangements.
- c) These probity principles must be considered in any Council purchase, irrespective of the value of the procurement.

### 17.1 Use of an appropriately competitive process

Competition between potential suppliers is an important foundation in achieving value for money. Open and impartial processes help to ensure that all potential suppliers have equal opportunity to bid. The lack of a competitive field or process can lead to undesirable consequences, including higher costs to Council through suppliers being able to charge premiums. The scale of an appropriately competitive process should be commensurate with the size and risk profile of the particular procurement.

### 17.2 Fairness and impartiality

Procurements must be conducted without favour or prejudice. All potential suppliers must be provided with the same information, and procedures must be in place to ensure each bid is given fair and equal consideration. Council should establish procedures for controlling and monitoring the flow of information to and from bidders before the tendering process starts.

### 17.3 Consistency and transparency of process

Consistency and transparency not only promotes the efficient, effective and ethical use of Council resources, but ensures the confidence of potential suppliers to Council. The following elements are acceptable in achieving transparency and accountability:

- i. public notification of procurement opportunities;
- ii. following the advertised process;
- iii. consistent application of the evaluation criteria;
- iv. public reporting of contractual arrangements;
- v. keeping appropriate records throughout the procurement.

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## 17.4 Public notification of procurement opportunities

Procurement activities must be visible and transparent to provide confidence in the process. Section 3 above sets out the requirements of the LGR 2012 in relation to the requirement to notify procurement opportunities.

## 17.5 Following the advertised process

Failing to conduct procurement with due regard to the probity principles and adherence to the advertised process may expose Council to legal and other challenges. Council must ensure that it conducts its procurement processes in a way that is consistent with the advertised process and the tender documents.

## 17.6 Consistent application of the evaluation criteria

- a) Tenders and quotations must include evaluation criteria and the evaluation criteria in accordance with section 8 of this manual.
- b) The advertised evaluation criteria must be used to evaluate tenders and should not be altered unless circumstances change so markedly as to make a revision absolutely necessary.
- c) If a change to the published evaluation criteria is required, Council must comply with section 228(7) of the LGR 2012 and invite all tenderers who submitted a tender to change their tender to take account of the change, before making a decision on the tenders.

## 17.7 Keeping appropriate records throughout the procurement

Maintaining appropriate records is an important way of demonstrating accountability and transparency as it provides evidence of Council's procurement processes. Documentation should be sufficient to provide an understanding of why the procurement was necessary, the process that was followed, and all relevant decisions and the basis for those decisions.

## 18 Identification and management of conflicts of interest

### 18.1 Identifying conflicts of interest

- a) A conflict of interest is a situation where the impartiality of an officer in discharging their duties could be called into question because of the potential, perceived or actual conflict between official duties and obligations and private interests.
- b) The perception of a conflict of interest can be as damaging as the reality if not immediately corrected. Officers must not only behave ethically, but they must also be seen to behave ethically.
- c) If it is likely that the individual with the interest could be influenced by that interest, or that a reasonable individual would believe that he or she could be so influenced, a conflict of interest could arise. To ensure the procurement process is not prejudiced, conflicts of interest must be identified early and dealt with effectively.

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## 18.2 Managing conflicts of interest

- a) There should be a process in place to identify conflicts of interest before the procurement process commences. Officers involved in a procurement must be aware of how a conflict of interest arises and their associated responsibilities.
- b) All those involved in the assessment process are required to make a full declaration of their financial or other interests in any respondent organisation. If an officer or any other person involved in a procurement has any business or personal relationship with a respondent, the person must document the nature of the relationship using Council's template *Conflict of interest declaration* and forward it to the evaluation chair (or in the case involving the evaluation chair, to the probity adviser (if engaged) or Council's General Counsel.
- c) Even if officers do not believe they have a conflict of interest, they must still complete the *Conflict of interest declaration* to specifically and positively negate any conflict of interest, and forward this to the evaluation chair. Should there be any doubt about a potential conflict the matter should be raised with the evaluation chair.

## 18.3 Gifts, hospitality and other benefits

- a) Officers must not use their position to obtain a private benefit for someone else. Decisions must not be improperly influenced by family or other personal relationships.
- b) Generally officers should not seek or accept favours or gifts from anyone who could benefit from influencing the officer. However, gifts of nominal value (such as disposable pens or note pads) and light refreshments (such as tea or coffee) are usually not considered problematic.
- c) Officers should immediately inform the evaluation chair if any respondent offers the officer any other gifts, hospitality or other benefits.

## 18.4 Offers of employment

If officers are approached or approach a respondent regarding the possibility of employment during the procurement process, or even within a reasonable period after the process is concluded (for example 3 months), officers have an obligation to notify the evaluation chair immediately.

## 18.5 Appropriate security and confidentiality arrangements

- a) Procedures adopted for receiving and managing tender and supplier information must ensure the security and confidentiality of all information of relating to tenderers as well as the integrity of the procurement process. Tender documentation should not be disseminated beyond members of the evaluation panel.
- b) Security and confidentiality measures commence with preparation of the tender documentation and must remain confidential until released to the public in order to maintain fair competition.
- c) The evaluation chair has primary responsibility for the security of responses. Once responses are distributed to members of the evaluation panel, it is the responsibility of each member of the evaluation panel to ensure any responses in their possession are kept secure and confidential throughout the process.
- d) During the evaluation period, the following procedures must be adhered to:
  - i. the number of personnel permitted to see the responses will be strictly on a "need to know" basis
  - ii. the responses will be controlled by the evaluation chair

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- iii. the responses (or any parts of these documents) will not be copied without the written permission of the evaluation chair
- iv. a register of all copies taken will be maintained
- v. the evaluation panel may not highlight, mark or place any comment on the original response
- vi. all computer and word processing performed during the process will be undertaken using secure access systems
- e) If officers, in carrying out their duties, acquire any information that relates to, or which is in any way connected with the process (or the contractual arrangement the subject of the process), officers should treat that information as confidential and not distribute it to any other party except as expressly permitted for the purpose of the proper conduct of the officer's duties.
- f) Officers should at all times observe strict compliance with their broader employment and/or professional or contractual confidentiality obligations. Contractors, advisers and consultants are required to execute Council's template Confidentiality Deed and forward this to the evaluation chair.
- g) Where Council is providing tenderers with confidential information as part of the expression of interest and/or request for tender, the tenderer must equally be bound to confidentiality. Tender and contract documentation should provide that information used in the development of the tender by the tenderer, in whatever form provided by Council or converted by the tenderer, must (at Council's request) be returned to Council following advice of the outcome of the tender/quotation process.

## 18.6 Probity plans

- a) A probity plan sets out the steps to be taken in the process to be implemented to ensure a tender is conducted in accordance with the probity principles. A formal probity plan, using Council's template *Tender evaluation and probity plan*, should be developed and implemented for each procurement where:
  - i. the value of the contractual arrangement is worth \$200,000 or more (exclusive of GST)
  - ii. the procurement requires Council to approach the market, including requests for expressions of interest, requests for tender, and requests for application for inclusion on a multi-use list, such as an approved contractor list, a register of pre-qualified suppliers and a preferred supplier arrangement
  - iii. the procurement is particularly complex, of a high risk or controversial nature, and requiring a high level of public confidence.
- b) A probity plan should cover the following:
  - i. identification of the contractual arrangement
  - ii. objectives of the probity processes
  - iii. statement of the application of the probity principles
  - iv. roles and responsibilities of each member of the evaluation panel and the probity adviser (if engaged)
  - v. probity tasks, documents and timelines

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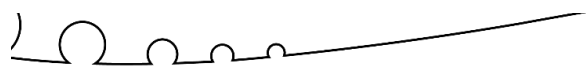
- vi. measures for ensuring confidentiality and security
- vii. communication protocol with tenderers
- viii. record keeping requirements

## 18.7 Probity adviser

- a) Probity advisers do not take part in the decision-making process of the evaluation panel, they are involved in ensuring the integrity of the process by monitoring compliance with probity principles, assisting the panel on probity matters and reporting on compliance.
- b) The probity adviser will monitor the tender, evaluation and selection processes to ensure they are defensible and conducted in accordance with probity principles.
- c) Council will assess the need to engage an external probity adviser by considering procurement process risks and the skills of the evaluation panel. For example, Council should consider engaging an external probity adviser when:
  - i. the nature of the market place makes grievances more likely (for example, where trade secrets are common place, or where competition is particularly strong)
  - ii. an in-house or public sector bid is expected, so as to avoid actual or perceived bias
  - iii. there is an incumbent supplier with a history of contracts with Council, as competitors will expect an increased level of confidence in the integrity of the process
  - iv. tenderers have had previous dealings with members of the evaluation panel
  - v. there has been controversy in the past in relation to the project, Council or one of the potential suppliers
- d) The probity adviser should be engaged before the process commences and before the tender specifications and documentation are completed. The probity adviser must be given full access to necessary documentation, personnel, meetings (including evaluation meetings, industry briefings and site visits) and premises to assess the adherence to the probity principles.
- e) At the conclusion of the process the probity adviser will review the tender evaluation panel's draft evaluation report and provide a probity report. The probity adviser's report will provide an opinion on whether:
  - i. the evaluation report accurately reflects the evaluation panel's evaluation, including the process, methodology, findings and recommendations
  - ii. the evaluation has been conducted in accordance with the terms of the tender, the tender evaluation and probity plan and meets applicable standards of probity
  - iii. the recommendations of the evaluation panel are consistent with the evaluation and defensible from a probity perspective
  - iv. there are any outstanding probity issues in relation to the conduct of the evaluation panel
  - v. there is any probity impediment to Council acting on the recommendation of the evaluation panel

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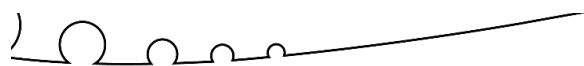
# Redland City Council Procurement & Contract Manual

## Appendix 1: Procurement Policies and Guidelines

The following guidelines and procedures are at all times subject to the Procurement Policy and Manual which will prevail if there is any inconsistency.

Code	Policy	Dates Effective	Manual Reference
LSV-001-P	Corporate Procurement Policy	22/07/2020-22/07/2023	
LSV-001-001-001-PR (PR3043-001-001)	Raise a Requisition for Non-Inventory Goods, Assets and Services	19/05/2017-31/05/2020	
LSV-001-001-003-PR (PR3043-001-003)	Requisition Enquiry	19/05/2017-31/05/2020	
LSV-001-001-004-PR (PR3043-001-004)	Requisition Approval	19/05/2017-31/05/2020	
LSV-001-001-009-PR (PR3043-001-009)	Receipt of Goods and Services	19/05/2017-31/05/2020	
LSV-001-001-012-PR (PR3043-001-012)	Validation of Outstanding Purchase Orders and Commitments	19/05/2017-31/05/2020	
LSV-001-001-013-PR (PR3043-001-013)	Cancel Receipting - Non-Inventory	19/05/2017-31/05/2020	
GOV-007-P	Fraud and Corruption Prevention	10/06/2020-10/06/2023	
LSV-001-001-034-PR	Corporate Purchasing Card	09/12/2020-09/12/2023	
WHS-001-055-116-PR	Procure Safely Procedure	16/12/2020-16/12/2023	

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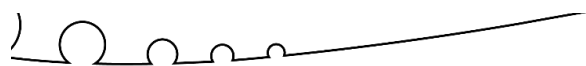
# Redland City Council Procurement & Contract Manual

## Appendix 2: Template Documents

Document #	Description
1.	Delegated Authority Report - Authority to establish an approved contractor list
2.	Invitation to Quote
4.(a)	Formal Quotation – Professional Services w/ Deliverables
4.(b)	Formal Quotation – Minor Works and Services w/ Deliverables
5.	Expression of interest for the establishment of a panel of providers
6.	Invitation to Tender
7.	Record of negotiations or clarification
8.	Request to extend validity period of offer
9.	Extension of services (exceptional circumstances)
10.	Schedule of offers received
11.	Unsuccessful Tenderer letter
13.	Letter of Acceptance of expression of interest
14.	Insurance expiry letter
15.	Letter – Feedback on tender
16.	Bank guarantee release – letter to the bank
16.(a)	Bank guarantee release – letter to contractor
17.	Performance of supplier report
18.	Request for price variation
19.	Extension letter – preferred supplier
20.	Extension letter – panel of providers and prequalified suppliers
21.	Request for variation to services
22.	Letter of acceptance – offer
23.	Variation approval
24.	Request to subcontract – approval
25.	Letter confirming withdrawal of tender from evaluation process
26.	Tender submission clarification
27.	Tender advertisement
28.	Notice of withdrawal of quotation from marketplace
29.	Evaluation matrix – normalised scoring
30.	Evaluation matrix – raw scoring
31.	Verbal quotation form
32.	Site visit schedule
33.	Invitation to tender – approved contractor list
34.	Letter requesting missing documents
35.	Letter - Suspended pending receipt of missing document
36.	Letter of non-compliance
37.	Notice to show cause
38.	Notice to show cause – previous breaches
39.	Conditions of Contract – Goods and Services One Off
40.	Conditions of Contract – Services Only One Off
42.	Conditions of Contract – Minor Works and Services
43.	Conditions of Contract – Revenue Contracts

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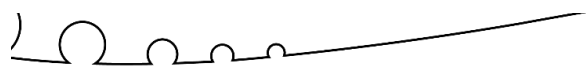


## Redland City Council Procurement & Contract Manual

Document #	Description
44.	Conditions of Contract – Panel Conditions of Contract
47.	Conditions of Contract – Low risk prof or Consult Agreement
48.	Probity Plan Template
49.	Probity Protocols Template
50.	Acknowledgement of Receipt of Probity Protocols and Probity Plan Template
51.	Conflict of Interest Declaration – Internal RCC Members
52.	Annexure Part A to General Conditions AS2124-1992
53.	Annexure Part B Supplementary Conditions AS2124-1992
54.	CM001 Creditor Supplier Application
55.	CMSU ACC 005 A Principal Contractor Authority
56.	CMSU EVL 001 Evaluation Sheet Simple
57.	CMSU EVL 002 Evaluation Sheet Competitive Quotation
58.	CMSU EVL 003 Evaluation Sheet Complex
59.	CMSU EVL 006 Sample Reference Check Questions
60.	CMSU INV 003 EOI Panel of Providers
61.	CMSU INV 006 Addendum Notice
62.	CMSU INVO 007 EOI Short List Tenders
63.	CMSU INV 016 Formal Quote Separable Portion Template
64.	Copy of CMSU INV 017 Documents Issue List
65.	CMSU VAR 001 A Variation Price Request Consolidated Form
66.	CMSU-PRE-001 Exemption to Competitive Quotations
67.	Contractor Safety Management Framework
68.	Corrective Action Report
69.	Request for Price from Existing Arrangement
70.	Conditions of Contract – Goods and Services Contract (Version 22/10/2020)
71.	Conditions of Contract – Professional Services Contract (Version 22/10/2020)
72.	Conditions of Contract – Special Conditions (Version 22/10/2020)
73.	Purchase Order Terms and Conditions (Version October 2020)

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## Document Control

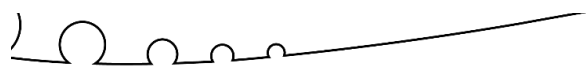
Only the Service Manager (of the relevant Department) can approve amendments to this document.  
Any requests to change the content of this document must be forwarded to relevant Service Manager(s).  
Approved documents must be submitted to the Corporate Meetings and Registers Team for registration.

## Version Information

Version No.	Date	Key Changes
3	November 2015	Key changes: <ul style="list-style-type: none"> <li>Aligning the financial thresholds to the statutory requirements; and</li> <li>Incorporating 5 new standard rules to add to the 5 statutory contracting principles to strengthen probity and accountability requirements.</li> <li>Updating policies and procedures list</li> </ul>
4	May 2020	Key changes: <ul style="list-style-type: none"> <li>Adjusted document to reflect Strategic Contracting Procedures in the following areas; <ul style="list-style-type: none"> <li>Scope &amp; Purpose</li> <li>Strategic Procurement, Improvement &amp; Innovation</li> <li>The Development of competitive local business and industry</li> <li>Delegations – reference of process for value / risk of contracts for strategic vs. operational</li> </ul> </li> <li>Added 2.6 Conflicts of Interest</li> <li>Added to 3.4 Schedule A, summary of exceptions for Quotes and Tenders including Aboriginal and Torres Strait Islander peoples information</li> <li>Added to 7.3(j) Value Risk Matrix Assessment</li> <li>Added to 7.3 Procurement Activity Timelines</li> <li>Added 7.1 Annual Sourcing Plan</li> <li>Added 7.2 Integrated Planning Cycle</li> <li>Added 7.4 Governance arrangements for procurement</li> <li>Added 13. Reference to Procure Safely documentation</li> </ul>
5	August 2020	Administrative changes only
6	November 2020	Key changes: <ul style="list-style-type: none"> <li>Update 3.3 Financial Thresholds - Corporate Credit Card Purchases</li> <li>Update 5.1 The Specification Should (d)</li> <li>Update 7.3 Purchase Plan (b)</li> <li>Update 7.4 Governance arrangements for procurement – added contract types under VRM classification</li> <li>Added 7.5 Persons and Responsibilities (Governance)</li> <li>Update 8.20 Local business and industry – score increments and criteria</li> <li>Update 10.5 Risk Management – reference Council Risk Assessment Guide and Enterprise Risk Assessment Framework</li> <li>Update 13 – updated with relevant Procure Safely documentation</li> <li>Update Appendix 1 – updated document codes – Corporate Procurement Policy, Corporate Purchasing Card</li> <li>Update Appendix 2 – updated template documents – Removed items 4,41,45,46. Added items 70,71,72,73.</li> </ul>

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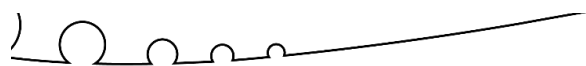


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Version No.	Date	Key Changes
7	December 2020	Key Changes: <ul style="list-style-type: none"> <li>Update 8.20 Local business and industry – score increments and criteria</li> </ul>
8	August 2021	Updated as part of the 21 July 2021 Council Report on Strategic Procurement Procedures and Procurement Policy including changes to Financial delegations and administrative processes to strengthen internal efficiency and flexibility in sourcing as per use of electronic authorisations and category and precinct planning Key Changes: <ul style="list-style-type: none"> <li>Minor administrative and formatting changes <ul style="list-style-type: none"> <li>Update 3.1 new Financial Delegations</li> <li>Update 3.3 Update Financial Thresholds and remove newspaper reference</li> <li>Update 3.5 to add Annexure A exceptions</li> <li>Update 7.2 to include ASMP reference</li> <li>Update 7.4 to remove table</li> <li>Update Appendix 1 document reference</li> </ul> </li> </ul>
9	November 2021	Key changes: <ol style="list-style-type: none"> <li>Consistency in language and name of the Procurement and Contracts Unit</li> <li>Change of the financial delegation language to be including GST</li> <li>Consistency in language of terminology when referring to quotes or tenders</li> <li>Change of terminology from selection criteria to evaluation criteria to ensure consistency of language with procurement vocabulary</li> </ol> Addition of 2 new exceptions (number 15 and 23)

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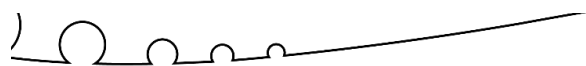
## Schedule A – Exceptions

It is acknowledged that there may be situations where the nature of the procurement is such that it is not practicable to follow the preferred method or obtain other quotations. The following exceptions to the general requirements to seek quotes and tenders from the broader market are recognised by Council and are in accordance with Council delegations. It is expected that appropriate consultation and collaboration has been conducted with relevant business units (and is evidenced) prior to seeking approvals.

Exemption name	Explanation, limitations, responsibilities and approvals
1. Redland City Council (Council) Procurement Arrangements (CPAs) or Preferred Supplier Arrangement	<p>Where:</p> <ul style="list-style-type: none"> <li>Council has established a CPA or Preferred Supplier Arrangement and Council is using that arrangement</li> <li>CPA suppliers or Preferred Suppliers are unable to supply and an alternative strategy has been agreed</li> </ul> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>No additional approval is required in the first instance</li> <li>Simple approval (e.g. email) by relevant Category Manager or Procurement Transformation Manager</li> </ul>
2. A contract made because of genuine emergency or hardship	<p>Where there is a genuine emergency or hardship, and the necessity to act fast outweighs the additional benefit that may be driven through competitive processes. e.g. Urgent works to comply with Environmental Licence requirements</p> <p><u>Approvals:</u></p> <p>Simple approval (e.g. email) by relevant Category Manager or Procurement Transformation Manager in accordance with Council delegations</p>
3. Marketplace is restricted by third-party ownership of public utility plant ownership	<p>Where the goods, services or works can only be supplied by a single supplier or a restricted group due to third-party ownership of a public utility plant asset. For example, Energex, or Telstra or a similar type entity.</p> <p><u>Approvals:</u></p> <p>Approval by Procurement Transformation Manager in accordance with Council delegations</p>
4. A contract made with, or a purchase from a contract made by, another government entity, and government owned entity or Local Buy.	<p>Where Council uses a contract established by another government entity or government owned entity. For example, Federal, State or Local Government or an entity owned by the Federal, State or Local Government.</p> <p><u>Approvals:</u></p> <p>No additional approval is required</p>
5. Procurement from social enterprises (including microenterprises, community enterprises and Aboriginal and Torres Strait	<p>Where entering a contract will generate positive social benefits or outcomes determined using the following conditions:</p> <p><u>Conditions:</u></p> <p>Submissions are to include:</p>

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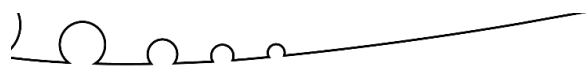


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Exemption name	Explanation, limitations, responsibilities and approvals
Islander organisations)	<p>a) the basis upon which the organisation is considered to be a social enterprise<sup>1</sup></p> <p>b) how the contract will develop capacity or capability of the social enterprise or otherwise contribute to Council's Corporate Plan or procurement objectives</p> <p>c) consideration given to commercial enterprises operating in the sector and whether they would be unduly prejudiced by the award of such a contract</p> <p>d) consideration of other known social enterprises and whether it would be appropriate for those organisations to compete with each other for the contract</p> <p>e) how quality of goods or services is to be ensured</p> <p>f) how reasonable value for money will be achieved by Council</p> <p>g) Past performance of the supplier where a contract renewal or award of a similar contract is being considered.</p> <p><u>Approvals:</u> Approval by the Procurement Transformation Manager in consultation with the Group Manager, Community and Economic Development and in accordance with Council delegations.</p>
6. Quote or tender consideration plan	<p>Council contracts with a supplier based on a quote or tender consideration plan.</p> <p>The plan must include:</p> <ul style="list-style-type: none"> <li>the objectives of the plan;</li> <li>how the objectives are to be achieved;</li> <li>how the achievement of the objectives will be measured;</li> <li>any alternative ways of achieving the objectives, and why the alternative ways were not adopted;</li> <li>the proposed terms of the contract for the goods or services; and</li> <li>a risk analysis of the market from which the goods or services are to be obtained.</li> </ul> <p><u>Approvals:</u> Approval by Procurement Transformation Manager and in accordance with Council delegations</p>
7. Sole or select sourcing	<p>Where a contract for supply of goods, services or works is established with one supplier (sole sourcing) or a restricted group of suppliers (select sourcing) based on any of the following conditions:</p> <p>Conditions:</p> <ul style="list-style-type: none"> <li>a) it is in the public interest or for the public good</li> <li>b) there is a lack of available tenderers</li> <li>c) marketplace is restricted by statement of licence or third-party ownership of an asset (excluding public utility plant)</li> <li>d) A multi-staged process has been followed, including without limitation, one commencing with an expression of interest.</li> </ul>

<sup>1</sup> Social Enterprises are businesses that trade to intentionally tackle social problems, improve communities, provide people access to employment and training, or help the environment. They are commercially viable businesses existing to benefit the public and the community, rather than shareholders and owners. Source: Social Traders

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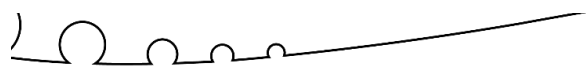
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Exemption name	Explanation, limitations, responsibilities and approvals
	<p>e) It is part of an approved program of works within a geographical location or precinct, where an established supplier has operational experience, capacity and demonstrated value or money to provide the works, services and/or goods.</p> <p>f) It is part off standardised capital and operational multi-year works program to meet sourcing and delivery timetables, particularly in the first quarter of each financial year, where an established supplier has operational experience, capacity and demonstrated value for money to provide the works, services and/or goods.</p> <p>g) The supplier can demonstrate throughout the term of the contract, significant local, social, cultural benefits through the employment, training and funding support for local indigenous persons or owned businesses, disabled or disadvantaged persons or associated businesses, local community or supporting organisations.</p> <p>Note: If there is a current procurement or disposal process in place, that process must be terminated prior to sole sourcing being implemented.</p> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and in accordance with Council delegations</li> </ul>
8. Sensitive or Confidential nature	<p>Where the contract is of a specialised or confidential nature</p> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and directed to appropriate delegate based on nature of purchase in accordance with Council delegations</li> </ul>
9. Extension of Contracts	<p>Where a contract is extended (with or without a provision for an extension).</p> <p><u>Conditions:</u></p> <ul style="list-style-type: none"> <li>Council's Contract Management Framework to be followed</li> <li>Negotiations are to be undertaken as part of the contract extension process</li> <li>Category/market analysis and benchmarking must be used to establish that value for money is still being obtained</li> <li>Under this exemption, extension can only be approved up to a maximum total contract duration of five years</li> <li>Supplier performance must be to Council's customer satisfaction</li> <li>Consideration is given to value improvement initiatives</li> </ul> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and in accordance with Council delegations</li> </ul>
10.A contract for purchase at public auction	<p>Where the purchase takes place via public auction.</p> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Relevant Category Manager or Procurement Transformation Manager, and in accordance with Council delegations</li> </ul>
11.Information Technology: Use	<p>Where a contract allows for or provides funding for additional technology.</p>

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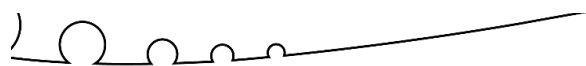


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Exemption name	Explanation, limitations, responsibilities and approvals
of technology funds within a contract	<u>Approvals:</u> <ul style="list-style-type: none"> <li>CIO or delegate and Procurement Transformation Manager</li> </ul>
12. Information Technology: Solutions Tendered – Re-sellers and software developers	<p>Where Council contracts with a copyright holder where the solution is tendered by an authorised re-seller.</p> <u>Approvals:</u> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and Chief Information Officer or delegate in accordance with Council delegations</li> </ul>
13. Proof of Concept	<p>Allows Council to embark on a proof of concept process without going through a quotation or tender if it makes good business sense.</p> <u>Conditions:</u> <ul style="list-style-type: none"> <li>Up to \$100,000</li> <li>It makes good business sense not to go through quotation or tender process</li> <li>Supports the concept of “fail fast” i.e. testing something without putting Council to a large cost when uncertain of outcome</li> <li>Any safety issues and risks associated with proof of concept are addressed</li> <li>Objectives of Proof of Concept and measures of success are clearly articulated</li> <li>Once Proof of Concept is completed, subject to the regular procurement requirements unless an exemption is applicable</li> </ul> <u>Approvals:</u> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and in accordance with Council delegations</li> </ul>
14. Direct engagement with industry to identify innovation	<p>Where Council enters supply arrangements (or extends arrangements in terms of scope or duration) with strategic partners on a direct engagement basis.</p> <u>Conditions:</u> <ul style="list-style-type: none"> <li>A supplier may only be designated as a strategic partner via a Significant Contracting Plan (See CI 6.2.9).</li> <li>Arrangements may be extended for defined periods until such time as those arrangements, in Council's view, no longer deliver Value for Money to Council.</li> <li>All decisions to enter into or extend an arrangement with a strategic partner are to be reported monthly to Council.</li> <li>Ongoing assessment and monitoring of the performance of each strategic partner is to be undertaken to ensure that Council continues to obtain Value for Money.</li> </ul> <u>Approvals:</u> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and in accordance with Council delegations</li> </ul>
15. Direct engagement with	Where Council enters a contract after receiving proposals from businesses that:

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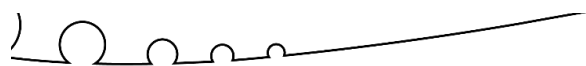


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Exemption name	Explanation, limitations, responsibilities and approvals
businesses that provide proposals that solve key problems (solicited or unsolicited bids)	<p>solve smart, local or regional problems or contribute to Council's Vision, Corporate Plan or value for money outcomes.</p> <p><u>Conditions:</u></p> <ul style="list-style-type: none"> <li>the proposal contains intellectual property rights or elements, such that tendering for the requirement would be unfair or deprive the proponent of its innovation</li> <li>the outcome is considered to be fair to the supply market</li> <li>the proposal is considered to be advantageous for Redlands</li> <li>Value for Money can be demonstrated or substantiated.</li> </ul> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and in accordance with Council delegations</li> </ul>
16. Direct engagement with business, contractors and consultants to solve current and emerging operational issues that require an agile short term service response to assist the business to progress an operational or project need in the range of 18 months.	<p>This exception can be used in the circumstance where:</p> <ul style="list-style-type: none"> <li>A recruitment process has been unsuccessful to form an employee contract but has assisted to inform market rates, values and industry experience to engage a service provider consistent with the Sound Contracting Principles including probity around any potential conflicts of interests with the direct management line.</li> <li>A recent service engagement by either council employment or contracted services has the ability to extend that positive experience into other comparable council operation or project service needs provided the supply is consistent with the Sound Contracting Principles including probity around any potential conflicts of interests with the direct management line.</li> </ul> <p>To evoke this exception, a rational must be presented as to why a market quoting or tender process is unlikely to achieve a better result due to time, price or experience requirements.</p> <p><u>Approvals:</u></p> <p>Procurement Transformation Manager and in accordance with Council delegations.</p>
17. Extension of contracts while Council is at market	<p>Where a tender process to replace an existing contract is underway and the tender process has taken longer than expected, Council may extend an existing contract by approximately six months or in extenuating circumstances (e.g. cancellation and re-tender), for a longer term, to ensure greater benefit to Council.</p> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and in accordance with Council delegations.</li> </ul>
18. Procurement needed or external bids	<p>Where Council needs to arrange subcontracts in order to bid for work being procured by parties external to Council and the work is not for Council or on any asset which Council owns.</p> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and in accordance with Council delegations.</li> </ul>
19. Extension of Information and Communications	<p>Where Council's requires maintenance and support (which may include external hosting or subscription to existing solutions) for</p>

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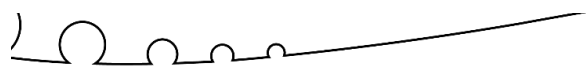


# Redland City Council Procurement & Contract Manual

Exemption name	Explanation, limitations, responsibilities and approvals
Technology (ICT), support and maintenance arrangements	<p>existing Council ICT products that continue to meet business requirements beyond the original term.</p> <p><u>Conditions:</u></p> <ul style="list-style-type: none"> <li>Category/market analysis and benchmarking must be used to establish that value for money is still being obtained</li> <li><u>Adequate justification provided in relation to benefits of not changing versus renewing technology</u></li> </ul> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and Chief Information Officer and in accordance with Council delegations</li> </ul>
20. Professional services unsuitable for tendering	<p>Where Council engages Professional Services under the following categories:</p> <p><u>Barristers and expert witnesses</u> – These services are needed for legal proceedings. Generally, barristers do not respond to tenders. General Counsel reviews the Law Society website and makes a decision on which barrister to approach for the matter depending on their area of expertise. Expert witnesses are recommended by the barrister.</p> <p><u>Integrity Workplace Solutions Agencies (IWSA)</u> – External integrity workplace solution agencies are needed to deliver sensitive, high-level and complex investigations in respect to the conduct of Council employees in the areas of alleged corrupt conduct, reportable misconduct, reportable loss and ICT forensics. The engagement of external agencies, on occasion, is also required to ensure investigations can be undertaken which protect the integrity of Council and can be delivered in a timely and professional manner to the standards outlined in the <a href="#">Crime and Corruption Commissions Corruption in Focus guide</a>. These engagements are also unsuitable for tendering.</p> <p><u>Approvals for barristers and expert witnesses:</u></p> <ul style="list-style-type: none"> <li>General Counsel and in accordance with Council delegations</li> </ul>
21. Second-hand goods	<p>Where Council contracts for the purchase of second-hand goods</p> <p><u>Conditions:</u></p> <ul style="list-style-type: none"> <li>Adequate consideration is given to safety, risk and warranties</li> </ul> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and in accordance with Council delegations</li> </ul>
22. Disposals	<p>For the disposal of a valuable non-current asset, (e.g. Vehicles, Plant and Equipment) by Tender, Auction or Trade in.</p> <p><u>Conditions:</u></p> <ul style="list-style-type: none"> <li>Consultation with the Fleet Manager and Procurement Transformation Manager</li> </ul> <p><u>Approvals:</u></p> <ul style="list-style-type: none"> <li>Procurement Transformation Manager and in accordance with Council delegations</li> </ul>
23. Non-order payment list	<p>Council does not have to raise a purchase order for suppliers that provide the types of purchases detailed in Schedule B – Non-order Payment.</p>

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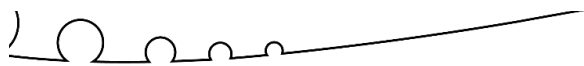
## Schedule B – Non-order Payment List

It is acknowledged that there may be situations where the nature of the purchase may not require a purchase order to be issued in order for the payment of the supplier for the products or services been provided to Council. These situations are commonly referred to as “non-order payment”. Council has recognised that these situations occur and have provided the listing for these situations as detailed below:

	Code	PAYMENT DESCRIPTION	DOCUMENTATION REQUIRED
1	R2	Reimbursement of expenses (NB: Petty cash or Purchase Card is preferred method) Councillors and RSC Staff	Proof of expenditure
2	R2	Telephone reimbursement eg employee costs	Full copy of account and proof of payment
3	P1	Petty cash Float	Petty cash forms and proof of expenditure
4	R2	HECS fee reimbursement	Copy of <b>authorised</b> application form
5	C1	Court costs	Council minute/s and/or supporting documentation
6	U1	Supply of Electricity account	NA Applied on-line
7	U1	Telephone account	NA Applied on-line
8	G1	Payment to Government Authorities eg Taxation Office, Qld Treasury Corporation (including QTC lease), Fire Levy etc	Relevant documentation
9	D1	Awards, grants, contributions and donations	Council minute, budget reference or supporting documentation
10	U1	Postal charges	Australia Post account
11	E1	Ex-gratia payments including Half cost of fencing	Official Council file with relevant documentation
12	S1	Superannuation	Relevant documentation
13	L1	License renewals – purchase order preferred	Original (Preferable) or copy of account
14	M1	Medical and immunization expenses	Invoice and relevant documentation
15	R1	Refund to external clients of fees, bonds, deposits, etc.	Proof of payment and relevant documentation
16	T1	Taxi dockets eg Cabcharge	Invoice and dockets
17	L1	Insurances - Preference for order	Invoice or renewal notice
18	CR	Corporate/Purchasing card	Authorized statement and relevant documentation
19	W1	Redland Workcover	

Code	Description
C1	Court costs
CR	Purchasing Card
D1	Awards, grants and donations

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E1	Exgratia Payments including insurance pay-outs
G1	Government bodies
L1	Licenses renewals etc
R1	Refunds General e.g. any type
R2	Reimbursements e.g. Councillors, Staff and petty cash
P1	HR Transactions Superannuation etc from payroll
T1	Travel Expenses
U1	Utility Payments e.g. Energex, Telstra
W1	Redland Workcover Expenses medical etc

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## ANNUAL CONTRACTING PLAN - 2022/2023 Financial Year

Detailed below are contracts in relation to major construction (works) and goods and services, against which procurement activity is scheduled to occur during the 2022-23 financial year. Council may amend the Contracting Plan at any time before the end of the financial year to which the schedule relates.

Council, or its delegate, may elect to negotiate a contract extension period, or exercise an existing option to extend a contract rather than engaging the market to enter into a new contract; subject to contract performance, sound contracting principles, procurement and delegated authority procedures.

Exceptions under Chapter 6, Part 2 and Part 3 of the Local Government Regulation Qld. 2012 (LGR 2012) continue to apply to all new contract sourcing arrangements in accordance with the Council Budget, Procurement Policy, Contract Manual and related delegation instruments and procedures.

Administrative, Business transactions and disposals not specifically identified in the Contracting Plan will continue in accordance with Council Budget, Procurement Policy, Contract Manual and related delegation instruments and procedures.

**Q1** = July, Aug, Sept; **Q2** = Oct, Nov, Dec; **Q3** = Jan, Feb, March; **Q4** = April, May, June.

### EXPLANATORY NOTES

Portfolio ID / Job Number / Tender and/or Contract Number - is an internal Council reference

Benefit - is a reference to expected quadruple bottom line benefits arising from the Procurement activity (Economic/Social/Environmental/Governance) in accordance with Council's 'Strategic Contracting Objectives'

\*Council may elect to exercise an existing option to extend a contract rather than entering a new contract and is subject to contract performance

\* Fine print

### MAJOR CONSTRUCTION (All Values)

Detailed below are major Council programs (programs are defined as programs of like work) and projects against which major procurement activity is scheduled to occur during the 2022-23 financial year and later. The 'Estimated Value of contracts...' column shows an estimate of the sum of the procurement for which Council is scheduled to engage the market in 2022-23 and later. Where the 'Estimated Value of contracts...' for a project or program detailed below reaches or exceeds \$5 million or is designated as a significant contract, that contract will be a significant contract for the purposes of section 221[s 221] Local Government Regulation (2012) Chapter 6 Contracting, Part 2 Strategic Contracting Procedures.

Contract Grouping	Category	Project Name	Value (Estimated Spend over the Contract Period) ex GST	Contract Type	Benefit (Quadruple Bottom Line)	Market Approach	Expected Quarter to Market
PRG080	Construction and operations	Willard's Farm Restoration	\$1,500,000.00	Strategic	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG127	Construction and operations	RPAC Building Renewal Program	\$232,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Water and sewerage	Water DIOL Renewal Mary Pleasant Drive	\$995,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG020	Facilities management	AC Main Replacement - Makaha Drive	\$1,380,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
P307	Water and sewerage	LGIP VP-STP-18-24 Victoria Point WWTP Upgrade Project	\$1,500,000.00	Strategic	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
P032	Water and sewerage	Victoria Point WWTP Dewatering Improvements Project	\$2,807,320.00	Strategic	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG052	Water and sewerage	PS Relining & Infiltration Reduction Program	\$700,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG072	Roads	R2R - Alfred Martin Way (Mitchel Cresnet To End)	\$492,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG072	Roads	R2R - Boundary Street, Redland Bay (Broadwater To Dart)	\$295,200.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG072	Roads	R2R - Boundary Street, Redland Bay (Main To Bridge)	\$690,400.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG072	Roads	R2R - Ney Road (Wildflower Street To Mount Cotton Road)	\$400,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG075	Roads	Regional Road Alliance - Valley Way (Seeana Drive Roundabout)	\$250,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG075	Roads	Regional Road Alliance - Valley Way (Bohemia Court To Seea)	\$225,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG075	Roads	Regional Road Alliance - Valley Way (Hardwood Drive To Seea)	\$221,409.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG029	Roads	Road Renewal - Alfred Martin Way (Mitchel Cresnet To End)	\$1,508,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
CIP005	Parks and gardens	CIP Park Assets - DOLA, Attunga Street, Madeay Island	\$40,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
CIP009	Parks and gardens	CIP Park Assets - Small DOLA, Capalaba Regional Park	\$100,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
CIP008	Parks and gardens	CIP Basketball Court - Bailey Road Park, Birkdale	\$100,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
CIP000	Parks and gardens	CIP - Wayfinding Signage - Cleveland & Ormiston Heritage Tra	\$100,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
CIP001	Parks and gardens	CIP Wayfinding Signage - Wellington Point Village	\$100,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
CIP002	Parks and gardens	CIP Wayfinding Redlands Track Park and to Cleveland	\$100,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
CIP004	Parks and gardens	CIP Wayfinding Signage, Victoria Point	\$100,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
CIP005	Parks and gardens	CIP Park Assets - Coast Road Foreshore, Macleay Island	\$60,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
CIP006	Parks and gardens	CIP Park Assets - Small DOLA, Mt Cotton Community Park	\$100,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
CIP007	Parks and gardens	CIP Wayfinding Scribbly Gums Cons. Area	\$100,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
CIP003	Parks and gardens	CIP Pathway - Brookvale Drive Park, Victoria Point	\$100,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
CIP010	Parks and gardens	CIP Dorsal Drive Footpath Expansion Birkdale	\$100,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.



PRG041	Roads	Pedestrian Bridge Renewal Program	\$150,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG043	Roads	Footpath Expansion Riley Peter Place Cleveland	\$110,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG041	Roads	Pedestrian Bridge Upgrade - Hilliards Creek Near Sturgeon	\$50,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG043	Parks and gardens	Jock Kennedy Park, Russell Island Footpath Link To Ferry	\$154,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG041	Parks and gardens	Pedestrian Bridge Deck Renewal Crystal Waters Wetlands, Thor	\$65,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG041	Parks and gardens	Pedestrian Bridge Deck Renewal Crystal Waters Park, Thornlan	\$65,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG043	Roads	Footpath Expansion Barber Drive, Capalaba	\$365,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Construction and operations	Redlands Coast Adventure Sports Precinct	\$1,567,230.00	Strategic	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG128	Construction and operations	Birkdale Community Land Precinct Program	\$10,432,450.00	Strategic	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG095	Construction and operations	Sportsfield Building – Charlie Buckler, Redland Bay	\$1,595,417.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG042	Roads	MBC/LGIP TR-L-313 Cycleway Expansion School of Arts Road	\$250,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG129	Facilities management	Control Systems WWTP	\$350,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG132	Facilities management	SPS141 Switchboard Renewal	\$550,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG143	Water and sewerage	Dunwich WWTP Upgrades	\$1,900,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
P217	Water and sewerage	Sewerage PS#134	\$1,998,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
P260	Water and sewerage	LGIP Kinross Rd Sewerage Trunk	\$250,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
	Water and sewerage	Sewer Manhole Refurbishment	\$200,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG033	Water and sewerage	Raby Bay Revetment Wall Program	\$100,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG062	Water and sewerage	Revetment Wall Seacrest Court	\$100,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG006	Parks and gardens	Asset Renewal Parks – Bin, Fencing, Seating, Water	\$350,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG033	Water and sewerage	Revetment Wall Renewal – Masthead Drive	\$250,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG033	Water and sewerage	Revetment Wall Masthead Drive (North)	\$2,300,000.00	Strategic	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG112	Water and sewerage	SQID - Ronnie Street Biobasin High Flow Discharge Installati	\$50,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG110	Water and sewerage	Inlet Structure Renewal - Rosella St, Wellington Point	\$12,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG046	Parks and gardens	LGIP TR-L-458 Northern Greenway Cycleway Pitt Rd to Belford	\$70,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
IT	IT and telecons	Replacement Activity - Server	\$280,800.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
IT	IT and telecons	Replacement Activity - Network	\$30,400.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Facilities management	Gallery Track Lighting Replacement	\$110,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
IT	IT and telecons	Replacement Activity - Printers	\$20,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
IT	IT and telecons	Replacement Activity - Mobile device	\$95,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
IT	IT and telecons	Cia Upgrade	\$850,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Library services	Library Resource Renewal	\$745,238.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG140	Construction and operations	Capalaba Place Urban Renewal - Building	\$141,369.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG140	Construction and operations	Capalaba Place Urban Renewal - Open Space	\$67,873.00	Focused	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Community support and events	RPAC operations	\$91,214.00	Focused	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG074		Future Priority Project Design	\$500,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
P296	Facilities management	RPAC RCCC Lighting Renewal Project	\$240,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG137	IT and telecons	Redlands Coast Fibre Network Program	\$29,100.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG135	Facilities management	RPAC Technical Equipment Renewal	\$277,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Facilities management	Capalaba Place Renewal Program	\$65,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Facilities management	Security Camera Wireless Link	\$105,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Water and sewerage	New Water Services (Mainland & SMBI)	\$149,900.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Water and sewerage	Replacement Activity - Water meter	\$269,927.18	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.

TBC	Water and sewerage	Minor Water Retic Plant And Equipment	\$10,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Water and sewerage	Replacement Activity - Commercial Water Meter	\$56,450.92	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Water and sewerage	Minor Sewer Extensions	\$45,000.00	Focused	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Water and sewerage	Minor Wastewater Plant & Equipment	\$12,500.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
P036	Water and sewerage	Capalaba WWTP Plant Upgrades Project	\$750,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Waste management and landfill	Wastewater Treatment Equipment Renewals	\$600,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG116	Water and sewerage	Treatment Plant Strategy & Masterplan Project	\$685,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Water and sewerage	SPS Lid Safety	\$150,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG145	Waste management and landfill	Regional Approach to Waste and Resource Mgt Program	\$2,516,058.00	Strategic	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
PRG138	Waste management and landfill	Southwest Victoria Point Wastewater Network Expansion	\$618,037.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Water and sewerage	Pumps	\$600,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Water and sewerage	Pipes & Valves	\$200,000.00	Leveraged	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Construction and operations	Civil and Capital works around SPS	\$62,720.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.
TBC	Facilities management	Odour Control	\$50,000.00	Routine	Governance/Economic	Tender/Contract(s) to be awarded under delegation.	Q1 - Q 4 Refer to Council's Upcoming Tenders website.

**GOODS, SERVICES & MINOR WORKS (SIGNIFICANT) (Value >\$5m)**

Detailed below are anticipated significant contracts in relation to goods, services and minor works against which major procurement activity is scheduled to occur during the 2022-23 financial year and later. These contracts are considered to be significant contracts. In some cases Council may elect to exercise an existing option to extend a contract rather than engaging the market.

Contract Grouping	Category	Description of Goods or Services	Value (Estimated Spend over the Contract Period) excl GST	Contract Type	Benefit (Quadruple Bottom Line)	Market Approach	Expected Quarter to Market
T-2021-21/22-PCO	Parks and gardens	Preferred Supplier/s for Fuel Free Zones and Roadside Mowing Services on Mainland	\$10,000,000.00	Strategic	Economic/Governance/Environmental	Tender	Q3
T-2019-21/22-RCC	Cleaning	Preferred Supplier/s for Cleaning Services	\$8,000,000.00	Leveraged	Economic/Governance	Tender	Q1
T-1955-19/20-RCC	Plant and vehicles	Register of Pre-Qualified Suppliers for Plant Hire Services	\$8,000,000.00	Leveraged	Economic/Governance	Tender	Q3
T-1800-17/18-RCC	Construction and operations	Pre-Qualified Suppliers for Marine Engineering and Maintenance Services	\$6,000,000.00	Leveraged	Economic/Governance/ Environmental	Tender	Q3
T-1747-15/16-INM	IT and telecons	Telecommunication Services	\$5,000,000.00	Strategic	Economic/Governance	Tender	Q1 - Q4 Refer to Council's Upcoming Tenders website.
T-1852-17/17-WST	Waste management and landfill	Collection, Transport and Processing of Green Waste and Timber	\$5,400,000.00	Leveraged	Economic/Governance/Environmental	Tender	Q2
TBC	Plant and vehicles	Replacement Activity - Fleet including: Arigultural Yellowplant Marine Car Utility Light Commercial Trailer Trailerplant Truck Small Plant	\$4,300,000.00 \$780,135.00 \$213,936.00 \$166,855.00 \$374,230.00 \$925,012.00 \$181,853.00 \$57,514.00 \$263,511.00 \$1,234,171.00 \$102,783.00	Leveraged	Economic/Governance/Environmental	Quote/Tender	Q1-Q4

**GOODS, SERVICES & MINOR WORKS (NON-SIGNIFICANT) (Values from \$15k-\$5m)**

Detailed below are further anticipated contracts in relation to goods, services and minor works against which procurement activity is scheduled to occur during the 2022-23 financial year and later. These contracts are not considered to be significant contracts.

Contract Grouping	Category	Description of Goods or Services	Value (Estimated Spend over the Contract Period) ex GST	Contract Type	Benefit (Quadruple Bottom Line)	Market Approach	Expected Quarter to Market
Q-1774-15/16-RWW	Water and sewerage	Water Sample Analysis Services	\$2,800,000.00	Leveraged	Economic, Governance, Environmental	Tender	Q3
T-1819-16/17-FSU	Facilities management	Maintenance and Installation of Security Equipment	\$500,000.00	Leveraged	Economic, Governance,	Tender	Q4
T-1840-17/18-PCO	Parks and gardens	Provision of a Preferred Supplier for Landscape Maintenance	\$2,800,000.00	Leveraged	Economic, Governance, Environmental	Tender	Q2
S-1983-20/21-ERE	Parks and gardens	Sole Supplier arrangement for the Provision of Aerial Application of Mosquito Control Agents	\$1,650,000.00	Strategic	Economic, Governance, Environmental	Quote	Q2



T-1809-16/17-CLM	Waste management and landfill	Preferred Supplier for the Collection, Transport and Disposal of Regulated and other Liquid Waste from Redland City Council's Waste Transfer Stations	\$700,000.00	Routine/Focussed	Economic, Governance, Environmental	Tender	Q2
T-1849-17/18-FLT	Plant and vehicles	Register of Prequalified Suppliers for Specialised Automotive Services	\$250,000.00	Routine	Economic, Governance,	Tender	Q3
T-1793-16/17-WDU	HR services	Trainee and Apprenticeship Program Facilitation	\$1,100,000.00	Routine	Economic, Governance, Social	Tender	Q2
T-1825-17/18-RPA	Community support and events	Register of Prequalified Suppliers for Front of House, Marketing Services & Technical Services	\$900,000.00	Routine	Economic, Governance,	Tender	Q2
T-1883-18/19-RDM	Reapirs and maintenance	Catchpit Cleaning Services	\$1,000,000.00	Routine/Leveraged	Economic, Governance, Environmental	Tender	Q2
T-1870-18/19-RCC	Facilities management	Register of Prequalified Suppliers for Electrical Maintenance Repairs, Installations & Data Cabling Services	\$4,250,000.00	Leveraged	Economic, Governance,	Tender	Q1
S-1931-19/20-FNS	Business Services	PostBillPay Services	\$200,000.00	Routine	Economic, Governance,	Sole Supplier	Q1
T-2011-21/22-CPA	Transport	Weinam Creek Car Share Scheme (Lease Agreement)	Revenue	Routine	Economic, Governance, Social	Tender	Q4
S-1981-20/21-RCC	Business Services	Salary Packaging Services	\$3,700,000.00	Leveraged	Economic, Governance, Social	Tender	Q3
VP160933 / T-1894-18/19-RCC(B)	Waste management and landfill	Collection Transport and Recycling of Paper and Cardboard (Mainland and Islands)	\$850,000 (based on 5yr term which may be subject to change)	Routine	Economic, Governance, Environmental	Tender	Q3
RCC-19/20-0148	Waste management and landfill	Collection, Transport and Recycling of E-Waste	Cost neutral (dependent on market conditions at the time)	Routine	Economic, Governance, Environmental	Quote / Direct Award	Q1
SE-1968-20/21-WST	Waste management and landfill	Home Assist Bulky Item Collection Services	\$60,000 (based on 2yr term which may be subject to change)	Routine	Economic, Governance, Environmental	Quote / Exception	Q1
TBC	IT and Telecoms	Replacement Activity - Desktop	\$360,000.00	Routine	Economic, Governance, Environmental	Quote / Exception	To be determined
TBC	IT and Telecoms	Data Centre IM	\$25,000.00	Routine	Economic, Governance, Environmental	Quote / Exception	To be determined

**14      REPORTS FROM ADVOCACY, MAJOR PROJECTS AND ECONOMIC DEVELOPMENT****14.1    LOCAL GOVERNMENT ASSOCIATION OF QUEENSLAND ANNUAL CONFERENCE AND MOTIONS**

This report is being finalised.

## 15 REPORTS FROM COMMUNITY & CUSTOMER SERVICES

### 15.1 01/21 - MAJOR AMENDMENT - ENVIRONMENTAL SIGNIFICANCE OVERLAY - STATE INTEREST REVIEW

**Objective Reference:** A6758047

**Authorising Officer:** Louise Rusan, General Manager Community & Customer Services

**Responsible Officer:** David Jeanes, Group Manager, City Planning & Assessment

**Report Author:** Jodi Poulsen, Principal Environmental / Strategic Planner

**Attachments:**

1. Summary of State's Requests for Information and Officers Recommendations for Response [↓](#)
2. Proposed Changes to 01/21 - Major Amendment - Part 1 [↓](#)
3. Proposed Changes to 01/21 - Major Amendment - Part 2 [↓](#)

#### PURPOSE

To seek an endorsed response to the Department of State Development, Infrastructure, Local Government and Planning (the Department) notice of a request for further information, provided to Council 16 March 2022.

#### BACKGROUND

01/21 – Major Amendment – Environmental Significance Overlay (the amendment) has been prepared to incorporate the Council endorsed Wildlife Connections Plan 2018-2028 (WCP) into City Plan within the urban footprint.

The amendment proposes that all clearing of native vegetation in mapped areas of affected public and private properties will be assessed against new assessment criteria in City Plan.

The new assessment criteria requires that the clearing of native vegetation in mapped areas is, firstly, avoided. Where avoidance is not reasonably possible, any clearing of native vegetation needs to be minimised, and if there remains a loss of native vegetation, it would need to be offset with planting.

These stronger protections are proposed to apply to both private and public properties across the urban footprint of the City. Importantly, they are only proposed to apply to parts of private and public properties that are currently mapped in City Plan or by the State Government as having a local or state environmental value. A review of the mapping has been undertaken to ensure it accurately reflects existing native vegetation.

The amendment includes changes to the environmental significance (ES) overlay mapping, the tables of assessment, environmental significance overlay code, and the administrative definitions.

The amendment was endorsed by a resolution of Council on 18 August 2021 and included:

1. *To undertake a major amendment to City Plan as detailed in Attachment 2:01/21 – Major Amendment - Environmental Significance Overlay.*
2. *To submit 01/21 Major Amendment – Environmental Significance Overlay to the Planning Minister for the purposes of completing State interest review, in accordance with the process as outlined in the Minister's Guidelines and Rules.*

On 2 September 2021 the Department gave Council a notice to request further information and to pause a timeframe under the Minister's Guidelines and Rules (MGR) (pause notice), and an additional request for further information on 8 November 2021.

Most of the requests for information have now been resolved at officer level. On 16 March 2022 the Department issued a further notice of a request for further information, and officers are now recommending that Council resolves to make some minor updates to the proposed amendment to address these outstanding matters.

## ISSUES

### 01/21 Major Amendment – Environmental Significance Overlay – Request for information

The table included as Attachment 1 outlines the outstanding issues listed in the State's request for information and Council officer's recommended response. The issues raised and proposed changes are of a relatively minor nature, and are summarised below:

#### Proposed changes to purpose

- Section 8.2.4.2 Purpose of the Environmental significance overlay code:
  - (a) Council's amendment proposed to remove the word 'retain' and replace it with 'are protected, enhanced and restored'. The State accepts the new wording, however has requested that the word 'retain' is reinstated into the purpose statement
  - (e) the State has requested the word 'core' is removed from the Editor's note "[...] *Koala Priority Area and ~~Core~~ koala habitat [...]*"

#### Proposed changes to Performance Outcomes

- Environmental Significance Overlay PO3 – The State has requested proposed new PO3 be reworded to 'Development is located to avoid the clearing of native vegetation in MLES - wildlife core and corridor habitat areas'.
- Environmental Significance Overlay PO5 – The State has requested the following changes:
  - Make more explicit that '*Connections may include both continuous corridors and "stepping stone" patches and refuges and **may be mapped as MLES or MSES***'.
  - To assist in interpretation of this performance outcome:
    - Undertake changes to Council's proposed administrative definitions of Matters of Local Environmental Significance (MLES), to have clearly separate definitions for MLES - Wildlife core and corridor habitat, and MLES – Other.
    - Include new definitions for 'habitat area' and 'ecological corridor' (refer to administrative definitions below).

#### Administrative definitions

- Administrative definitions – the State has requested that the proposed new definitions of MLES be separated as:
  - MLES – wildlife core and corridor habitat
  - MLES – other

- Administrative definitions - the State has requested new definitions of:
  - Ecological corridor
  - Habitat area

#### Proposed changes to Table of Assessment

- Table 5.9.1 table of assessment for the ES overlay - the State has requested notations be included to reference State Government clearing exemptions.

#### Proposed mapping changes

- The State has requested that the Matters of State Environmental Significance (MSES) layer be updated. Officers have requested that the State condition this, so that Council can ensure the version that goes to public notification has the most up to date MSES layer.

#### Proposed additional changes

The State has also included some recommendations for amendments to the environmental significance overlay code to add clarity. These are at Council's discretion to include:

- New AO3.1 – 'development does not result in a reduction in areas mapped as matters of environmental significance'.
- Proposed change to (now) PO4 – 'development does not cause substantial fragmentation of areas mapped as matters of environmental significance'.
- Proposed change to PO17 – remove the word 'endemic' and replace with the word 'local'.

In addition, through internal road-testing, it was identified that the purpose of the environmental significance overlay code be clarified by inserting a new (a) to clarify that the hierarchy; avoid, minimise and mitigate continues to apply to existing mapped MSES values as well as MLES – wildlife core and corridor habitat areas.

The above changes are considered minor and are recommended for inclusion into the amendment.

In summary all the proposed changes required and suggested by the State are generally minor in nature and do not change the policy intent of the proposed amendment.

The updated 01/21 – Major Amendment - Environmental Significance Overlay is attached to this report as Attachment 2.

#### Next steps

If Council accepts the officer's recommendation, the next step in the amendment process is for the State to finalise the State interest review, and for the Minister to approve the amendment to proceed to public notification.

A report will then be brought back to Council to approve public notification of the proposed amendment.

### **STRATEGIC IMPLICATIONS**

#### **Legislative Requirements**

The amendment will be undertaken in accordance with the requirements of the MGR, a statutory document under the *Planning Act 2016* and *Planning Regulation 2017*.

## Risk Management

Undertaking amendments to City Plan will ensure it remains current and consistent with community expectations. Mandatory public consultation requirements for major planning scheme amendments will also ensure the community is given the opportunity to provide feedback.

## Financial

The proposed amendment to City Plan will be funded as part of the operating budget of the City Planning and Assessment Group.

## People

The staff and resourcing to make the proposed amendment to City Plan will be primarily drawn from the Strategic Planning Unit of the City Planning and Assessment Group and the Spatial Business Information Systems Unit of the Corporate Services Group.

## Environmental

The proposed amendment is an important component of implementing the Council endorsed Wildlife Connections Plan within the urban footprint.

## Social

Habitat protection can provide significant social benefits such as improved open space, more shade, increased connection with nature and greater recreational value and usage of parks and reserves.

## Human Rights

Providing an enhanced level of protection to the city's most important urban habitat supports the human right to a healthy natural environment.

## Alignment with Council's Policy and Plans

Providing for an enhanced level of statutory land use protection to the city's most important urban habitats supports:

- Implementation of the *Wildlife Connections Plan 2018–2028*
- Natural Environment Policy ENV-001-P
- Natural Environment Goal of *Our Future Redlands – A Corporate Plan to 2026 and Beyond*

## CONSULTATION

Consultation has already been undertaken in drafting the original amendment and previous Council reports. The following is the consultation that has been undertaken in formulating this report only.

Consulted	Consultation Date	Comments/Actions
Planning Assessment and Environmental Assessment Team	4 April 2022	Confirmed workability of provisions proposed to be reworded.

**OPTIONS****Option One**

That Council resolves as follows:

1. To submit revised 01/21 – Major Amendment – Environmental Significance Overlay, as detailed in Attachment 2, to the Planning Minister under Chapter 2, Part 4, section 17.4 of the Minister’s Guidelines and Rules, seeking approval to proceed to public consultation.
2. To request if any further changes are required to the amendment, these changes are directed through Ministerial conditions prior to public consultation.

**Option Two**

That Council resolves as follows:

1. To submit revised 01/21 – Major Amendment – Environmental Significance Overlay, as amended by Council, to the Planning Minister under Chapter 2, Part 4, section 17.4 of the Minister’s Guidelines and Rules, seeking approval to proceed to public consultation.
2. To request if any further changes are required to the amendment, these changes are directed through Ministerial conditions prior to public consultation.

**Option Three**

That Council resolves to not proceed with 01/21 – Major Amendment – Environmental Significance Overlay.

**OFFICER’S RECOMMENDATION**

That Council resolves as follows:

1. To submit revised 01/21 – Major Amendment – Environmental Significance Overlay, as detailed in Attachment 2, to the Planning Minister under Chapter 2, Part 4, section 17.4 of the Minister’s Guidelines and Rules, seeking approval to proceed to public consultation.
2. To request if any further changes are required to the amendment, these changes are directed through Ministerial conditions prior to public consultation.

## Summary of State's requests for information and officers recommendations for response

Proposed Amendment	State request for information	Officer recommendation
<p>The proposed amendment proposes the following change in section 8.2.4.2 Purpose of the Environmental significance overlay code:</p> <p>(2) The purpose of the code will be achieved through the following overall outcomes: (a) areas of high biodiversity or environmental significance are <del>retained and</del> protected, enhanced and restored to provide a connected network of core habitat areas linked by wildlife corridors...</p> <p>(e) development minimises the loss of koala habitat trees;</p> <p>Editor's note—The interfering with koala habitat is:</p> <ul style="list-style-type: none"> <li>prohibited development (unless subject to an exemption in Schedule 24 of the <i>Planning Regulation 2017</i>) where it involves the interfering with koala habitat mapped within a Koala Priority Area and <del>core</del> koala habitat in the Queensland Governments' State Assessment Referral Agency (SARA) Development Assessment Mapping; or</li> <li>subject to State Government assessment where it involves interfering with koala habitat mapped as koala habitat area and located outside a Koala Priority Area in the Queensland Governments' State Assessment Referral Agency (SARA) Development Assessment Mapping.</li> </ul>	<p>'Retain' aligns better with the term 'avoid' in the 'avoid, minimise and mitigate framework. Amend the proposed amendment to maintain the word 'retain'.</p> <p>Remove the word 'core' from the editor's note, as the Planning Regulation treats all koala habitat areas the same.</p>	<p>Accept direction.</p>
<p>The proposed amendment proposes the following change in section 8.2.4.3 Environmental significance overlay code – Specific benchmarks for assessment of the Environmental significance overlay code: PO4</p> <p>Connections between habitat areas are retained, particularly wildlife corridor habitat, so that:</p>	<p>Amend the proposed amendment by amending the administrative definitions to one of the following options:</p> <p><i>Option 1</i></p> <p>An overall definition of MLES that refers to the existence of several MLES sub types (the corridors and 'other'). Further detail on the</p>	<p>Proposed to accept Option 2:</p> <ol style="list-style-type: none"> <li>Separate the MLES definitions in the administrative definitions to: <ul style="list-style-type: none"> <li>MLES – Wildlife core and corridor habitat, and</li> <li>MLES – Other</li> </ul> </li> </ol>

Text highlighted in yellow denotes additions and highlighted in yellow with strikethrough denotes deletions. Additional proposed changes to the amendment have been highlighted in green.



Proposed Amendment	State request for information	Officer recommendation
<ul style="list-style-type: none"> <li>• movement of species is not inhibited or made less safe; and</li> <li>• normal gene flow between populations is continued.</li> </ul> <p>Connections may include both continuous corridors and “stepping stone” patches and refuges.</p>	<p>sources behind the MLES sub-types can be provided in the planning scheme policies. All related PO’s and mapping references must refer to MLES as a combined product. References to the sub-type is accepted if it is part of the overall requirement of the MLES outcome.</p> <p><i>Option 2</i> Separately define MLES – Wildlife core and corridor habitat and MLES Other in the administrative definitions. Justification and source documentation must be provided in the planning scheme policies. Every PO that relates to one of these MLES must be explicit in which MLES (either or both) that it refers to. Each MLES must be labelled on the map and be mapped independently of each other on digital platforms.</p>	<ol style="list-style-type: none"> <li>Changes will be made to the Planning Scheme Policy to include justification and data sources as requested by the State. Public consultation on the amended planning scheme policy is proposed to take place concurrently with the proposed major amendment.</li> <li>Reword proposed new PO3 to “Development is located to avoid the clearing of native vegetation in MLES – wildlife core and corridor habitat’ areas”</li> <li>PO4PO5 applies to all MSES and MLES categories. Propose including a new definition for ‘habitat area’ to clarify: An area that provides the necessary environmental resources and conditions for the survival and reproduction of a native plant or animal species. Habitat areas are generally mapped as MSES or MLES. Also proposed to amend PO4PO5 to explicitly state that: [...]Connections may include both continuous corridors and “stepping stone” patches and refuges and may be mapped as matters of environmental significance.</li> <li>The proposed amendment package provided to SARA ‘Major Amendment (01/21) Overlay Map OM007B and</li> </ol>

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Proposed Amendment	State request for information	Officer recommendation
		OM008B already separates and labels both categories of MLES. This will also be reflected on digital mapping platforms.
PO14 Ecological corridors have sufficient width to maintain viable wildlife or habitat linkages.	Refer to above item referencing Options 1 and 2. Address any potential conflict with PO3 and PO14.	It is proposed that a new definition be introduced to define 'ecological corridors': Ecological corridors connect habitat areas to provide for the safe movement of wildlife, supporting viable populations and the maintenance of ecological processes.
Operational work involving the clearing of native vegetation within- • MLES – wildlife core and corridor habitat.	Amend the planning scheme to apply the same notations as MLES – other to MLES – wildlife core and corridor habitat area in Table 5.9.1.  Confirm whether minimise and mitigate applies to clearing in MLES – wildlife core and corridor habitat areas.	Accept direction.  Based on the table of assessment any clearing of native vegetation mapped as MLES – Wildlife core and corridor habitat on the ES OL map will trigger code assessment.  The new PO3 in the ES OL code states 'Development is located to avoid the clearing of native vegetation in MLES – wildlife core and corridor habitat' areas'. The avoid, minimise and mitigate hierarchy is set out in the overall outcomes of the ES OL code. The wording of this provision is to make clear Council's intention that these areas are the highest priority and are to be avoided.
The proposed amendment proposes mapping which includes Matters of Local Environmental Significance (MLES) - Other.	Refer to above item referencing Options 1 and 2.	Refer to above item referencing Options 1 and 2 and Council's recommendation to proceed with Option 2.

Text highlighted in yellow denotes additions and highlighted in yellow with strikethrough denotes deletions. Additional proposed changes to the amendment have been highlighted in green.

Proposed Amendment	State request for information	Officer recommendation
Overlay maps OM-007A and OM-008A - Matters of State Environmental Significance	Amend the proposed amendment to include the most up to date MSES mapping.	Accepted and noted that this needs to be conditioned.
PO2 Development does not result in a significant reduction in the level or condition of biodiversity and ecological processes in the locality. No acceptable outcome is nominated.	Consider introducing AO2.1 consistent with the State's previous comments.	<p>Council officers agree that it would add clarity to the code to introduce a new AO2.1 and amend PO2 as the wording is currently not defined and ambiguous.</p> <p>However as noted in the State Interest Assessment as no changes has been proposed to PO2 the item has been included only as advice.</p> <p>Council officers recommend to Council to support the inclusion of the proposed new AO2.1 – 'development does not result in a reduction in areas mapped as matters of environmental significance'.</p>
PO3 Development does not cause substantial fragmentation of habitat areas. No acceptable outcome is nominated	Consider amending PO3 consistent with the State's previous comments.	<p>Council officers agree that it would add clarity to the code to amend existing <del>PO3-PO4</del>.</p> <p>However as noted in the State Interest Assessment as no changes have been proposed to <del>PO3-PO4</del> the item has been included only as advice.</p> <p>Council officers recommend to Council to support the inclusion of the proposed change to existing <del>PO3-PO4</del>. – 'development does not cause substantial fragmentation of areas mapped as matters of environmental significance'</p>
Section 8.2.4.3 Environmental significance overlay code – Specific benchmarks for	<del>PO16 PO17</del> uses the word endemic. It is suggested council consider replacing this word	Council officers note as no changes have been proposed to <del>PO16-PO17</del> the item has been

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Proposed Amendment	State request for information	Officer recommendation
<p>assessment of the Environmental significance overlay code.</p> <p><del>PO16</del> <del>PO17</del></p> <p>Enhancement plantings and landscaping utilise endemic native species which replicate or complement the composition of the habitat it is connected to, unless this would increase bushfire risk.</p>	<p>with local. Endemic means found only there and nowhere else. This could be too restrictive.</p>	<p>included only as advice. However there are no concerns with the inclusion of the proposed change to existing <del>PO16-PO17</del>:</p> <p>Enhancement plantings and landscaping utilise <del>endemic-local</del> native species which replicate or complement the composition of the habitat it is connected to, unless this would increase bushfire risk.</p>
<p>Communication Strategy</p>	<p>Submit a detailed Communication Strategy as suggested in the Communication Strategy originally submitted, that:</p> <ul style="list-style-type: none"> <li>• considers groups such as individual property owners, Aboriginal and Torres Strait Islander people or peak industry groups</li> <li>• is specific about types of on-line platforms to be used in public consultation, and</li> <li>• is specific about the parts of the Communication Strategy that need to be repeated should public notification be required on multiple occasions.</li> </ul> <p>The Communication Strategy should be in accordance with Schedule 4 of the Minister's Guidelines and Rules and the <i>Planning Act 2016</i>.</p>	<p>Council is satisfied the submitted Communications strategy is consistent with Schedule 4 of the Planning Act and contains a similar level of detail to other communication strategies which the State has approved in association with other amendment packages.</p> <p>It is also unclear why there should be a need for parts of the communications strategy to be repeated on the hypothetical assumption that public notification may be required on multiple occasions. If this situation were to arise any further consultation would need to be tailored to address aspects of the amendment that are significantly different to that released for consultation. This will not be known until completion of consultation and finalisation of a public submission review.</p> <p>Based on the above Council officers are satisfied no further changes are required to the submitted communications strategy.</p>

Text highlighted in yellow denotes additions and ~~highlighted in yellow with strikethrough~~ denotes deletions. Additional proposed changes to the amendment have been highlighted in green.



**01/21 - Major Amendment -  
Environmental Significance Overlay**

**Part 1: Environmental significance overlay code  
June 2022**



## 1. Introduction

01/21 Major Amendment: Environmental Significance Overlay primarily proposes to amend Redland City Plan to protect wildlife core habitat and wildlife corridor habitat where located in the Urban Footprint (ShapingSEQ) of the City as a Matter of Local Environmental Significance.

The proposed wildlife core habitat and wildlife corridor habitat areas are based on the Redland City Wildlife Connections Plan (2018-2028).

This major amendment proposes to make operational work involving the clearing of native vegetation code assessable development where in an area proposed to be mapped as MLES wildlife core and corridor habitat.

This major amendment includes:

- Part 1: proposed amendments to the Environmental Significance Overlay Code; and
- Part 2: proposed consequential amendments to the City Plan.

### 1.1 Conventions

In Part 1 and 2 of this major amendment, all proposed amendments to Redland City Plan are:

- highlighted in yellow to denote additions; and
- highlighted in yellow with strikethrough to denote deletions.

**Note that:** additional proposed changes to the amendment have been highlighted in green for ease of reading.



## 2. City Plan – Environmental Significance Overlay Code

### 8.2.4 Environmental significance overlay code

Editor's note – The MSES overlay mapping is sourced from the Queensland Government's State *Planning Policy 2017* (SPP) Interactive Mapping System (IMS). Review of the SPP IMS should be undertaken and may provide more recent MSES mapping (refer to section 8(4) of the *Planning Act 2016*).

#### 8.2.4.1 Application

This code applies to development:

- (1) This code applies to development:
  - (a) within the environmental significance overlay as identified on the overlay maps contained within Schedule 2 (mapping); and
  - (b) identified as requiring assessment against the environmental significance overlay code by the tables of assessment in Part 5 (tables of assessment).
- (2) Land with Environmental Significance overlay is identified on the Environmental Significance overlay maps as one of the following Matters of environmental significance:
  - (a) Matters of local environmental significance – wildlife core and corridor habitat;
  - (b) Matters of local environmental significance – other;
  - (c) Matters of state environmental significance.

When using this code, reference should be made to section 5.3.2 and, where applicable, section 5.3.3, in Part 5.

#### 8.2.4.2 Purpose

- (1) The purpose of the environmental significance overlay code is to manage development to avoid or minimise and mitigate significant impacts on matters of national, state and local environmental significance.
- (2) The purpose of the code will be achieved through the following overall outcomes:
  - (a) Development is designed to avoid areas identified as matters of environmental significance;
  - (b) areas of high biodiversity or environmental significance are retained and protected, enhanced and restored to provide a connected network of core habitat areas linked by wildlife corridors;
  - (c) development maximises the retention of native vegetation and significant habitat features;
  - (d) development avoids the clearing of native vegetation in wildlife core and corridor habitat areas, and where avoidance is not reasonably possible, development minimises and mitigates clearing and, provides an offset for any significant residual impacts;

Note—An ecological report in accordance with Planning Scheme Policy 1-Environmental significance may be required to demonstrate that the proposed clearing of native vegetation cannot be located in areas that avoid the clearing of native vegetation in wildlife core habitat and wildlife corridor habitat areas.



Editor's note—matters of local environmental significance for wildlife core habitat and corridor habitat areas includes areas mapped as koala habitat areas by the Queensland Governments' State Assessment Referral Agency (SARA) Development Assessment Mapping. The interfering of koala habitat in koala habitat areas are either prohibited development (unless subject to an exemption in Schedule 24 of the *Planning Regulation 2017*) or requires assessment by the State Assessment Referral Agency (SARA).

- (e) development minimises the loss of koala habitat trees;

Editor's note—The interfering with koala habitat is:

- prohibited development (unless subject to an exemption in Schedule 24 of the *Planning Regulation 2017*) where it involves the interfering with koala habitat mapped within a Koala Priority Area and ~~Core~~ koala habitat in the Queensland Governments' State Assessment Referral Agency (SARA) Development Assessment Mapping; or
- subject to State Government assessment where it involves interfering with koala habitat mapped as koala habitat area and located outside a Koala Priority Area in the Queensland Governments' State Assessment Referral Agency (SARA) Development Assessment Mapping.

- (f) impacts on matters of state or local environmental significance are minimised and mitigated;
- (g) development does not cause substantial fragmentation of habitat areas;
- (h) opportunities for safe and viable wildlife movement within and between habitat areas are facilitated;
- (i) landscaping and planting is undertaken in a manner that contributes to the ecological values of the site; and
- (j) where they occur, significant residual impacts on matters of local environmental significance or another prescribed environmental matter in accordance with section 15(4) of the *Environmental Offsets Act 2014*, may need to be offset.

Editor's note—Applicants should be aware that in addition to the requirements of this planning scheme, obligations for the protection of many matters of environmental significance are established by the Commonwealth and Queensland governments. Additional approvals or referrals may be required as a consequence. Any environmental offset for matters of state or local significance are to be consistent with the Queensland Government's *Environmental Offsets Act 2014*.





### 8.2.4.3 Environmental significance overlay code – Specific benchmarks for assessment

**Table 8.2.4.3.1—Benchmarks for development that is accepted subject to requirements and assessable development**

Editor's note—Applicants should have regard to Planning Scheme Policy 1 – Environmental significance for guidance in demonstrating compliance with the performance outcomes in this code.

Performance Outcomes	Acceptable Outcomes
<b>For development that is accepted subject to requirements</b>	
<b>PO1</b> Development does not result in a significant reduction in the level or condition of biodiversity and ecological processes in the locality.  Editor's note— See Planning Scheme Policy 1 – Environmental significance for advice on achieving compliance with this outcome.	<b>AO1.1</b> Compensatory planting is undertaken on-site that is equal in area to the area of the vegetation cleared.
<b>For assessable development</b>	
<b>Values to be protected</b>	
<b>PO2</b> Development does not result in a significant reduction in the level or condition of biodiversity and ecological processes in the locality.	<b>AO2.1</b> Development does not result in a reduction in areas mapped as matters of environmental significance.
<b>(PO3 with consequential number changes)</b> Development is located to avoid the clearing of native vegetation in MLES - wildlife core and corridor habitat areas.	No acceptable outcome is nominated.
<b>PO3</b> <b>PO4</b> Development does not cause substantial fragmentation of habitat areas mapped as matters of environmental significance.	No acceptable outcome is nominated.
<b>PO4</b> <b>PO5</b> Connections between habitat areas are retained, particularly wildlife corridor habitat, so that:	No acceptable outcome is nominated.



Performance Outcomes	Acceptable Outcomes
<ul style="list-style-type: none"> <li>movement of species is not inhibited or made less safe: and</li> <li>normal gene flow between populations is continued.</li> </ul> <p>Connections may include both continuous corridors and "stepping stone" patches and refuges and may be mapped as MLES or MSES.</p>	
<b>Minimising and mitigating impacts</b>	
<p><b>PO5</b> <b>PO6</b></p> <p>Edge effects on retained habitat areas are minimised by providing the smallest possible perimeter to area ratio.</p>	No acceptable outcome is nominated.
<p><b>PO6</b> <b>PO7</b></p> <p>The design, scale and intensity of development minimises impacts on retained habitat.</p>	No acceptable outcome is nominated.
<p><b>PO7</b> <b>PO8</b></p> <p>Retained habitat is protected to ensure its on-going condition and resilience, and to avoid degradation as a result of edge effects.</p>	No acceptable outcome is nominated.
<p><b>PO8</b> <b>PO9</b></p> <p>Barriers restricting the movement and dispersal of wildlife are removed, except where they are necessary for the safety of people or animals.</p>	<p>No acceptable outcome is nominated.</p> <p>Editor's note—Guidance on fencing design, fauna movement structure and the like is provided in Planning Scheme Policy 1 – Environmental significance.</p>
<p><b>PO9</b> <b>PO10</b></p> <p>Development does not result in the introduction of pest species (plant or animal), that pose a risk to ecological integrity or disturbance to native species.</p>	<p>No acceptable outcome is nominated.</p> <p>Editor's note—Weed species are identified in Council's Pest Management Plan 2012 – 2016, Part B.</p>
<p><b>PO10</b> <b>PO11</b></p>	No acceptable outcome is nominated.



Performance Outcomes	Acceptable Outcomes
Development minimises alterations to natural landforms, flow regimes, groundwater recharge and surface water drainage patterns.	
<b>PO11</b> <b>PO12</b> Development minimises potential for disturbance of wildlife as a result of noise, light, vibration or other source.	No acceptable outcome is nominated.
<b>PO12</b> <b>PO13</b> Roads and public access within and adjacent to areas of ecological significance are located and designed to avoid disturbance of ecological values or danger to wildlife.	No acceptable outcome is nominated.
<b>Corridors and enhancement planting</b>	
<b>PO13</b> <b>PO14</b> Development contributes to the restoration of waterway or land based ecological corridors, where they would significantly enhance the condition and resilience of habitat and wildlife on and near the site.	No acceptable outcome is nominated.
<b>PO14</b> <b>PO15</b> Ecological corridors have sufficient width to maintain viable wildlife or habitat linkages.	<b>AO14.1</b> <b>AO15.1</b> Ecological corridors have a minimum width of 100m.
<b>PO15</b> <b>PO16</b> Development incorporates opportunities for revegetation to enhance habitat condition, biodiversity and wildlife movement.	No acceptable outcome is nominated.
<b>PO16</b> <b>PO17</b> Enhancement plantings and landscaping utilise <b>endemic-local</b> native species which replicate or complement the composition of	No acceptable outcome is nominated. Editor's note—Guidance to assist applicants is contained within the Queensland Government's Regional Ecosystem Mapping



Performance Outcomes	Acceptable Outcomes
the habitat it is connected to, unless this would increase bushfire risk.	
<p><b>PO17</b></p> <p><b>PO18</b></p> <p>Where clearing occurs, it is sequenced and undertaken in a manner that provides opportunities for fauna to vacate affected land.</p>	<p>No acceptable outcome is nominated.</p> <p>Editor's note—It is likely that a wildlife habitat management plan, prepared by an ecologist with suitable experience may be needed to address survival and ongoing access to habitat trees during construction and operation of the development.</p>
Offsets	
<p><b>PO18</b></p> <p><b>PO19</b></p> <p>Where development results in, or is likely to result in, a significant residual impact on matters of local environmental significance, despite all reasonable on-site mitigation measures, the impact will be offset.</p>	<p><b>AO18.1</b></p> <p><b>AO19.1</b></p> <p>Offsets are provided in accordance with offset arrangements set out in Planning Scheme Policy 1 – Environmental significance.</p>





## **01/21 - Major Amendment - Environmental Significance Overlay**

### **Part 2: Consequential Amendments to City Plan June 2022**




## 5.9 Categories of development and assessment—Overlays

The following table identifies where an overlay changes the categories of development and assessment from that stated in a zone and the relevant assessment benchmarks.

**Table 5.9.1—Assessment benchmarks for overlays**

Development	Categories of development and assessment	Assessment benchmarks for assessable development and requirements for accepted development
<b>Environmental significance overlay</b>		
Any material change of use	No change to categories of development and assessment	Environmental significance overlay code where the development is assessable under the table of assessment for the relevant zone  Note—This overlay code is not applicable to development that is accepted subject to requirements.
Reconfiguration of a lot	No change to categories of development and assessment	Environmental significance overlay code where the development is assessable under the table of assessment for reconfiguration of a lot
<p>Operational work involving the clearing of native vegetation within:</p> <ul style="list-style-type: none"> <li>MLES – wildlife core and corridor habitat.</li> </ul> <p>Note—Clearing for purposes mentioned in part 1 of Schedule 21 of the Regulation is not made assessable by this planning scheme. Essential management, as defined in the Regulation, is also not made assessable by this planning scheme.</p> <p>Editor's note—"Urban area" is defined under the Regulation. Refer also to section 1.7.3 of this planning scheme.</p> <p>Editor's note—Referral or approval under the <i>Planning Act 2016</i> and</p>	Code assessable	Environmental significance overlay code





Development	Categories of development and assessment	Assessment benchmarks for assessable development and requirements for accepted development
Water Act 2000 may also be required.		



Development	Categories of development and assessment	Assessment benchmarks for assessable development and requirements for accepted development
<p>Operational work involving clearing of native vegetation <b>not within:</b></p> <ul style="list-style-type: none"> <li>• <b>MLES – wildlife core and corridor habitat.</b></li> </ul> <p>Note—Clearing for purposes mentioned in part 1 of Schedule 21 of the Regulation is not made assessable by this planning scheme. Essential management, as defined in the Regulation, is also not made assessable by this planning scheme.</p> <p>Editor's note—"Urban area" is defined under the Regulation. Refer also to section 1.7.3 of this planning scheme.</p> <p>Editor's note— Referral or approval under the <i>Planning Act 2016</i> and <i>Water Act 2000</i> may also be required.</p>	<p>Accepted subject to requirements if clearing within:</p> <p>(1) the rural zone on land that contains a dwelling house and the combined area of the proposed clearing and any clearing previously undertaken since commencement of the first version of this planning scheme exceeds 500m<sup>2</sup> and does not exceed 2500m<sup>2</sup>.</p>	<p>Environmental significance overlay code</p>





Development	Categories of development and assessment	Assessment benchmarks for assessable development and requirements for accepted development
	<p>Code assessable, if not accepted subject to requirements, if clearing within:</p> <ul style="list-style-type: none"> <li>(1) the emerging community, environmental management, low-medium density residential, medium density residential or tourist accommodation zones; or</li> <li>(2) within the conservation and recreation and open space zones, other than clearing undertaken by Redland City Council or on Council land and in accordance with a Council resolution; or</li> <li>(3) any other zone within the urban area and the combined area of the proposed clearing and any clearing previously undertaken since the commencement of the first version of this planning scheme exceeds 500m<sup>2</sup>; or</li> <li>(4) within the community facilities zone (if outside the urban area) and the combined area of the proposed clearing and any clearing previously undertaken since the commencement of the first version of this</li> </ul>	<p>Environmental significance overlay code</p>



Development	Categories of development and assessment	Assessment benchmarks for assessable development and requirements for accepted development
	(5) planning scheme exceeds 2,500m <sup>2</sup> ; or within the rural zone and the combined area of the proposed clearing and any clearing previously undertaken since the commencement of the first version of this planning scheme exceeds 2,500m <sup>2</sup>	
Any other operational work	No change to categories of development and assessment	Environmental significance overlay code where the development is assessable under the table of assessment for operational work
Any reconfiguration of a lot	No change to categories of development and assessment	Water resource catchments overlay code where the development is assessable under the table of assessment for reconfiguration of a lot
Any operational works	No change to categories of development and assessment	Water resource catchments overlay code where the development is assessable under the table of assessment for operational works



## Schedule 1 Definitions

### SC1.1 Administrative definitions

- (1) Administrative definitions assist with the interpretation of the planning scheme but do not have a specific land use meaning.
- (2) A term listed in table SC1.2.1 column 1 has the meaning set out beside that term in column 2 under the heading.
- (3) The administrative definitions listed here are the definitions for the purpose of the planning scheme.

Note—As prescribed by section 8(1) of the Planning Regulation the administrative terms and their definitions are located in schedule 4 columns 1 and 2 of the Regulation.

\*Note – As prescribed by section 8(2) of the Planning Regulation, the Redland City Plan includes administrative terms, other than terms in schedule 4, column 1 of the Regulation. These additional administrative terms and their definitions are provided in Table SC1.2.1 – Additional administrative terms and their definitions\*.

**Table SC1.1.1—Additional administrative terms and their definitions**

Column 1 Administrative Term	Column 2 Definition
<b>Adult store sensitive use area</b>	Means the area from the boundary of land occupied by a child care centre, educational establishment or place of worship (Adult Store Sensitive Use) which is within the greater of the following: <ul style="list-style-type: none"> <li>• 200 metres of an Adult Store Sensitive Use according to the shortest route a person may lawfully take, by vehicle or on foot; or</li> <li>• 100 metres of an Adult Store Sensitive Use measured in a straight line.</li> </ul>
<b>Defined flood event</b>	The 1% annual exceedance probability (AEP) flood event.
<b>Defined storm tide event</b>	The 1% annual exceedance probability (AEP) storm tide event, including allowance for 10% increase in storm intensity and a sea level rise of 0.8m.
<b>Ecological corridor</b>	Ecological corridors connect habitat areas to provide for the safe movement of wildlife, supporting viable populations and the maintenance of ecological processes.
<b>Habitat area</b>	An area that provides the necessary environmental resources and conditions for the survival and reproduction of a native plant or animal species. Habitat areas are generally mapped as MSES or MLES.
<b>Low-rise</b>	One to two storeys.
<b>Matters of environmental significance</b>	See the <i>State Planning Policy</i> , Glossary.



<b>Matters of local environmental significance (MLES) – wildlife core and corridor habitat</b>	<p><b>Wildlife core and corridor habitat being:</b></p> <ul style="list-style-type: none"> <li>▪ areas of remnant vegetation with very high ecological value that are the highest priority for protection in the urban footprint of the City; and</li> <li>▪ areas of native vegetation with ecological value that provide the highest priority connections between wildlife core habitat areas. These areas support ecological processes, including native fauna movements between the wildlife core habitat areas, and provide additional native fauna and flora habitat; and</li> </ul>
<b>Matters of local environmental significance (MLES) - other</b>	<p><b>Other MLES being:</b></p> <ul style="list-style-type: none"> <li>▪ areas that form part of regional biodiversity corridors;</li> <li>▪ areas of biodiversity value including: <ul style="list-style-type: none"> <li>- intact areas with high ecological integrity containing many ecosystem functions that contribute to the City's ongoing biodiversity;</li> <li>- other vegetation areas that support interaction between intact areas;</li> <li>- areas that support a broad range and populations of the City's flora and fauna species;</li> <li>- areas that support a broad representation of the City's ecosystems, all with their own different set of functions that contribute to the City's overall biodiversity;</li> <li>- areas that support ecological resilience, the capacity of an ecosystem to recover from or withstand disturbance from threatening processes (including climate change);</li> <li>- aquatic areas that are connected with other wetlands;</li> <li>- areas of habitat for locally significant species.</li> </ul> </li> </ul>
<b>Matters of national environmental significance</b>	See the <i>State Planning Policy</i> , Glossary.
<b>Matters of state environmental significance (MSES)</b>	See the <i>State Planning Policy</i> , Glossary
<b>Mid-rise</b>	Three to six storeys.
<b>Rear lot</b>	A lot which has access to a road by means only of an access strip which forms part of the lot, or by means only of an easement over adjoining land.
<b>Significant residual impact</b>	<p>See <i>Environmental Offsets Act 2014</i>.</p> <p>Editor's note – guidance on significant residual impact for MLES is provided in Planning Scheme Policy 1 – Environmental significance.</p>



<b>Temporary use</b>	Means a use that – (a) Is carried out on a non-permanent basis; and (b) does not involve the construction of, or significant changes to, permanent buildings or structure. Note: 'provisions for temporary use timeframes for defined uses are provided within section 1.7 Local government administrative matters.'
<b>Wildlife</b>	Any taxon or species of an animal, plant, protista, procaryote or virus.



## Schedule 2 Mapping

### SC2.1 Map index

The table(s) below list any strategic framework, zoning, local plan and overlay maps applicable to the planning scheme area.

#### Editors Notes -

Editor's note - Mapping for the LGIP is contained within Schedule 3 of the planning scheme.

**Table SC2.1.1— Map index**

Overlay maps		
OM-007	Environmental significance overlay – Mainland (sheet 1/2)	8 October 2018
OM-007a	Environmental significance overlay – Matters of State Environmental Significance – Mainland (sheet 1/2)	Tbc
OM-007b	Environmental significance overlay – Matters of Local Environmental Significance – Mainland (sheet 1/2)	Tbc
OM-008	Environmental significance overlay – Islands (sheet 2/2)	8 October 2018
OM-008a	Environmental significance overlay – Matters of State Environmental Significance – Islands (sheet 2/2)	Tbc
OM-008b	Environmental significance overlay – Matters of Local Environmental Significance – Islands (sheet 2/2)	Tbc

### SC2.5 Overlay maps

**Table SC2.5.3-Overlay maps**

Map number	Map title
OM-007	Environmental significance overlay – Mainland (sheet 1/2)
OM-007a	Environmental significance overlay – Matters of State Environmental Significance – Mainland (sheet 1/2)
OM-007b	Environmental significance overlay – Matters of Local Environmental Significance – Mainland (sheet 1/2)
OM-008	Environmental significance overlay – Islands (sheet 2/2)
OM-008a	Environmental significance overlay – Matters of State Environmental Significance – Islands (sheet 2/2)
OM-008b	Environmental significance overlay – Matters of Local Environmental Significance – Islands (sheet 2/2)



## 16 REPORTS FROM INFRASTRUCTURE & OPERATIONS

### 16.1 LEASE RENEWAL - GUIDES QUEENSLAND

**Objective Reference:** A5831459

**Authorising Officer:** Dr Nicole Davis, General Manager Infrastructure & Operations

**Responsible Officer:** Sherry Clarke, Group Manager City Operations

**Report Author:** Kate Mullens, Principal Adviser City Sports & Venues

**Attachments:**

1. Attachment 1 - Guides Queensland (Capalaba) - Site Plan [↓](#)
2. Attachment 2 - Guides Queensland (Victoria Point) - Site Plan [↓](#)

#### PURPOSE

To approve new leases for Guides Queensland's two branches located at Capalaba, Lot 26 RP73281 at 56-58 Holland Crescent, Capalaba and Lot 1 RP14821 at 11 Point O'Halloran Road, Victoria Point.

#### BACKGROUND

Guides Queensland (GQ) is the largest youth organisation for girls and young women in Queensland. Each branch has approximately 40 members and provides a non-formal educational program designed to create leaders by building on strengths and personal skills development. Whilst membership appears low, consultation with GQ has confirmed that this membership is average across South East Queensland. The group caters for community engagement by seeking to empower young women to discover their potential. The program includes a variety of activities that focus on self-development in the areas of practical skills, physical development and relationships with people.

GQ has held a lease over both branches (Capalaba and Victoria Point) since 1999 as shown in red in Attachment 1 – GQ (Capalaba) Site Plan and Attachment 2 – GQ (Victoria Point) Site Plan.

#### ISSUES

GQ has requested a new lease of 10 years for each branch (Capalaba and Victoria Point), however following the completion of sustainability checks and consultation with Council officers, concerns were raised regarding the membership and capacity of each branch, therefore leading to a recommendation of a five year lease.

Prior to COVID-19, the branch had only 28 members and was finding it challenging to gain support from parents to commit to volunteer for activities including the governance requirements that enable access to grants.

GQ is providing activities in a crowded market, with alternate sport and recreational activities including Scouts competing for members. To support a planned approach to ensuring sustainability across the Redlands, Council officers have recognised the inconsistency with tenure duration of multiple branches in Redland City and the low utilisation at all of these branches. The five year term will enable the alignment of all GQ branches citywide (including Wellington Point) and allow GQ and Council to ensure the service provision is adequate for the City during future tenure renewal. The Strengthening Communities Unit will continue to support each branch through a number of city-wide workshops including strategic planning, volunteer management, marketing and capacity building.

Post consultation with the District Manager of each branch, a five year lease was accepted. This outcome is consistent with the commitments of the CDV-001-P Community Leasing Policy including:

- Providing a transparent and consistent approach to the granting and renewal of community leases and licenses. Council will undertake harmonisation of community property agreements to underpin continuous improvement.
- Assessing new requests in accordance with established criteria and guidelines to ensure decision making aligns with Council's Corporate Plans and Strategies.
- Providing honest, clear and constructive leasing advice to community organisations.
- Helping organisations interpret tenure agreements and manage their statutory and maintenance obligations.

#### Redland Open Space Strategy 2026

The Girl Guides Capalaba building is located within the Holland Crescent Park, which is adjacent to Tauris Road Park that is situated on the Holland Crescent Drainage Reserve. As part of Council's Redland Open Space Strategy 2026, the Civic and Open Space Asset Management has identified a potential need to realign the boundary of the lot area to cater for community purpose land and realignment of the drainage corridor in 2026 to 2027. The realignment of this lot will not affect the lease area.

### **STRATEGIC IMPLICATIONS**

#### **Legislative Requirements**

The *Local Government Regulation 2012* (the Regulation) s.236 (1)(b)(ii) requires that Council agrees by resolution that it is appropriate to dispose of an interest in land to a community organisation other than by tender or auction.

GQ meets the Regulation definition of a community organisation, as it is an entity that carries on activities for a public purpose and whose primary object is not directed at making a profit.

Council is permitted to resolve to issue Guides Queensland a lease under s.236 (1)(b)(ii).

#### **Risk Management**

GQ is required to maintain full building and public liability insurance for both branches (Capalaba and Victoria Point).

Council's Facilities Services Unit conducts inspections to ensure legislative compliance regarding occupant safety and building condition.

A building inspection was completed at Girl Guides Capalaba on 20 April 2021 and Girl Guides Victoria Point on 15 June 2021 confirming they are compliant.

#### **Financial**

The Lessee bears all costs associated with the preparation and registration of the Lease. Maintenance of the premises is a shared responsibility between Council and the Lessee in accordance with the relevant terms in the tenure. The Lessee also bears utility costs associated to water, sewage and electricity. Recent changes to processes within Council have reduced lease preparation costs.



The Financial Statements provided by Girl Guides Victoria Point in February 2022 and again in May 2022 indicates that the Association operates on a very modest profit margin, though in 2021 they recorded an operating loss. Their cash reserves would cover operational costs for just over a month if all income was to cease.

A sustainability check conducted for Girl Guides Capalaba in August 2021 raised concerns over what appeared to be declining members, however GQ has since confirmed the membership base of 40 members is average across South East Queensland.

### People

This recommendation does not have any staff implications.

### Environmental

This recommendation does not have any environmental implications.

### Social

Renewal of the lease will allow GQ to continue to provide guidance and mentoring to young women within the Redlands Coast area.

### Human Rights

There are no impacts to Human Rights as a result of this report.

### Alignment with Council's Policy and Plans

*Our Future Redlands – A Corporate Plan to 2026 and Beyond*, particularly:

#### GOAL 2. Strong Communities

2.1 Enhance the health, safety and wellbeing of our community through the delivery of inclusive and responsive services focused on preserving and improving our naturally wonderful lifestyle by leveraging partnerships, networks, facilities and infrastructure.

2.4 Enhance community inclusion where people of all locations, ages, abilities and cultures can participate and have access to the necessary services and facilities.

#### GOAL 5. Liveable Neighbourhoods

5.1 Enhance the unique character and liveability of our city for its communities through co-ordinated planning, place making, and management of community assets.

CDV-001-P Community Leasing Policy supports leases to not-for-profit community organisations.

### CONSULTATION

Consulted	Consultation Date	Comments/Actions
Service Manager, Business Partnering Unit, Financial Services	6 May 2022  16 February 2022	Updated sustainability check completed for Girl Guides Victoria Point based on 2020 and 2021 audited financial documents. Sustainability check completed for Girl Guides Victoria Point based on 2018, 2019 and 2020 audited financial documents.
Guides Queensland	May 2022  February 2022  19 March 2021	Confirmation from District Branch Managers of 5 year tenure acceptance. Consultation regarding membership of Guides branches across South East Queensland. Confirmation of intent to renew lease received from

Consulted	Consultation Date	Comments/Actions
	22 December 2020	Guides Queensland for Girl Guides Capalaba and Girl Guides Victoria Point. Request sent to Guides Queensland for confirmation of lease renewal for Girl Guides Capalaba and Girl Guides Victoria Point.
Service Manager, Strengthening Communities	3 March 2022 3 September 2021	Provided in principle support of proposed 5 year lease for Girl Guides Victoria Point. Provided in principle support of proposed 5 year lease Girl Guides Capalaba.
Facilities Coordinator, Facilities Services Unit	20 April 2021 15 June 2021	Completed leased building inspection at Girl Guides Capalaba. Completed leased building inspection at Girl Guides Victoria Point.
Service Manager, Facilities Services	12 January 2022 6 September 2021	Provided in principle support of proposed 5 year lease for Girl Guides Victoria Point. Provided in principle support of proposed 5 year lease Girl Guides Capalaba.
Service Manager, Civic and Open Space Asset Management	8 December 2021 23 September 2021	Provided in principle support of proposed 5 year lease for Girl Guides Victoria Point. Provided in principle support of proposed 5 year lease Girl Guides Capalaba.
Service Manager, Parks and Conservation	1 December 2021 6 September 2021	Provided in principle support of proposed 5 year lease for Girl Guides Victoria Point. Provided in principle support of proposed 5 year lease for Girl Guides Capalaba.
Community Development Officer, Strengthening Communities	27 October 2021 3 August 2021	Confirmation of capacity building training program. Sustainability check completed for Girl Guides Capalaba.
Councillor Division 9	26 October 2021	Advised of pending lease renewal for 5 year term.

## OPTIONS

### Option One

That Council resolves as follows:

1. To approve a new lease to Guides Queensland (Capalaba) on Lot 26 RP73281, at 56-58 Holland Crescent, Capalaba as shown on Attachment 1 - Guides Queensland (Capalaba) - Site Plan outlined in red, with a lease term of five years.
2. To approve a new lease to Guides Queensland (Victoria Point) on Lot 1 RP14821 at 11 Point O'Halloran Road, Victoria Point as shown on Attachment 2 – Guides Queensland (Victoria Point) – Site Plan outlined in red, with a lease term of five years.
3. To agree in accordance with s.236(2) of the *Local Government Regulation 2012* that s.236(1)(b)(ii) of the *Local Government Regulation 2012* applies allowing the proposed lease to a community organisation, other than by tender or auction.
4. To authorise the Chief Executive Officer to apply any necessary administrative amendments and execute all documents in regard to this matter.

### Option Two

That Council does not approve a new lease to Guides Queensland (Capalaba) and Guides Queensland (Victoria Point) and investigates alternative arrangements.

**OFFICER'S RECOMMENDATION**

That Council resolves as follows:

1. To approve a new lease to Girl Guides Capalaba on Lot 26 RP73281, at 56-58 Holland Crescent, Capalaba as shown on Attachment 1 – Guides Queensland (Capalaba) – Site Plan outlined in red, with a lease term of five years.
2. To approve a new lease to Girl Guides Victoria Point on Lot 1 RP14821 at 11 Point O'Halloran Road, Victoria Point as shown on Attachment 2 – Guides Queensland (Victoria Point) – Site Plan outlined in red, with a lease term of five years.
3. To agree in accordance with s.236(2) of the *Local Government Regulation 2012* that s.236(1)(b)(ii) of the *Local Government Regulation 2012* applies allowing the proposed lease to a community organisation, other than by tender or auction.
4. To authorise the Chief Executive Officer to apply any necessary administrative amendments and execute all documents in regard to this matter.

## Attachment 1 - Site Plan Lease Renewal - Guides Queensland

Attachment 1 – Site Plan

Guides Queensland (Capalaba) Lot 26 on RP73281

- Proposed lease area outlined in red.



## **Attachment 2 - Site Plan Lease Renewal - Guides Queensland**

Girl Guides Victoria Point

Lot 1 RP14821, 11 Point O'Halloran Road, Victoria Point QLD 4165

Lease footprint outlined in Red



**16.2 NEW LEASE - THORNESIDE COMMUNITY TENNIS COURTS ASSOCIATION INC.****Objective Reference:** A6722510**Authorising Officer:** Dr Nicole Davis, General Manager Infrastructure & Operations**Responsible Officer:** Sherry Clarke, Group Manager City Operations**Report Author:** Kate Mullens, Principal Adviser City Sports & Venues**Attachments:** 1. Attachment 1 - Thorneside Community Tennis Courts Association Inc - Site Plan [↓](#)**PURPOSE**

To seek approval for a new lease for Thorneside Community Tennis Courts Association Incorporated (the Club) over part Lot 136 on RP14120, described as 208-212 Mooroodu Road, Thorneside.

**BACKGROUND**

The Club is an incorporated, not-for-profit organisation and has occupied the site at Lot 136 RP14120, described as 208-212 Mooroodu Road, Thorneside for over 30 years. Previously, the Club held a 30 year lease over this site that expired on 31 May 2021. An interim Licence to Occupy has been initiated until the new lease outcome is determined. A new lease for a 10 year period is proposed.

The Club is a family-orientated and thriving tennis club for players of all standards and age groups to enjoy sport, keep fit and socialise. The Club delivers a healthy platform to learn and play tennis and facilitates this through court hire, coaching, holiday programs, social tennis programs and open court sessions throughout the year. At present the club has more than 90 active members along with over 1100 social members that play throughout the year with the Club's membership continuing to grow.

Sitting within the William Taylor Memorial Sportsground (the principal sporting precinct within Thorneside), Council conducted a tennis court renewal including tennis court upgrade and replacement of the light fittings to enhance the facility and further encourage participation.

**ISSUES**

The Club had requested a new lease term of 20 years, however following consultation with Council officers, a 10 year lease term was recommended and has been accepted.

**Standard 10 Year Term**

Council is currently conducting a review of its leasing processes including the appropriate length of tenures. Traditionally if an organisation is not proposing significant infrastructure investment over the future lease term, a maximum of 10 years has been considered appropriate. Applying this principal, 10 year renewal periods ensure a standardised and consistent approach across all community leased groups where the lease is covering existing buildings.

The 10 year lease period also provides Council greater ability to manage lessee obligations and strategically plan the use of its assets.

This approach aligns with the commitments within the Community Leasing Policy including:

- Providing a transparent and consistent approach to the granting and renewal of community leases and licenses. Council will undertake harmonisation of community property agreements to underpin continuous improvement.
- Assessing new requests in accordance with established criteria and guidelines to ensure decision making aligns with Council's corporate plan and strategies.
- Providing honest, clear and constructive leasing advice to community organisations.
- Helping organisations interpret tenure agreements and manage their statutory and maintenance obligations.

The offer of lease is also consistent with Council's *Our Future Redlands – A Corporate Plan to 2026 and Beyond* through the second listed goal for Stronger Communities.

## **STRATEGIC IMPLICATIONS**

### **Legislative Requirements**

The *Local Government Regulation 2012* (the Regulation) s.236(1)(b)(ii) requires that Council agrees by resolution that it is appropriate to dispose of an interest in land to a community organisation other than by tender or auction.

The Club meets the Regulation definition of a community organisation, as it is an entity that carries on activities for a public purpose and whose primary object is not directed at making a profit.

Council is permitted to resolve to issue the Club a lease under s.236(1)(b)(ii) of the Regulation.

### **Risk Management**

The Club is required to maintain full building and public liability insurance.

Council conducts regular inspections to ensure legislative compliance regarding occupant safety and building condition. An inspection was completed on 8 March 2022, confirming the Club is compliant.

The lease provides the ability for Council to terminate if a higher and better use presents as an alternative for the land.

### **Financial**

The Lessee bears all costs associated with the preparation and registration of the lease. Maintenance of the premises is a shared responsibility between Council and the Lessee in accordance with the relevant terms in the tenure. The Lessee also bears utility costs associated to water, sewage and electricity.

A sustainability check conducted on 27 May 2022 confirmed the Club is financially sound.

### **People**

There are no specific people implications associated with this lease renewal.

### **Environmental**

There are no environmental implications associated with this lease renewal.

## Social

A new lease will allow the Club to continue to provide a facility to the community to play tennis within Redlands Coast to support their lifestyle, health and well-being.

## Human Rights

There are no impacts to Human Rights as a result of this report.

## Alignment with Council's Policy and Plans

*Our Future Redlands – A Corporate Plan to 2026 and Beyond*, particularly:

### GOAL 2. Strong Communities

- 2.1 Enhance the health, safety and wellbeing of our community through the delivery of inclusive and responsive services focused on preserving and improving our naturally wonderful lifestyle by leveraging partnerships, networks, facilities and infrastructure.
- 2.4 Enhance community inclusion where people of all locations, ages, abilities and cultures can participate and have access to the necessary services and facilities.

### GOAL 5. Liveable Neighbourhoods

- 5.1 Enhance the unique character and liveability of our city for its communities through co-ordinated planning, place making, and management of community assets.

CDV-001-P Community Leasing Policy supports leases to not-for-profit community organisations.

## CONSULTATION

Consulted	Consultation Date	Comments/Actions
Service Manager, Business Partnering, Financial Services Group	27 May 2022	Sustainability check completed.
Councillor, Division 10	27 May 2022	Briefed on progress of lease renewal and LMP requirements.
Sports and Recreation Officer, City Sport and Venues	08 March 2022	Completed building inspection.
Service Manager, Civic and Open Space Asset Management	12 February 2021	Provided in principle support of proposed 10 year lease.
Service Manager, Parks and Conservation	12 February 2021	Provided in principle support of proposed 10 year lease.
Service Manager, Facilities Services	03 February 2021	Provided in principle support of proposed 10 year lease.
Senior Sport and Recreation Officer, City Sport and Venues	03 February 2021	Provided in principle support of proposed 10 year lease.
Thorneside Community Tennis Courts Association Inc.	31 January 2021 12 January 2021	Lease intention letter received from the Club. Lease intention letter sent to the Club.



**OPTIONS****Option One**

That Council resolves as follows:

1. To approve a new lease to Thorneside Community Tennis Courts Association Incorporated on part Lot 136 RP14120, described as 208-212 Mooroondu Road, Thorneside as shown on the attached site plan outlined in red, with a lease term of 10 years.
2. To agree in accordance with s.236(2) of the *Local Government Regulation 2012* that s.236(1)(b)(ii) of the *Local Government Regulation 2012* applies allowing the proposed lease to a community organisation, other than by tender or auction.
3. To authorise the Chief Executive Officer to apply any necessary administrative amendments and execute all documents in regard to this matter.

**Option Two**

That Council does not approve a new lease to Thorneside Community Tennis Courts Association Incorporated and investigates alternative arrangements.

**OFFICER'S RECOMMENDATION**

That Council resolves as follows:

1. To approve a new lease to Thorneside Community Tennis Courts Association Incorporated on part Lot 136 RP14120, described as 208-212 Mooroondu Road, Thorneside as shown on the attached site plan outlined in red, with a lease term of 10 years.
2. To agree in accordance with s.236(2) of the *Local Government Regulation 2012* that s.236(1)(b)(ii) of the *Local Government Regulation 2012* applies allowing the proposed lease to a community organisation, other than by tender or auction.
3. To authorise the Chief Executive Officer to apply any necessary administrative amendments and execute all documents in regard to this matter.

## **Attachment 1 - Site Plan New Lease - Thorneside Community Tennis Courts Association Inc.**

Attachment 1 – Site Plan

Thorneside Community Tennis Courts Association Inc. on Lot 136 RP14120

Proposed lease area outlined in Red



**17      NOTICES OF INTENTION TO REPEAL OR AMEND A RESOLUTION**

In accordance with *s.262 Local Government Regulation 2012*.

## 18 NOTICES OF MOTION

### 18.1 CR ROWANNE MCKENZIE - INVESTIGATION INTO THE REMOVAL OF THE AFRICAN TULIP TREE FROM REDLAND CITY

**Objective Reference:** A6808997

**Attachments:** Nil

In accordance with section 6.16 of *Council Meeting Standing Orders*, at the General Meeting scheduled for Wednesday, 20 July 2022, notice is hereby given that Cr Rowanne McKenzie intends to move the motion as follows:

#### MOTION

**That Council resolves as follows:**

- 1. To investigate an approach for the removal of the African Tulip Tree from all Council owned and managed land.**
- 2. To investigate a partnership between the State Government and Council for the removal of the African Tulip Tree along State owned roads.**
- 3. To investigate a marketing approach to educate residents on the impact that the African Tulip Tree has on Australian Native Bees and encourage removal of these trees on privately owned land.**
- 4. To have a workshop provided to Councillors and a report back to Council by 16 November 2022 as to the outcome of the above investigations.**

#### BACKGROUND

Bee populations worldwide have been collapsing under attack from parasitic Varroa mites. These mites have now reached Australia and a state-wide emergency order is in place in New South Wales to restrict bee movement in an attempt to halt the spread of Varroa mite and authorities have also restricted the movement of bees and hives into Victoria's Sunraysia region.

This outbreak of Varroa mite, which can cripple a bee's ability to fly, gather food, pollinate or emerge from their cell to be born, is threatening Australia's \$70M bee industry. Fortunately, research has shown that the Varroa mite does not target native bees.

It is now more important than ever that we take steps to protect our population of Australian Native Bees. Australian Native Bees have been shown to be valuable pollinators of food crops and they play a critical role in pollinating some of Australia's most unique native plants.

African Tulip Trees are extremely harmful to native stingless bees and a public safety hazard (when these trees are planted along footpaths, their dropped flowers can create a slippery walking surface).

African Tulip Tree is a Category 3 restricted invasive plant under the *Biosecurity Act 2014*. It must not be given away, sold, or released into the environment.

References:

<https://www.aussiebee.com.au/>

<https://beeaware.org.au/pollination/native-bees/native-bees-as-alternative-pollinators/>

<https://www.icu.edu.au/this-is-uni/science-and-technology/articles/buzzing-about-native-bees>

[https://www.daf.qld.gov.au/data/assets/pdf\\_file/0007/52846/african-tulip-tree.pdf](https://www.daf.qld.gov.au/data/assets/pdf_file/0007/52846/african-tulip-tree.pdf)

## 19 URGENT BUSINESS WITHOUT NOTICE

In accordance with s.6.17 of Council Meeting Standing Orders, a Councillor may bring forward an item of urgent business if the meeting resolves that the matter is urgent.

Urgent Business Checklist	YES	NO
To achieve an outcome, does this matter have to be dealt with at a general meeting of Council?		
Does this matter require a decision that only Council make?		
Can the matter wait to be placed on the agenda for the next Council Meeting?		
Is it in the public interest to raise this matter at this meeting?		
Can the matter be dealt with administratively?		
If the matter relates to a request for information, has the request been made to the CEO or a General Manager Previously?		

## **20 CONFIDENTIAL ITEMS**

### **COUNCIL MOTION**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with section 254J of the *Local Government Regulation 2012*:

#### **20.1 Office of the Independent Assessor Referral of Councillors' Use of Personal Email Accounts**

This matter is considered to be confidential under section 254J(3)(e) of the *Local Government Regulation 2012*, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with legal advice obtained by the local government or legal proceedings involving the local government including, for example, legal proceedings that may be taken by or against the local government.

##### **Overview**

To report on an investigation as required by Council's GOV-009-P Investigations Policy with respect to the use of personal email accounts by Councillors.

#### **20.2 Rating Exemption Application**

This matter is considered to be confidential under section 254J(3)(d) of the *Local Government Regulation 2012*, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with rating concessions.

##### **Overview**

To seek Council approval for a general rating exemption in relation to an organisations charitable status.

#### **20.3 Biosolids Delegated Authority**

This matter is considered to be confidential under section 254J(3)(g) of the *Local Government Regulation 2012*, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with negotiations relating to a commercial matter involving the local government for which a public discussion would be likely to prejudice the interests of the local government.

##### **Overview**

To delegate authority to the Chief Executive Officer (CEO) to make, vary and discharge a contract.

## **21 MEETING CLOSURE**