

Agenda

Ordinary Meeting

Thursday, 23 June 2022

commencing at 11:00am

Council Chambers, 1 Omrah Avenue, Caloundra

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ORDINARY MEETING

NOTICE

10 June 2022

Dear Councillors, Group Executives and relevant staff,

In accordance with Section 254C(2) of the *Local Government Regulation 2012*, I wish to advise that an Ordinary Meeting has been convened for

23 June 2022

commencing at 11.00am.

A handwritten signature in black ink, appearing to read "Emma Thomas", is positioned above the printed name.

Emma Thomas | Chief Executive Officer

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1 DECLARATION OF OPENING

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

2 WELCOME AND OPENING**3 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE****4 RECEIPT AND CONFIRMATION OF MINUTES**

That the Minutes of the Ordinary Meeting held on 26 May 2022 be received and confirmed.

5 MAYORAL MINUTE**6 INFORMING OF CONFLICTS OF INTEREST****6.1 PRESCRIBED CONFLICTS OF INTEREST**

Pursuant to section 150EL of the *Local Government Act 2009* (the Act), a Councillor who has a prescribed conflict of interest in an issue to be considered at a meeting of the local government must –

- (a) immediately inform the meeting of the prescribed conflict of interest including the particulars stated in section 150EL(4) of the Act and
- (b) pursuant to section 150EM(2) of the Act 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 being discussed and voted on.

6.2 DECLARABLE CONFLICTS OF INTEREST

Pursuant to section 150EQ of the *Local Government Act 2009*, a Councillor who has a declarable conflict of interest in a matter to be considered at a meeting of the local government, must stop participating in the meeting and immediately inform the meeting of the declarable conflict of interest including the particulars stated in section 150EQ(4) of the Act.

If the Councillor with a declarable conflict of interest does not voluntarily decide not to participate in the decision, pursuant to section 150ES(3)(a) of the Act the eligible Councillors must, by resolution, decide

- (a) whether the Councillor may participate in the decision despite the Councillors conflict of interest or
- (b) that the Councillor must not participate in the decision and must leave the place at which the meeting is being held, including any area set aside for the public and stay away while the eligible Councillors discuss and vote on the matter.


















The Councillor with the declarable conflict of interest must comply with any conditions the eligible Councillors impose per section 150ES(4) and (5) of the Act.

7 PRESENTATIONS / COUNCILLOR REPORTS

8 REPORTS DIRECT TO COUNCIL**8.1 2022/23 PROCUREMENT POLICY AND PROCUREMENT AND DISPOSAL FRAMEWORK**

File No: Council meetings

Author: Manager Business and Innovation
Business Performance Group

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PURPOSE

The purpose of this report is to present for the consideration of Council the 2022/23 Procurement Policy and related documents forming Council's procurement and disposal framework.

EXECUTIVE SUMMARY

The *Local Government Act 2009* (the Act) and the *Local Government Regulation 2012* (the Regulation) outline the procurement and disposal frameworks through which Council must conduct procurement of goods and services and disposal of non-current assets.

The Regulations requires the Procurement Policy and the procurement and disposal framework to be reviewed and adopted on an annual basis. The framework consists of:

- Procurement Policy
- Contract Manual
- Contracting Plan

- Local Preference in Procurement Guideline
- Social Benefit Procurement Guideline
- First Nations Procurement Guideline
- Innovation and Market-Led Engagement Guideline
- Environment and Sustainability in Procurement Guideline
- Significant Contracting Plan/s

The proposed procurement and disposal framework complies with all legislative obligations. It provides an appropriate framework for conducting effective and efficient contracting activities.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “2022/23 Procurement Policy and Procurement and Disposal Framework”**
- (b) adopt the proposed procurement and disposal framework as follows:**
 - (i) Procurement Policy (Appendix A)**
 - (ii) Contract Manual (Appendix B)**
 - (iii) Contracting Plan (Appendix C)**
 - (iv) Local Preference in Procurement Guideline (Appendix D)**
 - (v) Social Benefit Procurement Guideline (Appendix E)**
 - (vi) First Nations Procurement Guideline (Appendix F)**
 - (vii) Innovation and Market-Led Engagement Guideline (Appendix G)**
 - (viii) Environment and Sustainability in Procurement Guideline (Appendix H) and**
- (c) adopt Significant Contracting Plans for the following:**
 - (i) Caloundra Centre Activation - Library (Appendix I)**
 - (ii) First Avenue Streetscape (Appendix J)**
 - (iii) Road Surfacing, Rehabilitation and Construction Asphalt Program (Appendix K)**
 - (iv) Stringybark Road Footbridge Pathway (Appendix L)**
 - (v) Organic Waste Processing Service (Appendix M)**
 - (vi) Street Sweeping Services (Appendix N)**
 - (vii) Tree Maintenance Services (Appendix O)**
 - (viii) Resource Recovery Centre Operations (Appendix P)**
 - (ix) Landfill Services (Appendix Q)**

FINANCE AND RESOURCING

The Procurement Policy and procurement and disposal framework will be administered by the Business and Innovation Branch of Business Performance Group. Resourcing is within the branch and no additional funding is required to implement or administer the framework.

Budget for each of the projects to which a Significant Contracting Plan relates, will be secured upon adoption of the Sunshine Coast Council 2022/23 budget.

CORPORATE PLAN

Corporate Plan Goal:	<i>Our outstanding organisation</i>
Outcome:	We serve our community by providing this great service
Operational Activity:	S28 - Financial and procurement services – financial and procurement management and governance, ensuring effective business management and legislative compliance, coordination and development of Council's budget process, administration of financial systems, sundry debtors, accounts payable, financial and asset accounting, treasury, procurement, contract and supply functions.

CONSULTATION

Councillor Consultation

- Councillor T Landsberg - Economy Portfolio Councillor
- Councillor J O'Pray - Economy Portfolio Councillor

Internal Consultation

During the operation of the current procurement and disposal framework and development of this framework, engagement has occurred with various officers for all levels of the organisation. Specific engagement has occurred with:

- Group Executive, Business Performance
- Group Executive, Economic & Community Development
- Group Executive, Community Engagement & Planning Services
- Chief Strategy Officer
- Chief Financial Officer
- Manager, Digital & Information Services
- Manager, Audit and Assurance
- Manager, Project Delivery
- Head of Property, Property Management
- Manager, Parks and Gardens
- Head of Economic Development, Economic Development
- Manager, Community Planning & Development
- Manager, Sport & Community Venues
- Manager, Civil Asset Management
- Manager, Asset Management
- Manager, Environment and Sustainability Policy
- Sunshine Coast Program Lead – Brisbane 2032
- Coordinator, Contracts and Supply Services
- Coordinator, Strategic Procurement and Commercial Opportunities

- Coordinator, Procurement and Contract Performance
- Coordinator, Smart City
- Coordinator, Commercial Analysis
- Senior Advisor, First Nations Partnerships

A Communications Plan will be developed to inform internal stakeholders.

External Consultation

External Legal Advice was sought when Council first adopted the Strategic Contracting Procedures. The Procurement Policy and procurement and disposal framework remains consistent with that external legal advice.

A Communications Plan will be developed to inform the local community of the adoption of the policy and framework. This includes presentation at Supplier Briefings and other business and community engagement opportunities.

Community Engagement

No community consultation was undertaken in the preparation of this report.

PROPOSAL

The *Local Government Act 2009* (the Act) and the *Local Government Regulation 2012* (the Regulation) outline the procurement and disposal frameworks through which Councils may conduct procurement of goods and services, and disposal of non-current assets.

Strategic Contracting Procedures

The Regulation provides two frameworks through which Council may conduct procurement of goods and services and the disposal of surplus assets. The two frameworks are:

- Strategic Contracting Procedures
- Default Contracting Procedures

Council is bound to use the Default Contracting Procedures unless it adopts the Strategic Contracting Procedures.

At the Ordinary Meeting of May 2018, Council resolved to adopt the Strategic Contracting Procedures to empower Council to pursue improved contracting outcomes. The Strategic Contracting Procedures have been reviewed and adopted each year since.

Council's Procurement and Disposal Framework

The Regulations require Council's Procurement Policy and the procurement and disposal framework to be reviewed and adopted on an annual basis. The documents forming part of this framework are:

Procurement Policy

The Procurement Policy (Appendix A) is the central document in establishing a procurement and disposal framework. The Regulation requires any Procurement Policy to outline the principles the Council will apply in its procurement activities, including stating how it will meet the Sound Contracting Principles provided in the Act.

Contract Manual

The Contract Manual (Appendix B) outlines how Council will conduct procurement and disposal activities for both the procurement of goods and services and the disposal of non-current assets in a manner consistent with the Regulation.

Whether contracting for the supply of goods and services, or when disposing of non-current assets, Council will generally engage a competitive process designed to realise value to Council.

The Regulation prohibits the Strategic Contracting Procedures from being applied to disposal activities relating to land. Disposal of land, or an interest in land, whether by sale, lease, or other form of disposal, will still be conducted under the provisions of the Regulations.

Contracting Plan

The Contracting Plan (Appendix C) is a document which outlines the types of contracts that Council proposes to enter into during the financial year, including principles and strategies for performing those contracts within the various markets being approached. The Contracting Plan must be consistent with, and support achievement of the strategic directions outlined in the Corporate Plan.

Supporting Guidelines

The procurement and disposal framework is supported by four guidelines. Details of the guidelines are as follows:

Local Preference in Procurement Guideline

The Local Preference in Procurement Guideline (Appendix D) was developed to support Council's Regional Economic Development Strategy 2013-2033.

The current Local Preference in Procurement Guideline has guided Council's preference for engaging with local suppliers. This has resulted in Council spending more than \$196 million with local suppliers for the current financial year (to 30 April 2022), which represents 73% of the available procurement spend.

Social Benefit Procurement Guideline

The Social Benefit Procurement Guideline (Appendix E) was developed to support Council's Sunshine Coast Community Strategy 2019 - 2041.

Social Benefit Suppliers have social missions centered on benefitting a group of people who are considered disadvantaged in the local community. The guideline seeks to support Social Benefit Suppliers through strategies that:

- Direct procurement processes with Social Benefit Supplier's
- Encourage principle contractors to engage/sub-contract to Social Benefit Suppliers
- Drive employment of Social Benefit groups

First Nations Procurement Guideline

The First Nations Procurement Guideline (Appendix F) supports pursuit of Council's recently adopted Reconciliation Action Plan 2021-22. The guideline seeks to support First Nation People through strategies that:

- Direct procurement processes targeted at First Nation Businesses
- Encourage principle contractors to engage/sub-contract with First Nation Businesses
- Drive employment of First Nation People
- Address business development opportunities

Innovation and Market-Led Engagement Guideline

The Innovation and Market-Led Guideline (Appendix G) is unique to our Council. The guideline will create a pathway for specialised engagements of contractors:

- Providing innovative solutions
- Market Led Proposals (similar to the State Government Framework)

The guideline contains appropriate checks and balances to ensure compliance with legislation and community expectations.

Environment and Sustainability in Procurement Guideline

The new Environment and Sustainability in Procurement Guideline (Appendix H) outlines Council's framework for, and approach to, conducting Contracting Activities in an environmentally considerate and sustainable manner.

Significant Contracting Plan/s

The Regulation requires Council to identify all Significant Contracts, then prepare and adopt a Significant Contracting Plan for each.

Significant Contracts are contracts that:

- have an anticipated value of \$5 million or more and/or
- are deemed Significant Contracts following assessment under the Procurement Profiling Matrix, and Risk Assessment Calculator.

The following projects/services have been identified as Significant Contracts and therefore require a Significant Contracting Plan:

- Caloundra Centre Activation - Library (Appendix I)
- First Avenue Streetscape (Appendix J)
- Road Surfacing, Rehabilitation and Construction Asphalt Program (Appendix K)
- Stringybark Road Footbridge Pathway (Appendix L)
- Organic Waste Processing Service (Appendix M)
- Street Sweeping Services (Appendix N)
- Tree Maintenance Services (Appendix O)
- Resource Recovery Centre Operations (Appendix P)
- Landfill Services (Appendix Q)

Please note that adoption of these significant contracting plans does not endorse or pre-empt endorsement of the entire project. Approval and endorsement of projects, where necessary will be sought through standard engagements within Council.

Amendments from 2021/22 Procurement Policy and Framework

Council seeks to continually improve and refine its procurement services and capability. Amendments and additions from the previously adopted Procurement Policy and Framework include:

- **Environment and Sustainability in Procurement Guideline** - This has been prepared in consultation with Environment & Sustainability Policy Branch, in consideration of the Zero Net Emissions Plan.

This Guideline will inform and influence decision making throughout the entire procurement activity, from consideration in the development of specifications and scoping documents, to respondent submissions, evaluation, award and delivery of the resulting contract. Central to this Guideline is greater consideration and understanding of the whole of life costings associated with the projects and activities being contracted.

- **Category Procurement** – Continuing progression to procurement by category model, consistent with 2022/23 Contracting Plan.

- **General Exception** - Implementation of a single and consistent process for the creation of an Exception (other than Supplier Arrangements) in order to facilitate a more efficient approach.
- **Social and Economic Factors** - Greater flexibility as to how weightings can be applied for the sub-criteria relating to Local, First Nations and Social Benefits engagements, whilst still ensuring each are considered. This will be achieved by apportioning a minimum 20% weighting across the three potential criterion, having regard to the procurement and industry rather than strictly 20% to local and 5% to the other criteria;
- **High Value Request for Quotes** - Removal of 5 quote procurement processes for contracts with a value between \$250,000 and \$1 million. These will return to Public Tender, EOI or utilisation of an available Exception.
- **Assets Threshold** - Increase to the threshold for Valuable Non-Current Assets and Surplus Assets from \$5,000 for plant and equipment and \$10,000 for other assets to \$25,000 for all surplus assets (not including land).

Further development during 2022/23

Council will continue to develop and progress several initiatives during the coming financial year. These include:

- **Work Health and Safety**

Council continues to progress and develop its approach to work health and safety. As reviews and other activities are finalised during the coming year, Council Officers will develop and implement appropriate changes to the procurement and disposal framework and contract management activities to pursue improved work health and safety outcomes with and from suppliers/contractors to Council.

- **Disposal Plan/s**

As Council moves from current administration buildings to Sunshine Coast City Hall, a higher than usual amount of administration furniture and equipment will be considered for disposal. At appropriate times, Council Officers will develop disposal plans that manage appropriate disposal. These plans will consider the amount and value of the furniture and equipment on hand and the markets/groups which may be interests. This will include fair and equitable disposal to social benefit providers and community groups.

Supporting Strategies and Programs

Council continues to deliver support programs, including:

- **Suppliers Briefings** - Council has conducted in person Supplier Briefings in the past year. The Supplier Briefing outlines Council plans for the coming year with regards to contracting for capital works delivery and goods and services generally. The Supplier Briefings also provide information to business on Council's safety requirements, procurement processes and communication plans.

Future Supplier Briefings will be conducted online and incorporate further valuable information from a variety of branches within Council.

- **Doing Business with Council workshops** - The workshops assist mostly local attendees in explaining how to best reply to Invitations to Tender and Request for Quotes from Council.

These workshops will be incorporated into the new supplier briefing format.

- **Communication and Procurement Platforms** – Council will continue to communicate and conduct procurement with business and community through various platforms and

methods. These include the Q-Tender and Open Windows platforms through which we advertise and receive tenders and quotes. Other relevant platforms include the Council Tender Alert Service, Sunshine Coast Business Gateway and Information Sessions.

Legal

External legal advice has previously been sought regarding the format and content of proposed the Procurement Policy and the procurement and disposal framework. This advice supports the policy and framework as being compliant and appropriate for Council.

Policy

The Procurement Policy and procurement and disposal framework will provide a structured framework for Council's procurement and disposal contracting activities and ensure compliance with the relevant legislation.

Risk

The Procurement Policy and procurement and disposal framework mitigates the risks associated with undertaking contracting activities for the procurement of goods and services and disposal of assets.

Previous Council Resolution

Ordinary Meeting 24 June 2021 (OM21/50)

That Council:

- (a) *receive and note the report titled “**2021/2022 Procurement Policy and Procurement and Disposal Framework**”*
- (b) *adopt the proposed procurement and contracting as the procurement and disposal framework:*
 - (i) *Procurement Policy (Appendix A)*
 - (ii) *Contract Manual (Appendix B)*
 - (iii) *Contracting Plan (Appendix C)*
 - (iv) *Local Preference in Procurement Guideline (Appendix D)*
 - (v) *Social Benefit Procurement Guideline (Appendix E)*
 - (vi) *First Nations Procurement Guideline (Appendix F)*
 - (vii) *Innovation and Market-Led Engagement Guideline (Appendix G) and*
- (c) *adopt Significant Contracting Plans for the following:*
 - (i) *Design and Construct – Sunshine Coast City Hall Fitout (Appendix H)*
 - (ii) *Microsoft Enterprise Licences (Appendix I)*
 - (iii) *Pavement Marking Services (Appendix J)*
 - (iv) *Lifeguard Services (Appendix K)*
 - (v) *Kawana Waters Regional Aquatic Centre (Appendix L) and*
 - (vi) *Nambour Landfill Expansion (Appendix M).*

Ordinary Meeting 23 July 2020 (OM20/79)

That Council:

- (a) receive and note the report titled “**2020/2021 Contracting Plan and Significant Contracting Plans**”
- (b) adopt the proposed:
 - (i) Contracting Plan (Appendix A) and Significant Contracting Plans as follows:
 - (ii) Mooloolaba Foreshore Revitalisation Project (Appendix B)
 - (iii) Supply of Fuel Card (Appendix C)
 - (iv) Open Space Turf and Vegetation Maintenance (Appendix D)
 - (v) Landscape Maintenance (Appendix E) and
 - (vi) Waste Collection Services (Appendix F).

Special Meeting 11 June 2020 (SM20/13)

That Council:

- (a) receive and note the report titled “2020/2021 Procurement Policy and Procurement and Contracting Framework” and,
- (b) adopt the proposed procurement and contracting framework for 2020/21 as follows:
 - (i) Procurement Policy (Appendix A)
 - (ii) Contract Manual (Appendix B)
 - (iii) Local Preference in Procurement Guideline (Appendix C)
 - (iv) Social Benefit Procurement Guideline (Appendix D)
 - (v) First Nations Procurement Guideline (Appendix E)
 - (vi) Innovation and Market-Led Engagement Guideline (Appendix F).

Ordinary Meeting 20 June 2019 (OM19/93)

That Council:

- (a) receive and note the report titled “2019/2020 Procurement Policy and Procurement and Contracting Framework”
- (b) adopt the Strategic Contracting Procedures framework for 2019/20 as follows:
 - (i) Procurement Policy (Appendix A)
 - (ii) Contract Manual (Appendix B) and
 - (iii) Contracting Plan (Appendix C) and Significant Contracting Plans (Appendix D, E, F, G, H and I).

Ordinary Meeting 21 June 2018 (SM18/9)

That Council:

- (a) receive and note the report titled “2018/19 Contracting Plan”
- (b) adopt the 2018/19 Contracting Plan which is to remain in force from 1 July 2018 to 30 June 2019 (Appendix A)
- (c) adopt the Significant Contracting Plan for Retail Electricity Services - Street Lighting (Appendix B)
- (d) adopt the Significant Contracting Plan for Street Sweeping Services (Appendix C) and
- (e) adopt the Significant Contracting Plan for Tree Maintenance Services (Appendix D).

Ordinary Meeting 14 June 2018 (OM18/95)

That Council:

- (a) receive and note the report titled "2018/2019 Procurement Policy"
- (b) adopt the 2018/2019 Procurement Policy (Appendix A).

Ordinary Meeting 14 June 2018 (OM18/94)

That Council:

- (a) receive and note the report titled "2018/2019 Contracting Manual" and
- (b) adopt the 2018/19 Contracting Manual which is to remain in force from 1 July 2018 to 30 June 2019.

Ordinary Meeting 17 May 2018 (OM18/62)

That Council:

- (a) receive and note the report titled "Strategic Contracting Procedures" and
- (b) apply Chapter 6 Part 2 Strategic Contracting Procedures of the Local Government Regulation 2012 to its contracts, following adoption by Council of:
 - (i) a contracting plan; and
 - (ii) a contracting manualwhich will not be more than one year after the date of this resolution.

Related Documentation

Local Government Act 2009

Local Government Regulation 2012

Internal and External Audit Reports conducted on procurement and contracting activities.

Critical Dates

The *Local Government Regulation 2012* requires Council review its Procurement Policy annually and adopt a Contracting Plan for each financial year.

The Contracting Plan and Significant Contracting Plans may only be adopted after the budget for the year is adopted.









Implementation

The Procurement Policy and documents comprising the procurement and disposal framework will commence on 1 July 2022 and will continue use of the Strategic Contracting Procedures for Council.

Chief Executive Officer will ensure that:

- Council conducts its procurement and contracting activities in a manner consistent with the Procurement Policy and the procurement and disposal framework
- Each contracting activity, which has a Significant Contracting Plan, is undertaken in a manner consistent with the plan.

8.2 APPLICATION OF NATIONAL COMPETITION POLICY 2022/2023

File No:	Council meetings
Author:	Coordinator Commercial Analysis Business Performance Group
Appendices:	App A - Justification for not applying the Code of Competitive Conduct to certain prescribed business activities 139  
Attachments:	Att 1 - Legislative requirements 2022-2023 145  
	Att 2 - Business Activity Identification 151  
	Att 3 - Full Cost Pricing FY2021 155  

PURPOSE

The purpose of this report is to make recommendations for the application of National Competition Policy reforms for the 2022/2023 financial year.

EXECUTIVE SUMMARY

The key recommendations for the 2022/2023 financial year resulting from the annual review of the application of National Competition Policy reforms to Council's business activities are outlined in this report.

The recommended business activity structure for 2022/2023 is as follows:

- Apply Full Cost Pricing to the Waste & Resources Management significant business activity
- Apply the Code of Competitive Conduct to Sunshine Coast Holiday Parks and Quarries business activities.
- Do not apply the Code of Competitive Conduct to eleven business activities. Justification for not applying the Code to these activities is detailed in **Appendix A**.

The current statutory requirements and key differences between Full Cost Pricing, Commercialisation and the Code of Competitive Conduct are outlined in **Attachment 1**.

The annual review and identification of business activities is detailed in **Attachment 2**.

Business activity full cost pricing performance for 2020/2021 is shown in **Attachment 3**.

OFFICER RECOMMENDATION

That Council:

- receive and note the report titled "Application of National Competition Policy 2022/2023"**
- apply Full Cost Pricing to the Waste and Resource Management significant business activity for the 2022/2023 financial year in accordance with section 44(1)(b) of the *Local Government Act 2009***
- apply the Code of Competitive Conduct to the following business activities, for the 2022/2023 financial year, in accordance with section 47 of the *Local Government Act 2009*:**
 - Sunshine Coast Holiday Parks; and**
 - Quarries**

- (d) not apply the Code of Competitive Conduct to the following, in accordance with section 47 of the *Local Government Act 2009* for the reasons referred to in Appendix A, Justification for not applying the Code of Competitive Conduct to certain prescribed business activities:
- (i) Aquatic Centres
 - (ii) Caloundra Indoor Stadium
 - (iii) Caloundra Regional Gallery
 - (iv) Cemeteries
 - (v) Festivals
 - (vi) Multisport and Showgrounds
 - (vii) Off-street Parking
 - (viii) Retail Electricity Strategy and Sunshine Coast Solar Farm
 - (ix) Sunshine Coast International Broadband Cable Network
 - (x) Sunshine Coast Stadium and Kawana Sports Precinct
 - (xi) Venue 114 and Community Spaces.

FINANCE AND RESOURCING

The financial implications of applying the National Competition Policy reforms primarily relate to competitive neutrality and cost reflective pricing for Council's business activities. They include:

- The application competitive neutrality principle;
- The pricing provisions;
- The cost of performing community service obligations, less any revenue received from carrying out those obligations, must be treated as revenue for the business activity when deciding what to charge for goods or services provided;
- The competitive neutrality complaints process; and
- Budget, annual report and financial statement disclosures.

Management of the National Competition Policy reforms can be managed within current resource allocations.

CORPORATE PLAN

Corporate Plan Goal: *Our outstanding organisation*

Outcome: 5.1 - Maintain a financially sustainable organisation that balances the needs of our growing region.

Operational Activity: Nil

CONSULTATION

Councillor Consultation

Consultation has been undertaken with Councillor E Hungerford and Councillor J Natoli as Portfolio Councillors.

Internal Consultation

- Executive Leadership Team
- Chief Financial Officer

- Coordinator Cemeteries
- Coordinator Financial Accounting
- Coordinator Financial Services
- Coordinator Financial Operations
- Coordinator Corporate Planning & Performance
- Coordinator Sports Venues & Development
- Coordinator Sunshine Coast Holiday Parks
- Coordinator Business Operations
- Team Leader Multi Sports Complexes & Aquatics
- Head of Economic Development
- Head of Property
- Manager Arts Heritage & Libraries
- Manager Asset Management
- Manager Business and Innovation
- Manager Civil Asset Management
- Manager Corporate Governance
- Manager Customer Response
- Manager Development Services
- Manager Environmental Operations
- Manager Parks & Gardens
- Manager Sport & Community Venues
- Manager Transport Infrastructure Management
- Manager Waste and Resources Management
- Parking and Transport Manager
- Quarry Manager.

Managers and coordinators were consulted on the application of National Competition Policy reforms to the activities in their branches. Input into justification for not applying the Code of Competitive Conduct to activities was a key area of consultation. The results of the consultation have been included in this report.

External Consultation

There has been no external consultation undertaken in relation to this report.

Community Engagement

There has been no community engagement in relation to this report.

PROPOSAL

In the mid to late 1990s, a suite of market and economic reforms were introduced to stimulate growth and job creation in Australia. For local governments in Queensland these reforms revolved around the following:

1. The extension of the trade practices laws prohibiting anti-competitive activities to all businesses including local government businesses

2. The introduction of competitive neutrality so that private businesses could compete on an equal footing with those owned by local government
3. The review and reform of all laws that restrict competition
4. Specific reform and price monitoring of the water industry.

National Competition Policy reforms are applied to various identified 'business activities' of the Council.

Council must consider and resolve the application of National Competition Policy on an annual basis to comply with the *Local Government Act 2009*.

Under the **competitive neutrality principle**, an entity that is conducting a business activity in competition with the private sector should not enjoy a net advantage over competitors only because the entity is a public sector entity.

The underlying assumption is that competition is generally desirable, unless it can be demonstrated, on a case-by-case basis, that it will not deliver socially beneficial outcomes. If Council undertakes a new significant business activity in a key market it must undertake a public benefit assessment to determine the costs and benefits of applying competition reforms. This assessment also determines the most effective way to achieve benefits from competitive neutrality.

Council is also required to use its discretion in deciding whether to apply the **Code of Competitive Conduct** to smaller, **prescribed business activities** that are not "significant" business activities. Should Council decide to *not* apply the Code of Competitive Conduct, then it is required to provide detail of the reasons for not doing so. This may include an assessment of the costs and benefits of applying competition reforms.

Additionally, under the *Local Government Act 2009* specific National Competition Policy disclosures of business activities are required in the Budget documents, Annual Report and Financial Statements.

Attachment 1 outlines the legislative requirements and the key differences between Full Cost Pricing, Commercialisation, and the Code of Competitive Conduct.

Attachment 2 sets out the process for annual business activity identification and threshold analysis of Council's business activities.

Attachment 3 shows business activity full cost pricing performance based on 2020/2021 audited actual results.

Classification of Council's Business Activities

Business activities are classified against expenditure thresholds each financial year. For significant business activities, expenditure for this purpose is the operating expenditure less depreciation and any expenditure to achieve competitive neutrality which is not actually incurred plus loan redemption payments. For prescribed business activities, expenditure is the operating costs, administration and overhead costs, cost of resources and depreciation.

The 2022/2023 thresholds are as follows:

- Significant business activities have expenditure over the \$9.7 million threshold
- Prescribed business activities have expenditure over the \$340,000 threshold.

The classification of Council's business activities are listed in the Table 1 below for 2021/2022 and 2022/2023.

A public benefit assessment is required when business activities move classification from a business activity to a Significant Business Activity. A public benefit assessment determines which reform option will achieve the greatest net community benefit.

Table 1: Proposed Business Activity Classification and National Competition Policy reform

Branch	Business Activity	Classification	Full Cost Pricing	Code of Competitive Conduct
Waste and Resources Management	Waste and Resources Management	Significant	✓	
Business and Innovation	Retail Electricity and Sunshine Coast Solar Farm	Prescribed		✗
Civil Asset Management	Quarries	Prescribed		✓
Customer Response	Cemeteries	Prescribed		✗
Arts, Heritage and Libraries	Caloundra Regional Gallery	Prescribed		✗
	Festivals (Horizon)	Prescribed		✗
Economic Development	Festivals (Caloundra Music)	Prescribed		✗
Sport and Community Venues	Aquatic Centres	Prescribed		✗
	Venue 114 & Community Spaces	Prescribed		✗
	Caloundra Indoor Stadium	Prescribed		✗
	Multisports and Showgrounds	Prescribed		✗
	Sunshine Coast Holiday Parks	Prescribed		✓
	Sunshine Coast Stadium and Kawana Sports Precinct	Prescribed		✗
Submarine Cable IBN	Sunshine Coast International Broadband Cable Network	Prescribed		✗
Transport Infrastructure Management	Off-street Parking	Prescribed		✗

Council controlled entities

Council has 100% controlling interest of three corporatised entities. SunCentral Maroochydore Pty Ltd and Sunshine Coast Events Centre Pty Ltd are prescribed business activities. These companies' financial statements are audited by Queensland Audit Office and Annual Reports published on both Council's and the companies' websites and consolidated into Council's financial statements. Sunshine Coast Arts Foundation Ltd expenditure is below the prescribed business activity threshold.

Summary Outcomes of Business Activity Review

The recommended 2021/2022 business activity structure based on the annual business activity review and identification conducted in accordance with the legislation is to:

1. apply the Full Cost Pricing in accordance with section 44(1)(b) of the *Local Government Act 2009* to the Waste and Resource Management significant business activity
2. apply the Code of Competitive Conduct to the Sunshine Coast Holiday Parks and Quarries business activities, in accordance with sections 47 of the *Local Government Act 2009* and
3. not apply the Code of Competitive Conduct to the following business activities in accordance with sections 47 of the *Local Government Act 2009*.
 - i) Aquatic Centres
 - ii) Caloundra Indoor Stadium
 - iii) Caloundra Regional Gallery
 - iv) Cemeteries

- v) Festivals
- vi) Multisport and Showgrounds
- vii) Off-street Parking
- viii) Retail Electricity Strategy and Sunshine Coast Solar Farm
- ix) Sunshine Coast International Broadband Cable Network
- x) Sunshine Coast Stadium and Kawana Sports Precinct
- xi) Venue 114 and Community Spaces.

Council's Annual Budget

The intent of the legislation is to enhance transparency regarding the financial performance of business activities, requiring them to be reported separately from other Council activities in the budgeted financial reports. Income and expense statements are to be published in the budget separately for commercialised business units and significant business activities operating under full cost pricing. Details regarding community service obligations are also required to be published for each business activity.

The budget process for significant business activities and business activities under the code of competitive conduct includes the following key stages:

- Revenue requirements are determined from long term financial plans and full cost pricing models (that includes recovery of efficient operating costs, return of capital and return on capital).
- Activity based costing analysis is undertaken to determine outputs for products and services provided by each business activity
- An overarching price strategy is determined regarding accepted level of cost recovery.
- Council is informed regarding price strategy for each business activity to achieve full cost recovery.
- Approved pricing strategy and activity-based costing outputs used to inform increases in utility charges / fees and charges.

Council's Annual Report

The annual report of Council must include information relating to the identification and performance of business activities. This information is contained in the body of the financial statements in line with legislative requirements, which in turn are published as part of Council's annual report.

Queensland Audit Office

The financial statements and the annual report of Council are audited by the auditor-general and contain the audit report.

Legal

In accordance with Chapter 3 of the *Local Government Act 2009* and the *Local Government Regulation 2012*, Council is required each year to identify any new 'financially significant' business activities and to identify its business activities.

Attachment 1 describes the current statutory requirements.

This report responds to the statutory obligation of Council in relation to the identification of business activities and the application of appropriate competition policy reform options.

Policy

The organisational policy on Competition Reform Compliance sets out a framework outlining annual compliance requirements in relation to the application of competition policy principles to Council's nominated business activities in accordance with applicable legislative requirements.

Risk

Failure to conduct the assessments required in the *Local Government Act 2009* and the *Local Government Regulation 2012* could leave Council exposed to competitive conduct complaints in respect of its business activities that are competing with the private sector, including potential legal and reputational risks for Council.

Previous Council Resolution**Ordinary Meeting 16 September 2021 (OM21/90)**

That Council:

- (a) *receive and note the report titled "Application of National Competition Policy - Other Activities 2021/2022"*
- (b) *not apply the Code of Competitive Conduct to the off-street parking business activity in accordance with section 47 of the Local Government Act 2009 as:*
 - (i) *While some private sector parking providers may provide off-street parking, they are at different locations (not proximate to those of Council), provided for different purposes and/or provided for free.*
 - (ii) *The market for parking services is heavily influenced by location (the market can generally be narrowly defined as the region in which the car park is located and the distance that people are willing to walk from their car to their destination). If there are no private off-street parking facilities within close proximity (e.g. within reasonable walking distance) to Council's parking facilities, it is arguable that private sector competition is currently low.*
 - (iii) *Council provides off-street parking to help achieve the objectives of the Mooloolaba Local Area Parking Plan.*
 - (iv) *Council is providing services traditionally provided by a Local Government.*
 - (v) *The Covid-19 pandemic has arguably distorted the market for tourism (and therefore demand for parking) such that any application of the reforms under the code (particularly assessments about the market and pricing) may not be accurate if conducted during the height of a pandemic and could quickly cease to be appropriate when (and if) the pandemic comes to an end.*
 - (vi) *If Council did not provide these services, there would be a clear gap in supply leading to negative outcomes such as traffic congestion in major precincts.*
 - (vii) *Prices charged by Council are benchmarked against private sector providers, so that no price advantage that exists due to government ownership and*
 - (viii) *Council has not received any competition or competitive neutrality complaints regarding its parking facilities from the private sector and*
- (c) *not apply the Code of Competitive Conduct to the festivals business activity in accordance with section 47 of the Local Government Act 2009 as:*
 - (i) *Council's festival events are an integral part of delivering on the objectives of the Sunshine Coast Arts Plan.*
 - (ii) *The market for festival events is heavily influenced by time rather than territory. Other private sector festival organisers are not constrained from starting up or*

visiting the Sunshine Coast because Council's festivals are each conducted over a discrete period of time (over a number of days at most). Like most major events, the date for Council's festivals are also published well in advance and tend to happen at approximately the same time each year, allowing private sector festival organisers to plan their own events at dates and times that do not conflict with those of Council. In addition, Council is not aware of its existing festivals competing with any private sector events on or near the dates that Council's events are conducted.

- (iii) Council is providing a cultural and community service in the form of festivals for community and visitors of all ages and diversities – applying the code (particularly the pricing provisions) may detrimentally impact of the ability of all ages and diversities to attend and enjoy such cultural and community events.
- (iv) The Covid-19 pandemic has arguably distorted the market for tourism and, therefore, the ability to hold large festivals (for example, Council's Horizon Festival was recently cancelled due to the pandemic). The application of reforms under the code (particularly assessments about the market and pricing) may not be accurate if conducted during the height of a pandemic and could quickly cease to be appropriate when (and if) the pandemic comes to an end.
- (v) Private sector organisers of large-scale festivals would generally not be interested in delivering the type of cultural and community service festival events that are run by Council (namely, the Caloundra Music Festival and the Horizon Festival) - it is therefore arguable that the festivals do not directly compete with the type of events that would normally be conducted by the private sector.
- (vi) Council is providing festivals, some of which are free or below cost of delivery. This pricing has been established to reflect social objectives, such as enabling a diverse range of ages and diversities to attend, promoting local talent, generating economic activity and encouraging tourism and
- (vii) Community based events attract a strong community involvement in the form of a large volunteer base. Similarly, other groups, such as school groups and not-for-profit organisations rely upon festivals for unique fundraising opportunities.

Ordinary Meeting 24 June 2021(OM21/49)

That Council:

- (a) receive and note the report titled "**Application of National Competition Policy 2021/2022**"
- (b) apply Full Cost Pricing to the Waste and Resource Management significant business activity for the 2021/2022 financial year in accordance with section 44(1)(b) of the Local Government Act 2009
- (c) apply the Code of Competitive Conduct to the following business activities, for the 2021/2022 financial year, in accordance with section 47 of the Local Government Act 2009:
 - (i) Sunshine Coast Holiday Parks; and
 - (ii) Quarries
- (d) not apply the Code of Competitive Conduct to the International Broadband Submarine Cable Network, in accordance with section 47 of the Local Government Act 2009 as:
 - (i) Council considers this an economic development project being a mechanism to future proof telecommunications capacity and access on the Sunshine Coast
 - (ii) Council will not be able to influence price setting and

- (iii) *costs and prices of the project are already isolated, documented, and transparent and*
- (e) *request the Chief Executive Officer to provide a further report to Council by the end of September 2021 on the outcome of the current assessments of other business activities of Council.*

Related Documentation

While the following documents do not directly influence the determination of business activities under the *Local Government Act 2009* the following relevant work is underway in relation to the operation of events under the Festivals heading:

- A review of the Caloundra Music Festival is underway. An external consultant has been appointed to undertake a review of the Caloundra Music Festival. This review has progressed to the point of a draft report being prepared.
- Council has engaged a consultant to prepare a Live Music Action Plan, with a draft report expected at the end of July 2022.
- Externally, the Caloundra Chamber of Commerce is preparing a Sunshine Coast Regional Music Ecosystem White Paper which is expected to be released by the end of June 2022.

Critical Dates

This recommendation needs to be adopted each financial year per legislative requirements.

Implementation

Should the recommendation be accepted by Council, it is noted that the Chief Executive Officer will apply the revised National Competition Policy reforms for the 2022/2023 financial year. As the recommended business activity structure for 2022/2023 is the same as the business activity structure currently in place, there are no significant changes in process required.

8.3 AUDIT COMMITTEE MEETING 23 MAY 2022**File No:** Council Meetings**Author:** Acting Manager Audit & Assurance
Office of the CEO**Appendices:** App A - Audit Committee Minutes 23 May 2022 163 [↓](#) 
App B - 2022-2023 Internal Audit Work Plan 181 [↓](#) 

PURPOSE

To provide Council with a report on matters reviewed at the Audit Committee (“the Committee”) meeting held on 23 May 2022 and recommendations made by the Committee to Council.

This report is provided in fulfillment of Council’s obligations under section 105 of the *Local Government Act 2009* and section 211 of the *Local Government Regulation 2012*.

EXECUTIVE SUMMARY

Under section 105 (2) of the *Local Government Act 2009*, Council is required to establish and maintain an Audit Committee. Council’s Audit Committee is currently comprised of Mr Mitchell Petrie (Independent Chair), Mr Pat McCallum (Independent Member), Councillor E Hungerford and Councillor J Natoli. Recruitment action is currently underway to select a third independent member of the Audit Committee, with the outcome of that process to be presented to Council when the process concludes.

Under Clause 6 of the Audit Committee Charter, the Committee meets (at a minimum) four times each year or as determined by Council or the Committee.

The agenda for the Committee meeting held on 23 May 2022 covered a wide range of matters including:

- acknowledgement of service and retirement of the Audit and Assurance Manager
- an update report from the Chief Executive Officer
- an update on the implementation of actions arising from a governance review of SunCentral Maroochydore Pty Ltd and Council in relation to the Maroochydore City Centre project
- the outcomes of a process mapping and causal analysis of delays in asset recognition
- annual financial statement risk and planning assessment and an update from the Queensland Audit Office (QAO) first interim audit
- an audit and assurance report into traffic control services supplier arrangement
- audit and assurance status report relating to the annual work plan and audit recommendations
- 2022 – 2023 annual work plan
- Governance and risk report and
- Workplace health and safety report.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Audit Committee Meeting 23 May 2022” and
- (b) approve the recommendations contained in the Audit Committee Minutes for the meeting of 23 May 2022 (Appendix A) and
- (c) endorse the 2022-2023 Internal Audit Work Plan (Appendix B).

FINANCE AND RESOURCING

There are no additional resourcing implications generated by this report.

CORPORATE PLAN

Corporate Plan Goal: *Our outstanding organisation*
Outcome: We serve our community by providing this great service
Operational Activity: S30 - Governance – providing internal leadership, legal opinion, governance and audit functions ensuring legislative accountability, transparency and ethical obligations are supported.

CONSULTATION**Councillor Consultation**

Councillors E Hungerford and J Natoli (as members of Audit Committee) were present at the 23 May 2022 Audit Committee meeting. All Councillors received a copy of the Committee Agenda and papers in advance of that meeting.

Internal Consultation

- The Chief Executive Officer and a number of Executive Leadership Team members were present at the Committee meeting and contributed to the development of the Committee Agenda papers.
- Coordinator Financial Accounting
- Coordinator Corporate Risk & Insurance
- Manager Corporate Governance
- Head of People and Culture
- Manager Asset Management (in the absence of the Group Executive Built Infrastructure)

External Consultation

The two independent members of the Committee and representatives of the Queensland Audit Office were present at the Committee meeting on 23 May 2022.

PROPOSAL

Under section 105 (2) of the *Local Government Act 2009*, Council (as a large local government) must establish and maintain an Audit Committee. The Act provides the Audit Committee has the following functions:

- (a) monitors and reviews—
 - (i) the integrity of financial documents; and
 - (ii) the internal audit function; and

- (iii) the effectiveness and objectivity of Council's internal auditors; and
- (b) makes recommendations to Council about any matters that the Committee considers need action or improvement.

The Committee has no delegated decision-making authority. The Committee is, however, a source of independent advice to Council and the Chief Executive Officer.

The Committee is currently comprised of Mr Mitchell Petrie (Independent Chair), Mr Pat McCallum (Independent Member), Councillor E Hungerford and Councillor J Natoli. Recruitment action is currently underway to select a third independent member of the Audit Committee.

The overall objective of the Committee is to assist Council and the Chief Executive to discharge their responsibilities, in particular:

- Corporate Governance and responsibilities in relation to the organisation's financial reporting, internal control structure, risk management systems and the external and internal audit functions
- maintain an independent and objective forum promoting transparency, accountability and an ethical culture throughout Council
- maintain open lines of communications with Council, Executive Management, External Audit and Internal Audit, to exchange information and views
- oversee and appraise the quality and efficiency of audits conducted by both the Internal and External Audit functions and
- ensure both the Internal and External Audit functions are independent and effective.

Under section 211 of the *Local Government Regulation 2012*, the Committee must provide Council with a written report about the matters reviewed at its meetings and make recommendations to Council on any matters the Committee considers need action or improvement. The Committee meets at least four times each year.

Audit Committee Meeting – 23 May 2022

The items of business considered by the Committee at its 23 May 2022 meeting are summarised in agenda sequence as follows:

Office of the CEO

Acknowledgement of Service and Retirement of Audit and Assurance Manager

The Chief Executive Officer and the Committee members acknowledged the significant contribution to the organisation of Mr Glen Charles in the role of Audit and Assurance Manager and his service to Council for over 25 years of service.

Chief Executive Officer's Update

The Chief Executive Officer provided an organisational performance update for the period since the January 2022 Committee meeting. The report covers financial performance, operational plan activities and includes significant project achievements.

Maroochydore City Centre Governance and Resourcing Review Implementation Update

A status report was provided showing progress with the implementation of recommendations relating to the recent governance review of the roles of Council and SunCentral Maroochydore Pty Ltd, which were endorsed by Council at its Ordinary Meeting on 9 December 2021.

The Committee noted the good progress and timely implementation of recommendations.

Cyber Security and Risk Report

The report provided an update on Council's Cyber Security risks, Cyber Security program and controls. In line with the Committee's request, a regular six-monthly report is being developed to include metrics against industry benchmarking and regulatory audit requirements.

Process Mapping and Causal Analysis of delays in Asset Recognition

A comprehensive mapping and analysis review was undertaken to identify causes of delays in asset recognition across constructed and contributed asset processes. The draft findings and critical success factors were presented to the Committee.

The Committee recognised that delays in asset recognition were common across the local government sector, especially in high growth regional areas. The Committee commended Council for undertaking the improvement initiative and supported the development of an action plan with realistic timelines.

External Audit

Annual Financial Statement Risk and Planning Assessment

An Annual Financial Statement Risk and Planning Assessment was provided to the Committee to identify potential risk exposures to receiving an unmodified audit opinion for the financial year ended 30 June 2022.

Audit and Assurance

Traffic Control Services Supplier Arrangement

The Committee was provided with an Internal Audit Report identifying an adequate control environment and a strong focus on safety over the contract management activities associated with traffic control.

Audit and Assurance Status Report

The Committee was advised the Internal Audit Annual Work Plan is around 50% complete, with four other reviews in progress. There are 23 audit recommendations progressing on time, with two recommendations exceeding completion timeframes. The Committee received detailed status updates from management where recommendations had become overdue.

Audit and Assurance 2022 – 2023 Annual Audit Work Plan

The Committee was presented with the 2022 – 2023 Annual Audit Work Plan, which was developed in accordance with internal audit and risk management standards and in consultation with a broad range of stakeholders across the organisation.

The Committee noted the report and recommended the plan to Council for approval.

Governance Reporting

Governance and Risk Report

The Committee received the quarterly Governance and Risk report which covered the following areas:

- Governance in Action Program
- Risk Management

- Integrity Management.

The Committee noted the report and requested some minor revisions to the table format.

Workplace Health and Safety

The Committee was informed of the significant progress with the implementations of the Wellbeing Health and Safety Action Plan and the ongoing work associated with the Culture project.

The Committee was also advised that since January 2022, there have been three notifiable incidents.

The Lost Time Injury Frequency Rate (LTIFR) has fallen by ~36% over the last 12 months, sitting at 8.22 in March.

Total Reportable Incidents Frequency Rate (TRIFR) has fallen by ~33% over 12 months to 17.43 in March.

The Committee commended the detail and quality of the report and is supportive of the Culture project.

Legal

This report to Council has been developed in fulfillment of Council's statutory obligations under the *Local Government Act 2009* and *Local Government Regulation 2012*.

Risk

Specific risks associated with each matter contained in the Committee Agenda reports have been raised and addressed in the briefings to the Committee.

Previous Council Resolution

Ordinary Meeting 24 February 2022 (OM22/14)

That Council:

- (a) receive and note the report titled "**Audit Committee Meeting 24 January 2022**"*
- (b) endorse the Audit Committee Minutes 24 January 2022 (Appendix A)*
- (c) approve an amendment to the composition of the Audit Committee to increase the number of independent members to three persons and*
- (d) authorise the Chief Executive Officer to commence a process to recruit the additional independent member of the Audit Committee.*





Related Documentation

- Audit Committee Agenda (Confidential), which was distributed electronically to all Councillors on 14 January 2022.
- Audit Committee Charter dated 11 August 2021

Implementation

Implementation of the Audit Committee resolutions, internal and external audit recommendations are overseen by the Chief Executive Officer and the Executive Leadership Team and monitored by the Audit Committee.

8.4 DELEGATION TO THE CHIEF EXECUTIVE OFFICER

File No:	Council Meeting
Author:	Manager Corporate Governance Office of the CEO
Appendices:	App A - 2016-73 (V7) Delegation to the Chief Executive Officer 187  
Attachments:	Att 1 - Delegations Guiding Principles (Delegations from Council to the CEO)..... 209  

PURPOSE

The purpose of this report is to satisfy the requirements for the annual review and to update the existing Council to Chief Executive Officer delegation instrument to include several Queensland State legislations and subordinate legislations identified in the annual review.

EXECUTIVE SUMMARY

Council has a range of powers and functions to perform which are conferred under several different Acts of Parliament as well as subordinate legislation and local laws. Council can delegate its powers to the Chief Executive Officer to implement and enforce these responsibilities under section 257 of the *Local Government Act 2009*.

To maintain the legality of the 2016-73 (v7) Delegation to the Chief Executive Officer, a review of the Local Government Association of Queensland delegation register was undertaken to ensure all relevant legislations and subordinate legislations were captured. As an additional measure, a further review of the Queensland Government Legislation Register was completed to ensure no gaps in Council's delegation framework exists and to safeguard continuity of business and enable business efficiency. The review identified several legislations and subordinate legislations which have been included in 2016-73 (v7) Delegation to the Chief Executive Officer detailed in schedule 1 of Appendix A to this report.

Further to the above, this report also satisfies Council's obligation under section 257(5) of the *Local Government Act 2009* to review delegations annually.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Delegation to the Chief Executive Officer" and**
- (b) adopt Delegation 2016-73 (v7) Delegation to the Chief Executive Officer (Appendix A) and**
- (c) note that all other existing specific delegations of authority to the Chief Executive Officer are retained.**

FINANCE AND RESOURCING

The activities associated with this report and its recommendation are operational activities covered by the Corporate Governance Branch core budget allocation.

The amended and new delegations of authority will not create any additional resource or financial impacts for Council or the community; however, they will provide necessary operational efficiency.

CORPORATE PLAN

- Corporate Plan Goal:** *Our outstanding organisation*
Outcome: We serve our community by providing this great service
Operational Activity: S30 - Governance – providing internal leadership, legal opinion, governance and audit functions ensuring legislative accountability, transparency and ethical obligations are supported.

CONSULTATION

Portfolio Councillor Consultation

Councillor E Hungerford and Councillor J Natoli have been consulted regarding the annual review of delegations and recommendations proposed in this report.

Internal Consultation

Internal consultation occurred with the following officers:

- Manager Corporate Governance
- Coordinator Governance Process and Policy
- Executive Manager Office of the CEO
- Manager Customer Response
- Coordinator Healthy Places

External Consultation

No external consultation was conducted for the review of delegations.

Community Engagement

No community engagement was required for the preparation of this report as it relates to an internal administrative activity.

PROPOSAL

The Local Government Association of Queensland together with King and Company Solicitors, provides biannual updates of all delegations of authority under relevant Queensland Legislation, including updates on those matters not capable of delegation and requiring a resolution of Council.

As part of Council's annual review of delegations, an analysis of the legislations identified on the Local Government Association of Queensland's delegation register and the Queensland Government Legislation Register were cross checked against 2016-73 Delegation to the Chief Executive Officer to ensure no gaps existed in Council's delegation framework.

The following legislations have been identified and included in Schedule 1 to delegation 2016-73 (v7) Delegation to the Chief Executive Officer, detailed in Appendix A to this report:

- *Anti-Discrimination Act 1991 (Qld)*
- *Retail Shop Leases Act 1994 (Qld)*
- *Retail Shop Leases and Other Commercial Leases (COVID-19 Emergency Response) Regulation 2020 (Qld)*
- *Torres Strait Islander Cultural Heritage Act 2003 (Qld)*
- *Working with Children (Risk Management and Screening) Act 2000 (Qld)*

At this point in time, the inclusion of the above legislations does not require delegation from the Chief Executive Officer to officers under section 259 of the *Local Government Act 2009*. These legislations have only been added as a precautionary measure in case any decisions or actions occur that are not planned for or form part of usual Council business.

NEW MEDICINES, POISONS AND PEST MANAGEMENT REGULATORY FRAMEWORK

The *Medicines and Poisons Act 2019* and associated regulations listed below, have also been included in Schedule 1 to delegation 2016-73 (v7) Delegation to the Chief Executive Officer, detailed in Appendix A to this report.

The *Medicines and Poisons Act 2019* repeals and replaces the *Health Act 1937* and the *Pest Management Act 2001* with a new regulatory framework to:

- modernise and streamline the regulation of medicines and poisons
- simplify existing licence requirements and
- improve national uniformity.

A key objective of the *Medicines and Poisons Act 2019* is to ensure substances, including poisons, pesticides, and fumigants are used safely and effectively and do not cause harm to human health. The *Medicines and Poisons Act 2019* adopts the national classification system for medicines and poisons as specified in the current version of the Standard for the Uniform Scheduling of Medicines and Poisons (Poisons Standard). Medicines and poisons are scheduled in accordance with the National Scheduling Policy Framework for Medicines and Chemicals and the *Therapeutic Goods Act 1989* (Cwlth).

The *Medicines and Poisons Act 2019* is supported by the following three regulations:

- *Medicines and Poisons (Medicines) Regulation 2021*
- *Medicines and Poisons (Poisons and Prohibited Substances) Regulation 2021*
- *Medicines and Poisons (Pest Management Activities) Regulation 2021*

As the *Medicines and Poisons Act 2019* (Qld) and associated regulations impact local government activities, provisions have been identified and will be on-delegated from the Chief Executive Officer to authorised employees as per section 259 of the *Local Government Act 2009*.

Legal

Section 257 (Delegation by the Local Government) of the *Local Government Act 2009* allows, by resolution, a Local Government to delegate its powers under a Local Government Act to the Mayor, Chief Executive Officer, a standing committee or a joint standing committee. While delegations provide expediency for the Local Government, a delegation is revocable and does not prevent Council from acting on a matter (in which case the delegate must not act) and does not prevent the Council or Chief Executive Officer from exercising the power.

Section 257(5) of the *Local Government Act 2009* requires the local government to review all delegations to the Chief Executive Officer annually.

Section 259 (Delegation by the Chief Executive Officer) of the Act allows the Chief Executive Officer of a local government to delegate the Chief Executive Officer's powers (including powers delegated to the Chief Executive Officer by the Local Government) to another employee of the Local Government.

In accordance with section 257(3) of the *Local Government Act 2009*, provisions not capable of delegation are included in 2016-73 (v7) Delegation to the Chief Executive Officer detailed in schedule 2 of Appendix A to this report. A delegation is not permissible if the relevant

legislation specifically provides that the power must be exercised 'by resolution'. This restriction applies where legislation uses the specific words 'by resolution'. Moreover, by virtue of the definition of 'adopt' the same applies to a number of provisions using this term which cannot be delegated and must be exercised by Council. Where legislation simply gives Council to do an act or make a decision without using the words 'resolution' or 'adopt' or a word of the same derivation, and so long as the context does not clearly indicate otherwise, then the power may be delegated.

Policy

The Chief Executive Officer's delegation (2016-73 (v7)) is supported by the Delegations Guiding Principles Policy (see Attachment 1).

Risk

The delegation amendment has been prepared to mitigate the risk of any gaps in delegated powers and to ensure the Chief Executive Officer has all the powers capable of delegation under Local Government Acts relevant to Sunshine Coast Council. It will ensure the Chief Executive Officer is provided with overall coverage of legislative power (as per schedule 1 of Appendix A) to ensure continued business efficacy over Council activities and business operations.

All delegated officers are required to complete mandatory delegation awareness training to ensure officers are aware of their delegated responsibilities and apply the principles of good decision making when exercising delegated powers.

Previous Council Resolution

Ordinary Meeting 25 March 2021 (OM21/28)

That Council:

- (a) *receive and note the report titled "**Delegation to the Chief Executive Officer**"*
- (b) *delegate powers to the Mayor to notify the Minister Foreign Affairs in accordance with the requirements of the Australia's Foreign Relations (State and Territory Arrangements) Act 2020 (Cth)*
- (c) *adopt Delegation 2016-73 (v6) Delegation to the Chief Executive Officer (Appendix A) and*
- (d) *note that all other existing specific delegations of authority to the Chief Executive Officer are retained.*

Related Documentation

The Delegations Guiding Principles Policy (see Attachment 1) supports the 2016-73 (v7) Delegation to the Chief Executive Officer (see Appendix A) to this report.

Critical Dates

It is important that Council considers this report as soon as possible to ensure compliance with section 257 of the *Local Government Act 2009*.

Implementation

Should the recommendation be accepted by Council, it is noted that the Chief Executive Officer will:

- update Council's Delegation Register, and
- link relevant section 259 Delegations of Authority from the Chief Executive Officer to officers.

8.5 MAY 2022 FINANCIAL PERFORMANCE REPORT

File No: Council Meetings

Author: Coordinator Financial Services
Business Performance Group

Attachments: Att 1 - May 2022 Financial Performance Report..... 215  
Att 2 - 2021/22 Capital Grant Funded Project Report May 2022 225
 

PURPOSE

To meet Council's legislative obligations, a monthly report is to be presented to Council on its financial performance and investments.

EXECUTIVE SUMMARY

This monthly financial performance report provides Council with a summary of performance against budget as at 31 May 2022 in terms of the operating result and delivery of the capital program.

Operating Performance

Table 1: Operating Budget as at 31 May 2022

	Original Budget \$000	Current Budget \$000
Total Operating Revenue	498,433	500,456
Total Operating Expenses	479,602	490,383
Operating Result	18,832	10,073

Details of the monthly financial report are contained in Attachment 1.

OFFICER RECOMMENDATION

That Council receive and note the report titled "May 2022 Financial Performance Report".

FINANCE AND RESOURCING

This report sets out the details of Council's financial performance and investments for the month ending 31 May 2022 and meets Council's legislative reporting requirements.

CORPORATE PLAN

Corporate Plan Goal: *Our outstanding organisation*

Outcome: We serve our community by providing this great service

Operational Activity: S28 - Financial and procurement services – financial and procurement management and governance, ensuring effective business management and legislative compliance, coordination and development of Council's budget process, administration of financial systems, sundry debtors, accounts payable, financial and asset accounting, treasury, procurement, contract and supply functions.

CONSULTATION

Councillor Consultation

Consultation has been undertaken with the Portfolio Councillor, E Hungerford.

Internal Consultation

This report has been written in conjunction with advice from:

- Group Executive Business Performance
- Chief Financial Officer

External Consultation

No external consultation is required for this report.

Community Engagement

No community engagement is required for this report.

Legal

This report ensures that Council complies with its legislative obligations with respect to financial reporting in accordance with Section 204 of the *Local Government Regulation 2012*.

Investment of funds is in accordance with the provisions of the *Statutory Bodies Financial Arrangements Act 1982* and the associated Regulations and the *Local Government Act 2009*.

Policy

Sunshine Coast Council's 2021/22 Investment Policy and
Sunshine Coast Council's 2021/22 Debt Policy.

Risk

Failure to achieve the budgeted operating result will negatively impact Council's capacity to complete its capital expenditure program.

Previous Council Resolution

Ordinary Meeting 24 February 2022 (OM22/12)

That Council:

- receive and note the report titled "**Budget Review 2 2021/22**"*
- adopt Appendix A as tabled, pursuant to sections 169 and 170 of the Local Government Regulation 2012, Council's amended budget for 2021/22 financial year incorporating:*
 - the statement of income and expenditure*
 - the statement of financial position*
 - the statements of changes in equity*
 - the statement of cash flow*
 - the relevant measures of financial sustainability*
 - the long term financial forecast*

- (c) *note the following documentation applies as adopted 24 June 2021*
 - (i) *the Debt Policy*
 - (ii) *the Revenue Policy*
 - (iii) *the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget*
 - (iv) *the Revenue Statement and*
 - (v) *the rates and charges to be levied for the 2021/22 financial year and other matters as adopted 24 June 2021 and*
- (d) *endorse the Minor Capital Works Program (Appendix B).*

Ordinary Meeting 16 September 2021 (OM21/87)

That Council:

- (a) *receive and note the report titled “**Budget Review 1 2021/22**”*
- (b) *adopt Appendix A as tabled, pursuant to sections 169 and 170 of the Local Government Regulation 2012, Council’s amended budget for 2021/22 financial year incorporating:*
 - (i) *the statement of income and expenditure*
 - (ii) *the statement of financial position*
 - (iii) *the statements of changes in equity*
 - (iv) *the statement of cash flow*
 - (v) *the relevant measures of financial sustainability*
 - (vi) *the long term financial forecast*
 - (vii) *the Debt Policy*
- (c) *note the following documentation applies as adopted 24 June 2021*
 - (i) *the Revenue Policy*
 - (ii) *the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget*
 - (iii) *the Revenue Statement and*
 - (iv) *the rates and charges to be levied for the 2021/22 financial year and other matters as adopted 24 June 2021 and*
- (d) *endorse the Minor Capital Works Program (Appendix B).*

Special Meeting Budget 24 June 2021 (SM21/3)

That Council adopt Appendix A as tabled, pursuant to sections 169 and 170 of the Local Government Regulation 2012, Council’s budget for 2021/22 financial year incorporating:

- i. the statement of income and expenditure*
- ii. the statement of financial position*
- iii. the statements of changes in equity*
- iv. the statement of cash flow*
- v. the relevant measures of financial sustainability*

- vi. *the long term financial forecast*
- vii. *the Debt Policy (adopted by Council resolution on 27 May 2021)*
- viii. *the Revenue Policy (adopted by Council resolution on 27 May 2021)*
- ix. *the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget*
- x. *the Revenue Statement*
- xi. *Council's 2021/22 Capital Works Program, endorse the indicative four-year program for the period 2023 to 2026, and note the five-year program for the period 2027 to 2031*
- xii. *the rates and charges to be levied for the 2021/22 financial year and other matters as detailed below in clauses 3 to 12*
- xiii. *endorse the 2021/22 Minor Capital Works Program*
- xiv. *establish a \$5 million internally restricted Disaster Rehabilitation Reserve.*

Related Documentation

2021/22 Adopted Budget







Critical Dates

There are no critical dates for this report.

Implementation

There are no implementation details to include in this report.

8.6 DISPOSAL (LEASE) PART OF STATE LAND UNDER TRUST AT 186 SUGAR BAG ROAD, CALOUNDRA WEST

File No:	F20/00345
Author:	Senior Property Officer Business Performance Group
Attachments:	Att 1 - Aerial Plan 233   Att 2 - Locality Plan..... 235   Att 3 - Lease Area Plan 237  

PURPOSE

To seek Council approval of an exception under Section 236 of the *Local Government Regulation 2012* to dispose of land (via lease) by marketing it on the open market for a cafe and/or bike hire/repair facility over part of 186 Sugar Bag Road, Caloundra West.

EXECUTIVE SUMMARY

This report seeks an exception from Council to dispose of land by way of lease. The land located at 186 Sugar Bag Road, Caloundra West and legally described as Lot 391 on CG2376, is State Land held in Trust by Council (Council land). The Council land comprises of mountain bike trails which are publicly accessible.

In July 2021 Council constructed a facility to accommodate a commercial tenancy suitable for the operation of a cafe and/or bike hire/repair tenancy. Council is seeking to enter into a commercial tenancy arrangement over the land described as Leases A, B and C on SP324775 (the Premises).

Council in conjunction with its appointed real estate and marketing agent have released two (2) public tender opportunities seeking tenants to lease and operate the cafe and/or bike hire/repair tenancy, the first closing in October 2021 and the second in April 2022. Following evaluation of submissions and subsequent negotiations, a lease was not entered into.

Council approval is being sought to:

- market and select a suitable tenant by continuing to offer the lease through Council's appointed real estate and marketing agent on the open market provided that any offer for lease meets the market value requirements; and
- obtain an exception to enter into a lease with a suitable tenant as the lease has previously twice been offered to the market by public tender with a tenant not having been secured via the public tender process.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Disposal (Lease) Part of State Land under Trust at 186 Sugar Bag Road, Caloundra West” and
- (b) resolve to Lease, Lease A, Lease B & Lease C on SP324775 via Council’s appointed real estate and marketing agent on the open market seeking a private treaty agreement subject to:
 - (i) compliance with Section 236 of the *Local Government Regulation 2012*; and
 - (ii) the consideration for the disposal being equal to or greater than the market value of the interest in land.
- (c) resolve, pursuant to Section 236(2) of the *Local Government Regulation 2012*, that an exception to dispose of an interest (lease) in land over Leases A, B & C on SP324775 located on State Land under Trust at 186 Sugar Bag Road, Caloundra West as:
 - (i) the lease has previously twice been offered to the market by public tender; and
 - (ii) a lease has not been secured via this process.

FINANCE AND RESOURCING

The face rent payable by any prospective tenant will need to be equal to or above that of the market value of the interest in land which has been determined by an independent registered Valuer pursuant to Section 236(3) and 236(5) of the *Local Government Regulation 2012*.

Council will be required to pay its own costs in relation to the preparation of the lease agreement which is expected to be undertaken using internal resources with no external financial cost to Council. A formal market rental assessment will be undertaken by a registered Valuer to ensure compliance with Council’s legislative requirements.

CORPORATE PLAN

Corporate Plan Goal: *Our service excellence*

Outcome: We serve our community by providing this great service

Operational Activity: S21 - Property management – comprehensive management of Council’s land and building assets to ensure that Council’s property dealings are optimised, centrally managed, and support Councils objectives.

CONSULTATION**Councillor Consultation**

- Councillor T Landsberg – Division 2 Divisional Councillor & Economic Development Portfolio Councillor
- Councillor J O’Pray – Economic Development Portfolio Councillor

Internal Consultation

- Director Major Projects and Strategic Property
- Coordinator Strategic Property, Strategic Property
- Principal Property Officer, Strategic Property

- Head of Property, Property Management
- Manager Leasing & Land Management, Property Management
- Senior Property Officer, Property Management
- Manager, Business & Innovation
- Solicitor, Legal Services

External Consultation

Council has engaged a commercial real estate and marketing agent to market the commercial tenancy and will engage a Valuer registered under the *Valuers Registration Act 1992* who is not an employee of the Local Government to prepare a commercial market rental assessment for the commercial tenancy and review and provide advice on any offers to lease received by Council.

Community Engagement

The commercial tenancy proposal does not impact the existing community space and as such no community engagement has been undertaken in relation to this report.

PROPOSAL

The land located at 186 Sugar Bag Road, Caloundra West and legally described as Lot 391 on CG2376 is State Land held in Trust by Council. The Council land comprises of mountain bike trails which are publicly accessible as shown in **Attachment 1 – Aerial Plan** and **Attachment 2 – Locality Plan**.

In April 2021 Council constructed a facility to accommodate a commercial tenancy suitable for the operation of a cafe and/or bike hire/repair tenancy located adjacent to the Sugar Bag Road mountain bike trails car park.

The proposed area available for lease comprises the whole of Leases A, B and C on SP324775 and are shown in **Attachment 3 – Lease Area Plan**.

The Premises comprises of three (3) lease areas which are being made available to the market for rent for the purpose of a cafe and/or bike repair/hire tenancy. Each lease has the following areas:

- Lease A: 34m²
- Lease B: 9m²
- Lease C: 16m²
- Leases A, B & C combined: 59m²

Council has offered the leases to the market on two (2) separate occasions via a public tender process. The intent of the public tender was to:

- seek a commercial tenant to operate a cafe and/or bike repair/hire tenancy; and
- comply with its legislative requirements under the *Local Government Regulation 2012*.

The first public tender closed in October 2021 and the second in April 2022. Following evaluations and negotiations, no successful respondents were either deemed suitable or formal leases did not progress.

On the basis that two separate public tender releases have resulted in unsuccessful outcomes, it is now considered appropriate to release the opportunity on the open market via Council's appointed commercial real estate and marketing agent. Council has the ability to

enter into a lease via a private treaty arrangement under Section 236 of the *Local Government Regulation 2012* as:

- the opportunity has been released via public tender; and
- no successful or suitable respondents resulted from the evaluations or negotiations.

To allow Council to enter into a lease via private treaty, Council is required to grant an exception under Section 236 of the *Local Government Regulation 2012* which provides that a disposal, other than by public tender or auction, may occur if an exception applies. An exception is permitted as it relates to this application as the grant of the lease has been previously offered by public tender, but a lease has not been entered into.

To ensure the disposal complies with Sections 236(3) and (5) of the *Local Government Regulation 2012* a market rental assessment will be undertaken to ensure that it is:

- assessed by a registered Valuer who is not an employee of the local government registered under the *Valuers Registration Act 1992*; and
- face rent will be set at or above the market valuation as determined by the registered Valuer.

An exception under the *Local Government Regulation 2012* is deemed applicable and appropriate in this instance as the land has previously been offered via public tender (on two (2) separate occasions) and no lease has been entered into. Leasing this Premises on the open market and entering into a private treaty agreement is expected to have the following benefits:

- expected to reduce the timeframe to obtain a tenant as opposed to releasing a third public tender;
- is more typical of the method used by the private sector and represents an offer and acceptance process which commercial operators are familiar;
- provides Council with the opportunity to negotiate and counter-offer with prospective tenants as well as engage during the offer process; and
- takes advantage of any momentum and marketing materials provided by the current real estate and marketing agent.

Legal

Legal Services have been consulted in relation to this report and will prepare and review the commercial lease document and register the dealings with Titles Queensland.

Policy

This report has been prepared in accordance with Council's Procurement Policy relating to the disposal of Council assets.

Risk

Whilst there are no significant risks relevant to this report, time is of the essence to secure a commercial tenant for the site and obtain revenue for Council and ensure that the Premises is occupied to activate the site for the benefit of the community.

Previous Council Resolution

There are no previous Council Resolutions relevant to this report.

Related Documentation

There is no related documentation relevant to this report.





Critical Dates

There are no critical dates relevant to this report, however, the commercial tenancy remains vacant and obtaining an exception will allow Council to enter into a lease over the premises which will provide additional amenity for the community as well as obtain a revenue return to Council.

Implementation

Should Council resolve to market the property on the open market seeking to enter into a private treaty agreement by granting an exception to the disposal of land (by way of lease applies), the Chief Executive Officer will delegate to Council's Delegated Officer the ability to execute a lease agreement to a suitable tenant and register the lease agreement with Titles Queensland.

8.7 CHANGES TO THE PROPOSED SITE SPECIFIC AND EDITORIAL MATTERS AMENDMENT - BUDDINA URBAN VILLAGE

File No:	Council Meetings
Author:	Interim Coordinator Planning Scheme Amendments Customer Engagement & Planning Services Group
Attachments:	Att 1 - Extract of Explanatory Memorandum..... 247  
	Att 2 - Extract of Amendment Instrument..... 253  

PURPOSE

The purpose of this report is to present to Council the changes made to the proposed *Sunshine Coast Planning Scheme 2014 (Major Amendment) – Site Specific and Editorial Matters*, in response to Council’s resolution OM22/24 relating to land at Buddina Urban Village, Kawana Waters.

EXECUTIVE SUMMARY

This report responds to a written notice received by the Chief Executive Officer from Councillor P Cox on 25 May 2022, under Section 6 (2) of the Standing Orders Sunshine Coast Council 2020. That notice requested that a report be provided to and considered by Council, outlining the content of the proposed *Sunshine Coast Planning Scheme 2014 (Major Amendment) – Site Specific and Editorial Matters* (the proposed amendment) relating to the Buddina Urban Village, prior to the proposed amendment being forwarded to the Planning Minister.

At the Ordinary Meeting, held on 28 April 2022, Council resolved (OM22/24) to make an amendment to the *Sunshine Coast Planning Scheme 2014*, referred to as the proposed *Sunshine Coast Planning Scheme 2014 (Major Amendment) - Site Specific and Editorial Matters*.

Council also resolved at this meeting to delegate authority to the Chief Executive Officer to carry out the statutory process to prepare and progress the proposed amendment, in accordance with the *Planning Act 2016* and the *Minister’s Guidelines and Rules 2020*, subject to:

“also proposing to amend the planning scheme provisions applicable to that area included in the north eastern section of Sub-precinct KAW LPSP-4a of the Buddina Urban Village to include this area in the Medium density residential zone (from the High density residential zone) and to specify a maximum building height of 12 metres (from 21 metres) and make any necessary consequential amendments to give proper effect to and reflect these changes.”

In accordance with Council’s resolution (OM22/24), the Explanatory Memorandum and Amendment Instrument for the proposed amendment, have been updated to reflect the proposed changes to the zoning and maximum building height for the north eastern section of Sub-precinct KAW LPSP-4a of the Buddina Urban Village.

Having regard to the notice received from Councillor P Cox, this report outlines the changes made to the proposed amendment relating to the Buddina Urban Village, for Council’s information and noting (refer to **Attachment 1 – Extract of Explanatory Memorandum** and **Attachment 2 – Extract of Amendment Instrument**). For ease of reference, the proposed changes are highlighted in yellow on pages 1 to 2, page 8 and pages A1-3 to A1-4 of **Attachment 1 – Extract of Explanatory Memorandum** and page 3, page AB-16 and page AB-19 of **Attachment 2 – Extract of Amendment Instrument**.

The next step in the process is to forward the proposed amendment, as changed, to the Planning Minister for consideration of State interests and to seek approval for Council to proceed to public consultation.

OFFICER RECOMMENDATION

That Council receive and note the report titled “Changes to the proposed Site Specific and Editorial Matters Amendment - Buddina Urban Village”.

FINANCE AND RESOURCING

Sufficient funds are allocated in the Strategic Planning Branch 2021/22 budget for undertaking amendments to the *Sunshine Coast Planning Scheme 2014*.

CORPORATE PLAN

Corporate Plan Goal: *Our environment and liveability*
Outcome: We serve our community by providing this great service
Operational Activity: S14 - Sustainable growth and network planning – providing land use planning, social policy, infrastructure planning and charges, flood mapping, transportation planning and environmental initiatives.

CONSULTATION

Councillor Consultation

On 25 May 2022, the Chief Executive Officer received written notice from Councillor P Cox, under Section 6.2 of the Standing Orders Sunshine Coast Council 2020, for a report to be provided to and considered by Council at the next available Ordinary Meeting, outlining the content of the proposed *Sunshine Coast Planning Scheme 2014 (Major Amendment) – Site Specific and Editorial Matters* relating to the Buddina Urban Village, prior to the proposed amendment being forwarded to the Planning Minister.

Section 6 (2) (Agenda for ordinary meetings) of the Standing Orders Sunshine Coast Council 2020, states that:

“A Councillor who wants an item of business included on the agenda for a particular meeting must give written notice of the nature of the business to the Chief Executive Officer at least fourteen days before the date nominated for the meeting.”

Internal Consultation

There has been no internal consultation undertaken in relation to this report.

External Consultation

There has been no external consultation undertaken in relation to this report.

Community Engagement

There has been no community engagement undertaken in relation to this report. However, in accordance with the *Minister’s Guidelines and Rules 2020*, Council is required to undertake formal community consultation for a minimum of 20 business days in relation to the proposed amendment.

PROPOSAL

At the Ordinary Meeting, held on 28 April 2022, Council resolved (OM22/24) to make an amendment to the *Sunshine Coast Planning Scheme 2014*, referred to as the proposed *Sunshine Coast Planning Scheme 2014 (Major Amendment) – Site Specific and Editorial Matters*.

At this meeting, Council also resolved to:

“(c) *delegate authority to the Chief Executive Officer to carry out the statutory process to prepare and progress the following amendments, in accordance with the Planning Act 2016 and the Minister’s Guidelines and Rules 2020:*

(i)

(ii) *the proposed Sunshine Coast Planning Scheme 2014 (Major Amendment) – Site Specific and Editorial Matters **subject to also proposing to amend the planning scheme provisions applicable to that area included in the north eastern section of Sub-precinct KAW LPSP-4a of the Buddina Urban Village to include this area in the Medium density residential zone (from the High density residential zone) and to specify a maximum building height of 12 metres (from 21 metres) and make any necessary consequential amendments to give proper effect to and reflect these changes.***

In accordance with Council’s resolution (OM22/24), the Explanatory Memorandum and Amendment Instrument for the proposed *Sunshine Coast Planning Scheme 2014 (Major Amendment) – Site Specific and Editorial Matters*, have been updated to reflect item (c)(ii) above, relating to the zoning and maximum building height for the north eastern section of Sub-precinct KAW LPSP-4a of the Buddina Urban Village, and are now provided to Council for information and noting.

Attachment 1 – Extract of Explanatory Memorandum and **Attachment 2 – Extract of Amendment Instrument** provide details of the changes made to the proposed amendment. For ease of reference, the proposed changes are highlighted in yellow on pages 1 to 2, page 8 and pages A1-3 to A1-4 of **Attachment 1 – Extract of Explanatory Memorandum** and page 3, page AB-16 and page AB-19 of **Attachment 2 – Extract of Amendment Instrument**.

In accordance with Council’s current resolution, the proposed amendment is to be prepared and progressed in accordance with the *Planning Act 2016* and the *Minister’s Guidelines and Rules 2020*, which sets out the minimum requirements that Council must follow when making or amending a planning scheme.

The next step in the process is to forward the proposed amendment, as changed, to the Planning Minister for consideration of State interests and to seek approval for Council to proceed to public consultation. It is reasonable to allow up to 12 months or more for a planning scheme amendment of this type to be finalised.

Legal

No legal advice has been sought in the preparation of this report.

The *Planning Act 2016* and the *Minister’s Guidelines and Rules 2020* sets out the process that a local government must follow when amending a planning scheme. Where necessary, legal advice may be sought during the amendment process to ensure compliance with these statutory requirements.

Policy

The proposed amendment has been prepared in accordance with the *Planning Act 2016* and the *Minister’s Guidelines and Rules 2020*.

Risk

The proposed amendment will be subject to further consideration by the Planning Minister as part of the State interest review process, which could result in changes to the content of the proposed amendment or a direction not to proceed with all or part of the proposed amendment.

The changes to the proposed amendment also involve a change to a zone and overlay (i.e. Height of buildings and structures overlay) for specific sites. There is a risk that the changes will be of concern to some members of the community. The public consultation process provides an opportunity for any person to put forward submissions in this regard. Following consideration of submissions, Council may decide to proceed, proceed with changes or not proceed with the proposed amendment, thereby mitigating the risk of community concern.

Previous Council Resolution**Ordinary Meeting 28 April 2022 (OM22/24)**

That Council:

- (a) *receive and note the report titled “**Proposed Planning Scheme Amendments**”*
- (b) *decide to amend the Sunshine Coast Planning Scheme 2014 (including Planning Scheme Policies) under Section 20 (Amending planning schemes under Minister’s rules) of the Planning Act 2016*
- (c) *delegate authority to the Chief Executive Officer to carry out the statutory process to prepare and progress the following amendments, in accordance with the Planning Act 2016 and the Minister’s Guidelines and Rules 2020:*
 - (i) *the proposed Sunshine Coast Planning Scheme 2014 (Major Amendment) and (Planning Scheme Policy Amendment) – Airport Environs Overlay*
 - (ii) *the proposed Sunshine Coast Planning Scheme 2014 (Major Amendment) – Site Specific and Editorial Matters subject to also proposing to amend the planning scheme provisions applicable to that area included in the north eastern section of Sub-precinct KAW LPSP-4a of the Buddina Urban Village to include this area in the Medium density residential zone (from the High density residential zone) and to specify a maximum building height of 12 metres (from 21 metres) and make any necessary consequential amendments to give proper effect to and reflect these changes*
- (d) *note that following public consultation on the proposed amendments and receipt of any submissions, a further report will be presented to Council for formal consideration.*

Related Documentation

Planning Act 2016

Minister’s Guidelines and Rules 2020

ShapingSEQ Regional Plan 2020

State Planning Policy 2017

Sunshine Coast Planning Scheme 2014

Critical Dates

There is a desire to progress and implement the proposed amendment as soon as practicable to ensure the planning scheme remains current and fit-for-purpose.

Implementation

In accordance with Council's current resolution, the Chief Executive Officer is authorised to take the following implementation actions:

- provide a notice to the Planning Minister of Council's decision to amend the *Sunshine Coast Planning Scheme 2014*, including a statement about the nature and details of the proposed amendment in accordance with the *Minister's Guidelines and Rules 2020*
- forward the proposed amendment, including required material for a major amendment under Schedule 3 of the Minister's Guidelines and Rules 2020, to the Planning Minister for consideration of State interests and to seek approval for Council to proceed to public consultation on the proposed amendment, and
- subject to receiving the Planning Minister's confirmation that Council may proceed to public consultation, publicly notify the proposed amendment in accordance with the *Planning Act 2016* and the *Minister's Guidelines and Rules 2020*.

9 NOTIFIED MOTIONS

10 TABLING OF PETITIONS

Petitions only eligible for submission if:

- * Legible
- * Have purpose of the petition on top of each page
- * Contain at least 10 signatures
- * Motion limited to:
 - Petition received and referred to a future meeting
 - Petition received and referred to the Chief Executive Officer for report and consideration of recommendation
 - Petition not be received

11 CONFIDENTIAL SESSION

12 NEXT MEETING

The next Ordinary Meeting will be held on 28 July 2022.

13 MEETING CLOSURE