NOTICE OF THE
CITY GOVERNANCE COMMITTEE

Date:      Tuesday, 30 June, 2020
Time:      9:00 am
Location:  Logan Entertainment Centre
          170 Wembley Road, Logan Central

Committee Members:
Councillor Bradley (Chairperson)
Councillor Willcocks (Deputy Chairperson)
Councillor Lane
Councillor Russell
Councillor Koranski
Councillor Raven
Councillor Hall
Councillor Frazer
Councillor Heremaia
Councillor Bannan
Councillor Stemp
Councillor Murphy
His Worship the Mayor, Councillor Power
1. Welcome

2. Acknowledgement of Country

3. Leave of Absence

4. Business Transformation

   4.1 Strategic Asset Management and Maintenance System (SAMMS) 2019-2020 Project Progress Report and Transition Plan

5. Director of Innovation and City Transformation

   5.1 Covering Report - Innovation and City Transformation Directorate Overview and Update 2020

6. Finance

   6.1 Executive Financial Performance Report May 2020

7. Administration

   7.1 Covering report - Proposed acquisition of Council land in Springwood

8. Confidential Documentation

   This section includes any supporting confidential documentation relating to specified Committee reports.

   8.1 Confidential Report - Innovation and City Transformation Directorate Overview and Update 2020

   8.2 Confidential Report - Proposed acquisition of land in Springwood

   8.3 Confidential Report - Future of Ben Matthews Playground in Logan Central

9. Late Reports

   9.1 Covering Report - Future of Ben Matthews Playground in Logan Central

   9.2 Proposed Procurement and Appropriations Advisory Group
Please retain the attached Business Paper as it will be considered in conjunction with the recommendations of the relevant Committee meeting by Council.

Councillors are reminded that if a person is convicted of an offence against the following section 171 of the *Local Government Act 2009* (Use of information by councillors), that penalties apply.

171 Use of information by councillors

(1) A person who is, or has been, a councillor must not use information that was acquired as a councillor to—

(a) gain, directly or indirectly, a financial advantage for the person or someone else; or

(b) cause detriment to the local government.

*Maximum penalty*—100 penalty units or 2 years imprisonment.

(2) Subsection (1) does not apply to information that is lawfully available to the public.

(3) A councillor must not release information that the councillor knows, or should reasonably know, is information that is confidential to the local government.

*Note*—

A contravention of subsection (3) is misconduct that is dealt with by the tribunal.
4.1 STRATEGIC ASSET MANAGEMENT AND MAINTENANCE SYSTEM (SAMMS) 2019/2020 PROJECT PROGRESS REPORT AND TRANSITION PLAN

REPORT OF: Business Transformation Manager

REPORT OVERVIEW

EXECUTIVE SUMMARY

The purpose of this report is to provide an update on the progress of Strategic Asset Management & Maintenance System (SAMMS) Project and proposed Transition Plan.

Criteria: Direction - It requires Council to make a decision of a strategic nature; or Council has specifically requested it

CORPORATE PLAN PRIORITY

Next Generation Governance

RECOMMENDATIONS

IT IS RECOMMENDED:

That the report be received.

REPORT DETAILS

INTERESTED PARTIES

TechnologyOne

PURPOSE OF REPORT/BACKGROUND

Strategic asset management is an approach that focuses on the provision of sustainable services over the long-term by balancing asset management levels of service, whole-of-life costs and community/organisational risks. A key goal of strategic asset management is to provide continuous alignment between Council’s strategic service aspirations (“what needs to be done”) and the operational activities performed to deliver these services (“what is done/how it is done”).

The project’s objective was to implement a standardised enterprise asset management (EAM) solution across Council. That is, to implement a SAMMS solution and associated business processes that will enable the organisation to have an integrated, standardised and fit-for-purpose system for the management of assets and asset information for the following asset classes:

- Transport (e.g. Road, Bridges, Footpaths etc.);
- Water and Wastewater;
- Stormwater drainage;
- Buildings and other structures;
- Parks and Open Space; and
- Plant and Fleet.
Governance

The SAMMS project initiative was formed in November 2013 within Logan Water as the Water Asset Maintenance & Management System (WAMMS) project. As many other functions support asset management including Finance, Procurement, Human Resources and Payroll and the organisational benefits, the project scope was broadened in September 2014 with the inception of SAMMS.

The SAMMS project has been governed by the SAMMS Steering Committee from inception with operational responsibility held with the former Manager of Strategic Projects up to October 2019. The initial SAMMS Project Manager was appointed in January 2016. Implementation commenced in July 2017.

Both Council and the SAMMS project have undergone many changes triggered by a number of key events including but not limited to:

- Political uncertainly with Mayor and Councillor changes;
- Council leadership changes with CEO, ELT and senior staff personnel; and
- Project Manager personnel changes.

In addition to this, the commercial dispute between TechnologyOne and another local government in March 2017 placed a significant impact on the SAMMS project.

The current SAMMS Steering Committee Members are as follows:

<table>
<thead>
<tr>
<th>Position</th>
<th>Project Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acting Chief Executive Officer</td>
<td>Chair/Sponsor/Member</td>
</tr>
<tr>
<td>Director Organisational Services</td>
<td>Deputy Chair/Member</td>
</tr>
<tr>
<td>Director Innovation &amp; City Transformation</td>
<td>Member</td>
</tr>
<tr>
<td>Acting Director Road and Water Infrastructure</td>
<td>Member</td>
</tr>
<tr>
<td>SAMMS Project Manager</td>
<td>Advisor</td>
</tr>
</tbody>
</table>

SAMMS Phases

The SAMMS project was comprised of three (3) phases:

**Phase 1 - Foundation:** This is the most complex, comprehensive and resource intensive component of the SAMMS Project.

Phase 1 has been underway up to June 2020, with the focus on Plant Fleet Services and Water Branches. The aim was to have Phase 1 rolled out to all other asset classes with completion anticipated in 2020, noting that the completion of Phase 1 was also dependant on the business readiness of each impacted branch.

Key areas that Phase 1 addresses include:

- The design, configuration, building, testing and implementation of the TechnologyOne solution across identified activity areas, including:
  - Mobility platform
  - Asset Management Data Model
  - Asset Register
  - Work Order Management
  - Inspections and Defects
  - Job Costing
  - Core interfaces (ESRI / Pathway / eDOCs)
  - Management Reporting
- Business and process change (process mapping, redesign and new procedure development)
- Staff training (buy-in, system awareness, mobility, procedural changes)
- Business impact (assessing broader activities requiring transition)

The success criteria that the TechnologyOne solution for SAMMS was committed to achieving is as follows:

1. The solution meets all the project objectives.
2. The solution meets its users’ key functional business requirements.
3. The technology component of the solution is deemed fit-for-purpose by the management and staff who use it. The criteria used for this assessment are:
   a. Effectiveness
   b. Efficiency
   c. Reliability
   d. Responsiveness
   e. Ease of use
4. The project is delivered on schedule.
5. The project is delivered within the approved budget.

**Phase 2 - Consolidation:** This phase was to focus on data maturity and investigate capital planning functionality.

**Phase 3 - Transformation:** This phase was to focus on refining and embedding strategic asset management functionality.

The below diagram broadly shows the intended phasing and timing of the SAMMS Project:

Achievements to Date

To date, the Project achieved the following milestones:

- Endorsement of the TechnologyOne platform as being the best fit for the organisation’s needs;
- High level process design and system configuration that will set a baseline for implementation across the organisation;
- Implementation of the SAMMS solution into Plant Fleet Services with considerable improvements and visibility in resource management, asset register, introduction of mobility and store/stock control with full integration of Council’s enterprise suite;
- Significant investment and improvements as above with Plant Fleet Services in the implementation of SAMMS into the Water Branches;
- Considerable investment in change management practices to ensure Council staff are appropriately trained and supported throughout the transformational process;
- Introduction of mobility devices to enable Council to move away from time consuming paper-based processes to real time digital processes when dealing with work orders;
- Development of a new Project Services Ledger (PSL) and establishing a financially integrated Works system to enable improved costings as mobile enabled work orders are implemented;
• Integrating the TechnologyOne solution with Pathway and ESRI to enable end-to-end customer requests to be linked;
• Consolidation of the asset register;
• Development of a new works order management system;
• Consolidation of the Stores product catalogue system.

Benefits/Justification

Council is an asset intensive service business with a multi-billion dollar investment in physical assets. The effective management of these assets is critical to Council’s business operations. Council is currently facing significant and on-going cost and demand pressures in relation to service delivery.

Consequently, there is considerable strategic, operational and financial risk associated with Council’s asset and service decisions. In view of this, a strategic asset and service management approach is required that enables Council to effectively and sustainably plan, deliver and maintain asset based services to meet the needs of the Logan community and deliver specified levels of service at the lowest possible whole-of-life cost while adequately controlling for risks to the community and the organisation.

Once fully implemented, high level benefits of a best practice asset management system should demonstrate:

<table>
<thead>
<tr>
<th>Group</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td>Cost effective management of assets</td>
</tr>
<tr>
<td></td>
<td>Defined levels of service based on sustainable, whole-of-life costs</td>
</tr>
<tr>
<td></td>
<td>Improved funds management</td>
</tr>
<tr>
<td></td>
<td>Alignment with industry good practice</td>
</tr>
<tr>
<td>Data</td>
<td>Ability to capture whole-of-life costs</td>
</tr>
<tr>
<td></td>
<td>Better data integration (spatial/non-spatial/unstructured data)</td>
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<tr>
<td></td>
<td>Improved data quality</td>
</tr>
<tr>
<td></td>
<td>Better integration of physical and financial asset data</td>
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<tr>
<td></td>
<td>Reduced re-work (re-capturing data)</td>
</tr>
<tr>
<td>Technology</td>
<td>Better end-user query, reporting and modelling tools</td>
</tr>
<tr>
<td></td>
<td>Improved interfaces to key systems (finance, GIS, customer service)</td>
</tr>
<tr>
<td></td>
<td>Ability to see spatial and non-spatial data together</td>
</tr>
<tr>
<td></td>
<td>Access to asset and work order data in the field</td>
</tr>
<tr>
<td></td>
<td>Rationalisation/automation of labour-intensive tasks</td>
</tr>
<tr>
<td></td>
<td>User-friendly asset management systems</td>
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<tr>
<td></td>
<td>24 x 7 access to applications and data</td>
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<tr>
<td></td>
<td>Ability to decommission/rationalise existing technologies</td>
</tr>
<tr>
<td>Process</td>
<td>Improved process cycle times</td>
</tr>
<tr>
<td></td>
<td>Eliminate redundancies/inefficiencies in business processes</td>
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<tr>
<td></td>
<td>Improved information flows (processes designed end-to-end)</td>
</tr>
<tr>
<td></td>
<td>Reduce the risk of stock loss (better asset control)</td>
</tr>
<tr>
<td>People</td>
<td>Improved contractor management</td>
</tr>
<tr>
<td></td>
<td>Clear and consistent roles and responsibilities</td>
</tr>
<tr>
<td></td>
<td>Improved customer service</td>
</tr>
<tr>
<td></td>
<td>More informed decision making</td>
</tr>
</tbody>
</table>
Investment to Date

SAMMS is both an investment and risk minimisation approach to managing Council’s $8.5 billion asset base. To date, Council has invested $9.65m in the SAMMS project. To place some perspective on this investment, the expenditure on SAMMS to date equates to 0.11% of our asset base.

Once fully implemented, the financial benefits that SAMMS will provide the organisation in the long term however is considerably greater. For example, assuming a 2%* saving could be made in operating costs from the data intelligence obtained through SAMMS, over Council’s $400m+ operating budget, it would equate to a saving of approximately $8m. *2% has been demonstrated by similar local governments implementing EAM solutions in our region and is supported by a review conducted by KPMG this year.

The investment to date has seen SAMMS successfully implemented into Plant Fleet Services and most Water Branches. Council recognises however, now with the great advancements made in technology and implementation practices of same, future investments should be reduced considerably.

Project Review 2019/2020

As the Innovation and City Transformation (ICT) Directorate underwent change with the appointment of a new Director in March 2019 and Acting Manager Business Transformation in November 2020, a subsequent restructure of the directorate was undertaken. This included the commencement of a comprehensive review of its practices, processes, policies, procedures and programs to ensure the organisation is positioned to deliver value to our community through the efficient and effective delivery of services. The Corporate Efficiency Program supported by Council in the 2020/2021 Budget will continue this work further and refocus business transformation governance for the organisation.

As technologies, services and program management solutions and methodologies have rapidly evolved in the past five years, the SAMMS project was identified early in this review as it is a major project for Council with considerable investment and change.

As part of ICT’s above review, a comprehensive evaluation of SAMMS was undertaken in January 2020 with KPMG engaged to provide an external view and expertise.

Key messaging from the KPMG review is summarised below:

1. **The SAMMS project has not fully delivered what it was originally intended to deliver.** Based on the current state of the SAMMS project, it is unlikely to deliver on the overall benefits of the project set at the beginning. The issues relating to the SAMMS project are not a result of an isolated incident but a series of decisions made over time.

   Council operates within a highly complex environment where changes can be triggered by a number of internal and external factors. This, coupled with technical capability and capacity constraints, has led to high project delivery risk.

2. **Council has taken both proactive and reactive actions to mitigate the project risk.** However, there were fundamental people, process and technology related issues such as project operating model and project governance that need to be addressed to enable the successful delivery of the project.

3. **The technology solution market has evolved with more service providers becoming available in this space.** In addition to the demand for an integrated asset management solution, there is an increasing need for an interoperable solution. Long term benefits can be drawn from prioritising strategic asset management over operational asset management. This can be delivered through the adoption of a single asset class implementation plan.

4. **Recommendation:**

   Council is to reform the SAMMS project related activity, to recalibrate, redefine the project objectives, scope, detailed design, stakeholder management, delivery timeframe, required budget, and measurable outcomes. These are necessary and critical steps as they set a solid foundation for the business case and ongoing delivery.
Upon presentation of the SAMMS Final Review Report by KPMG to the SAMMS Steering Committee of 4 March 2020, the Committee decided to pause the SAMMS project from 30 June 2020 to close out activities underway to complete Releases 3 to 5. The Committee also requested a Transition Plan be established with the development of a business plan for the SAMMS Steering Committee and Council to consider in the way forward.

Next Steps – Implementation of Transition Plan

The following outlines a transition plan in line with next generational asset management systems and practices while aligning with Councils Corporate Plan and Asset Management Strategy. It includes Gate 1 – Preliminary evaluation and Gate 2 – Business Case development (including proposed funding/resource plan for Council to consider before Council moves to Gate 3 and onwards:

- **Gate 1 – Preliminary evaluation**
- **Gate 2 – Business Case development**
- Gate 3 – Contract award
- Gate 4 – Readiness for service
- Gate 5 – Benefits realisation

Queensland Government’s use of Gateway 1 for SAMMS has been adopted, as being a major project for the organisation. This will involve the examination of the project at key decision points and will help identify opportunities to improve the delivery of the project to ensure the best possible outcome.

Note - the first step of this process was to undertake a strategic assessment being Gate 0, of which was undertaken with the KPMG review and SAMMS Steering Committee decision to pause the project.

Next step is to assess in detail, considering advancements made in such a short timeframe with new technologies and implementation practices in asset management systems. The project will now transition to and if viable through sequential Gates 1 and 2:

**Gate 1 - Preliminary Evaluation**

Gate 1 focuses on the preliminary business case including details on the strategic importance of the project and its links to legislative requirements and corporate strategies. The business case will be examined with a proposed way forward to confirm the project is achievable and likely to deliver what is required. The review checks that:

- Stakeholders approve the intended benefits from the project;
- Links between project and organisational objectives are clear; and
- The optimum balance of cost, benefits and risk has been identified.

**Gate 2 - Business Case Development**

KPMG highlighted one of the limitations of the SAMMS project was the absence of a formal and endorsed business case. The Gate 2 Business Case development will enable the review of the high-level design approach for the potential solution/s following industry best practice and agreed guiding principles to finalise the business case that sets out clear strategic alignment, value for money and achievable outcomes. The Project Business Case together with any associated funding and budget amendment request will be submitted for consideration to the SAMMS Steering Committee, ELT and Council.

The SAMMS Transition Plan will commence 27 July to 26 November 2020.

**ANY PREVIOUS COUNCIL DECISIONS**

N/A
FINANCIAL/RESOURCE IMPLICATIONS

Resources for the Transition Plan will be funded from the approved operational budget within the Business Transformation Branch.

RISK MANAGEMENT IMPLICATIONS

The external review of SAMMS and resulting Transition Plan addresses the risks associated with the SAMMS implementation.

LEGAL/POLICY

N/A

COMMUNITY AND OTHER CONSULTATION

N/A

CONCLUSION

As a key component of Council’s Asset Management Strategy, a refocussed strategic asset maintenance and management system is critical in bringing Council to best practice asset management. This would substantially support the overall goal of developing costed levels of service to guide strategic investment decisions in a financially sustainable manner for the future.

ATTACHMENTS TABLE

No attachments.
5.1 Covering Report

Refer to Confidential Agenda in accordance with Section 275 (1) (h) of the Local Government Regulation 2012

INNOVATION AND CITY TRANSFORMATION DIRECTORATE OVERVIEW AND UPDATE 2020

REPORT OF: Director of Innovation & City Transformation

REPORT OVERVIEW

EXECUTIVE SUMMARY

The purpose of this report is to provide information and an update on the functions and strategic direction of the Innovation and City Transformation (ICT) Directorate.

Criteria: Direction - It requires Council to make a decision of a strategic nature; or Council has specifically requested it

CORPORATE PLAN PRIORITY

Next Generation Governance

Submitted under separate cover is confidential documentation relating to the above matter. This documentation is considered confidential due to the following reason: "The confidential attachments includes information relating to Council's budget."

RECOMMENDATIONS

IT IS RECOMMENDED:-

That the confidential report of the Director of Innovation and City Transformation dated 30 June 2020 and associated attachments be deemed confidential and be treated as such in accordance with sections 171 and 200 of the Local Government Act 2009 and that the documents remain confidential.

REPORT DETAILS

INTERESTED PARTIES

Nil.

PURPOSE OF REPORT/BACKGROUND

Since its inception in 2017, the ICT Directorate has undergone structural variations as it worked towards establishing a clear purpose and direction. A chronology is provided in the Innovation and City Transformation Directorate Restructure 2020 report of 11 February 2020 (Minute No. 9/2020), attached as a background paper.

Following the appointment of the ICT Director in February 2019, the ICT Directorate Leadership Team (including Director, Managers and Program Leaders) continued to refine the purpose and evolve the delivery model of the Directorate.
In February 2020, the directorate was restructured to reflect a centres of excellence model. This change was made to improve expertise in specified areas and to make the most of resources to help the business improve. It was identified as the best and most appropriate model to ensure the directorate could deliver on its relevant corporate plan objectives.

The new structure went live 1 March 2020.

**Council-endorsed strategies**

Strategic direction has been provided for the directorate through three Council-endorsed strategies:

1. Advocacy Strategy 2017-2019 (Minute No 300/2017): determined the strategic and operational direction to guide whole-of-Council advocacy efforts.

2. City Futures Strategy (Minute No 107/2018): established the priorities and actions for driving innovation, entrepreneurialism and strong positive economic growth and investment for the city.

3. Corporate Innovation Strategy (Minute No 157/2019): determined the priorities and actions for driving innovation capability across the organisation.

Additionally, as the work of several ICT Directorate programs contribute to positive economic outcomes for the city, the directorate has aligned priorities to support and complement other relevant endorsed strategies, including:

1. Economic Development Strategy (Minute No 222/2016)

2. Global Connections Strategy (Minute No 108/2016).

**Discussion**

Today, the ICT Directorate’s centres of excellence work strategically alongside internal and external stakeholders. The branches and programs connect across teams and boundaries to help Council transform the organisation and our city. The directorate’s aim is to help empower our people to realise the potential - within Council and across the city - by finding new ways to solve problems and do things differently and better. The directorate does this through strategic collaboration, connections and communication.

**Overview of branches and programs**

**PROGRAM: Advocacy**

Reporting directly to the ICT Director, the Advocacy Program provides a strategic, whole-of-organisation approach to government relations, including influencing policy and attracting government investment.

The program’s centre of excellence is focused on:

- leading the strategic direction and planning for Council’s advocacy agenda, including developing and implementing an advocacy strategy aimed at influencing policy and investment decisions by other levels of government for the benefit of Logan

- working collaboratively with government, community, non-government and business stakeholders to deliver on Council’s vision for the City of Logan

- delivering targeted evidence-based advocacy to support Council-led projects

- leading the delivery of Council’s regional collaboration functions, working across local government boundaries to solve shared challenges and increase the impact and reach of Council’s influence
• leading the delivery of the City of Choice initiative, designed to address complex social challenges that cut across levels of government

• actively identifying, pursuing and coordinating grant opportunities to secure external funding from other levels of government.

Through the grants function, as of 6 June, the team has coordinated and supported 71 grant applications, resulting in more than $13m worth of State and Federal Government investment since 2018. This includes the recent $6m Works for Queensland funding.

Services and priorities

With corporate demand increasing for its services, the program’s current priorities include:

• identifying, developing and coordinating cross-organisation submissions for Queensland Government and Australian Government COVID-19 recovery funding

• developing a new Advocacy Strategy 2020-2024 based on identified strategic priorities, and including key performance indicators

• coordinating Council’s submissions on State and Federal Government projects of importance to the Logan community that cut across directorates, including the Coomera Connector and Inland Rail

• supporting Mayor Darren Power’s role as a director on the board of the Council of Mayors South East Queensland on projects of regional significance such as the SEQ City Deal and the Olympic Bid

• coordinating the review and future direction of the City of Choice initiative

• developing motions for Council to put to the 2020 Local Government Association of Queensland Annual Conference in October 2020

• coordinating any advocacy activities relating to the upcoming Queensland Government Election (the scope of this to be determined in consultation with Councillors, including whether or not there is any public-facing campaign).

The Advocacy Program was not included in the most recent ICT Directorate restructure given it already had a clear direction and clear purpose and was functioning effectively. On reflection, a name change to Government Relations in the future may be appropriate, to better reflect the program’s core function.

BRANCH: Business Transformation

The Business Transformation Branch drives performance management to help decision-makers set the strategic direction for the city and Council. It collaborates across Council to transform the way the organisation does business.

Programs

1. Business Performance Management

   Business Performance Management analyses and consolidates data so decision-makers can make evidence-based decisions on the strategic direction and vision for the city and the organisation.
Its centre of excellence is focused on:

- coordinating corporate, operational and business planning to deliver on the strategic priorities for the city and Council
- collaborating across the organisation to consolidate, analyse and develop new ways to present performance data to help make strategic decisions
- connecting and providing corporate standards advice to the organisation on project management excellence
- coordinating organisation and citywide engagement to deliver valuable services to customers.

Services and priorities

The program is currently focused on:

- planning and scoping a community visioning exercise for the City of Logan
- coordinating and developing the Operational Plan 2020/21 to guide Council’s operational activities for the next financial year
- planning to develop a new Corporate Plan, to provide a road map for Council priorities and budget over a four-year period
- organisational performance management and reporting, including the PowerBI platform
- transforming project management governance and processes across the organisation.

2. Corporate Asset Management

Corporate Asset Management connects and collaborates across the organisation to help Council manage its infrastructure assets whole-of-life costs efficiently, now and into the future.

Its centre of excellence is focused on:

- leading the development and implementation of contemporary strategic asset management practices to:
  - help Council best manage its diverse and complex asset base
  - build capacity across Council to become more mature asset managers
- leading initiatives that drive Council towards more advanced and sustainable asset management practices
- critically overseeing the collection and use of asset information to enable Council to make informed decisions on its assets and service delivery.

Services and priorities

The program is focused on:

- asset management governance
- asset information management
- asset management planning
- asset management improvement and advancements.
3. Corporate Innovation

Corporate Innovation provides connections and cross-organisational collaboration within Council. The team offers an end-to-end problem-solving service, providing a structured process for improving the way the organisation solves problems and does business. The program builds and coordinates individual and collective capability in government innovation and shares corporate knowledge and successes in innovation excellence.

Its centre of excellence is focused on working with other teams to:

- analyse data and understand the perspective of the problem
- co-develop fresh ideas to create new opportunities
- test, learn and try, to come up with new solutions to existing problems.

**Services and priorities**

Current priorities include:

- delivering the T4 Masterclass in Innovation and Entrepreneurship
- supporting staff to use the problem-solving toolkit
- delivering problem-solving workshops
- co-developing and supporting the Lone Worker Toolkit
- delivering Lunch and Learn sessions
- supporting business continuity planning.

4. Digital Innovation

Its centre of excellence is focused on:

- connecting with internal stakeholders and providing strategic business analysis, data analysis and digital prototyping services
- helping council deliver meaningful digital products and services to the city
- collaborating with the business to trial, prototype and design digital solutions that will increase value to the customer and our community.

**Services and priorities**

Current services and priorities include:

- business analysis to support the corporate innovation and digital innovation portfolio projects, including identifying and analysing opportunities, gathering requirements, and coordinating analysis of solution options
- portfolio management of digital projects, including providing advice/guidance, templates, frameworks, reporting, and co-ordination activities
- solution architecture and software engineering services, to support the design and build of relevant prototype solutions within the digital innovation portfolio
- end-to-end bespoke data insight services including data analysis, data visualisation, data modelling/engineering and data science services
• delivering key projects including:
  o Idea Front Door Management project
  o Business Transformation Platform Roadmap.

**BRANCH: City Transformation**

The City Transformation Branch collaborates across sectors and boundaries to solve city challenges and build innovation capability and entrepreneurial excellence to attract city investment and improve economic outcomes and overall satisfaction for our residents, business and visitors.

The branch is focused on:

• helping build and strengthen the connections and collaboration across local, regional and national innovation ecosystem
• collaborating across sectors to uplift innovation capabilities of our people young and old, creating a smart city of the future
• coordinating entrepreneurial excellence to help solve problems, commercialise solutions and launch new ventures into the national and international market
• promoting awareness of the future work and supporting our communities and industries to understand the types of jobs that will be in demand.

**City Transformation Program**

1. **City Transformation**

The City Transformation Program helps educators, innovators and community build strategic connections and uplift individual and collective capabilities in innovation.

Its centre of excellence is focused on:

• fostering collaboration between and across all sectors in our city to embed a culture of innovation
• connecting stakeholders in our community to support innovation capability uplift and transform Logan’s innovation ecosystem
• enabling connections between government, academia and business to solve problems and help empower people to be the change they want to see.

**Services and priorities**

Current priorities include:

• development a strategic framework to develop and strengthen Logan’s innovation economy, partnership with Economic Development and Strategy
• supporting the INNOV8 Logan initiative, driven by local entrepreneurs
• delivering youth-focused programs:
  o CityStudio Logan program
  o Catapult Youth Entrepreneurship Program
• Coordinating the Advancing Regional Queensland Program in partnership with Griffith University and Redland City Council.
2. coLab

The City of Logan’s first coLab will play a critical role in Council’s agenda to develop an innovation-driven economy as part of the city’s COVID-19 economic recovery. Council’s first coLab is being developed in collaboration with Logan-based global edu-tech company GO1.

The coLab will provide a space where high-growth ventures can grow with like-minded companies in a collaborative environment designed to support individual companies and their employees.

It will offer an international launch pad and pathway to scale for resident firms, and a landing pad for international scale-up and corporate firms seeking a base in Queensland or Australia.

The coLab will create high value jobs of the future and contribute to the growth and vibrancy of the City of Logan.

As a centre of excellence, the coLab is focused on:

- coordinating strategic connections between new ventures, entrepreneurs and industry to create commercialised solutions
- collaborating with academia, industry and innovators to establish entrepreneurial excellence in the city
- helping build a pipeline of successful new ventures that will be a source for local jobs growth and national and international investment attraction.

ANY PREVIOUS COUNCIL DECISIONS

This information is confidential and is included in the confidential attachments to this report.

FINANCIAL/RESOURCE IMPLICATIONS

This information is confidential and is included in the confidential attachments to this report.

RISK MANAGEMENT IMPLICATIONS

Nil.
LEGAL/POLICY

Nil.

COMMUNITY AND OTHER CONSULTATION

Not applicable.

CONCLUSION

The Innovation and City Transformation Directorate Leadership Team and broader directorate have worked diligently over the last 12 months to refine its purpose and value to the organisation and city. The Directorate teams now work in a more integrated and targeted way to help the organisation move towards next generation governance and the city towards realising its vision to be an innovative, dynamic, city of the future.

ATTACHMENTS TABLE

This information is confidential and is included in the confidential attachments to this report.
6.1 EXECUTIVE FINANCIAL PERFORMANCE REPORT – MAY 2020

REPORT OF: Finance Manager

REPORT OVERVIEW

EXECUTIVE SUMMARY

Attached as background papers for Members information are the Financial Statements for the period ended 31 May 2020.

Section 204 of the Local Government Regulation 2012 requires the presentation of a financial report to Local Government each month.

Criteria: Direction - It requires Council to make a decision of a strategic nature; or Council has specifically requested it

CORPORATE PLAN PRIORITY

Next Generation Governance

RECOMMENDATIONS

IT IS RECOMMENDED:

That the Financial Statements for the period ending 31 May 2020, as attached to the report of the Finance Manager dated 30 June 2020, be endorsed.

REPORT DETAILS

INTERESTED PARTIES

Not applicable.

PURPOSE OF REPORT/BACKGROUND

Not applicable.

ANY PREVIOUS COUNCIL DECISIONS

Not applicable.

FINANCIAL/RESOURCE IMPLICATIONS

Not applicable.

RISK MANAGEMENT IMPLICATIONS

Not applicable.

LEGAL/POLICY

Not applicable.
COMMUNITY AND OTHER CONSULTATION

Not applicable.

CONCLUSION

Not applicable.

ATTACHMENTS TABLE

Performance Overview

Finance Manager’s Comments

Summary Statement
For the Period Ending May 2020

<table>
<thead>
<tr>
<th></th>
<th>Budget $000s</th>
<th>Actual $000s</th>
<th>Variance $000s</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>575,230</td>
<td>580,871</td>
<td>5,641</td>
<td>0.98%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>575,051</td>
<td>582,814</td>
<td>(7,763)</td>
<td>-1.35%</td>
</tr>
<tr>
<td>Operating Surplus</td>
<td></td>
<td></td>
<td>(2,122)</td>
<td></td>
</tr>
<tr>
<td>Rates and Utility Charges</td>
<td>418,309</td>
<td>425,555</td>
<td>7,246</td>
<td>1.73%</td>
</tr>
<tr>
<td>User Fees and Charges</td>
<td>33,744</td>
<td>31,015</td>
<td>(2,729)</td>
<td>-8.09%</td>
</tr>
<tr>
<td>Other Income</td>
<td>103,184</td>
<td>104,222</td>
<td>1,038</td>
<td>1.01%</td>
</tr>
<tr>
<td>Employee Expenses</td>
<td>151,203</td>
<td>153,541</td>
<td>(2,338)</td>
<td>-1.55%</td>
</tr>
<tr>
<td>Materials and Services</td>
<td>246,805</td>
<td>252,446</td>
<td>(5,641)</td>
<td>-2.29%</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>301,034</td>
<td>239,121</td>
<td>61,913</td>
<td>20.57%</td>
</tr>
</tbody>
</table>

General Comments

COVID-19 – YTD $1.23m in expenditure can be directly attributed to the COVID impact across the organisation.

Waste Levy remains a key risk in terms of how the increased gate fee for commercial customers may impact usage and therefore revenue.

The capital cost of the new Browns Plains Landfill Cell 2E construction is higher than expected.

Operating Revenue:

Operating revenue as at 31 May 2020 is ahead of budget by $5.64m (0.98%).

Revenue variances to budget related to covid restrictions include:

Reduced revenue due to the closure of facilities across the Sports, Leisure & Facilities branch in response to the COVID-19 crisis, this is offset to a degree by reductions in direct variable costs.

Development application fees were trending below budget for operational works and major new developments before COVID-19. The impacts of COVID have resulted in a further decline. It is estimated that these impacts will last at least six months.

Lower than budget Food business license fees and application fees directly due to refunds processed in April under COVID-19 Phase 1 relief package.

Other key variances for operating revenue include:

Revenue from water consumption and metered hydrant standpipe and fill station water sales due to dry weather conditions in the first two quarters.

Water Infrastructure additional development revenue received associated with infrastructure planning.

Additional income tax equivalents and returns received due to favourable results of the Water business unit to the end of April 2020.

Container refund scheme contract and waste levy revenue continues to trend lower than expected.
Interest Income received is lower than anticipated due to a decrease in the interest rate on investments.

**Operating Expenses:**

Operating expenditure as at 31 May 2020 is ahead of budget by $7.76m (1.35%).

Additional callout and overtime costs, payroll tax percentage increase, an understatement of anticipated oncosts in the budget salary model and an increase in employee provisions contribute to the unfavourable variance in employee costs.

Increased bulk water purchases, including standpipe sales, due to a continuation of dry weather conditions in the first two quarters which is in line with revenue.

**Capital Expenditure:**

Some of the key variances for capital expenditure include:

Delays associated with finalising project planning and development activities on a number of projects as well as the deferment of the Smith Rd Depot building approval decision.

Lower than forecast spent on various projects, predominantly including Albert River Park Upgrade Project and the Underwood Park Lagoon Project which are behind schedule.
## Council Operating Statement

### For the Period Ending May 2020

<table>
<thead>
<tr>
<th>YTD Amended Budget $000's</th>
<th>YTD Actuals $000's</th>
<th>Var $</th>
<th>Var %</th>
<th>Full Year Original Budget $000's</th>
<th>Full Year Amended Budget $000's</th>
<th>% of YTD Actual to Full Year Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>435,388</td>
<td>442,342</td>
<td>6,954</td>
<td>2</td>
<td>474,659</td>
<td>475,199</td>
<td>97</td>
</tr>
<tr>
<td>(17,078)</td>
<td>(16,787)</td>
<td>291</td>
<td>0.2%</td>
<td>(18,661)</td>
<td>(18,690)</td>
<td>90</td>
</tr>
<tr>
<td>33,744</td>
<td>31,015</td>
<td>(2,729)</td>
<td>8.8%</td>
<td>37,080</td>
<td>37,002</td>
<td>94</td>
</tr>
<tr>
<td>103,184</td>
<td>104,222</td>
<td>1,038</td>
<td>1</td>
<td>138,403</td>
<td>112,591</td>
<td>97</td>
</tr>
<tr>
<td>1,494</td>
<td>2,634</td>
<td>1,140</td>
<td>46%</td>
<td>1,556</td>
<td>1,781</td>
<td>55</td>
</tr>
<tr>
<td>7,102</td>
<td>7,458</td>
<td>356</td>
<td>5%</td>
<td>12,519</td>
<td>13,748</td>
<td>54</td>
</tr>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td>580,781</td>
<td>5,641</td>
<td>1</td>
<td>639,466</td>
<td>635,542</td>
<td>91</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>151,203</td>
<td>153,541</td>
<td>(2,338)</td>
<td>1.5%</td>
<td>166,131</td>
<td>165,505</td>
<td>92</td>
</tr>
<tr>
<td>79,171</td>
<td>84,930</td>
<td>(5,760)</td>
<td>6.7%</td>
<td>86,112</td>
<td>86,392</td>
<td>99</td>
</tr>
<tr>
<td>111,550</td>
<td>110,429</td>
<td>1,121</td>
<td>1%</td>
<td>117,894</td>
<td>121,790</td>
<td>91</td>
</tr>
<tr>
<td>65,494</td>
<td>66,398</td>
<td>(904)</td>
<td>1%</td>
<td>72,934</td>
<td>71,860</td>
<td>92</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>582,814</td>
<td>(7,763)</td>
<td>(1)</td>
<td>633,228</td>
<td>635,225</td>
<td>92</td>
</tr>
<tr>
<td><strong>Operating Surplus</strong></td>
<td>179</td>
<td>(1,943)</td>
<td>(1)</td>
<td>6,238</td>
<td>318</td>
<td>(611)</td>
</tr>
</tbody>
</table>

### Capital Related Items

<table>
<thead>
<tr>
<th>Capital Related Revenue</th>
<th>Capital Related Expenses</th>
<th>Net Result</th>
<th>% of Year Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>192,254</td>
<td>15,312</td>
<td>176,942</td>
<td>92%</td>
</tr>
<tr>
<td>211,686</td>
<td>14,312</td>
<td>197,374</td>
<td>106%</td>
</tr>
<tr>
<td>207,858</td>
<td>40,813</td>
<td>183,180</td>
<td>105%</td>
</tr>
</tbody>
</table>

### Council Capital Expenditure

<table>
<thead>
<tr>
<th>Capital Works Projects</th>
<th>Net Reserve Transfers to/(from)</th>
<th>Capital Appropriations</th>
<th>Accumulated Surplus/(Deficit)</th>
<th>% of Year Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>361,728</td>
<td>6,141</td>
<td>177,353</td>
<td>6,247</td>
<td>77%</td>
</tr>
<tr>
<td>326,922</td>
<td>13,662</td>
<td>192,340</td>
<td>8,311</td>
<td>25%</td>
</tr>
<tr>
<td>29,741</td>
<td>13,662</td>
<td>192,340</td>
<td>8,311</td>
<td>25%</td>
</tr>
<tr>
<td>454,672</td>
<td>13,662</td>
<td>192,340</td>
<td>8,311</td>
<td>25%</td>
</tr>
</tbody>
</table>

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For the Period Ending May 2020

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For Period Ending May, 2020
Investments

AVERAGE CUMULATIVE INTEREST BY FINANCIAL INSTITUTION

<table>
<thead>
<tr>
<th></th>
<th>QTC City</th>
<th>QTC Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>1.66%</td>
<td>1.65%</td>
</tr>
</tbody>
</table>

Rates and Charges

RATES & CHARGES STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>May 2019</th>
<th>May 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arrears as at 1 July</td>
<td>$19,897,478</td>
<td>$22,791,738</td>
</tr>
<tr>
<td>Levies:(Including Supplementary Levy)</td>
<td>$486,547,126</td>
<td>$513,411,508</td>
</tr>
<tr>
<td>Total</td>
<td>$506,444,604</td>
<td>$536,203,246</td>
</tr>
<tr>
<td>Less Cash, Discount, Remissions, Adjustments, etc.</td>
<td>$472,672,257</td>
<td>$502,093,017</td>
</tr>
<tr>
<td>Balance</td>
<td>$33,772,347</td>
<td>$34,110,229</td>
</tr>
<tr>
<td>% Outstanding</td>
<td>6.67%</td>
<td>0.31%</td>
</tr>
</tbody>
</table>

Financial Hardship Arrangements

<table>
<thead>
<tr>
<th></th>
<th>May-19</th>
<th>May-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest free (No.)</td>
<td>1,480</td>
<td>3,109</td>
</tr>
<tr>
<td>Interest free ($’s)</td>
<td>$3,498,896</td>
<td>$7,049,384</td>
</tr>
<tr>
<td>Interest bearing (No.)</td>
<td>200</td>
<td>136</td>
</tr>
<tr>
<td>Interest bearing ($’s)</td>
<td>$711,831</td>
<td>$416,740</td>
</tr>
</tbody>
</table>
## Sundry Debtors

<table>
<thead>
<tr>
<th>Days Outstanding</th>
<th>As at 31/03/20</th>
<th>%</th>
<th>As at 30/04/20</th>
<th>%</th>
<th>As at 31/05/20</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>2,565,666</td>
<td>64%</td>
<td>2,928,173</td>
<td>67%</td>
<td>1,615,390</td>
<td>64%</td>
</tr>
<tr>
<td>30-60 days</td>
<td>217,541</td>
<td>5%</td>
<td>272,778</td>
<td>6%</td>
<td>196,575</td>
<td>8%</td>
</tr>
<tr>
<td>60-90 days</td>
<td>228,941</td>
<td>6%</td>
<td>110,095</td>
<td>3%</td>
<td>116,623</td>
<td>5%</td>
</tr>
<tr>
<td>90+ days</td>
<td>1,028,007</td>
<td>25%</td>
<td>1,070,834</td>
<td>24%</td>
<td>599,808</td>
<td>23%</td>
</tr>
<tr>
<td>Total Aged</td>
<td>4,040,155</td>
<td>100%</td>
<td>4,381,880</td>
<td>100%</td>
<td>2,528,396</td>
<td>100%</td>
</tr>
<tr>
<td>Credits Unapplied</td>
<td>(59,307)</td>
<td></td>
<td>(85,942)</td>
<td></td>
<td>(82,674)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3,980,848</td>
<td></td>
<td>4,295,938</td>
<td></td>
<td>2,445,722</td>
<td></td>
</tr>
</tbody>
</table>

### Debtor Description and Action

<table>
<thead>
<tr>
<th>Debit</th>
<th>Description</th>
<th>Action</th>
<th>&gt; 90 Days</th>
<th>&gt;60 Days</th>
<th>&gt;30 Days</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logan City Rugby Union</td>
<td>Rates &amp; Charges for period 01/04/19 to 31/03/20</td>
<td>Club had an arrangement that commenced October 2019 and was adhered to up to February 2020. No further payments have been received. Finance emailed the Club on 20/05/2020 requesting the Club to make contact by mid-June 2020 with a new payment plan proposal. Due to COVID-19, the Club has not been operating since March 2020.</td>
<td>11,752</td>
<td></td>
<td></td>
<td>2,496</td>
</tr>
<tr>
<td>Brisbane Roar Football Club</td>
<td>Rates &amp; Charges for period 01/01/18 to 31/03/20 ($188,133), gym membership fees for February/March ($1,950) and electricity October 2019 to April 2020 ($2,703)</td>
<td>A briefing has been provided to the incoming Council for consideration.</td>
<td>153,715</td>
<td>38,809</td>
<td></td>
<td>261</td>
</tr>
<tr>
<td>Description</td>
<td>Description</td>
<td>Amounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts with external collection agency</td>
<td>Various debts</td>
<td>Monitored by Assistant Senior Recoveries Officer.</td>
<td>36,182</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts on Arrangement</td>
<td>Various debts</td>
<td>Monitored by Assistant Senior Recoveries Officer and Senior Accounts Receivable Officer.</td>
<td>66,352 5,732 13,672 6,823</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste disposal</td>
<td>Various accounts</td>
<td>Overdue accounts are in the process of recovery action.</td>
<td>30,477 933 10,711 399,913</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance and Damage claims</td>
<td>Various accounts</td>
<td>Overdue accounts are in the process of recovery action.</td>
<td>105,444 27,245</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of water</td>
<td>Water drawn from metered hydrant standpipes</td>
<td>Overdue accounts are in the process of recovery action.</td>
<td>16,846 6,592 32,329 191,268</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cemetery Services</td>
<td>Various accounts</td>
<td>Overdue accounts are in the process of recovery action.</td>
<td>10,845 189 8,652 30,308</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal costs</td>
<td>Costs associated with legal proceedings for overdue rates</td>
<td>Costs will transfer to the Rate account after Judgment.</td>
<td>69,507 4,886 3,014 739</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
7.1 Covering Report

Refer to Confidential Agenda in accordance with Section 275 (1) (e) of the Local Government Regulation 2012

PROPOSED ACQUISITION OF LAND IN SPRINGWOOD

REPORT OF: Administration Manager

REPORT OVERVIEW

EXECUTIVE SUMMARY

The purpose of this report to obtain a decision from Council regarding the acquisition of land in Springwood.

Criteria: Direction - It requires Council to make a decision of a strategic nature; or Council has specifically requested it

CORPORATE PLAN PRIORIT

Next Generation Governance

Submitted under separate cover is confidential documentation relating to the above matter. This documentation is considered confidential due to the following reason: "It contains business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

RECOMMENDATIONS

IT IS RECOMMENDED:-

For consideration.

REPORT DETAILS

INTERESTED PARTIES

This information is confidential and is included in confidential attachments to this report.

PURPOSE OF REPORT/BACKGROUND

This information is confidential and is included in confidential attachments to this report.

ANY PREVIOUS COUNCIL DECISIONS

This information is confidential and is included in confidential attachments to this report.

FINANCIAL/RESOURCE IMPLICATIONS

This information is confidential and is included in confidential attachments to this report.

RISK MANAGEMENT IMPLICATIONS

This information is confidential and is included in confidential attachments to this report.
LEGAL/POLICY
This information is confidential and is included in confidential attachments to this report.

COMMUNITY AND OTHER CONSULTATION
This information is confidential and is included in confidential attachments to this report.

CONCLUSION
This information is confidential and is included in confidential attachments to this report.

ATTACHMENTS TABLE
This information is confidential and is included in confidential attachments to this report.
REPORT OVERVIEW

EXECUTIVE SUMMARY

This report seeks direction from Council in respect of the Council property known as Ben Matthews Playground in Logan Central.

Criteria: Direction - It requires Council to make a decision of a strategic nature; or Council has specifically requested it

CORPORATE PLAN PRIORITY

Economic Transformation

Submitted under separate cover is confidential documentation relating to the above matter. This documentation is considered confidential due to the following reason: "The report includes information that is commercial-in-confidence, which would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

RECOMMENDATIONS

IT IS RECOMMENDED:-

1. That the property described as Lot 3 on RP 149515 and Lot 62 on RP 83242 be retained by Council to be used as recreational park for the benefit of the local community.

2. That the building and improvements on the property, as detailed in Clause 1 above, be demolished.

3. That the Finance Manager be requested to provide one-off funding of up to $75,000 plus GST from the 2018/2019 surplus for the demolition of the building and improvements, as detailed in Clause 2 above.

4. That, at the discretion of the Administration Manager, the Corporate Governance Manager be requested to place the confidential report of the Administration Manager dated 30 June 2020 into the public records.

REPORT DETAILS

INTERESTED PARTIES

This information is confidential and is included in the confidential attachments to this report.
PURPOSE OF REPORT/BACKGROUND

Council owns property referred to as Ben Matthews Playground (the 'Playground'). The Playground is located at:

1. 47-55 Ellen Street Logan Central Qld 4114 (Lot 62 on RP 83242) (10,117m\(^2\)); and
2. 13 Rhea Avenue Logan Central Qld 4114 (Lot 3 on RP149515) (8,494m\(^2\)).

The Playground is zoned low density residential suburban and is improved with a lowset masonry building with a metal roof and tennis, basketball and netball courts.

HISTORY

The Playground was previously occupied by the community organisation known as Arethusa College, with a lease at the Playground expiring on 15 November 2016. The College continued to hold over under the lease for a period of time however since their vacation on 31 July 2017, the Playground has remained vacant.

On 14 March 2017, Council resolved (Minute No 63/2017) that the Playground was surplus to requirements and should be sold by auction. The auction did not result in a contract of sale however a subsequent tender process produced a conditional contract of sale. That contract was ultimately terminated in August 2018 on the basis that the prospective buyer was not satisfied with their due diligence enquiries.

On 15 August 2018 investLogan was requested to consider acquisition of the Playground. investLogan explored development opportunities for the site however in late 2019 ultimately advised Council that they did not wish to pursue that opportunity.

In late 2019 and early 2020, there has been interest shown in leasing and/or purchase of the property by a number of parties.

Development Constraints

The Playground has numerous constraints, which affect the Playground’s development viability and in turn the value of the Playground itself. It is understood that the resolution of these issues by any ultimate purchaser would be cost prohibitive if approached from a development perspective.

Figure 1 – Ben Matthews Playground
Those constraints include:

1. Overland Flow

   Council’s River and Catchment Engineering (RCE) Program has previously advised that there may be a requirement for the Playground to be retained by Council in lieu of disposal, if it is subject to significant overland flow.

   The nature of how the overland flow will be considered (as a sheet flow or open channel or pipe system) at the Playground will be informed by the findings of a flood study currently being undertaken, which speculates an overland flooding depth of up to 700mm. This is significant, considering current overlays show no flood impact.

   The flood study is currently being conducted across the whole of the city and its findings will inform this matter further. As at May 2020, the flood study is still in the modelling stage and is likely to be completed within the 2020-2021 financial year.

   If the Playground is impacted by overland flooding beyond 50 per cent, RCE has suggested it may wish for Council to retain its ownership for drainage purposes. This approach is consistent with other Council properties that are also heavily impacted by overland flow.

2. Drainage

   There is existing drainage infrastructure on the Playground as shown in Figure 1. Prior to any disposal of the Playground, drainage easements will be required to protect Council’s infrastructure in accordance with the Queensland Urban Drainage Manual drainage policy as follows:

   - 3m for all single pipes from 300 mm up to 1350 mm diameter;
   - 1m wider than the distance between outer edges of the pipes or box culverts; and
   - width of the flow path required to carry the difference between the peak discharge for the Defined Flood Event (1% annual exceedance probability) and the capacity of the underground system together with an allowance for freeboard (buffer above design flood levels).

   The Playground requires a topographic survey in order to specify the exact location of these easements, as the locations of the pipes must first be accurately determined.

Options for Future Management

There are a range of options available in respect of the future management of the Playground including:

1. retention of the Playground and conversion to Park, with future planning to be undertaken;
2. disposal of the Playground to the market through a new auction process;
3. disposal of the Playground to a community organisation; or
4. leasing of the Playground to a community organisation.

Those options have been explored and the analysis around the options, which is confidential, is included in the confidential attachments to this report.
ANY PREVIOUS COUNCIL DECISIONS

On 19 January 2017, the Executive Leadership Team (ELT) met to consider the report of the Economic Development & Strategy (ED&S) Manager, which explored potential development options for the Playground. That report concluded that the Playground was unsuitable for the purpose of property development at that point in time and under current market conditions. It further recommended disposal of the Playground, in keeping with the previous ELT (then SLPT) decision of its meeting of 8 October 2015 regarding the same.

On 14 March 2017 Council resolved (Minute No 63/2017) as follows:

1. That the Administration Manager be delegated authority to dispose of the property described as Lot 3 on RP 149515 and Lot 62 on RP 83242 by way of auction, in accordance with section 227(1)(b) of the Local Government Regulation 2012.

2. That, should the property, as detailed in Clause 1 above, be passed in at auction, the Administration Manager be delegated authority to dispose of the property by private treaty, in accordance with the exception in section 236(1)(a) of the Local Government Regulation 2012.

3. That, upon the sale of the property, as detailed in Clause 1 above, the proceeds of sale, less sale costs, be placed into the community asset reserve for use in developing community facilities in Division 2.

4. That the Director of Organisational Services be delegated authority to execute any documents on behalf of Council in relation to Clause 1 above.

5. That, upon the disposal/sale of the property, as detailed in Clause 1 above, the Corporate Governance Manager be requested to place the confidential report of the Sport, Leisure & Facilities Manager dated 20 January 2017 (Id: 10788790) into the public records.

FINANCIAL/RESOURCE IMPLICATIONS

This information is confidential and is included in the confidential attachments to this report.

RISK MANAGEMENT IMPLICATIONS

The Playground is an ageing asset and there have been security issues that have arisen during the time it has remained vacant. To mitigate those risks, it is appropriate that a decision be made with respect to future management of the Playground.

LEGAL/POLICY

The Local Government Act 2009 and Local Government Regulation 2012 apply to this report.

COMMUNITY AND OTHER CONSULTATION

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**CONCLUSION**

The extent of overland flooding at the Playground has not been finalised. What is considered optimal is that the property be retained by Council. However, the building and improvements should be demolished and the space made available to the community, with future planning to be undertaken to deliver an appropriate outcome into the future.

**ATTACHMENTS TABLE**

No attachments.
9.2 PROPOSED PROCUREMENT AND APPROPRIATIONS ADVISORY GROUP

REPORT OF: Administration Manager

REPORT OVERVIEW

EXECUTIVE SUMMARY

The purpose of this report is to identify options for the appointment of a committee of Councillors to support Council's procurement and appropriations activities.

Criteria:
- Direction - It requires Council to make a decision of a strategic nature; or Council has specifically requested it

CORPORATE PLAN PRIORITY

Next Generation Governance

RECOMMENDATIONS

IT IS RECOMMENDED:

1. That the establishment of the Procurement and Appropriations Advisory Group, as detailed in Option 3 of the report of the Administration Manager dated 30 June 2020, be endorsed.

2. That the Administration Manager be requested to establish a Terms of Reference for the Advisory Group, as detailed in Clause 1 above.

REPORT DETAILS

INTERESTED PARTIES

Nil

PURPOSE OF REPORT/BACKGROUND

The current committee structure was adopted by Council at its Post-Election meeting of 29 April 2020 and comprises four Standing Committees, along with Ordinary Council, as detailed below:

- City Governance;
- City Infrastructure;
- City Planning, Economic Development & Environment; and
- City Lifestyle.

Councillor Heremaia has proposed to establish a new 'Procurement & Appropriations Special Committee' (New Committee), comprised of all the Councillors, to support Council's procurement and appropriation activities, including to identify systemic trends in Council's procurement and appropriation activities and to provide recommendations to the City Governance Committee with a purpose of delivering long-term cost savings for Council.

Councillor Heremaia proposes that the New Committee be appointed on an ongoing basis, but that attendance by Councillors at the meetings of the New Committee be optional.
Currently, Council's existing audit and risk committee reviews non-compliance with procurement processes, and the consideration of procurement and financial policy falls within the City Governance Committee's Terms of Reference.

**DISCUSSION**

The key issues for consideration in respect of the establishment of a New Committee or function to provide oversight of Council's procurement and appropriation activities are:

- the scope (Terms of Reference) for any New Committee or function; and
- the structure of the New Committee or function.

**Scope (Terms of Reference) and key risks**

Regardless of the structure adopted, the scope of any procurement and appropriations oversight function must be limited so that any recommendations made are not about specific procurements. Rather, the New Committee should only consider matters and make recommendations on a broader policy or strategic level.

Involvement with specific procurement, particularly prior to or during the conduct of a procurement process, poses a significant risk for Council (and councillors) from a probity perspective. When conducting a procurement, Council officers adopt strict probity procedures to ensure the integrity and fairness of the procurement processes. Adding an additional level of consideration by a councillor committee raises a process risk for the procurement, and has the potential to expose Council in the event that an unsuccessful tenderer makes a claim against Council. This issue arises both in respect of committee involvement prior to the conduct of a specific tender (for example, if the committee took on a role of reviewing and making recommendations regarding specific evaluation criteria and process) and during the deliberative process stages.

Therefore, to address this risk, the Terms of Reference in respect of the oversight function should be limited to the making of policy and strategic recommendations only. For example, the New Committee could review specific (or a group of) tenders once they are complete (on a "lessons learnt" basis) for the purpose of determining whether any adjustment is required to Council's policy or approach for procurement generally, or for a particular class of procurements.

The other key risks for Council associated with implementing a procurement and appropriations oversight function relate to conflicts of interest and confidential information. The nature of the information to be considered as part of the undertaking an oversight function is likely to be commercial in confidence information to the tenderers in the process. Council will need to ensure that this information remains confidential. In respect of conflicts, Councillors will need to ensure that they declare and manage any conflicts in respect of the procurement and appropriation activities discussed.

**Structure Option 1 - Expand City Governance Committee Terms of Reference**

The first option to ensure Council has an effective forum for oversight of its procurement and appropriation activities is to extend the Terms of Reference of Council's existing City Governance Committee.

The existing Terms of Reference for the City Governance Committee provide that, relevantly:

"(a) This Committee is the peak recommendation-making body dealing with strategy and policy as it relates to corporate governance, finance, administration, people and culture, corporate planning and reporting, information services, plant fleet and local government legislation."

Although procurement and appropriation activities are not expressly called out, it is reasonably clear that it is within the City Governance Committee’s existing scope to deal with policy and strategic issues associated with Council's procurement activities.
Council could, however, amend the existing Terms of Reference to expressly refer to the committee's role for Council's procurement and appropriation activities.

The key benefits of this approach are:

- it allows for consideration of the procurement and appropriation matters within a forum that is well known to Council, and accommodates transparency and accountability in the process (subject to the need to move to closed session as appropriate); and

- it does not require extra administrative resources on the basis that it is an existing Council committee, with the relevant processes and procedures already in place.

This option will involve the least time, effort and resources to establish.

**Structure Option 2 - Establish an Advisory Committee**

The Local Government legislative framework provides for Council to appoint "committees". The Local Government Regulation contemplates the appointment/establishment of:

- **Standing Committees** - Council currently only has standing committees. A standing committee may consist only of councillors and it is open to Council to delegate to a standing committee. On the basis that the New Committee's role will be to make recommendations to the existing City Governance Committee only, this does not appear to be an appropriate structure for the New Committee;

- **Special Committees** - a special committee is generally convened for a particular single issue or short term purpose. On the basis that the new committee is proposed to have an ongoing role, this does not appear to be an appropriate structure for the New Committee.

- **Advisory Committees** - Council does not currently have any advisory committees. An advisory committee may include members who are not councillors (but it is open to Council to establish an advisory committee comprising councillors only). Unlike a standing committee, there is no scope for delegated decision-making by an advisory committee.

Committees (including advisory committees) appointed in accordance with the Local Government framework are subject to Council's Local Government and Committee Meeting Code and a range of regulatory provisions under the Local Government legislative framework, including the formal process requirements for meeting conduct.

For example, all committee meetings are to be conducted on an open and transparent basis. Therefore, the New Committee will need to be cautious about discussing confidential information of Council or of tenderers, without going into closed session. From a transparency perspective, the closure of the New Committee meetings on a regular basis to protect confidential information may draw questions about the role and activities of the New Committee.

In addition, the procedures and requirements for meeting notices, agendas and reports would apply to the New Committee. Therefore the establishment of a New Committee as an advisory committee will increase the administrative burden on Council.

This option will involve the most time, effort and resources to establish.
Structure Option 3 - Establish an Advisory Group

As an alternative to establishing a formal committee under the Local Government legislative framework, it is open to Councillors to meet on an informal basis to consider Council’s procurement and appropriation activities, and to make recommendations to the City Governance Committee in the same way that any councillor is entitled to do so.

On the basis that the term "Committee" has a specific meaning under the Local Government framework, it would not be appropriate to describe the group as a committee as this will cause confusion as to how the 'group' should operate. Rather, it would be preferable to describe the group as a "advisory group" or some other title that reflects the fact that the group and conduct of meetings by that group falls outside the formal structure of committee meetings under the Local Government framework.

This option reflects the proposed informality in respect of the conduct of meetings and the intent that the group should not be a decision-making group. Adopting this approach:

- allows for optional attendance by Councillors (noting that Councillors who are members of formally established committees must seek to attend all meetings);
- does not require the meeting to be open to the public (or audio recorded);
- means that the Local Government and Committee Meeting Code (including in respect of meeting conduct) will not apply to the informal meetings; and
- reduces the administrative burden for Council somewhat on the basis that it will not require the same formality that applies to formal committee meetings, including the preparation of formal agendas, minutes and reports.

Despite the informality, the legislative framework still provides some regulatory provisions that will impact on the way that matters are considered by the informal working group:

- Councillors will remain subject to obligations of confidence in respect of confidential information considered in the working group (for example, a tenderer's commercial in confidence information);
- Councillors must not breach ss. 171 (use of information by councillors) and 171A (inside information) of the Local Government Act in respect of their use of information discussed on the working group;
- Councillors who have a personal interest in a matter must not influence, or attempt to influence, a local government employee or a contractor of the local government who is authorised to decide or otherwise deal with a matter in a particular way (s. 175I(3)). This would apply, for example, if a councillor attending at the working group sought to influence the way a procurement process is conducted; and
- all records created by the working group will be subject to RTI.

It is important to note that the Department of Local Government, Racing and Multicultural Affairs (DLGRMA) is currently considering future amendments to the legislative framework in relation to the regulation of informal meetings. The specific requirements are not yet finalised but DLGRMA’s January 2020 paper “Proposed local government regulatory reforms - informal meetings” sets out potential reforms, including the requirement for local governments to adopt a policy about informal meetings and the application of a more strict approach to conflicts of interest in informal meetings. Once finalised, the tighter regulation around informal meetings would apply to the meetings of an advisory group, as proposed in this Option 3.
Notwithstanding the informal nature of the advisory group, the group (and the conduct of its meetings) would still need to be subject to a terms of reference that clearly identifies the scope of its role, any quorum requirements and the process for the group's decision making (i.e. decisions about matters to consider and the making of recommendations to the City Governance Committee). Most importantly, the Terms of Reference should be drafted to minimise the key risks identified above including that the group's role does not extend to interfering with or influencing specific procurement processes.

This option will involve the second most time, effort and resources to establish.

ANY PREVIOUS COUNCIL DECISIONS
Nil

FINANCIAL/RESOURCE IMPLICATIONS
The establishment of the Procurement and Appropriations Advisory Group will have an administrative impost, particularly on the Administration (Corporate Procurement Program) and Corporate Governance branches.

RISK MANAGEMENT IMPLICATIONS
As outlined in the report.

LEGAL/POLICY
As outlined in the report.

COMMUNITY AND OTHER CONSULTATION
Nil

CONCLUSION
This report recommends the establishment of a Procurement and Appropriations Advisory Group to support procurement and appropriations across Council.

ATTACHMENTS TABLE
No attachments.