



I hereby give notice that an Ordinary Meeting of Council will be held on:

Date: Wednesday, 20 May 2020
Time: 9:00am
Location: Council Chamber
Mission Road
Gununa

BUSINESS PAPER

Ordinary Council Meeting

20 May 2020

Frank Mills
Chief Executive Officer

To empower our Community – Our people
To feel solid and strong like the rock in Mundalbe
To taste and hear the breaking waves of change
To establish clean, safe, healthy lifestyles togetherness
Pride and respect for each other in our culture, achievements and successes.
To see and smell the compassion and peacefulness of our community

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1 OPENING OF MEETING

2 PRESENT

3 APOLOGIES

4 DISCLOSURE OF INTEREST – COUNCILLORS AND STAFF

5 CONDOLENCES AND MEMORIALS

6 CONFIRMATION OF MINUTES

Ordinary Meeting - 22 April 2020

7 BUSINESS ARISING

8 ACTION SCHEDULE

Nil

9 CALL FOR ITEMS OF GENERAL BUSINESS

RECEPTION & CONSIDERATION OF COMMITTEE REPORTS

10 COMMITTEE REPORTS

Nil

RECEPTION & CONSIDERATION OF OFFICERS REPORTS

11 MAYOR AND COUNCILLORS REPORTS

Nil

12 CHIEF EXECUTIVE OFFICER'S REPORTS**12.1 ACTION SCHEDULE**

Author: Acting Executive Manager of Corporate Governance and Communications

Attachments: 1 Action Schedule May 2020

PURPOSE (EXECUTIVE SUMMARY)

To provide Council with an up-to-date version of the Mornington Shire Council meetings action schedule that includes resolutions from previous Council meetings and actions taken regarding those resolutions.

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION

At each ordinary meeting of Council, when resolutions are passed that require any action, those resolutions are included in Council's Action schedule for attention of the appropriate officer or elected member.

At each ordinary meeting of Council, the action schedule is provided to outline those actions that have been taken in accordance with Council resolutions (see attached).

FINANCIAL & RESOURCE IMPLICATIONS

There are no financial & resource implications associated with this report or its recommendations.

However, Councillors are reminded that resolutions contained within the Action Schedule may have financial & resource implications which were detailed at the time of related reporting.

RECOMMENDATION

That;

1. Council receive and note the Action Schedule as attached.
2. Council endorse the removal of completed items as detailed.

Task Name	Assigned To	Resolution Number	Resolution Date	Resolution	Updates	% Complete
Animal Management	David Torr	2015/11			01.03.2017 Discussions held with Executive Manager of I&TS, an education program to be developed and tabled at April Council Meeting. 10.05.2017 Animal Control Officer gathering data from the community about how many animals each household has, whilst also informing residents of local laws. 17.05.17 Executive Manager of Infrastructure and Technical Services to provide a report to Council 21.06.2017 with data collected of animal numbers in the community and actions being taken to enforce local laws. 22.06.17 Data is still being collected by Animal Control Officer 08.08.17 Continuing to collect data regarding animal data. 06.12.17 Refer to Infrastructure and Technical Service Monthly report December Ordinary Council Meeting 04.01.18 Most residential premises have been visited and given both verbal and hand out notices to explain what's happening. Notices have also been put up in public places. 13.02.18 EHO and ACO liaising with the school on an education program and for the removal of animals in the school grounds. 14.03.18 We are currently advertising for a new ACO, in the meantime we are continuing to promote the introduction of local animal laws 09.10.2018 Two fulltime positions have been filled and are undergoing animal control and EHO training 06.12.2018 Change of structure to utilise the Vet	

					for home visits and communication with owners around Laws and animal welfare New Vet service February 2019 06.02.2019 Burton Veterinary Contracting commenced veterinary services to the Island for week 21-25 January 2019. Future visits will include more community engagement as well as bringing in 'PetPep' to the school. 05.04.2019 Next visit is in April. Also training with the AMW on the importance of an animal register 08.07.2019 Next visit is on the 8/7/19. Report to be submitted at the August council meeting regarding Council direction for animal management. 02.10.2019 Matter deferred to November Council meeting due to staff unavailability. 04.12.2019 Animal Management officer will present to December Briefing Meeting at 12pm, will provide a PowerPoint presentation on Animal Management Strategy and directions with a view of finalising a report for early new year 07.01.2020 The current ACO has put in his resignation as of February but has left on the 30 December. The next Vet visit to be on February 10-14 2020	
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Mornington Island Company	Kerry Whiting	2018/138		That Council endorse MacDonnell's Law to commence drafting a constitution and incorporated paperwork to set up that company. That Council provide the proposed company name, registered office of the company, and the full names, addresses and dates and places of birth of all proposed Directors and the Secretary as well as details of other Directorships they may hold in other public companies to MacDonnell's Law as soon as is practicable	10.08.2018 Direction to be received from Council and MIACSED for matter to be finalised at Council meeting on 15.08.2018. 12.09.2018 Awaiting advice from Minister Scullions Office on structure. 09.10.2018 Further request sent to Department of Prime Minister and Cabinet for advice previously agreed to be presented to Council. 15.11.2018 Report to November Council meeting for information. 6/12/18 Awaiting confirmation from ML that setup of company with ASIC has been finalised and any associated new company requirements have been completed. 10.01.2019 Advice from MacDonnell's Law, company has been registered, details to be provided to Council within 7 working days. 25.04.2019 MacDonnell's Law attending to the registration of the Entity once Director details have been compiled. Directors duties and checklist has been provided by MacDonnell's Law. 4.7.2019 Still awaiting confirmation from Macdonnell's Law that Mundalbe Enterprises has been incorporated. In the meantime, discussions are being held in regards to independent Directors being recruited. 08.08.2019 Awaiting clarification from the Integrity Commissioner regarding Conflict of Interest for Directors. 11.09.2019 Meeting set for Council to meet with the Integrity Commissioner and Independent Assessor on 17.10.2019 at the LGAQ Annual Meeting in Cairns. 04.12.2019 Report included in January Council meeting Agenda. 07.02.2020 Council resolved at the January 2020 Ordinary Council meeting to defer this item until post 2020 Local Government Elections. 06.03.2020 Matter will be re-presented to the new Council after the LG Elections.	
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Traffic Management Plan	David Torr				06.02.2019 Regulatory speed signs stop signs and give way signs have been located. Required brackets and posts have been ordered. In mean time some suitable posts have been located and installation will commence this week. Other works in accordance with the agreed Traffic Management Plan to be implemented over the next month. In addition some further traffic management planning will be done regarding parking areas.05.04.2019 Erection of posts are underway, had a late start due to materials being missed placed, timeframe surrounding the works 31st May 201908/07/2019 The completion date has been extended due to number of signs removed, replacement signs are on order.02.10.2019 Matter deferred to November Council meeting due to unavailability of staff07.01.2020 Report to be tabled at Council early near Signs. have been erected in the community but some street signage have not the right or incorrect spelling further option may be to include the English translation of the tribal word looking into year	
Ergon Energy - Lights on Basketball Courts and Playgrounds	David Torr				16/07/19 waiting on report from Ergon 02.10.2019 Ergon conducting works on Mornington Island 15.10.2019 to 21.10.2019 07.01.2020 Investigation of lighting type that won't disturb surrounding residents. Still Investigating	
Town Planning - Access to Fire Hydrant	David Torr				08/07/2019 Report will be put to the August council meeting 02.10.2019 Matter deferred to November Council meeting due to unavailability of staff 04.12.2019 Investigated current access to fire hydrants, additional hydrants will be installed in 2020	

Naming of Oval	Frank Mills				To be discussed further at the May ordinary Council Meeting 02.10.2019 Matter deferred to November Council meeting due to unavailability of staff 07.01.2020 Matter referred to Mirndiyan Gununa 17.02.2020 This matter has been referred to Mirndiyan Gununa for advice and direction to Council - COMPLETE	
Proposed Road Closures - PCYC	David Torr	2019/109		That Council request a road closure policy be investigated and brought back to July Council meeting for approval.	08/07/2019 This will be brought to the August meeting for approval.02.10.2019 Matter deferred to November Council meeting due to unavailability of staff04.12.2019 Report and Policy to be tabled in the new Deferred to next meeting. year	
Sorry Business	Frank Mills	2019/166		That Council advise organisations delivering services to Mornington Island to respect mandatory sorry business closures, all but emergency and legislative service	11.09.2019 Meeting held with Susan Sewter acting on behalf of Mirndiyan, Mirndiyan Board to develop and distribute protocols to Council once complete 02.10.2019 Mirndiyan Board yet to develop and document protocol. 07.01.2020 This matter has been referred to Mirndiyan for development of an appropriate protocol. 17.02.2020 A community protocol has been developed and circulated to all agencies by Mirndiyan Gununa - COMPLETE	
Human Resource Policy - Work From Home	Tatiana Ahmat	2019/186			07.01.2020 This matter has been deferred until further information has been obtained as to the strategic planning of Mornington Shire Council workforce	
Finance Policy - General Service Concession	Kerry Whiting	2019/194			04.12.2019 That Council defer this matter to allow the inclusion of a 100% local concession I the public benefit section 07.02.2020 Council resolved at the January 2020 Ordinary Council meeting to approve the General Service Charge Concession Policy. 06.03.2020 Matter Completed.	

Barge Sale - Engagement of Valuer	David Torr	2019/195		That Council engage an evaluator to conduct an investigation and develop a report of the value of the barge.	07.01.2020 Report to January 2020 Ordinary Meeting of Council for decision.	
Special Projects - Further Information	David Torr	2019/198		That Council request further information regarding the BOR Round 5 funding application for the Tavern outdoor Upgrade That Council request more information before approving the proposed POR Training Centre wheelchair ramp from the car park to the Council Chambers. Consideration needs to be given to restricting horse access to the ramp.	07.01.2020 Report to be tabled at the January Ordinary Council Meeting	
Torres Cape Indigenous Council Alliance (TCICA) - Formation of a Regional Roads and Transport Group (RRTG)	Frank Mills	2020/21	24/01/2020	That CEO advise that; 1. That Council approve the two suggested submissions for funding by the Aboriginal and Torres Strait Islander Transport Infrastructure Scheme in 2020 as outlined in this report. 2. That Council advise that Mornington Shire Council does not support the formation of the proposed Torres Cape Indigenous Councils Alliance, Regional Roads and Transport Group. 05.02.2020 TCICA advised of Council decision 17.02.2020 Acting Executive Manager Technical Services MSC to submit two proposal to TMR for ATSI TIDS funding.		

December 2019 Ordinary Meeting of Council Agenda Items for Resolution	Frank Mills	2020/23	24/01/2020	That Council resolve each of the agenda items as tabled and attached to this report. a) Council note and receive Report – Conflict of Interest Guidelines- Councillor Bobby Thompson declared he may have a perceived Conflict of interest in this matter, after discussion Councillor Thompson participated in discussion and decision making. b) Council approve Report – Proposed Ordinary Council Meeting Schedule 2020 c) Council note and receive Report – Mornington Shire Council Service Delivery Update d) Council note and receive Report - Arrangements for the Caretaker Period and amendments affecting councillor discretionary funds from 1 January — 2020 Local Government Quadrennial Elections e) Council note and receive Report - Torres Cape Indigenous Council Alliance (TCICA) Canberra advocacy report & November meeting minutes f) Council note and receive Report - Cultural Awareness Training g) Council approve as amended Report - General Service Charge Concession Policy h) Council note and receive Report - Financial Report as at 30th November 2019 i) Council note and receive Report - Infrastructure Services Report for the month of December j) Council note and receive Report - Housing Report k) Council note and receive Report - Special Projects - Lelka Murrin Upgrade		
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				l) Council note and receive Report - Civic Centre - Administration Building (LGGSP) m) Council defer Report - Bynoe Cacs and CDP Arrangements, to post 2020 Local Government Elections n) Council note and receive Report- Information and Communication Technology Quarterly Report o) Council note and receive Report - Mornington Shire Council - Tender for Security and Patrol Services- Mayor Bradley Wilson declares a conflict of interest in this matter and leaves the discussion p) Council note and receive Report - ICT Secondary Support & Council-wise Investigation q) Council note and receive Report - Facilities Quarterly Report- July to September- CEO to tabled a report to February Council meeting regarding outcome and process of the EOI for the Lelka Murrin Kiosk r) Council note and receive Report - Community Liquor Permit, application by Gununamanda for consideration of Council endorsement 19.02.2020 Minutes of meeting confirmed, action COMPLETE	
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State Government Funding - \$2.35 Million for Community Housing	Frank Mills	2020/24	24/02/2020	That the CEO advise HPW that; 1. That Council act as principal contractor for the roll out of the \$2.35 million housing program, 2. That Council nominate – construction of a new 3 bedroom dwelling at 152 Lardil Street, “shovel ready” works at proposed sub-division at lots 925 and 926 Lardil Street and “plug ins” as works to be carried out under the program, 3. That Council provide estimates of funding breakdown for each of the 3 separate components of the \$2.35 million housing program as soon as details become available to the Department of Housing and Public Works (HPW), 4. That Council nominate the following funding requirements for the program - 30% payment when signing the agreement, 60% payment when design and land have been finalised and 10% payment on completion, 5. That Council endorse HPW to continue as the tenancy management body for Mornington Island, including the additional housing provided by this program18.02.2020 TWG meeting confirmed details required for submission of components of application to HPW for funding. Application to be submitted within 7 days of 19.02.2020		
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Civic Centre - Administration Building (LGGSP)	Tatiana Ahmat	2020/28	24/01/2020	1. That Council request approval from Minister Hinchcliffe, the Minister for Local Government Racing and Multicultural Affairs for the approval for the funding amount of \$5,317,692.00 to be able to be utilised as 100% of stage one of this project, with no additional co-contribution from Council. 2. That Council request approval from Minister Hinchcliffe, the Minister for Local Government Racing and Multicultural Affairs for the approval for an extension of time to complete this project from the 30th June 2021 to 30th December 2021		
Customer Standard Drinking Water Quality Management Plan - for Council Approval	David Torr	2020/31	24/01/2020	1. That Council endorse and approve the Customer Service Standards Policy as tabled, 2. That Council endorse and approve the Customer Standard and Drinking Water Quality Management Plan as tabled.		
Managing the Sustainability of Local Government Services	Kerry Whiting	2020/34	24/01/2020	That Council adjourn this matter until post 2020 Local Government Elections	06.03.2020 Matter will be re-presented to the new Council after the LG elections.	
Boat Safety Equipment	Kerry Whiting	2020/38	24/01/2020	That Council approve Boat Safety Equipment being held at the Warehouse	06.03.2020 Matter completed and boat safety equipment now in stock at the Warehouse. Community advised on social media.	

Technical Services Monthly Report - Gaseous Chlorine Dosing System	David Torr	2020/40	24/01/2020	1. That, subject to funding, Council approves a change to the existing gaseous chlorine dosing system to liquid chlorine including building works as outlined in this report. 2. That, subject to funding, Council approves the upgrade pump stations to including where necessary, supply and install pumps, gantry trollies valves, pedestal, guide rails, riser pipes with in the well, installation of a flow meter and a upgrade of the electrical component's and connection to council SCADA system as outlined in this report.		
New Years Eve Event	Kerry Whiting	2020/41	24/01/2020	That Council defer this matter until post 2020 Local Government Elections for the newly elected Council to consider inline with their budget	06.03.2020 Matter will be re-presented to the new Council after the LG elections.	
Visitors Accommodation Complex - Ongoing Security & Visitors Disturbance	Kerry Whiting	2020/43		1. That Council defer this matter until post 2020 Local Government Elections for the newly elected Council to consider inline with their budget 2. That Council investigate the opportunity to appoint a 'night watchman' to the Visitor Accommodation Centre, inline with the Facilities Department budget	06.03.2020 Matter will be re-presented to the new Council after the LG elections. An interim "nightwatchmen service" has been commenced.	
Disaster Recovery Funding Arrangements - Koppens Developments PTY LTD - 2019 Contracted Gravel and Water Supply Test Results	Tatiana Ahmat	2020/56	19/02/2020	That Council develop and distribute a report that contains information relevant to the gravel and water tests		

Petrol Sniffing on Mornington Island	Tatiana Ahmat	2020/67	19/02/2020	That Council conduct a community survey with a view to seek opinions and recommendations regarding the current issues related to petrol sniffing on Mornington Island	Survey has been distributed, set to close on the 31/03/2020	
New Years Eve Event	Executive Members	2020/96	22/04/2020	That Council liaise with other local stakeholders to create an Events Committee.		

12.2 CORPORATE GOVERNANCE & COMMUNICATION MONTHLY REPORT

Author: Acting Executive Manager of Corporate Governance and Communications

Attachments:

- 1 New Approach to AMP
- 2 Tavern Concept Drawings
- 3 Tavern Scope & Budget
- 4 OLGRMA Correspondence

PURPOSE (EXECUTIVE SUMMARY)

This report is to Provide Council with an update of the Corporate Governance and Communications Directorate.

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION

The Corporate Governance and Communications directorate consists of the following departments:

- Governance & Communications
- Human Resources
- Service Delivery
- Special Projects (temporarily)

GOVERNANCE & COMMUNICATIONS

Firstly, the Executive Manager Corporate Governance and Communication, Ms Tatiana Ahmat commenced her leave on Friday 24th April 2020, and in her absence Lyndon Prior will be acting in her position.

The corporate governance team has had a busy period assisting our newly elected Mayor and Councillors settle into their new roles. Several information sessions along with Councillor Induction training have been facilitated. Councillors have been issued with laptops and mobile phones to enable them to undertake the activities required of a Councillor. Governance Coordinator Ms Jasmine Carson is commended for her work in this area.

The Governance team continues to provide assistance when and where it is required for our elected members.

Council continues to maintain the Mornington Shire Council Facebook Page and a Website. It is critical that this electronic interface be maintained to a professional and user-friendly interactive level. There are several legislative and regulatory requirements for Council to post information and notices to our website from time to time, and the use of Facebook to promote and advertise Council activity, including recruitment, and to foster community engagement has become standard practice.

To ensure our Council's electronic interface and social media platforms meet contemporary standards, Council has engaged an external Consultant to review, revise and refresh our website and Facebook Page. With an indicative budget of approximately \$25,000 Council can expect a fresh look with mid-range interactive capabilities.

Note; the 'budget' is contained within the current Governance and Communications Budget under 'Consultants' for the current financial year.

HUMAN RESOURCES

The Human Resources Department has been working very closely with all departments of the organization towards recruitment of local staff to fill vacant positions, actively engaging community and raising awareness and information on the current vacancies and ongoing recruitment drives.

We have recruited number of vacant positions with the strategic vision of boosting customer service delivery, efficiency in the daily operations and increasing productivity for the council. This report covers activity for the period; January 1 to March 31, 2020.

New employments:

Position	Department	New/ Exist
2x Cleaners	Facilities Department	Exist
Governance Coordinator	Governance and Communication	New
Program Service Delivery and AMP Coordinator	Governance and Communications	New
Civil Operator	Technical Services	Exist
Mechanic-Returning Apprentice	Workshop	Exist
Trade Assistants	Housing Department	Exist
Workshop Administration Officer	Workshop Department	New
Landfill Labourer	Technical Services Department	Exist
Facilities Manager	Facilities Department	Exist
2 x Warehouse Storeperson	Warehouse Department	Exist
Cleaning Supervisor	Facilities Department	Exist
Batch Plant Labourer	Technical Services	Exist
Oval Groundsman	Technical Services	Exist

Ongoing Recruitment Drive – Positions to be filled:

Service Delivery Officer	Service Delivery Department
Housing Admin Officer-Trainee	Housing Department
Workshop Mechanics	Workshop Department
HR Officer	HR Department
Accommodation Coordinator	Facilities Department
Batching Plant Labourer	Technical Services

Commentary: All local recruitment notices for Council are posted in various identified conspicuous places such as:

- Council Official Facebook Page
- Council Notice Board
- Fuel Station
- Mornington Island Post Office
- Gununamanda Store
- Bynoe/Centrelink Center
- Airport

All off island recruitment drive is done via SEEK.Com and is managed by Human Resources. All temporary hiring/ temporary fill are sourced from approved provider such as Comensura together with Lo-Go Appointments Qld.

Paid Work-Experience Program:

Council conducted a Paid Work Experience Program for students who came back to the island during their school break. Human Resources managed the recruitment of 7 successful participants who were then assigned to various departments and had a gainful experience of the working life within Council.

The program ran from January 13 to 27, 2020, and it is Council's plan to continue to run this program through out the year in cooperation with schools and RTO's.

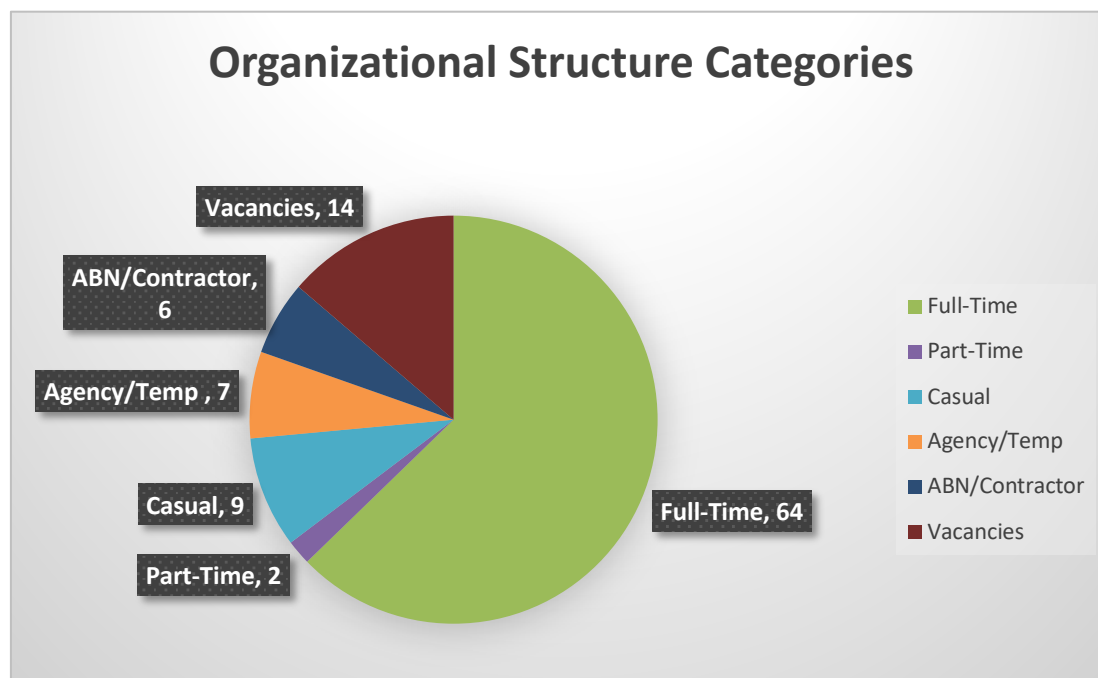
2020 Annual Performance Review

In March 2020, Human Resources Department met with all Program Managers and announced the launch of the 2020 Annual Performance Review for all the employees under their directive.

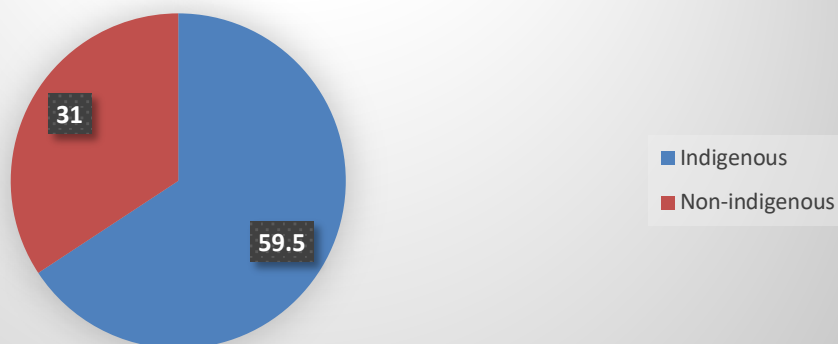
Program managers were provided with the guidelines and orientation on how to conduct the required Performance Review. Completed performance reviews and are then submitted to their Executive Managers, and are then signed off by the CEO.

Structure and Statistics

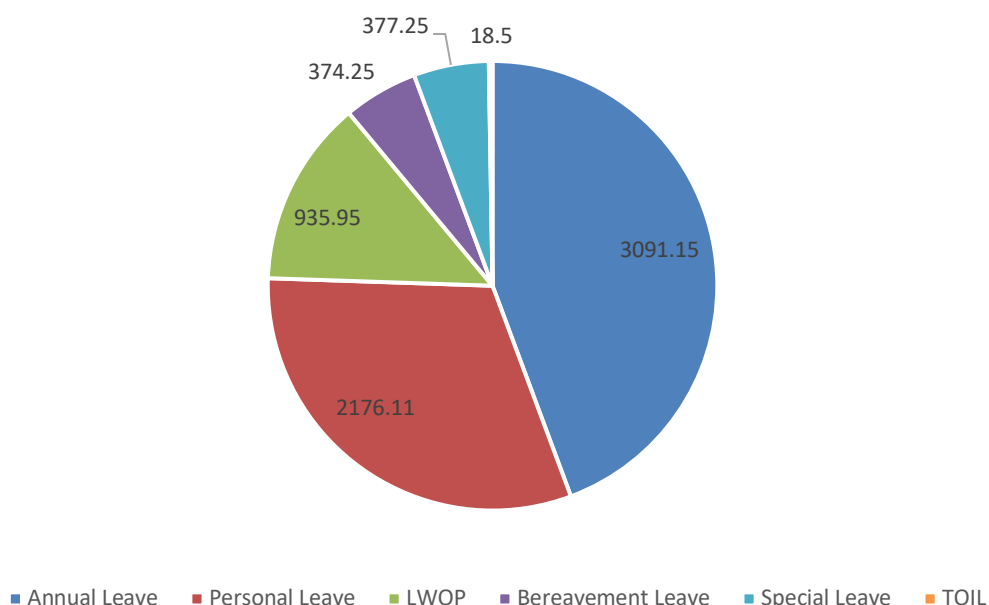
CEO and Executive Management	5 staff
Governance and Communication	8.5 staff
Finance and Human Services	26.5 staff
Infrastructure Services	40 staff
Technical Services	22 staff
Total	102 staff



Indigenous vs Non-indigenous



Leave Taken (hrs)



Employee Activity

Terminations:

There were 23 terminations processed this quarter, this included 7 Work Experience Program Participants who successfully completed the 3 weeks paid work experience.

Apprenticeship and Traineeships

Traineeship

Funding for Certificate III in Business Administration x 4 participants

- Human Resources through the recommendation of Departmental Program Managers identified 4 successful participants (currently this training is on hold due to COVID 19)
- Addition of Animal Control Officer Trainee

- Addition of Housing Administration Officer Trainee

Apprenticeship

Council has a total of has total of 9 apprentices in major trades, as shown here:

[as at 30th March 2020]

Certificate III in Plumbing	X 3 participants
Certificate III in Carpentry	X 3 participants
Certificate III in Light Vehicle Mechanical Technology	X 2 participants
Certificate in Electro technology Electrician	X 1 participant

External Training, Employee Development and Upskilling

Human Resources, together with Program Managers have identified the training requirements to upskill, develop and meet the operational requirements of the organization.

External Training Programs requested (currently on hold due to COVID 19)

Certificate III in Civil Operations	Technical Services
Certificate II in Cleaning Operations	Facilities Department
Machine Operations Training	Technical Services
Cert. III Water and Sewerage Treatment Process	Technical Services
Report Writing Workshop	For Managers
Animal Management	Technical Services
Airport Officer Annual Update Training	Technical Services

Internal Programs and Trainings

Currently, Human Resources has been cleaning up the Training Room, securing all the computers and access and getting the room ready for online trainings, employee onboarding and orientation. Target completion date is 30 May 2020.

SPECIAL PROJECTS

To assist Councillors in reading this report a list of acronyms is listed here:

- W4Q 17-19 – Works for Queensland 2017-19 Funding
- W4Q 19-21 – Works for Queensland 2019-21 Funding
- RAAP – Regional Aviation Access Program
- BOR – Building Our Regions Funding
- LGGSP – Local Government Grants and Subsidies Program

Overview

The majority of works are complete for the approved Special Projects scopes. A number of minor works are outstanding as the Special Projects Contractors were required to leave the island unexpectedly due to the threat of Covid-19 travel restrictions. The Housing Department Contractors are undertaking the minor outstanding works as and when possible on top of existing commitments. All projects have experienced scope creep due to latent requests for additional works and defects rectification.

A number of projects have exceeded budgets due to scope creep and a request to finalize the majority of works in January and based on budgetary advice provided in December. There are outstanding additional scope items on some projects that Council have requested. Funds could be sourced to complete the works from funding programs such as:

- Gulf Area Social Development Trust - \$30,000 max – opens September 2020
- Gambling Community Benefit Fund - \$35,000 max – opens Mid May 2020

Airport (RAAP)

The project is complete and in 12-month defects period. The following updates are provided:

As noted above the works on the Airport are complete with the exception of works that were additional to the original scope or are defects. Final certification is being finalized with the compiling of photos and certificates of compliance. The following additional works and defects are outstanding pending available funds:

1. Rectification works to the external slabs to the east and north of the terminal building
2. Installation of picnic tables
3. New fence along the front alignment of the terminal building and continuing to the airside security fence to exclude horses and dogs from this area.
4. Landscaping around the farewell sign

Budget

There are no funds remaining to expend. Expenditure has exceeded grant funds by: (\$20,153)

Funds could be sourced from other grant programs for the following estimate of funds required to complete additional works (see Recommendation # 2).

Outstanding Works	Allowance
Slab Rectification	5,000
Picnic Tables install	1,600
Fence supply & install	20,000
Landscaping	2,000
Total	38,600

Program

Some defects and additional scope items have been completed, new defects and additional scope works have not been progressed due to budgetary concerns. Certification works are expected to be completed this month.

Dog Pound (W4Q)

The project is complete and in 12-month defects period. A defect has been identified which is the installation of a suitable termite treatment system. Final certification of the building is being held up by the termite treatment system defect.

Budget

There are no funds remaining to expend. Expenditure has exceeded grant funds by: (\$8,235).

Funds will need to be sourced for the rectification of defects. A suitable termite treatment system has been quoted at \$4,844. *[See Recommendation # 3]*.

Program

Works to rectify defects will be programmed once funding is confirmed.

Storage Shed Refurb (W4Q) 'Red Shed'

The project scope of work is complete. A number of additional scope items were requested by Warehouse for the provision of storage infrastructure, some ground stabilization in the two end bays, vehicle access, vehicle maneuvering and laydown areas. Some storage infrastructure was provided. Vehicle access and ground stabilization works have not been completed due to insufficient funds. Final certification is being finalized with the compiling of photos and certificates of compliance.

Budget

There are no funds remaining to expend. Expenditure has exceeded grant funds by: (\$21,636). Funds could be sourced from other grant programs for the following estimated required funds:

Additional scope of works: Ground stabilization & Cross over: Estimate \$20,000

[See Recommendation # 4]

Program

Additional scope works have not been progressed due to budgetary concerns. Certification works are expected to be completed this month.

Concrete Batching Plant (BOR)

The project is virtually complete with the exception of the late discovery of additional scope. Toilet and shower facilities have been designed and are required to be constructed. A request was also made from personnel at the Batch Plant for a lunchroom and office.

Investigations into the cost to provide a toilet block has revealed the cost to construct exceeds the funds remaining. Some savings could be made by utilizing excess concrete from other projects as the volume of concrete is only 5.2m³, this would save the project approx. \$8,000.

Budget

The balance of funds yet to be expended at 30th April 2020 is \$10,374

Funds could be sourced from other grant programs for the following estimated required funds:

Outstanding Works	Allowance
Plumbing Permit	435
On-site Sewerage	190
Water Connection	3,360
Drainage under slab	2,060
Rough-in	3,090
Drainage	4,120
Fit-off	3,090
Machine Hire	2,000
Bedding Material	1,640
Concrete	5.2 1620 8,424
Slab Steel	202
Formwork Labour	1,740
Slab Labour	2,610
Total	37,344

Program

Additional scope works have not been progressed due to budgetary concerns.
(See recommendation # 5).

Lelka Murrin Tavern Upgrade (BOR)

The project is awaiting approval of the proposed scope. Works have been undertaken that were necessary to support the cyclonic tie-down works being undertaken on the tavern as part of the Places of Refuge project. The following updates are provided:

Works on the Tavern required as part of the Places of Refuge – Cyclone Tie-down have virtually been completed with the exception of:

- Aluminum slatted screen over the external mount cyclone shutter drums and motors
- Minor electrical works
- Minor façade painting

All other works as noted above have been completed. The outstanding works are underway and expected to be completed this month

Scope

Council advised previously that there was insufficient information to allow Council to approve the proposed scope. 3D views have been provided for the internal and external façade of the building to provide more clarity on the proposed scope.

The scope affected by the Places of Refuge – Tavern Cyclonic Tie-down and as such required to be undertaken included:

- Replace existing roof, gutters and fascia's – Complete
- Replace existing Perspex doors in gabled entry with fire escape solid core swing doors - Complete
- Repaint building façade – 90% complete
- Repaint new internal ceilings - Complete
- Remove all diagonal slats and support structures replace with cyclone shutters - Complete
- Replace ceiling in dining hall with acoustic ceiling - Complete
- Provide fire escape access from the laundry area to the hallway beside the toilets - Complete
- Provide fire escape access from the laundry area to the bar office - Complete
- Provide fire escape access door from the kitchen servery to the dining hall – Complete
- Bulkhead concealing internal cyclone shutter drums and tracks - Complete
- External screens concealing cyclone shutter drums and tracks - Underway
- Verandah ceiling – Complete

The above listed works have been materially completed with only minor finishing to be undertaken

The following scope of works is proposed for the tavern upgrade to complete the project:

- Repair, replace and remediate damaged and deteriorating building elements
- Replace all fittings & fixtures and remove any redundant fittings & fixtures
- Increase size of kitchen exhaust hood to cover all appliances as required
- Remove Perspex doors, security grills, etc and replace with new aluminium framed glazed doors for two pairs (cyclone shutters over)
- Refinish floors in dining hall and verandah
- New counter tops
- New glazed wall and doors between dining hall and verandah with crimsafe ultimate to prevent damage from slingshots
- New air conditioning systems in dining hall
- Remodel existing toilets to include compliant wheelchair accessible and ambulant toilets
- Relocate walls and modify toilets in accordance with proposed plans
- New utility space and plant enclosure on motel side
- New horse & dog proof fencing to exclude animals from the entry area to the tavern
- New landscaping
- New access from car parks to entry
- New decorative screen panels and gates to dining verandah
- Remodel two car parks to make a wheelchair compliant car park
- Compliant access and facilities
- New roller shutter on kiosk
- Works to fix bar and kitchen cool-room
- Works requested to accommodate existing trees onsite

Council is requested to confirm acceptance of the proposed scope to complete the Tavern upgrade. A set of artistic concept drawings of the Tavern project are attached for Councilor's reference. (See recommendation # 6).

Budget

A comprehensive budget for this project is provided as an attachment to this report. The balance of funds yet to be expended is \$916,224

Program

The project program progress has been impacted by COVID19 but will be completed once the scope of works is approved by Council, and contractors can recommence works.

Places of Refuge (W4Q)

The Places of Refuge project is made up of the following projects:

- Training Centre
- Tavern Cyclone Tie-down
- 188 Cemetery Road
- VAC Containers Roof
- VAC Demountable Tie-down

Budget

The balance of funds yet to be expended at 30th April 2020 is \$253,221

Program

Works were expected to be complete by end of March 2020, however with the advent of Covid-19 the Special Projects Contractors were required to leave the island. The Housing Department team have been providing Contractors to assist in finalizing this project.

The funding deadline for expenditure is 30 June 2021.

POR – Training Centre (W4Q)

The building is virtually complete with exception of the following works in progress:

- Front platform steps
- Horse proof barrier on DDA ramp
- Installation of air conditioners – a quote from Carpentaria Electrical is imminent with works expected to be completed by May 30th 2020.

POR – Tavern (W4Q)

The project is complete. Final inspection by Structural Engineers is planned once travel restrictions are lifted.

POR – 188 Cemetery Rd (W4Q)

This project is complete with one minor defect outstanding, being the realignment of the internet satellite dish. This will be undertaken as soon as the technician returns to the island. Final inspection by Structural Engineers is planned once travel restrictions are lifted.

POR – VAC Containers Roof (W4Q)

The project is complete. Final inspection by Structural Engineers is planned once travel restrictions are lifted.

POR – VAC Demountable Tie-down (W4Q)

The project is complete. Final inspection by Structural Engineers is planned once travel restrictions are lifted.

Civic Centre – Administration Building (LGGSP)

The original funding for this project provided via the office of Local Government, Racing and Multicultural Affairs was for a total of \$5,317,692. Recent correspondence from that office has advised of a change to conditions surrounding that funding. The correspondence is attached to this report.

Council is now required to provide 10% of the total project costs, plus various project related documents and schedules to secure this government grant funding. Executive is working through the possibilities to present our position to the Minister by the 30 June deadline.

[See recommendation # 7].

Following approval by the funding body the original Quantity Surveyor will re-assess the project and confirm the maximum area that could be constructed for the new project budget as well as value engineering and identifying cost saving opportunities for the project. The scope and inclusions for the project would then be revised to fit the budget in accordance with advice from the QS for presentation for approval to proceed with calling tenders for a design consultancy team.

Budget

An amount of \$5,999 has been expended on this project to date. The below table details the expenditure and cost centers for the previous budget and a draft budget. The draft budget will be revised based on the outcomes from the QS assessment.

Description	Yet to Expend	Expended	Draft Budget	Budget
Design Contingency	264,024		264,024	444,406
Construction	4,140,553		4,140,553	6,969,381
Construction Contingency	220,542		220,542	371,217
Professional Fees	548,323	4,237	552,560	934,306
FF&E	-		-	-
ICT	-		-	-
Qleave	25,854		25,854	43,517
Project Contingency	114,159		114,159	187,916
TOTAL	5,313,456	4,237	5,317,692	8,950,742

It should be noted that an amount of \$22,875 has been expended on this project in preliminary works for the grant applications to date. These funds are not recoverable within the grant funding due to the nature and timing of the expenditure.

Program

The program has been significantly impacted by the change to the project budget. Council have advised the Department of Local Government Racing and Multicultural Affairs that an extension of time will be required to complete the project.

It is recommended that Council delegate authority to review/approve on their behalf all project approvals to a Project Control Group (PCG) consisting of the CEO, Executive Manager for Infrastructure and a representative to be nominated by Council. The Project Manager will report to and support the PCG. Decisions to increase the project budget or change the project scope significantly must be brought back to Council for endorsement. The PCG must report to each Council meeting on decisions that have been made in the previous period and any upcoming decisions that the PCG will be making, together with any expected changes or risks to the project.

RECOMMENDATIONS:

There are a number of recommendations for Council's considers at the end of this report.

SERVICE DELIVERY

Mornington Shire Council's Service Delivery Reform Project has now commenced. Reform Coordinator Melanie Ah Kit has had visits with DATSIP and Child Safety, Youth and Women departmental officers in Brisbane from the 9th-13th March 2020.

From these visits a great deal of information was gathered required to move forward with the project and implementation of project plan. Our Service Delivery Reform Project plan is now complete and has been sent off to Department of Child Safety, Youth and Women as part of required reporting for service agreement.

All relevant Service Providers on Island have been updated via email regarding this project and advised that a Service Delivery Officer will make further contact to discuss their program area and to ascertain their particular needs.

Council is currently advertising to recruit for a Local Service Delivery Officer to support the project.

Our Service Delivery Reform Project will be soon become conversant to Councillors, with a meeting scheduled for Wednesday 6th May 2020 where the Service Delivery Working Group will be confirmed.

In regard to AMP reform update, we have received notice from DATSIP that they have now developed a new approach to alcohol management which will be rolled out to communities over the coming months.

More details are contained within the attachment 'A New Approach to Managing Alcohol' from DATSIP.

FINANCIAL & RESOURCE IMPLICATIONS

There are several financial and resource implications detailed within the recommendations associated with this report.

RECOMMENDATION

1. That Council receive this report as noted.
2. That the Manager Technical Services include a proposal to complete outstanding works at the airport as detailed in this report, to include any identified external funding sources, at an estimated cost of \$40,000, in the 2020/21 Capital Budget for consideration by Council.
3. That the amount of up to \$5,000 be expended on a suitable termite treatment system for the new dog pound to enable final certification of the building. And that Executive determines the best budget allocation for this amount in the current budget.

4. That the Manager Technical Services include a proposal for Ground Stabilisation & Cross-Over associated with the Red Shed project at an estimated cost of \$20,000 in the 2020/21 Capital Budget for consideration by Council.
5. That the Manager Technical Services include a proposal to complete outstanding works at the Concrete Batching Plant as detailed in this report, at an estimated cost of \$40,000, in the 2020/21 Capital Budget for consideration by Council.
6. That Council approve the scope of works detailed in this report to enable the completion of the Lelka Murrin Tavern Upgrade.
7. That Council endorse Executive's work toward meeting all of the additional requirements contained within the attached correspondence to secure the funding for the Civic Centre – Administration Building project.

A New Approach to Managing Alcohol

Background

- The Queensland Government finalised a review of Alcohol Management Plans (AMPs) in mid-2019, and found that although AMPs are an effective tool to reduce alcohol-related harm, further work can be done to improve community safety and wellbeing outcomes.
- A renewed approach to alcohol management has been developed which builds on the Review's findings. It prioritises community safety, particularly for women and children, and emphasises a need for AMPs that are community-led and driven and developed and implemented in partnership with communities.

What is the renewed approach to alcohol management?

- The objective of the renewed approach is to ensure communities and individuals are safe, thriving and self-empowered to manage and reduce alcohol-related harm.
- The renewed approach retains carriage limits and is based on a partnership between the Queensland Government and communities to:
 - Co-design new Community Safety Plans and other coordinated initiatives and strategies that reduce demand; target illicit alcohol (sly grog and homebrew); build community capacity and readiness; and promote a healthy culture and attitude towards alcohol including through legal liquor licensing options
 - Explore minor changes to carriage limits on a case-by-case basis, pending community and Government agreement, and provided that a Community Safety Plan is in place
 - Revise AMPs to reflect the outcomes and results of co-design and community engagement.
- The Queensland Government has committed \$2.4 million over four years from 2019-20 to support implementation of supply, demand and harm reduction services determined as part of the co-design process with communities.

Who is involved?

Key stakeholders	Role
Councils, Community Justice Groups, community members and community organisations	Identify and oversee the achievement of community aspirations and priorities to inform AMPs, Community Safety Plans and service delivery.
Department of Aboriginal and Torres Strait Islander Partnerships (DATSIP) and other key government agencies	Support communities to identify local aspirations and priorities, enable community to turn their vision into a reality and help build community capacity.
Ministerial and Government Champions	Discuss the approach, engage in community planning activities and advocate for the delivery of community priorities.

Department of Aboriginal and
Torres Strait Islander Partnerships



A new approach to alcohol management

What does the new approach include?

Key features	Purpose
Revised Alcohol Management Plans	Develop a revised AMP, including minor modifications to alcohol restrictions, based on the aspirations and readiness of each community.
Co-designed Community Safety Plans	Guide identification of key action areas, community priorities and responsibilities to improve safety and wellbeing.
Targeted strategies to reduce illicit alcohol	Develop strategies to improve the effectiveness of alcohol management by targeting homebrew and sly grog.
A positive alcohol culture	Explore current liquor licensing options that provide for regulated supply of alcohol and reduce demand for alcohol and its related harm.
Community leadership	Improve locally led alcohol management through community leadership and decisions based on community values.
Local Thriving Communities	Ensure the approach aligns with the shared principles of Local Thriving Communities and is taken forward as part of this reform agenda.

What is Local Thriving Communities?

Local Thriving Communities (LTC) is a key element of the Queensland Government's commitment to reframe the relationship with Aboriginal and Torres Strait Islander peoples and delivers on the Government's response to the Queensland Productivity Commission's inquiry into service delivery in remote and discrete Indigenous communities.

The Government is working with Aboriginal and Torres Strait Islander communities to co-design and implement this significant long-term reform agenda. This will include establishing local decision-making bodies, through engagement with government and key stakeholders, to provide for greater local authority in service delivery and economic development. LTC will not replace existing decision-making structures.

The LTC reform and the renewed approach both support improved wellbeing outcomes informed by community knowledge, research and evidence and are underpinned by the same principles of self-determination and co-designed local initiatives. For more information about Local Thriving Communities

visit www.datsip.qld.gov.au/programs-initiatives/tracks-treaty/local-thriving-communities

Next steps

Councils and Community Justice Groups have been contacted about how we will work together to implement the renewed approach. The next step is for DATSIP Regional Directors to contact communities to start the collaborative process required to develop and implement a refreshed AMP based on local values and aspirations.

As part of this, DATSIP and key agencies will partner with communities to:

- co-design their community safety plan
- implement strategies to improve safety and wellbeing
- address access to sly grog and homebrew
- promote healthy attitudes towards alcohol.

Minor amendments to carriage limits and demonstrated ability to manage the changes, will also be considered as part of this process. The Queensland Government will support and enable communities to design and implement the changes they would like to see. The timing for implementing the approach, including potential amendments to alcohol carriage limits, will be guided by each community.

For more information, please visit the DATSIP website <https://www.datsip.qld.gov.au/publications-governance-resources/policy-governance/alcohol-management-plan> or send an email to lrc@datsip.qld.gov.au.





1. Lelka Murrin Restaurant & Kiosk Redevelopment

\$1,201,500 - 73,492

Category						Expenditure for Proposed Scope May 2020
Che Tasks						
Remarks						
Prime Co: Quantity Rate Unit of Item Totals						
CONSTRUCTION ESTIMATES						
TOTAL						\$1,274,991.67
General Requirements						\$258,920.00
Preliminary Plans & Specifications						\$4,400.00
*Totals auto-calculate and rollup to Category-level rows with pre-built formulas.						\$4,400.00
General Requirements Permits: Zoning, Building, Environmental, Other						\$5,000.00
General Requirements Project Management						\$99,000.00
General Requirements Contingencies						\$120,000.00
General Requirements Accommodation						\$6,520.00
General Requirements Interior Designer						\$5,000.00
General Requirements Structural Engineer						\$9,000.00
General Requirements Electrical Engineer						\$10,000.00
Site Prep						\$64,357.14
Site Prep Demolition						\$44,000.00
Site Prep Rubbish / Soil Removal						\$9,360.00
Site Prep Accommodation						\$4,657.14
Site Prep Dieci Fork Lift						\$660.00
Site Prep Bobcat						\$3,120.00
Site Prep Install Temporary Fencing						\$960.00
Site Prep Labour						\$1,600.00
Excavation & Earthwork						\$5,660.00
Excavation & Earthwork Foundation Excavation						\$2,560.00
Excavation & Earthwork Removal of Stone/Dirt						\$3,120.00
On-Site Water/Sewer						\$10,000.00
On-Site Other Termite activity						\$2,000.00
On-Site Water/Sewer Other						\$8,000.00
Utilities Foundation/Slab						\$10,500.00
Slab Concrete Slab						\$14,100.00
Slab Labour						\$2,400.00
Car park Bollard & linemarking						\$3,000.00
Roof						\$107,727.27
Roof Roof Sheeting, Fascia, Gutter						\$40,000.00
Roof Labour Roof, soffits						\$53,227.27
Roof Replace downpipes & discharge						\$2,000.00
Roof Colorbond shroud for cyclone shutter drums						\$2,500.00
Roof Other						\$10,000.00
General						\$40,974.55
General Certifier						\$6,600.00
General Air Fare						\$5,454.55
General Logistics & hire						\$9,300.00
General Scaffolding Rental						\$5,000.00
General Signage						\$10,000.00
General DDA thresholds						\$1,500.00
General Site Clean up						\$3,120.00
Exterior						\$125,609.86
Exterior Plant & bin enclosure						\$20,000.00
Exterior Stone Blockwork						\$21,600.00
Exterior Labour						\$8,640.00
Exterior Accommodation						\$1,047.86
Exterior Soffit Batten						\$1,800.00
Exterior Soffit Sheets						\$1,350.00
Exterior Painting						\$16,940.00
Exterior Shot Edge						\$1,008.00
Exterior Floor Jolist 140 x 45 F17						\$4,224.00
Exterior Footings/Peds						\$5,000.00
Exterior Labour						\$16,000.00
Exterior Painting/sealing						\$2,000.00
Exterior Grated drain						\$20,000.00
Exterior Access point grates						\$6,000.00
Windows/Exterior Doors						\$83,260.00
Windows/Exterior Doors Shopfront						\$26,000.00
Windows/Exterior Doors Freight						\$5,760.00
Windows/Exterior Doors Crimsafe						\$10,000.00
Windows/Exterior Doors Exterior door frames, sills						\$4,500.00
Windows/Exterior Doors Decorative panels & gates						\$12,000.00
Windows/Exterior Doors Windows						\$1,000.00
Windows/Exterior Doors Cyclone shutter screening						\$18,000.00
Windows/Exterior Doors Roller shutter						\$6,000.00

Plumbing						\$17,000.00	
Plumbing	Gas Piping	New Gas Line	1	\$2,500	\$2,500.00		\$2,500.00
Plumbing	Labour	Replace Items	1	\$2,000	\$2,000.00		\$2,000.00
Plumbing	Solar Hot Water	Replace Items	1	\$4,500	\$4,500.00		\$4,500.00
Plumbing	Pans,Cistern,Sinks & Holders	Replace Items	1	\$4,000	\$4,000.00		\$4,000.00
Plumbing	Labour	Replace Items	1	\$4,000	\$4,000.00		\$4,000.00
Electrical						\$145,000.00	
Electrical	Materials		Allowance	1	\$40,000 Each	\$40,000.00	
Electrical	Labour		Allowance	1.00	\$50,000.00 Each	\$50,000.00	
Electrical	TVAV		Allowance	1	30,000 Each	\$30,000.00	\$30,000.00
Electrical	Fixtures & fittings	Replace all	Allowance	1.00	\$5,000.00	\$5,000.00	\$5,000.00
Electrical	New wiring & distribution board	plus allowance for outdoor power	Allowance	1.00	\$15,000.00	\$15,000.00	
Electrical	New exit lighting		Allowance	1.00	\$5,000.00	\$5,000.00	
Electrical	External wall lights					\$0.00	
HVAC						\$135,000.00	
HVAC	AC	Dining Area	Allowance	1	75000 Each	\$75,000.00	\$75,000.00
HVAC	Kitchen rangehood	Replace with larger hood & splashback	Allowance	1	60000	\$60,000.00	\$60,000.00
Structural						\$0.00	
Steel						\$43,220.00	
Walls/Drywall/Plaster						\$43,220.00	
Drywall/Plaster	Walls	Restaurant	90	\$70 m2	\$6,300.00		\$6,300.00
Drywall/Plaster	Ceiling	WC, Restaurant, Galley	500	\$70 m2	\$35,000.00		
Wall	Reinforced conc block wall	Seating relocate DDA wall & new block wall to staff toilet	9.6	\$200 m2	\$1,920.00		\$1,920.00
Interior						\$65,000.00	
Finish						\$65,000.00	
Interior Finish	Tiling	Restaurant	250	\$100 m2	\$25,000.00		\$25,000.00
Interior Finish	Concrete Grinding	Restaurant and Galley	210	\$100 m2	\$21,000.00		\$21,000.00
Interior Finish	Frame up and line openings surplus servers bar & kitchen. New blade wall	Timber framing & plaster	Allowance	1	4000	\$4,000.00	
Interior Finish	Painting					\$15,000.00	\$15,000.00
Kitchen & Bath & Bar						\$55,432.86	
Kitchen, Bath & Bar	Replace all toilets fixtures fittings	Samios quotes for airport	Allowance	1	7000	\$7,000.00	1000
Kitchen, Bath & Bar	Labour	2 men 2 days	40	80 hr	\$3,200.00		\$4,400.00
Kitchen, Bath & Bar	Accommodation		2	116.42857 days	\$232.86		
Kitchen, Bath & Bar	Countertop, Backsplash	Replace bar work top	Allowance	1	5000	\$5,000.00	\$5,000.00
Kitchen, Bath & Bar	Bar & Kitchen Coolrooms	Investigation and rectification	Allowance	1	40000	\$40,000.00	\$40,000.00
Porches & Decks						\$0.00	
Porches & Decks	Open Porch				\$0.00		
Porches & Decks	Screen Porch				\$0.00		
Porches & Decks	Wood or Composite Deck				\$0.00		
Porches & Decks	Fencing				\$0.00		
Porches & Decks	Other Outdoor Structures				\$0.00		
Porches & Decks	Other				\$0.00		
Landscaping						\$60,310.00	
Landscaping	Provisional Sum		1.00	\$25,000 Each	\$25,000.00		\$25,000.00
Landscaping	Outdoor bollard lights				\$0.00		
Landscaping	Horse & dog proof fence				\$7,700.00		\$7,700.00
Landscaping	Arborist		5	2500	\$12,500.00		\$12,500.00
Landscaping	Arborist disbursements		2	3255	\$6,510.00		\$6,510.00
Landscaping	Root barrier & bentonite clay		1	2000	\$2,000.00		\$2,000.00
Landscaping	Vac excavator - 2 weeks		1	6600	\$6,600.00		\$6,600.00
Landscaping					\$0.00		
FF&E						\$38,000.00	
Kitchen	Cutlery, crockery, etc		Allowance	1.00	\$10,000 Each	\$10,000.00	\$10,000.00
Kitchen	Point of sale		Allowance	1.00	\$15,000	\$15,000.00	\$15,000.00
Kitchen	Hot servery		Allowance	1.00	\$3,000	\$3,000.00	\$3,000.00
Furniture	Dining settings & lounges		Allowance	1.00	\$10,000	\$10,000.00	\$10,000.00



Minister for Local Government,
Minister for Racing and
Minister for Multicultural Affairs

1 William Street
Brisbane Queensland 4000
PO Box 15009
City East Queensland 4002
Telephone +61 7 3719 7560
Email lgma@ministerial.qld.gov.au
Website www.dlgma.qld.gov.au

Our ref: MC20/1046

ABN 65 959 415 158

29 April 2020

Mr Frank Mills
Chief Executive Officer
Mornington Shire Council
1 Mission Road
GUNUNA QLD 4892

Dear Mr Mills

Thank you for your letter of 23 February 2020 requesting a change in subsidy allocation, project scope and extension of time to complete the Mornington Shire Civic Centre (the project) for which funding of \$5,317,692 was approved under the 2019-21 Local Government Grants and Subsidies Program.

The information supplied by the Council has been considered and unfortunately, I must advise that I am unable to approve your request to increase the approved subsidy percentage so that no financial contribution is required from the Council.

After careful consideration however, I advise that I am willing to reconsider my decision if the following information is provided to me by no later than 30 June 2020:

- Confirmation that the Council can make a financial contribution of 10 per cent towards the eligible project costs.
- Gantt chart or similar to demonstrate that the project and its various milestones and deliverables can be delivered within the requested extension of time timeframe; that is, a demonstration that the project can be delivered by 31 December 2021.
- A quantity surveyor's report or equivalent confirming the cost of delivering the various elements of the project
- Mode of delivery, for example, will the Council go to tender for the project management and/or construction of the project
- Detailed designs of the project.
- Confirmation in terms of the elements of the project that were originally approved by me but have now been removed due to the rescoping of the project

Under clause 2 of the Funding Deed of Agreement between the Department of Local Government, Racing and Multicultural Affairs, this letter forms part of the Funding Deed of Agreement as it relates to the project.

Regional Advisors from the Department will be monitoring the Council's progress in completing this project and the Council is strongly encouraged to ensure this important project progresses. Please continue to work with the Department to progress your request.

I have asked for Ms Kristy Nau, Senior Advisor, Northern Region, Local Government Division in the Department to assist you with any further queries. You may wish to contact Ms Nau on 4758 3425 or by email at kristy.nau@dlgrma.qld.gov.au.

Yours sincerely



STIRLING HINCHLIFFE MP
Minister for Local Government,
Minister for Racing and
Minister for Multicultural Affairs

12.3 POLICY REVIEW - ACCEPTABLE REQUEST GUIDELINES FOR COUNCILLORS POLICY

Author: Acting Executive Manager of Corporate Governance and Communications

Attachments: 1 Acceptable Request Guidelines Policy DRAFT

PURPOSE (EXECUTIVE SUMMARY)

This report is to present Council with our Acceptable Request Guidelines for Councillors Policy for review and adoption. Pursuant to Sec 170a Local Government Act [Qld] 2009 Council is required to adopt an acceptable requests guideline [policy] by resolution.

An extract of Sec 170a Local Government Act 2009 is an addendum to this report

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION

Council last reviewed and adopted an Acceptable Request Guidelines Policy at its meeting of 21 September 2016 which was undertaken by the previous Council. As a new Council with four new members it is timely that a revision and adoption of the policy be now made.

The draft policy is presented as an attachment to this report. There are no significant changes proposed with only minor cosmetic changes having been made.

Changes proposed:

- Responsible Officer changed from executive Manager Human Resources to Executive Manager Corporate Governance & Communications.
- Specific reference to Sec 170a Local Government Act [Qld] added.

FINANCIAL & RESOURCE IMPLICATIONS

There are no budget or resource implications associated with this report or its recommendations.

ADDENDUM

Extract Local Government Act [Qld] 2009 170A Requests for assistance or information

(1) A councillor may ask a local government employee to provide advice to assist the councillor to carry out his or her responsibilities under this Act.

(2) A councillor may, subject to any limits prescribed under a regulation, ask the chief executive officer to provide information, that the local government has access to, relating to the local government.

Example of a limit prescribed under a regulation—

A regulation may prescribe the maximum cost to a local government of providing information to a councillor.

(3) If the advice or information requested under subsection (1) or (2) relates to a document, the requirement under subsection (9) to comply with the request includes a requirement to provide a copy of the document.

(4) Subsections (2) and (3) do not apply to information or a document—

(a) that is a record of the conduct tribunal; or

(b) that was a record of a former conduct review body; or

(c) if disclosure of the information or document to the councillor would be contrary to an order of a court or tribunal; or

(d) that would be privileged from production in a legal proceeding on the ground of legal professional privilege.

(5) A request of a councillor under subsection (1) or (2) is of no effect if the request does not comply with the acceptable requests guidelines.

(6) Subsection (5) does not apply to—

(a) the mayor; or

- (b) the chairperson of a committee of a local government if the request relates to the role of the chairperson.
- (7) The **acceptable requests guidelines** are guidelines, adopted by resolution of the local government, about—
- (a) the way in which a councillor may ask a local government employee for advice to help the councillor carry out his or her responsibilities under this Act; and
 - (b) reasonable limits on requests that a councillor may make.
- (8) In this section a **local government employee** includes a person prescribed under a regulation.
- (9) The chief executive officer must comply with a request made to the chief executive officer under subsection (1) or (2)—
- (a) within 10 business days after receiving the request; or
 - (b) if the chief executive officer reasonably believes it is not practicable to comply with the request within 10 business days—within 20 business days after receiving the request.
1. Maximum penalty—20 penalty units.
- (10) If the chief executive officer forms the belief mentioned in subsection (9)(b), the chief executive officer must give the councillor notice about the belief and the reasons for the belief within 10 business days after receiving the request.
- (11) In this section—

former conduct review body means a regional conduct review panel or the Local Government Remuneration and Discipline Tribunal under this Act as in force before the commencement of the [Local Government \(Councillor Complaints\) and Other Legislation Amendment Act 2018](#), section 18.

RECOMMENDATION

That the draft Acceptable Request Guidelines for Councillors Policy be adopted by Council as its Acceptable Request Guidelines for Councillors Policy.



**MORNINGTON
SHIRE COUNCIL**

Acceptable Request Guidelines for Councillors Policy

Policy Name	Acceptable Request Guidelines for Councillors Policy		
Type	Council Policy		
Owner	Executive Manager Governance & Communication		
Responsible Officer	Executive Manager Governance & Communication		
Decision Number	[Decision Number]	Approval Date	
Records Number	[Records Number]	Next Review Date	

DOCUMENT VERSION CONTROL			
VERSION	DATE	RESOLUTION NO.	DETAILS
V1	30/11/2014	Approved by CEO	Responsible Officer Exec Manager Human Services
V2	21/09/2016	2016/158	Responsible Officer Executive Manager Human Services
V3	Draft		Responsible Officer Executive Corporate Governance & Communication

Introduction

This is a **DRAFT** copy of the **Acceptable Request Guidelines for Councillors Policy** of **Mornington Shire Council**, made in accordance with the provisions of *Local Government Act 2009 and Local Government Regulations 2012, Public Records Act, Mornington Shire Council's Local Laws, Subordinate Local Laws and current Council Policies*.

This policy is made in specific compliance with Sec 170a Local Government Act [Qld] 2009, which requires this policy to be considered and adopted by a resolution of Council



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Acceptable Request Guidelines for Councillors Policy

1 Purpose

These acceptable request guidelines are adopted by resolution of the Council to:

- a) Provide guidance to Councillors and staff members about the acceptable manner in which a Councillor may ask those staff members for advice to help the Councillor carry out his or her responsibilities under the *Local Government Act, 2009*; and
- b) Establish reasonable limits on requests that a Councillor may make; and
- c) Define the staff members to whom Councillors may make requests for information.

2 Application of the Policy

This policy applies to all Councillors, including the Mayor where appropriate and all Council staff.

Requests for advice or information under these guidelines must comply with the principles that guide decision making by Councillors and Council employee's states in section 4 of the Local Government Act 2009 as:

- Transparent and effective processes, and decision making in the public interest; and
- Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- Democratic representation, social inclusion and meaningful community engagement; and
- Democratic representation, social inclusion and meaningful community engagement; and
- Good governance of, and by, local government; and
- Ethical and legal behaviour of Councillors and local government employees.

3 Definitions

"Other Approved Staff Member" – for the purpose of this policy, means any staff member nominated in writing by the Chief Executive Officer as approved to receive requests for advice directly from Councillors.

"Staff Member" – includes all local government employees, contractors, volunteers and all others engaged by and who perform work on behalf of Council.

"the Act" means the Local Government Act [Qld] 2009

"the Regulations" means the Local Government Regulations [Qld] 2012



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4 Scope and Application

4.1 *Directions to Staff Members*

All Councillors and elected representatives together with Council staff are bound under section 170 of the Act which states:

4.1.1 The Mayor may give a direction to the chief executive officer or senior executive employees.

4.1.2 No Councillor, including the Mayor, may give a direction to any other local government employee. Councillors must ensure that when making a request for advice that the manner and working of their request is not capable of being construed as an unlawful direction to the staff member.

4.2 *Mayor and Chairpersons*

Section 170A(5) of the Act provides that these reasonable request guidelines do not bind the mayor, or the chairperson of a committee, who makes a request for advice about his or her role as chairperson. To facilitate efficient provision of service by council staff members the mayor and chairpersons are encouraged to comply with these guidelines in all cases.

4.3 *Staff Member Attendance at Meetings*

Any councillor may request the Chief Executive Officer or relevant Executive Manager to arrange for a council staff member to attend a meeting with a member of the public. Such a request is not a request for advice under section 170A of the Act.

4.4 *Routine Operational Requests*

A request for assistance from staff members about routine operational matters – for example the location of a meeting, or lodgement of a customer service request – is not a request for advice under section 170A of the Act and these guidelines do not apply to that request. Councillors are encouraged to raise routine operational matters through the Chief Executive Officer or Executive Manager.

4.5 *Interaction between Councillors and Staff Members*

Interaction between Councillors and Council Staff members must, at all times, be carried out in professional and courteous manner.

4.6 *Requests for Advice*

4.6.1 If the Councillor expects to receive a written response to the request for advice, the Councillor must make the request in writing (including by email).

4.6.2 Councillors must ensure that any requests for advice they make is not in conflict with the Council's adopted policies, local laws, resolutions, corporate plan and budget.

4.6.3 Councillors must ensure that a request for advice does not substantially and unreasonably divert the resources of the Council from the performance of its functions.



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- 4.6.4 Councillors must consider the likely cost implications when making requests for advice and if the cost of providing the information is likely to be high, the Councillor may make the request only to the Chief Executive Officer, who is expressly authorised by the Council under these guidelines to seek to minimise the costs of provide the advice.
- 4.6.5 Subject to guideline 6.6.4, Councillors may make the requests for advice to the Chief Executive Officer about any Council issue and to the Executive Manager about any matter relevant to the Executive Managers Department.
- 4.6.6 Councillors may make requests for advice to other approved staff members only if the Councillor believes that the matter about which advice is sought is a matter that falls within the area of responsibility of the staff member. When making a written request for advice to any other approved staff member a Councillor must ensure that a copy of the request is provided to the relevant Executive Manager.

4.7 Other Approved Staff Members

- 4.7.1 Other approved staff members responding to a Councillor's request for advice must ensure that their Executive Manager is informed of the making of, and response to, all significant Councillor requests.
- 4.7.2 If an 'approved staff member' believes that the cost of actioning a Councillor request will have budget implications, then the request must be brought to the attention of the Chief Executive Officer for authorisation before being actioned.
- 4.7.3 Council staff member must advise the Chief Executive Officer as soon as practical of any requests from a Councillor that do not comply with this policy.

5 Related Legislation

Local Government Act, 2009

Section 13(3)(f) – Chief Executive Officer's obligations to provide advice and information to Councillors
 Section 170 – Giving directions to the local government staff
 Section 170A – Requests by Councillors for advice or information
 Section 171 – Use of Information by Councillors
 Section 200 – Use of information by local government employees

5 Variations

This policy is deemed to be the current policy until altered, changed or replaced by an updated or amended version made by a resolution of Council.

12.4 LGAQ 2020 CIVIC LEADERS SUMMIT

Author: Acting Executive Manager of Corporate Governance and Communications

Attachments: 1 LGAQ 2020 Civic Leaders Summit

PURPOSE (EXECUTIVE SUMMARY)

This report provides information to Council on the forthcoming LGAQ [Local Government Association Queensland] 2020 Civic Leaders Summit.

In addition the report proposes that Council consider changing the date for Council's Ordinary June meeting scheduled for 17th June 2020 to enable the attendance of the Mayor, Deputy Mayor and CEO at the summit.

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION

The Civic Leaders Summit is held every four years and is an important forum open to Mayors, Deputy Mayors and CEO's to examine contemporary issues and build knowledge and understanding of our changing local government environment. The summit is to be held over two half-days on Tuesday 16 and Wednesday 17 June (with a half-hour 'how-to' on Monday 15 June).

2020 Civic Leaders Summit highlights include:

- What civic leaders can - and can't - do;
- Good advice from first-term mayors;
- Meet the local government gatekeepers.

For 2020, due to Covid19 travel and social distancing restrictions, the Summit will be presented as a Virtual Summit with participants logged in from their own regional and remote locations. An information flyer is attached for Councillors information. Registration details will be made available when they are in hand.

In addition, Council's June ordinary meeting scheduled for Wednesday 17th June 2020 is set to clash with LGAQ Civic Leaders Summit set down for 15th – 17th June 2020, hence a recommendation to change that meeting date to 24th June 2020 is detailed below.

FINANCIAL & RESOURCE IMPLICATIONS

The current advice received from LGAQ is that the cost of 'attendance' will be \$770 [gst incl.] per Council. To be confirmed. This cost is met within the current budget – Councillors/ Conferences.

RECOMMENDATION

1. That Council endorse the attendance of the Mayor and Deputy Mayor at the 2020 LGAQ Civic Leaders "Virtual" Summit set down for 15th – 17th June 2020.
2. That Council approve the attendance of the CEO at the 2020 LGAQ Civic Leaders "Virtual" Summit set down for 15th – 17th June 2020.
3. That Council change the date of its Ordinary Meeting set down for the 17th June 2020 to Wednesday 24th June 2020.



We've gone virtual.
Same Local Government
networking opportunities -
but a new way of connecting.

Join us for 2020
Civic Leaders Summit

2020
CIVIC
LEAD

15-17
JUN

An exclusive event for
Mayors, Deputy Mayors
and CEOs.

2:00pm-2:30pm
"How-to" session A guided tour of
how to use the virtual platform

9:00am-12:00pm each day
Civic Leaders Live!

 **#civicleaders**

12.5 CHIEF EXECUTIVE OFFICER REPORT FOR THE MONTH OF MAY 2020.

Author: Chief Executive Officer

Attachments: Nil

PURPOSE (EXECUTIVE SUMMARY)

The purpose of this report is to provide Council with an overview of the day to day activities and movements of the Chief Executive Officer since the last report to Council.

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION

Since the last Chief Executive Officer report to Council, tabled at the April 2020 Ordinary Council meeting, the Chief Executive Officer has primarily been involved with the day to day measures required to combat the coronavirus COVID-19 pandemic. Other areas of importance include executive management, staffing and organisational performance, local government elections, funding, project management and meetings with relevant government agencies which include:

COVID 19 – Between 85 – 90% of the Chief Executive Officers working day is still being consumed by COVID-19 related matters including attendance at daily teleconferences hosted by the State Disaster Coordination Centre (SDCC), District Disaster Management Group (DDMG), the Deputy Premier and Director General of the Department of Aboriginal and Torres Strait Islander Partnerships (DATSIP), Councils Local Disaster Management Group and the myriad of government and non-government agencies now involved with COVID-19 and Mornington island.

DRFA – Disaster Recovery Funding Agreements – Council has been awarded a total of \$469,493.71 for betterment works on Balaleah Road at Chainage 17.2, for construction of new concrete culverts and concrete causeway to allow for greater water flow and reduced road damage. Tender documents are in the process of being compiled for these works. Council has also had the final assessment for the number 2 submissions finalised and lodged with the Queensland Reconstruction Authority (QRA) for the 2020 QLD Monsoonal Flooding and also TC Esther, combined value for both (in QRA benchmark rates) is \$4.58m. Final approval of the submission is now resting with QRA and once received these works will need to go for tender.

Council Meeting attendance – Council staff that attend Council meetings is somewhat guided by the view of Council. At present Executive members attend Council meetings and speak to the reports submitted by their managers. This process allows for greater operational efficiencies by Council's operational managers but it negates the opportunity for Council to discuss a report directly with the author. At the request of Council, the current practice can be amended to have all report authors attend Council meetings to allow the opportunity for Council to discuss the contents of reports directly with the author.

MACDONNELLS LAW - Seaswift Jetty collision court action, all requests for further information have now been finalised and met and instructions are now being compiled as to the next step in preparation for court proceedings.

Government and Ministerial Champion – a proposed visit by Council's Government Champion for 9th May 2020, will now be postponed in light of COVID-19.

FINANCIAL & RESOURCE IMPLICATIONS

Nil

RECOMMENDATION

1. That Council note and receive this report.
2. That Council provide advice and direction regarding the attendance of all report authors at Council meetings.

13 STAFF REPORTS - FINANCIAL SERVICES**13.1 EXECUTIVE MANAGER FINANCE AND HUMAN SERVICES MONTHLY REPORT**

Author: Executive Manager of Finance and Human Services

Attachments: Nil

PURPOSE (EXECUTIVE SUMMARY)

This report provides Council with an overview of the programs and projects tracking within the Finance and Human Services directorate as at 30th April, 2020. The report is at a high level and is not intended to duplicate matters that Program Managers will cover in their normal quarterly reports.

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION*Facilities Management Program*

- The Accommodation Coordinator position is vacant due to a resignation. It has been re-advertised locally and applicants will be interviewed soon.
- The Accommodation Administration Assistant is currently self-isolating for 14 days.
- Due to these vacancies / leave, our Facilities Manager is very busy and is also juggling Covid-19 requests.
- Council's bakery continues to struggle with the current oven and working environment. A refurbished oven for \$30,000 is in the process of being ordered and is expected to be installed and working by the end of this financial year.
- The Facilities Manager and Bakery Manager have commenced the bakery business plan to review the program and look at options for sustainability, including a retail area and more staffing. It is envisaged this plan will be available for Council in the next few months, so Council can make a decision around the on-going sustainability of the bakery and the continuation of the service for the community.
- Similar business plans are also being undertaken for the Motel and VAC. The VAC plan will incorporate the idea of a caravan park on the vacant land adjacent to the VAC which has been used to store contractor equipment in recent times.
- Expressions of Interest (EOI) are being developed for the Kiosk, Tavern and Airport Kiosk. EOI's at a local level have previously not secured a suitable solution, however Council should insist on local involvement with any chosen solution.

Finance Program

- Council's has a new risk management system which is cloud based from LG Software Solutions and this is currently being implemented. Progress has been delayed however due to Covid-19 as we ideally require the system implementation to be facilitated by our external consultant. Council staff are using the extra time to continue identifying and populating Council risks in the new system
- EOI's for outsourced payroll service providers closed during late November. A separate report is tabled for this meeting on the matter. This was deferred from last meeting to enable greater consideration of the recommendations and directions suggested.
- Backpays were undertaken during the month for relevant staff due to a State Wage Case handed down late last year. These payments were backdated to 1st September 2019.
- The finance team have finalised the draft budget and this is planned to be discussed with Council on Wednesday 6th May, 2020. The budget whilst projecting an operating loss is a

large improvement on previous year operating loss projections and this is a good outcome in terms of Council's future sustainability.

- Considerable work has been undertaken on a Finance and Administration Team Transition Plan. This is currently with the CEO for consideration and is likely to result in changes to the team.
- The part-time customer service role has been filled, but appointment delayed with Covid-19 and the number of customer service transactions slowing within Council. This local applicant is expected to commence in the coming weeks.
- Council's finance team have secured a project management and control system on behalf of the Infrastructure Services directorate. This project is being implemented, however requires ownership from the Infrastructure Services directorate. This system will address the Corporate / Operation Plan outcome which the EMIS is responsible for, but needs to have strong directorate ownership else will not provide the results Council requires.
- Council's Annual Financial Statement process is currently on track. Desktop valuations, pro-forma statements and accounting papers / position statements are being undertaken. The next major milestones are due on the 29th May 2020, and at this stage no concerns are held on meeting this timeframe.
- Council's Finance and Administration Manager has completed a number of insurance questionnaires for the coming year renewal. Based on previous years Council will receive premium advices in June, which due to the sizeable nature of Council's insurance portfolio will require approval from Council.

Information Technology & Communications (ICT) Program

- Council's service provider continues to provide a cost effective day to day service for the Council. This is being challenged at the moment due to the age of our ITC infrastructure and there is a plan to address this as soon as we can get technicians to the island. In the meantime the procurement of the new infrastructure is underway. It is hoped that technicians can be onsite in the next month (with appropriate self isolation / distancing practices) as this service is critical for Council's business continuity.

Sport, Recreation & Events Program

- The arrival of Council's Sport, Recreation & Events (SRE) Manager has been postponed due to Covid-19 restrictions. The candidate is still very keen to take on the role, however has made the decision to "stay put" for the time being. Given it would be very difficult to provide an effective SRE program with social distancing requirements in play at a state level, this is a good outcome for Council.

Work Health & Safety Program

- Work is continuing on the WHS framework and plan as per the Corporate / Operational Plan. This work is being undertaken by Council's contractor ABW Compliance Consultants. The goal of 30th June 2020 for this outcome is well on track and expectations are that it will be reported to Council within the next quarter. This will create a strong foundation for sustaining the Council's WHS obligations.
- Council had no staff on rehabilitation and return to work measures as at the end of April 2020.
- There were no lost time injury (LTI) reports for April 2020.
- There were no incidents reported for April 2020.

- Council's contractor was due to visit the Council from 20 March – 3rd April, 2020 however this trip was cancelled due to COVID-19 restrictions. Tentatively this is now being planned for 25th May – 29th May, subject to COVID-19 restrictions.
- A new contractor agreement for next financial year has recently been approved. This ensures Council has resources for this important service and the availability of expert knowledge as and when required.

General Matters

- The Executive Manager has the responsibility for the Housing portfolio due to the departure of the Executive Manager Infrastructure Services from mid January. Whilst day to day matters are being attended to, the more strategic matters in the wider Directorate require a permanent Executive Manager. The strategic matters will affect Council more and more, the longer resourcing remains vacant.
- A number of performance reviews have been finalised with staff during April. This is very pleasing and it is expected Council's overall completion rate will increase substantially on previous years. The general sentiments in the Finance and Human Services directorate are positive, though some training and education requirements have been highlighted. It is critical any training and development requirements are met during coming months so Council can continue the upskilling journey of local resources to remove the necessity of "off-island" resources. This is a key outcome to ensure Council's future sustainability and at the same time will provide greater economic and financial outcomes for local staff and the community.
- The Executive Manager has assisted with some Covid-19 issues during April and attended all LDMG meetings. The time in this area has decreased substantially from late March, consistent with easing of restrictions at a State and national level. A finance resource is still principally "seconded" to Covid-19 management and as mentioned previously Council's Facilities Manager has some involvement with outside stakeholders and the Council's Motel, VAC and wider accommodation services that maybe required should an outbreak occur on the island.

FINANCIAL & RESOURCE IMPLICATIONS

As contained within the report.

RECOMMENDATION

That Council receives and notes the report.

13.2 INTERNAL AUDIT REPORT - SUSTAINABILITY OF COUNCIL PROGRAMS

Author: Executive Manager of Finance and Human Services

Attachments: 1 Grant Thornton - Sustainability Report No. 2

PURPOSE (EXECUTIVE SUMMARY)

This report provides Council with a copy of the internal report findings conducted by Grant Thornton (GT) on the sustainability of particular council programs

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION

Council has embarked on an internal audit program to assess a number of services within the Council organisation. Previous reports have covered the Housing and Barge Operation services. This report covers the following programs;

- Workshop and Plant Operations
- Store and Warehousing Operations
- Airport Operations
- Waste Management Services

These independent reports raise some common elements across all these services and work has commenced to address these findings. Recommendations were presented to Council at the April meeting that is starting to address the major factors in this report. The major findings include;

- Lack of strategic direction and service planning
- Lack of internal costing across programs
- Lack of documented procedures
- Lack of focus on cost and revenue control, lack of business education / understanding

Also included are a number of specific findings relating to each service. These findings will be included in Council's risk management system and will be allocated to appropriate program managers to address.

The journey with these changes will take some time and as the consultant suggests *"there are unlikely to be any easy or short-term solutions"*. It is suggested it's a matter of having a good plan, identifying the risks and opportunities for change and ensuring the appropriate resources action changes to address the risk. The work being conducted on the sustainability strategy and risk management system will help drive change in this space for Council.

Elected Members should ensure they are happy with the plans being provided to minimise risk and address the findings and that management is getting the agreed actions completed in an acceptable timeframe.

FINANCIAL & RESOURCE IMPLICATIONS

Nil

RECOMMENDATION

That Council receives and notes the report



Mornington Shire Council

Internal audit report Project 2-20

- Sustainability of Council programs
- Workshop and plant operations
 - Store and warehousing facilities
 - Airport operations
 - Waste management services

February 2020



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Edan Clark – Senior Manager
Melissa McDonald – Assistant Manager
Ieva Petruskeviciute – Associate

Review Date: February 2020

To: Kerry Whiting – Executive Manager Finance & Human Services

Cc: Frank Mills – Chief Executive Officer

Audit Committee

Internal audit project 2-20

Sustainability of Council programs

About the project

As with many Queensland Indigenous and remote councils, Mornington Shire Council is experiencing significant sustainability issues. Key programs are not being undertaken in accordance with budgets and are incurring losses. Accordingly, Council has nominated this issue as a project(s) for Internal Audit for FY2020.

The project(s) will cover Council's key programs:

- Community housing programs
- Barge operations
- Workshop and plant operations
- Store and warehousing facilities
- Airport operations
- Waste management services

The objectives and scope of work for the above are set out in Appendix 1.

In October 2019, Internal Audit conducted workshops with Council management covering the first two programs. A report on these programs was provided in November 2019.

In February 2020, Internal Audit conducted workshops with Council management covering the remaining four programs. This report covers the findings and recommendations coming out of the February workshops.

3 Grant Thornton Australia

Findings

The findings for the four programs considered in this report are set out in the following pages. However, we have attempted to understand the over-arching root-causes of many of the issues and have summarised these below. It is apparent that these root-causes are not new. It is also apparent that there are unlikely to be any easy or short-term solutions.

Across the board we noted short comings in the financial reporting and accurate recording and allocation of costs and revenues (particularly internal charges). This makes it difficult to make an accurate assessment of a particular program's current performance. Improvements in this area will allow more informed decisions to be made on the sustainability of each program and the level of improvements necessary to bring program performance in line with management expectations.

Improvements to the financial reporting, and in particular the accurate allocation of internal charges, could reveal that other programs that currently appear sustainable are actually unsustainable and are operating at a deficit.

Accordingly, we believe if Council is able to make some inroads into addressing the above root causes, many of the other detailed findings would be more easily dealt with.

Other reference material

The Queensland Audit Office recently undertook a performance audit on this same topic. It based its observations on a small number of councils, although these councils were in more populated areas and so were not Indigenous or remote councils. However, many of the findings and recommendations in the report may be useful for Council. The report is titled *Managing the Sustainability of Local Government Services (Report 2 2019-20)* and can be sourced from the QAO website.



Workshop and plant operations



4 Grant Thornton Australia

Executive summary

This report details the findings and recommendations arising from our Sustainability of Council's Programs review at Mornington Shire Council ("MSC"). The review was performed in February 2020.

Refer to **Appendix 1** for details of the objective, scope and approach for conducting the review.

Background

The workshop and plant operations' purpose is to provide mechanical services and plant internally to other programs and to a lesser extent to the community. This includes operating a workshop as well as maintaining plant.

Council operates the workshop and maintains the plant as it is a more cost effective option than outsourcing these services to the mainland given the remote location.

This program has consistently performed under budget. In 2018 and 2019 the actual program deficits of \$818k and \$1.9m were larger than the budgeted deficits by \$638k and \$893k respectively. We note that in these deficits are large losses on the sale of non current assets.

We have reviewed the workshop and plant operations and have determined that there are improvement areas Council can focus on in order to improve the program's financial outcomes.

Roles and responsibilities

The workshop and plant operations program falls within the responsibility of the Executive Manager Infrastructure Services per the organisation structure however is currently reporting to the Executive Manager Technical Services. The workshop and plant operations team consists of the Workshop Manager who reports directly to the executive manager and is responsible for managing a team of three which includes a diesel mechanic, apprentice mechanic and tyre fitter.

We note that the Executive Manager Technical Services position is currently filled by the Water & Sewerage Team Leader who is performing higher duties in the absence of a permanent appointment.

Key stakeholders

The department has a range of key stakeholders that are a mixture of internal and external to Council. These include but are not limited to:

Internal

Internal stakeholders are all other Council programs as the workshop and plant operations possess all of the plant including vehicles which are required by other programs to complete their operations.

External

External stakeholders include the community as a whole, contractors and government departments operating on the island as they can engage the services of the workshop as well as hire plant.

Key information

Key information as at 30 June 2019:



99 items of plant owned by Council



\$336k of depreciation on plant



\$109k of workshop sales



\$69k of external plant hire



\$927k of internal plant hire

Strategic direction

There are no documented objectives or goals for this program for either financial, strategic or community based objectives. Whilst the team does have a financial budget set for each financial year, it appears from discussions that the overarching objective identified by the Workshop Manager for the next twelve months was to improve the financial position while increasing operational efficiencies.

Service planning

We note that a service plan has not been developed to determine what level of service Council can afford to provide that still meets both the Council and the community's needs.

We have held discussions with the program team in relation to service planning including identifying the service requirements, accurately determining the costs and revenues and monitoring the financial and operational results in order to make decisions regarding the level of service.

Identifying service requirements

- This is the only workshop on the island and services the Council internally as well as all other businesses, contractors and the local community.
- Council currently does not consider what plant is essential to operating Council's services as a whole. Consultations should be done within Council departments to determine what are the essential items of plant that provide the most value and which provide little to no value. This will help Council to prioritise efforts and costs to ensure that the necessary plant can be maintained and other plant items which are not in use can be sold or used as spare parts.
- Consultations should be held with the community to determine which services are most important to them.
- No opportunities have been identified to outsource this function as Council relies on this department for the maintenance of its plant and vehicles for use in all other program areas.

- There may be an opportunity to reduce the size of the workshop in the future once any 'decommissioned' plant items have been repurposed or sold and maintenance and servicing schedule are up-to-date
- Currently contractors freight their own plant onto the island in order to complete large projects as the resources are not available locally or not utilised. There is an opportunity to provide services to these contractors which would save the contractors freight costs as well as raise revenues for the workshop to assist in covering costs. Council should hold discussions with local contractors to determine if they would take up this service, if they prefer wet or dry hire and whether Council has suitably qualified and experienced operators and insurance to offer this service.

Determining costs*Purchases*

Implementation of a new system (Workshop Mate) which links directly with Xero is currently underway. This system will be used to record purchases and will enable the purchases to be allocated against the plant number for monitoring purposes.

A majority of parts are ordered on an as needs basis with the exception of some parts which the current workshop team inherited from previous workshop employees as well as frequently used parts that will not become obsolete.

For services provided to members of the community, parts are only ordered once 80% down payment has been received.

Employees

There are currently four employees within the program team and the full cost of the wages for these employees is allocated to the program. Employees are required to code their timesheets based on the item of plant or task that they are performing however we understand that this is not completed accurately. Timesheets are reviewed by the Workshop Manager.

Internal job costing

Council receives services from other internal programs such as fuel which is allocated to this program based on the fuel card system as well as safety equipment and uniforms from stores which we have been advised are internally costed to this program.

No indirect costs such as administration or corporate costs are allocated to this program.

Depreciation

All depreciation relating to plant and fleet are allocated to this program along with depreciation relating to the workshop buildings.

Determining revenue streams*External workshop sales*

External sales are to the community as a whole including local businesses and contractors who need mechanical services, new tyres or hire of plant.

For sales to individuals payment of at least 80% is required in advance given historical problems with collection. Since the payment in advance for individuals has been implemented, there have been minimal issues with recovery of debts.

External workshop services

Government departments on the island provide Council with a purchase order for the required services. Invoicing is done upon completion. No concerns have been raised regarding recoverability or receivables from government departments.

Once a request for a service has been received, a quote is then produced taking into consideration the direct costs (such as parts for which external quotes are obtained), labour costs calculated based on estimated hours at a set hourly rate (\$88 for individuals, \$127 for QFleet and \$157 for other government departments) which covers the costs of actual wages plus margin.

Invoicing has previously been performed manually however as part of the implementation of Workshop Mate all invoicing will be done electronically and will be linked to purchase orders and quotes.

Plant hire

Plant is currently leased out both internally and externally.

Internally, plant is signed out and signed back in by the employee as the plant is used and the job code is provided by the employee at this point. This cost is then allocated to the other programs via journal each month in Xero (previously done automatically in the PCS system). The schedule of hourly rates for the plant is outdated and does not consider the recovery of costs incurred to maintain the equipment by the workshop.

Externally, plant hire rates (both wet and dry) are included in Council's annual schedule of fees and charges.

Monitoring of results

Up until recently, no financial reports for the workshop and plant operations were being provided to the program manager for monitoring. Recently, the finance team have been developing management reports for each program so that the program manager can review the financial results in real time to ensure that costs are being recorded correctly and informed decisions can be made.

Budget vs actual results have also been made available to the program managers recently in order to receive their input into what capital and operational expenditure would be ideal for each program however we note that in relation to the workshop there have been some difficulties with this data given that the maintenance budget for plant has not been allocated solely to this program. In terms of monitoring actuals, costs such as freight often take time to be allocated to the program and therefore accurate actual results are not being received in a timely manner.

With the implementation of the new Workshop Mate system, additional reporting and data will be available to the workshop managers which will include both financial results as well as operational data such as servicing and maintenance schedules, parts on hand levels and registers, expenditure disaggregated per item of plant.

Capital management**Ownership of assets**

Mornington Shire Council is located on land assigned to it under Deed of Grant in Trust (DOGIT) under Section 341 of the Land Act 1994. As such there is no ownership of the land within Mornington Shire Council's boundaries.

Whilst the land isn't owned by Council, the assets which Council has constructed on DOGIT land are owned and maintained by Council.

These following workshop and plant operations assets have been capitalised and the depreciation for these assets is being recognised within the program:

- Workshop building including truck wash extension and amenities building
- Plant including fleet
- Technical Services shed.

Capital replacement

The average useful lives of the workshop assets (including workshop building and shed) are 42 years and the accumulated depreciation recognised for these assets equates to 24 years. Therefore the assets in this class are due to be replaced by 2037 on average.

The average useful lives of the plant and fleet assets are 18 years and the accumulated depreciation recognised for these assets equates to 12 years. Therefore the workshop and plant operations assets are due to be replaced by 2026 on average.

Currently there is no plan in place for the replacement of the plant.

Maintenance

The purpose of the workshop is to maintain all items of fleet and plant owned by Council and used by other internal departments. The maintenance costs are recognised in the workshop program financial results.

Inventory management

Parts on hand are not currently treated as inventory for financial reporting purposes. With the new capabilities of the Workshop Mate software, however this is expected to be possible in the future.

Opportunities for improvement

From our discussions during the review of this program a number of ideas were raised which could increase revenues within the workshop and plant operations program:

- Increasing the capacity of the plant owned by Council so that plant can be leased to contractors to earn a higher rate of return.
- Advertise the workshop within the community to increase the number of external sales as currently there is limited knowledge in the community regarding what services the workshop can offer.

The viability of these ideas has not been determined. Consideration should be given to whether the revenues and community benefit that could be generated from these ideas would outweigh the costs to implement.

Future plans

Currently there are no set plans for changes to the workshop or plant operations however this program is reviewed and changes are being considered by Council in order to improve its sustainability.

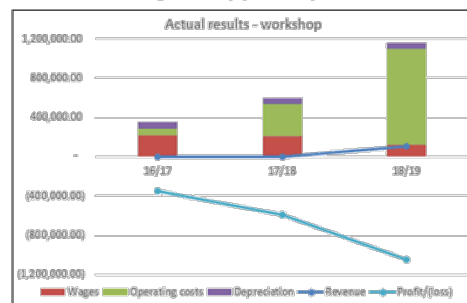
It is not expected that the quantity of services expected by Council or the community will change significantly in the future given that there is not expected to be large population growth.

Financial performance

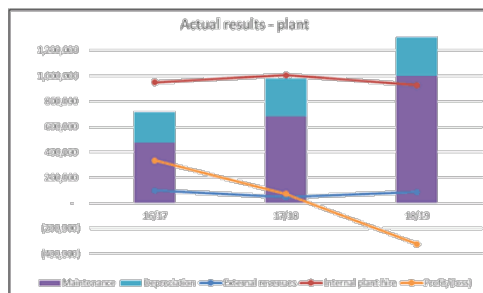
We were unable to perform a full analysis of historical results as we identified that due to inaccurate job coding of both revenues and expenses, the financial results for the workshop and plant job code (2671) did not accurately reflect the actual activities undertaken and revenues collected.

Historical results

From a high level review of the financial results, we have noted that the workshop revenues have been increasing steadily year on year however the expenditure, specifically operating costs, has been increasing at a faster rate. As a result, the deficits for the workshop portion of this program have increased significantly year-on-year.

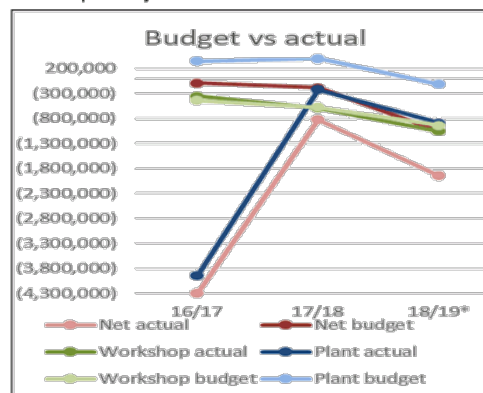


In relation to the plant portion of this program we have only included operational results, i.e. we have excluded losses on the sale of plant. The revenues both internal and external have not fluctuated significantly however the expenditure has grown each year resulting in declining results each year. In 2019, the result for the plant job code was an operating loss of \$324k.



Budget vs actual results

We have compared the workshop and plant results separately and in total on the graph below. We note that the workshop actual results have followed the budget closely for the past three years. The variances against budget relate to plant in which there have consistently been overspends compared to budget. We note that a portion of these overspends relate to losses on the sale of plant amounting to \$4.3m, \$294k and \$570k in 2017, 2018, and 2019 respectively.



Future focused

From our review of the budget for the 2020 year we note that there are no budgeted gains or losses for the disposal of plant.

The workshop is budgeted to make a \$506k deficit which is to be offset against the budgeted surplus for plant of \$564k to give a net surplus for this program of \$60k.

The half year results show a net deficit of \$239k. At the current trajectory, the budgeted surpluses will not be achieved and a projected deficit of \$478k will reduce the overall result of the Council.

We note that changes and improvements have been made to this program to increase the revenues and improve efficiencies however included in these half year results are a number of one-off expense items resulting from previous periods, for example payments to QFleet on the cancellation of leases due to the poor condition of the vehicles returned.

Financial position

Recoverability of receivables

This has not been identified as a risk area for the workshop given the following:

- Purchase orders are received in relation to government agencies on Mornington Island (QFleet, health, education, etc) and generally do not have any issues in relation to recoverability.
- Private works to individuals within the community require down payment of at least 80% of the quoted costs to complete (including labour and materials) prior to parts being ordered and work commencing. This has resulted in a high collection rate.
- Employee works can be deducted from their pay on a payment schedule.

Overall result

It has been determined that this is an essential service to the Council as a whole and it is necessary to maintain the workshop and plant operations in order to facilitate other Council departments to provide service to the community.

Currently the workshop and plant operations are making increasing losses. In order for this program to be sustainable the program needs to reduce the costs and time taken to maintain the plant. These costs has been growing significantly given the overall poor condition of the current plant. Internal plant lease charges should also be developed to recover the costs of maintaining the plant. There may also be scope for this program to make small profits as a result of workshop services and wet plant hire provided to external parties.

In order for Council to achieve sustainability within this program and contribute to the overall sustainability of the Council, we recommend that Council follow the process summarised below. Further details are included in our detailed findings.

1. Perform a review of Council plant on hand
2. Determine Council's current and future plant needs
3. Develop a plan to meet Council's needs
4. Consider financing options
5. Develop internal and external costings for the lease of plant
6. Maintain the condition of plant
7. Educate the community on services available

We have also identified a number of improvement areas to improve the efficiency of operational matters such as implementing operational manuals to facilitate smooth transitions during turnover of staff, employee management and review of parts on hand.

Overall this program can return to being sustainable in the mid term however it is likely that there will need to be some short term financial investment in bringing the quality of the plant up to standard as well as some time effort in implementing new processes.

Detailed findings

Finding	Recommendation
1 Perform a review of Council plant on hand Currently, the Council has a large quantity of plant sitting in the yard at the workshop. It has been identified by the Workshop Manager that a large number of these items of plant are not in working order or are not used by Council. The plant that is used by Council is in poor condition. The result is large maintenance costs incurred for minimal benefits.	Perform a stocktake of the current plant that Council owns ensuring to take into consideration the condition of the plant. Determine which items of plant are not able to be repaired to working order in a cost effective manner and which items of plant are no longer needed or utilised by Council taking into consideration the utilisation hours vs costs to maintain. The Workshop Manager will be well placed to perform this review.
2 Determine Council's current and future plant needs It has been brought to our attention by the Workshop Manager that there is: - Plant that are currently being utilised by Council that do not fully meet the needs of the Council nor do they meet safety requirements (low loader truck) - Plant that is not being utilised - Additional plant required to meet the needs of Council - Duplication of some plant that the level of utilisation does not support - Contractors on the island who are currently barging the necessary plant onto the island which is expensive. A majority of these contractors are on contract with the Council therefore these costs are being passed on to Council.	Undertake consultation with other program managers within Council to determine the internal plant needs of the Council as a whole. Consideration will need to be given as to whether each item of plant is actually required. The focus should be on reducing the total number of plant items so that future plant held is limited to items of plant where there are specific needs within Council. Consideration should also be given to the needs of the contractors. If there is plant being consistently transported to the island, there is an opportunity for Council to maintain this plant and lease to the contractors with mark-up to generate revenues.
3 Develop a plan to meet Council's needs There appears to be a lack of direction for this program as there are not specific financial, strategic or community based objectives set for the program. The strategic direction is neither documented nor communicated. A need for change has been identified in relation to the direction and processes of this program however the strategy for achieving the change has not been defined and buy-in has not been obtained from the program team.	The plan should take into consideration the current plant on hand and the needs determined by Council as well as input from the program team. Council should consider the possible sales price of unneeded or underutilised plant as well as the purchase price of new equipment and develop a detailed plan for the transition from old to new. The plan should prioritise Council's needs to determine which order the plant should be disposed of, renewed or added to Council's plant fleet. A suggested method for doing this is categorising the plant into a matrix of cost versus the benefit. An example is included in Appendix 2.

Detailed findings

Finding	Recommendation
4 Consider financing options A need for improvement in the standard of plant owned by Council has been identified. The changes required in order to improve the standard of plant will require some financial investment in the short term in order to obtain long term benefit. A number of limitations have been identified in relation to obtaining funding for this short term investment in plant.	It is recommended that a review of financing options be performed, whether internally by the finance and management team or by an external consultant, to determine what funding options will be available to, and be viable for, Council. This review should consider options such as: • capital or untied grants. • other internal department surpluses which may be able to subsidise the costs. • opportunities for borrowings (we understand that currently there are no options to borrow through QTC). • leasing of plant, however consideration needs to be given to the outcome of the previous QFleet arrangement which resulted in additional costs being incurred due to the poor condition of the leased assets at the end of the lease. This may be an option if controls are implemented to ensure that the condition of the plant/vehicles is maintained to the required standard. • proceeds from the sale of unneeded plant items currently on hand in the current condition. Consideration should also be given to the cost of improving the condition of the plant before sale versus the increase in sale prices that will be achieved or whether more value will be realised by using these items of plant as spare parts or selling in an 'as is' condition. • combination of the above options.
5 Educate the community The workshop is the only one on the island and can service the needs of the community in addition to the needs of the Council. However the Workshop Manager has identified that in general the community is not aware that they can engage the services of the workshop.	An awareness program can be undertaken within the community so that they know that they can have their private vehicles serviced at the workshop and that it will be cheaper than barging their vehicles off island for repairs. This will increase the external sources of revenues available to the workshop.

Detailed findings

Finding	Recommendation
6 Maintain the condition of plant We note that on the disposal of plant over the past three years, large losses have been incurred. This indicates that the plant is depreciating in value faster than expected. This is most likely due to the condition declining due to insufficient maintenance. The costs of maintenance have also increased significantly as a result of the declining condition of the plant. It has been noted that the plant is seldom returned to the workshop in a condition that is considered to be acceptable. Often the plant is not left in a clean and workable condition.	Plant will hold its value and have a longer useful life in which Council can receive benefit from the item of plant if regular servicing is performed (prevention) and repaired promptly (proactive). Employees should also be held accountable for reporting issues in a timely manner so that they can be rectified. Requiring pre-start checks would be a viable method for ensuring that faults are reported.
7 Develop internal and external costings for the lease of plant The workshop owns a number of different vehicles that are used to service the Council and community's needs. These assets are available for lease to external parties at lease rates determined by Council. The machinery lease rates vary from \$10 to \$945, an hour depending on plant type. It was noted that vehicle lease rates have not been updated in recent years and are insufficient to recover the costs to maintain the plant nor cover the depreciation charge to fund the assets' subsequent replacement. Some of the lease rates observed are very low in comparison to the rates in more metropolitan areas. We noted hourly rates for a Holden Colorado ute at \$12.50 an hour whereas similar rates in Cairns would be 2-3 times this amount.	In determining the appropriate lease rates for each item of plant the following should be taken into consideration to determine an internal lease rate that will recover the costs of maintaining the plant: • condition of plant which contributes to the costs to maintain each item. Currently Council is recognising costs against each plant item. This information can be used to estimate future direct costs to the item of plant; • the estimated direct costs; • a portion of the workshop and plant operations general operating costs (cartage, electricity, wages, insurance etc); • a portion of the corporate overheads (if allocated at a program level in the future); • annual depreciation for the specific item of plant (amount to be set aside for future capital replacement); and • portion of annual depreciation for workshop building and sheds. For external lease rates, a profit margin should be added to the internal lease rate determined above.

Detailed findings

Finding	Recommendation
8 Stocktake and identification of obsolete parts From observation of the workshop it was identified that there were a large number of parts kept on hand. The Workshop Manager indicated that these parts have been on hand for some time and have not been utilised given that there are no processes in place for identifying what parts are kept on hand and whether these are to be used for plant maintenance or for resale.	A stocktake should be performed to determine what parts are on hand and what vehicles/plant these relate to. Parts no longer needed should be sold or disposed. The service department should be made aware of any remaining parts so that these can be utilised in future maintenance. Service staff should identify which parts should be kept on hand for service matters (i.e. highly utilised items) and which should be ordered on an as needs basis to avoid having excess money tied up in slow moving parts.
9 Employee management There are currently four employees that are part of this program however the organisation chart has three vacancies including an administration position. From discussions it has been identified that not all of these vacant positions will need to be filled depending on the productivity and attendance of the current employees. Workshop officers raised a concern about high staff turnover. The staff turnover has caused some disruption in short term workshop operations, and the resulting loss of knowledge has resulted in an ongoing impact on day to day operations. Moreover, it came to our attention that the workshop and plant facilities unit does not have documented procedures which causes further disruptions when there is staff turnover as well as impacting any momentum the program has developed.	It is important to establish effective employee management processes to improve operational efficiencies. The following should be considered: • Document the descriptions for roles within this program including what each employee is responsible for on a day to day basis. This job description can expand as employees are trained to take on new responsibilities. • use flowcharts to document processes that clearly show responsibilities, and • document procedures, keeping it short, tight explanations, bullet points. • Training should be provided to upskill employees to take on additional responsibilities. • Regular performance appraisals which incorporate strategic KPIs and discussions regarding training needs and support needed by the individual to perform their roles effectively. • Ensuring that employment arrangements are structured to ensure that the maximum productivity is achieved for the wage cost. • Implement checklists to support procedures to ensure every required step or piece of information is completed at various stages of the process.

Store and warehousing facilities



14 Grant Thornton Australia

Executive summary

This report details the findings and recommendations arising from our Sustainability of Council's Programs review at Mornington Shire Council ("MSC"). The review was performed in February 2020.

Refer to **Appendix 1** for details of the objective, scope and approach for conducting the review.

Background

The store and warehousing facilities purpose is to maintain a range of products which can be used internally within Council as well as products that can be sold externally to the community. There is no other supplier of similar goods on the island. As part of providing stores, this program performs the following:

- Ordering and storing various products and materials;
- Warehousing products and materials;
- Servicing internal and external purchases;
- Gas refuelling to community and other key stakeholders.

The store and warehousing facilities program has been making greater deficits than budgeted. Deficits of \$332k and \$833k were made in 2018 and 2019 respectively which exceeded the budgeted deficits of \$290k and \$391k respectively.

The program has been budgeted to incur a \$724k deficit in the 2020 financial year.

We have reviewed the store and warehousing facilities and have determined that there are improvement areas that Council can focus on in order to improve the program's results.

Roles and responsibilities

The stores and warehousing facilities program falls within the responsibility of the Finance and Administration Manager who reports directly to the Executive Manager Finance & Human Services. The program is headed by the Warehouse Manager who is responsible for managing the team which currently consists of a Supply Coordinator and Warehouse Operations staff. We note that there are a number of positions vacant.

Key stakeholders

The department has a range of key stakeholders that are a mixture of internal and external to Council. These include but are not limited to:

Internal

All internal programs use the services provided by store and warehousing facilities. The warehousing facilities store delivered goods specific for projects such as housing and water as well as minor goods and stores that are utilised by all Council programs.

External

The store is the main supplier of non perishable goods on the island and it provides services to the community as a whole including individuals, businesses, contractors and government (police, schools, hospital, housing).

Key information

Key information as at 30 June 2019:



1,785 items stocked



64,957 individual items on hand



\$537k value of stock on hand



\$43.87 average cost per items stocked



\$49k depreciation on warehouse assets



\$1.13m written-down value of warehouse assets

Strategic direction

There are no documented objectives or goals for this program for either financial, strategic or community based objectives. Whilst the team does have a financial budget set for each financial year, it appears that the overarching objective identified by the Store and Warehousing Manager for the next twelve months was to improve the financial position while increasing operational efficiencies.

Service planning

We note that a service plan has not been developed to determine what level of service Council can afford to provide that still meets both the Council and the community's needs.

We have held discussions with the program team in relation to service planning including identifying the service requirements, accurately determining the costs and revenues and monitoring the financial and operational results in order to make decisions regarding the level of service.

Identifying service requirements

- Council's stores and warehousing facility is the only warehouse on the island and services the Council internally as well as all other business, contractors and the local community.
- The remoteness of the island makes the costs to purchase items from the mainland expensive and the lead time to have items delivered lengthy. The warehouse enables the stakeholders to purchase items without the time delay.
- It is considered to be in the best interest of the Council and for the community to continue to maintain the stores and warehousing facilities given the time and cost savings offered to Council.

Determining costs

Materials

The store and warehousing facilities stock various materials for commercial and private use. There is a general stock maintained for essential goods such as gas bottles, small electrical parts, stationery, etc. If project managers require distinctive materials for projects, these materials can be ordered and stored in the "red shed".

The current ordering process is manual and requires the warehouse employees to identify when stock levels are low and complete an order.

Upon collection of the goods from the barge, the stock received is matched to the purchase order before being approved for payment. Any discrepancies are followed-up.

Employees

There are currently four employees within the program team. The full cost of these employee wages is not allocated to the program as the Finance and Administration Manager is only partially allocated to this department and the other employees split their time between different programs as needs. For example the Warehouse Manager is also responsible for the barge operations each Wednesday. Employees are required to code their timesheets based on which program they are working on at the time. Timesheets are reviewed by each employee's supervisor.

Internal job costing

The store and warehouse facilities program is not currently job costing the costs of goods sold or overhead costs to other departments.

No indirect costs such as administration or corporate costs are allocated to this program.

Determining revenue streams

The main revenue stream recognised is from sales to external contractors and community members although the external sales are only a small portion of total sales. The store and warehousing facilities unit has a 30% mark-up on external sales to cover additional costs incurred (such as freight).

The 2020 budgeted operating revenue is \$65k. As at January 2020, the program generated \$67k operating revenue. We are expecting revenue to increase until the end of this year, projecting it to be approximately \$115k.

While internal sales take the most significant portion of store and warehousing sales, these are not being recorded as revenues in the accounting system as part of the current processes nor are there on-costs allocated to these sales. The goods provided to other units are recognised within the other units as costs of sales at the purchase price, excluding freight, labour, warehousing or additional costs associated with particular items.

Monitoring results

The Council previously utilised the Practical accounting software however on 1 July 2019 transitioned to Xero.

The change in software initially caused some disruption in financial reporting, job coding and other matters which prevented program managers from receiving financial data for monitoring purposes.

The transition period has now passed and project managers are receiving financial reports including profit and loss statements regularly. Budget vs actual results have also been made available to the program managers recently however the program managers have not been involved in the budgeting processes.

Whilst there are financial reports being prepared, we note that these are inconsistent and often incomplete due to the underlying job coding.

There are currently no mechanisms in place for monitoring other results such as recoverability of receivables and return on assets.



Capital management

Ownership of assets

Mornington Shire Council is located on land assigned to it under Deed of Grant in Trust (DOGIT) under Section 341 of the Land Act 1994. As such there is no ownership of the land within Mornington Shire Council's boundaries.

Whilst the land isn't owned by Council, the assets which Council has constructed on DOGIT land are owned and maintained by Council. These following store and warehousing facility assets have been capitalised and the depreciation for these assets is being recognised within the store and warehousing facilities program:

- Stores shed;
- Chemical store; and
- Tradesman store.

Capital replacement

The average useful lives of the warehouse assets are 40 years and the accumulated depreciation recognised for these assets equates to 1 year and therefore the assets are due to be replaced by 2058 on average.

Inventory management

The store and warehouse facilities program has a well organised warehouse facility. The stock items are clearly labelled and organised. Currently the inventory management is a manual process.

The unit has recently implemented a cloud based inventory management system "Dear Inventory", which allows its users to see a value of stock on hand and set unit reordering points and the warehouse team are working on implementing this functionality. This system is integrated with Xero.

An annual stocktake is performed. The last stocktake was undertaken in June 2019 and around \$20k of write offs and discrepancies were identified.

Opportunities for improvement

From our discussions during the review of this program a number of ideas were raised which could create new revenue streams for the store and warehousing facilities program:

- Increase awareness in the community that goods can be purchased directly from the store rather than ordering directly from the supplier and paying for freight for one item. The community may not be aware that store purchases in bulk save on freight.
- Consult with community to identify whether there are high demand product lines that can be stocked going forward.
- Consider options for savings on cartage which may include discussions with Carpentaria Freight regarding pricing or may be implementing policies for ordering in bulk where practical and consider combining orders with other programs which still do their own ordering of certain items.

Future plans

It is not expected that the quantity of services expected by Council or the community will change significantly in the future given that there is not expected to be large population growth.

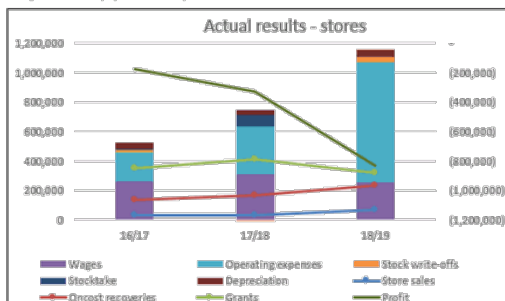


Financial performance

We were unable to perform a full analysis of historical results as we identified that due to inaccurate job coding of both revenues and expenses the financial results for the store and warehousing facilities job codes (1280) did not accurately reflect the actual activities undertaken and revenues collected.

Historical results

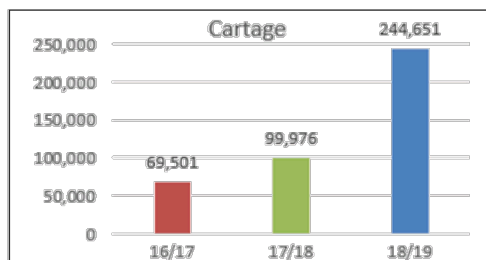
From a high level review of the financial results, we have noted that the store sales and oncost recovery revenues have been increasing steadily year on year however the expenditure has been increasing rapidly, specifically the operating costs. As a result, the deficits have increased significantly year-on-year.



Operating expenditure includes general warehouse operating expenses, sales expenses and cartage.

Due to the previous reporting, general warehouse operating expenses could not be disaggregated further therefore it is unknown why this cost increased by 174% from 2018 to 2019.

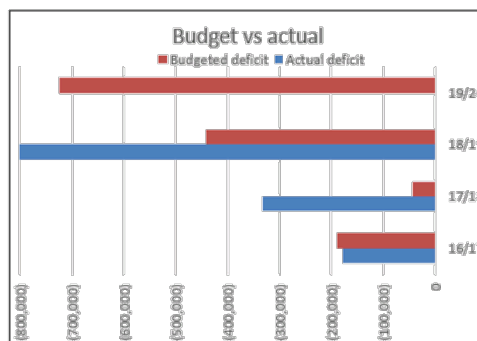
We have identified that there was a significant increase in cartage in the 2019 year which could not be explained.



Budget vs actual results

The program has consistently been budgeted for deficits. We note that in the 2018 and 2019 years the deficits have been 788% and 189% larger than budgeted respectively.

The budget was not met in 2019, revenue was 17% under budget, and the budgeted expenditure was exceeded by 158%.



Future focused

Included in the 2020 budget is an estimated \$65k of revenue from sales, \$229k of operating expenditure, \$512k of employee expenses and \$48k of depreciation. The budgeted deficit for the 2020 year is \$724k.

At the December half year we note that the total deficit incurred was \$471k. Following the trajectory of the half year results for 2020, it is likely that the actual deficit for the year will be approximately \$941k.

We noticed that in the half year results, there were no internal cost recoveries or costs of goods sold for a majority of the period.

No internal costs recoveries (revenues relating to internal sales) have been recorded. This appears to be due to a limitation within Xero as automated recoveries can not be established.

It was noted that the costs of goods sold internally are being recorded in the accounting system however these are not being job coded to a particular department. The costs of goods sold for external sales are also not always being job coded to the warehouse program. The lack of job coding in Xero appears to relate to incompleteness in the transfer of data from Dear Inventory to Xero.

As a result, costs of goods sold are not complete on the program financial reports resulting in inaccurate results.

Recoverability of debtors

We note that there is approximately \$20k in debtors at February 2020 relating to warehouse sales. Debtors are monitored and followed-up by the finance team in the same manner as other debtors within the Council.

Overall result

It has been determined that this is an essential service to the Council as a whole and it is necessary to maintain the store and warehousing facilities in order to support other Council departments to provide service to the community.

Currently the stores and warehousing facilities unit is incurring large deficits. Given that the purpose of this program is to provide logistical services and efficiencies of scale in relation to purchasing for other internal departments, it would be reasonable to expect at least a break-even result from this program.

We have considered options available to Council to improve financial sustainability for the stores and warehousing facilities program and for Council as a whole.

External sales are recognised at the point of sale along with the associated cost of sales (however these are not allocated at a department job code level). However there is no recognition of internal sales. Likewise with external sales there is no allocation of internal cost of sales at the department level.

Expenditure has been increasing each year and at a rate greater than revenue. The majority of expenses are relatively fixed (inventory purchase price, freight, depreciation etc.) however some improvement opportunities have been identified to reduce the operating costs of the program. We have also identified a number of improvement areas to improve the efficiency of operational matters.

The recognition of revenues and costs of goods sold are the key improvement areas that Council should focus on in order to return the program results to at least break-even.

Whilst we understand that recognising internal costs of goods sold against other programs may reduce the financial results for these programs, it is important to accurately reflect the costs taken for each program so that decisions regarding each program's financial performance, pricing decisions and overall sustainability can be made effectively.

Detailed findings

Finding	Recommendation
1 Reporting and monitoring of results From our review of the financial reporting available at the time of our internal audit visit, we noted a number of findings in relation to the financial reporting: Job coding We have noted numerous instances where job coding was incorrect or not performed: - A number of stores sales were not job coded to the warehouse department and therefore not included in the financial results for this program - Payables invoices have been incorrectly allocated to sales - Inventory purchases for the first three months of the 2020 year were allocated to costs of goods sold account within the warehouse department. Account coding Transactions that do not relate to the stores and warehousing facility have been coded to the warehouse department code in the system. This includes capitalised wages and salaries, external plant hire revenues, staff housing rent received, workshop sales and costs associated with the housing department. Internal sales Currently internal sales are not being recognised nor are other departments being allocated costs associated with their purchases from the store and warehousing facilities program. As such the revenues for the store and warehousing program are understated and the costs associated with other programs are understated. Overhead allocation to internal sales During discussion, it came to our attention that store and warehousing facilities have a 30% mark-up on all products sold to community members and external contractors. However, the internal sales are based on the item's purchase price, and no oncost is allocated to cover freight, labour or other costs incurred. Internal sales account for the most significant portion of store and warehousing unit transactions. This creates a risk that costs incurred are not allocated transparently throughout Council's departments. Recognition of costs of sales "Internal issues to production" (internal sales) are not being job coded nor are costs of goods relating to the stores external sales coded to the warehouse department when the transactions are imported from Dear Inventory to Xero. As a result, the costs allocated to this program are not complete or accurate.	It is recommended that internal sales and costs of goods sold are recognised against the relevant department codes. The following changes should be implemented: "Internal issues to production" should be allocated to the warehouse department. This may be able to be done in Dear Inventory, if not, a process should be implemented where the costs of goods sold are job coded once imported into Xero. - Internal cost recoveries ("sales") should be recognised within Xero. This can be done via journal on a monthly basis to recognise revenues to the warehousing department and expenditure to the other relevant departments. The internal cost recoveries amount should be determined by the cost of goods sold (internal issues to production above) plus an overhead percentage. The overhead percentage should be determined by allocating the general operating costs (cartage, electricity, wages, insurance, etc) as well as a portion of the corporate overheads (if they are allocated at a program level in the future) across the expected internal issues to production. - External sales prices should be reviewed to ensure that they cover the overhead costs in providing the item (same as the internal cost recoveries above) plus a percentage margin as determined by Council. - The financial results should be monitored on a monthly basis (at a minimum) to ensure that sales revenue is covering the costs of the expenses in order to achieve at least break-even. The sales prices should be adjusted accordingly to ensure that large surpluses and deficits are not being made. - A plan should be developed regarding what each program is responsible for and what costs and revenues relate to each program. A "cheat sheet" should be created for each program detailing how the transactions should be recorded for quick reference. - Training should be provided to all employees who are responsible for the recognition of financial transactions in regards to job coding and account coding. - The above changes should be factored into the next budget.

Detailed findings

Finding	Recommendation
2 Stock unit reordering point	
At the time of the internal audit review, it was noted that the Supply Coordinator and Warehouse Operations Officer are responsible for ordering supplies and products. The supplies stored are usually requested by Council's personnel or ordered due to high demand, such as gas, plumbing parts etc. Given its remote location the Council plays an essential role in the community and within Council as goods and supplies cannot otherwise be sourced locally. Stock is ordered by a manual process based on officers' understanding. The department has an inventory management system "Dear Inventory", however, does not use it to identify unit reordering points. This creates a risk that important items will not be available upon request to service the community and adds a time consuming manual component to a process that could otherwise be automated.	Council should investigate further its inventory management system "Dear Inventory" and identify stock units reordering points based on the Council and community needs.
3 Work order (job coding) closure practices	
Job codes are monitored by the operational departments as part of the developed structure while generation and close-out procedures are managed by the finance team. Discussion with officers highlighted that work orders could remain open until the project manager notifies finance that the project has been completed. This notification that the work needs to be closed occurs verbally. No work order status reports are produced for monitoring purposes and this can create an inability to close work orders on a timely basis. Further, in Xero, the closed work orders still remain active and officers are able to post expenses and journals to these closed work orders.	It is recommended that management examines the functionality within Xero to determine how to completely close work orders, and determine whether it is possible to classify completed project work orders as "Pending Closure". The use of a "Pending Closure" function can be an effective tool to ensure that only appropriate and committed costs are processed against work order numbers. Any uncommitted costs cannot be posted to a work orders unless approved by responsible personnel.

Detailed findings

Finding	Recommendation
4 Issuing of Protective Personnel Equipment (PPE) and uniforms	
Personal Protective Equipment (PPE) and uniforms are kept within locked and limited access area in store. The items are issued upon request by an officer. Although it is recognised that PPE are portable and attractive items, and therefore susceptible to theft, the store and warehousing facilities personnel do not produce any reports from inventory or accounting systems, identifying and tracking PPE requests by officer name and the frequency of their requests.	It is recommended to export reports on a quarterly basis and perform trend analysis of PPE issued to staff. This will enable store and warehouse facilities officers to identify any potential misuse through examination of trends and follow up if concerns are identified.
5 Policies and manuals for stores and warehousing facilities	
At the time of this review, Council had a formal procurement policy, however, there were no other policies or manuals for store and warehousing facilities operations. The majority of these duties are well-known by stores personnel, but given the high staff turnover rate within the Council, any work practices not documented can contribute to inefficiencies and impact on the desired service level standards in the event of staff turnover.	Management should develop a store manual to document current tasks performed by the store and warehousing facilities unit. This should include a procedure on the maintenance of the inventory and stores masterfile.
6 ApprovalMax system issues	
Council uses the ApprovalMax system, which is a cloud base approval workflow system that helps to optimise purchases and strengthens purchasing controls, which are based on Council's procurement policy. We noted Council staff approving large numbers of transactions which relate to multiple departments without notifying or seeking approval of other departments. This was possible as long as the transaction amounts were under their financial delegation limit.	Council should contact the ApprovalMax software provider and limit approval capacity by individual departments so that each manager can authorise once the goods have been received rather than one individual approving on behalf of the whole organisation.

Airport operations

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Executive summary

This report details the findings and recommendations arising from our Sustainability of Council's Programs review at Mornington Shire Council ("MSC"). The review was performed in February 2020.

Refer to **Appendix 1** for details of the objective, scope and approach for conducting the review.

Background

The airport program's purpose is to maintain the airport and meet the safety requirements of the Civil Aviation Safety Authority (CASA).

Council provides the use of the airstrip and terminal in exchange for landing and usage fees, and passenger levies.

The airport program has consistently made operating deficits (excluding grant funding). In 2018 and 2019 the program's results amounted to operating deficits of \$658k and \$721k respectively. These actual program deficits were greater than the budgeted deficits by \$50k and \$378k for 2018 and 2019 respectively.

The depreciation expense for the airport program for 2018 and 2019 was \$865k and \$894k respectively. We note that Council's operating losses are smaller than the depreciation expenses indicating that the revenues generated at the airport are covering the operating costs and are funding a small portion of the program's depreciation expense.

We have reviewed the airport operations and have determined that there are improvement areas Council can focus on in order to improve the program's financial outcomes.

Roles and responsibilities

Airport team

The airport department falls within the Executive Manager Technical Services responsibility. The airport department consists of one Airport Reporting Officer who reports directly to the Executive Manager. We note that the Executive Manager Technical Services is currently filled by the Water & Sewerage Team Leader who is performing higher duties in the absence of a permanent appointment.

The Airport Reporting Officer is responsible for the day to day operations of the airport and for managing the safety standards.

Key stakeholders

Internal

Internally, there are no internal charges from the airport to other Council departments as the airport does not support the operation of other departments. The airport does provide access to the island for Council's contractors and employees from the mainland.

External

The service that Council provides in maintaining an airport on Mornington Island is an essential service to everybody on the island whether it be individuals, government departments or businesses as it is the only way to travel to and from the island. There are numerous flights daily which include REX Airlines passenger flights, charter flights for contractors and court representatives, Royal Flying Doctor and Queensland Police Service which are only possible due to the service that Council provides.

Key information



\$15million of airport infrastructure (2019)



10 weekly passenger flights



13 flight operators using the airport (Dec 19)



2 staff involved in the process

Strategic direction

There are no documented objectives or goals for this program for either financial, strategic or community based objectives. Whilst the team does have a financial budget set for each financial year, it appears that the overarching objective identified was to comply with Civil Aviation Safety Authority requirements to provide a safe airport for the community.

Service planning

We note that a service plan has not been developed to determine what level of service Council can afford to provide that still meets the community needs.

We have held discussions with the program team in relation to service planning including identifying the service requirements, accurately determining the costs and revenues and monitoring the financial and operational results in order to make decisions regarding the level of service.

Identifying service requirements

- The main service provider, REX Airlines, is not appointed by Council but rather by the State Government. Council has no say regarding who is appointed as the provider nor how often the flights are scheduled.
- The services are considered to be an essential service to the community as the airport is the primary access point to the island.
- It is considered to be in the best interest of the community for the Council to continue to maintain the airport given the unpredictability in privatising this service.

Determining costs

We note that Council is not responsible for providing the community facing services, for example REX will perform the processes involved with passenger travel on their flights such as ticketing and baggage screening. Council is only responsible for maintaining the airport in accordance with CASA requirements.

Purchasing

Purchasing is performed in accordance with the procurement policy. There are minimal costs incurred in relation to purchases of materials. Purchases of materials usually relate to parts needed to perform maintenance for the airport, airstrip or ground equipment. The materials are not available from Council's warehouse as they are specific to the airport therefore they are ordered on an as needs basis.

Employees

There is one permanent employee at the airport. His wages and employment costs are recognised within the airport job code. In addition there are wages from other Council staff who are engaged to perform tasks where the Airport Reporting Officer does not have the required experience or tickets to perform, for example slashing, electrical and plumbing. When other Council employees are engaged to perform these tasks they job code the time taken to complete the task as well as any plant hours used on their timesheets which will then be included in the airport program's financial results.

The Waste Management Supervisor will also be involved in the Airport operations when the Airport Reporting Officer is on leave as cross-training has been conducted for this role.

Internal job costing

The airport department does not job cost its services to other departments however they do receive services and goods from other Council departments. These costs include plant, fuel and supplies from the store (i.e. safety equipment, uniforms and stationery).

No indirect costs such as administration or corporate costs are allocated to this program.

Determining revenue streams

Council receives airport landing and usage fees of \$42.73 per tonne with a minimum charge of \$94.55 for each plane which uses the Mornington airstrip. For REX flights this equates to \$562.08 (GST exclusive) per landing. Council also charges a passenger levy of \$20 per person.

These fees and levies are collected through a third party agency, AvData, and all receipts are on-paid to Council each month. These fees and charges, which are set by AvData, are included on Council's annual schedule of fees and charges.

We compared the schedule of fees and charges relating to the airport for the 2020 and 2016 financial years and noted that over the last four years there has been a total increase in the fees and charges of 10%.

Monitoring of results

Up until recently, no financial reports for the airport were being provided to the airport team for monitoring. Recently, the finance team have been developing management reports for each program so that the program manager can review the financial results in real time to ensure that costs are being recorded correctly and informed decisions can be made.

Budget vs actual results have also been made available to the program managers recently in order to receive their input into what capital and operational expenditure would be ideal for each program.

We note that for the month of January 2020, only \$1k of landing and passenger fees were collected from AvData given that the equipment that counts the plane landings and reports to AvData was broken therefore the number of landings was understated significantly. There is now currently a lengthy process in place to determine the number of landings within the month to report to AvData to collect fees. This problem could have been avoided if the information reported to AvData was being monitored on a regular basis.

Capital management**Ownership of assets**

Mornington Shire Council is located on land assigned to it under Deed of Grant in Trust (DOGIT) under Section 341 of the Land Act 1994. As such there is no ownership of the land within Mornington Shire Council's boundaries.

Whilst the land isn't owned by Council, the assets which Council has constructed on DOGIT land are owned and maintained by Council. These following airport assets have been capitalised and the depreciation for these assets is being recognised within the airport program:

- Airport Terminal Building
- Runway
- Airport fences, lights, beacon building, carpark
- Ground equipment.

Capital replacement

The average useful lives of the building assets are 55 years and the accumulated depreciation recognised for these assets equates to less than one year and are therefore due to be replaced by 2074 on average.

The average useful lives of the airport assets (runway, fencing, carpark etc) are 17 years and the accumulated depreciation recognised for these assets equates to 13 years therefore airport assets are due to be replaced in 2023 on average.

We note that historically the State Government has provided funding for the construction of the new airport building as well as the refurbishment of the runway. There is also expected to be grant funding in the next financial year to perform some required maintenance as identified in the recent aerodrome inspection which occurs annually.

Council expects that when the airport building and airstrip are due to be replaced or upgraded, this capital expenditure will be funded by State Government grants.

Maintenance

Council is required to maintain the airport at an acceptable standard to meet the CASA requirements.

We note that for large maintenance or refurbishment projects, State Government grant funding is typically obtained and this is expected to continue in the future.

Operations**Safety requirements**

The aerodrome is inspected annually by a certified consultant to ensure that the CASA requirements are being met. The report released in October 2019 indicated that some maintenance was required to the runway.

Overtime

Scheduling for works to be performed airside by internal Council team e.g. electrical and plumbing services is not communicated effectively with the Airport Reporting Officer in order to allow for appropriate scheduling. This often results in the Airport Reporting Office working after hours and incurring overtime costs to allow these service providers restricted airside access. Additionally, overtime is incurred due to delays in flights.

Opportunities for improvement

From our discussions during the review of this program a number of ideas were raised which could create new revenue streams at the airport:

- Charging REX airlines rental for the areas of the airport building which they permanently utilise in order to provide their services.
- Operating a cafeteria using the existing facilities within the airport building. This provides both a service to the community as well as a revenue stream to Council.
- Leasing out the cafeteria facilities to an external party so that they can operate a cafeteria.
- Providing a refuelling service from the airport.
- Review the contract with AvData to determine the current fee structure and identify if there are opportunities to increase fees or charge additional fees, e.g. callout fees for landings after hours.

The viability of these ideas has not been discussed. Consideration should be given as to whether the revenues and community benefit that could be generated from these ideas would outweigh the costs to implement.

Future plans

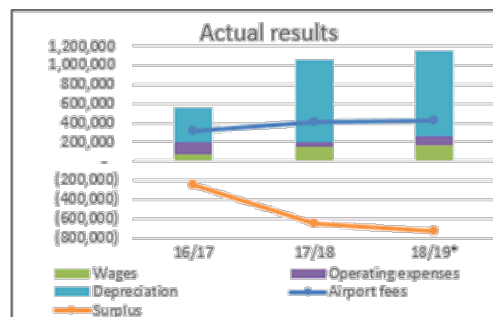
It is expected that the airport operations will remain constant moving forward given that the level of service is determined by the State Government. No significant changes in passenger numbers are expected.

Financial performance

We were unable to perform a full analysis of historical results as we identified that due to inaccurate job coding of both revenues and expenses the financial results for the airport program job codes (2350) did not accurately reflect the actual activities undertaken and revenues collected. We note that in the 2020 year job coding and internal job coding are beginning to be rectified.

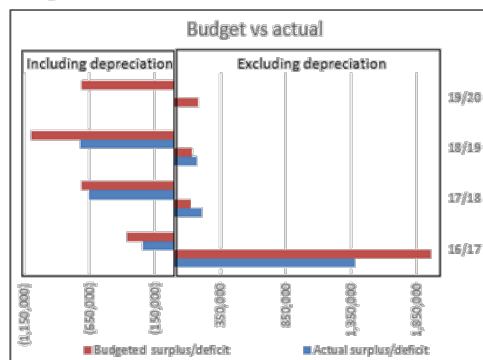
Historical results

From a high level review of the financial results, we have noted that depreciation expense and wage costs are trending upwards at a higher rate than the airport fees are increasing resulting in an increasing deficit for this program.



Note: Actual results above exclude grant revenue as grants are not expected to be comparable year-on-year.

Budget vs actual results



We note that the budget and actual results for the last three years are significantly impacted by the depreciation expense. Excluding depreciation we note that Council is making surpluses, although we note that these surpluses are reducing each year.

If we factor in the depreciation expense, Council is budgeting for deficits for the airport program and whilst the actual results have been deficits, they have been greater than budgeted.

We have excluded grant revenue from our comparisons above as these revenues are not associated with expenses as the costs incurred have been capitalised and would therefore inflate the results.

Future focused

Included in the 2020 budget is an estimated \$450k of revenue from landing and passenger charges, \$270k of operating expenditure and \$890k of depreciation expense. The budgeted deficit for the 2020 year is \$710k.

At the December quarter end we note that the total deficit incurred was \$330k. Following the trajectory of the half year results for 2020, it is likely that the actual deficit for the year will be slightly less than the budgeted deficit however this is not a sustainable result.

Financial position

Recoverability of debtors

Currently, AvData provides a monthly statement including the opening debtor balance, new invoices raised, collections, amounts remitted to Council and a closing balance. Council currently recognises the revenue on receipt of the monthly AvData deposit and therefore there are no debtors recognised in the accounting system for revenues which have not yet been collected.

AvData also provides a breakdown by debtor including ageing. We note that at December 2019, there was \$13.4k outstanding for longer than 90 days. There is currently no process in place for recognising airport debtors in the accounting system nor are there processes for monitoring and following-up long outstanding debtors.

Council does not have processes in place for monitoring the total revenues for which Council is entitled to receive relating to the airport landing fees and passenger charges. Council also does not have any processes in place for collecting any unpaid fees.

Overall result

It has been determined that this is an essential community service and that it would be in the best interests of the community for Council to continue maintaining the airport.

Currently the airport is making large deficits when factoring in depreciation expense. In order for this program to be sustainable the program would be required to internally fund the depreciation for the airport assets. Currently, Council relies on grant funding to replace capital assets at the end of their useful lives.

We have considered options available to Council to improve financial sustainability for the airport program.

Revenues in terms of landing fees and passenger levies are relatively fixed as prices are set externally and flight numbers are reliant on third parties. Council would be unable to raise fees to the extent necessary to generate a surplus. The most likely means for Council to increase revenue would be through additional flights to the island. Council could consider how to best achieve this i.e. supporting local tourism enterprises to attract greater tourist numbers/charter flights.

Council should consider operating a cafeteria or leasing airport space (including the cafeteria) to increase the revenue streams.

Like revenues, the operating expenses of the airport are relatively fixed and are considered to be quite slim. Minimum operating and safety standards at the airport limit the ability to reduce costs below a certain level however, we have identified some improvement areas to ensure costs are contained.

We have also identified a number of improvement areas to improve the efficiency of operational matters.

Whilst we have identified some findings which may improve the financial results of the program, we do not believe that these improvements will translate into sustainable surpluses for the program given the restrictions identified. Given that this service is considered to be essential, it is recommended that Council control costs and collect revenues as best it can while seeking sources of additional revenue.

Detailed findings

Finding	Recommendation
1 Strategic planning There appears to be a lack of direction for this program as Council's overarching objectives and goals do not seem to be applied nor are there specific financial, strategic or community based objectives set for the program. The strategic direction is neither documented nor communicated.	Strategic objectives for the program should be developed, documented and communicated to the team. When developing strategic plans consider: • Linkage to the overall goals and objectives included within Council's operational and corporate plans. • The level of service provided to the community, the community's expectations and how this service level is expected to change in the future. • How will the strategic objectives be measured and monitored. Perhaps KPIs can be developed for the program and linked to the employees' performance appraisals. • Document the objectives and goals for the program in a simple and easy to follow format that can be made readily available to the team and executives.
2 Documented procedures Currently only two staff have the knowledge and skills to perform the required duties at the airport. If these staff were to leave, this knowledge may be lost and the airport may no longer meet the CASA safety requirements and will not be able to operate cutting off access to and from the mainland.	Consider key areas that need to be documented for all roles and functions within the airport program and implement a plan to document these areas: • use flowcharts to document processes that clearly show responsibilities, and • document procedures, keeping it short, tight explanations, bullet points. Implement checklists to support procedures to ensure every required step or piece of information is completed at various stages of the process.

Detailed findings

Finding	Recommendation
3 Monitoring of revenues and receivables Currently there is no monitoring or review of the data provided to AvData regarding passenger or landing numbers. As a result there have been instances where revenues have not been realised, e.g. when the AvData equipment was not operational due to technical difficulties, the number of landings were not automatically transmitted to AvData and Council did not receive the revenues during this time. AvData sends monthly statements to Council which show the opening balance of airport debtors, plus revenues earned during the month, less the amounts collected and on-paid to Council to give the closing balance of the airport receivables. Council has not been recognising these airport debtors in the general ledger nor have the long outstanding debtors been followed up to ensure that the cash is received.	The role of monitoring the data transmitted to AvData as well as the role of recording, monitoring and following-up debtors relating to the airport should be delegated to the appropriate employees within the Council. This should include updating the designated employees job descriptions and equipping them with the appropriate training and skills to perform these tasks. From a financial reporting viewpoint, airport debtors should be recognised in the accounting system. While the AvData statement splits out each individual debtor, to simplify this process, Council could recognise the debtor in aggregate based on the AvData Billing Statement.
4 Employee management There is only one FTE allocated to this program. As such it is important to ensure that this employee has sufficient training and support to perform the role effectively. There have been additional wages allocated to this program from employees from other departments as they have performed tasks that the airport employee has not been trained in. During our discussions we identified that the role descriptions are not well communicated. For example, the AvData data collection point is located at the Council main office however it would be expected that this be located at the airport and monitored and maintained by the Airport Reporting Officer. However this expectation has not been communicated nor training provided for this task to be performed effectively.	It is important to establish effective employee management processes to improve operational efficiencies. The following should be considered: • Document the descriptions for roles within this program including what each employee is responsible for on a day to day basis. This job description can expand as employees are trained to take on new responsibilities. • Training could be provided to upskill employees to take on additional responsibilities which are currently being outsourced to other programs resulting in additional wages being incurred for this program. For example training to use machinery such as the slasher. • Regular performance appraisals which incorporate strategic KPIs and discussions regarding training needs and support needed by the individual to perform the role effectively.

Detailed findings

Finding	Recommendation
5 Inter-department communications It was identified that there have been overtime costs required by the Airport Reporting Officer due to poor planning and communication internally with other parties. The Airport Reporting Officer must supervise all parties who are airspace per safety requirements and he notes that often it is arranged for maintenance, electrical, plumbing etc. works to be performed on a Saturday morning or after hours and therefore overtime is required to accommodate these works.	Processes should be implemented to encourage the communication between different Council departments so that these services can be planned in a manner that reduces the overall costs to Council. This may include holding planning meetings with the managers or may be as simple as empowering department managers to regularly communicate with each other about their upcoming work and needs from the other departments.
6 Maintenance processes We note that there are safety requirements at the airport which are required to be maintained. From discussions with the airport team it was noted that a number of matters requiring maintenance have been brought to their attention. For example, maintenance was required to the lighting which has not been performed in a timely manner requiring \$8.5k to be spent on a new light box and bulbs. It has also been identified that there is a time delay when performing maintenance as stores does not keep parts on hand that are required at the airport and therefore purchasing and freight of parts can take from 10 days (urgent) to 4 weeks.	Assets will hold their value and have a longer useful life over which Council can receive the benefits if regular maintenance and servicing is performed and repairs are performed promptly. The following should be implemented: • Maintenance scheduling • Liaison with stores in relation to ordering parts regularly required by the airport eg. light bulbs with certain wattage. Business cases should be put forward in relation to additional equipment required for safety and maintenance e.g. generator required for landing lights for power outages that occur at nights given the time delays to obtain the parts to perform repairs.
7 Asset management planning The largest cost associated with the airport program is the depreciation of airport assets and therefore the management of the airport assets will be an important aspect in the sustainability of this program. We note that based on the current written down value and depreciation rates, the airport infrastructure (excluding buildings) is due for replacement by 2023 on average. Council does not have an asset management strategy or an asset management plan for airport assets.	An asset management plan should be established for the airport assets taking into consideration the expected service levels, useful lives, condition assessments and remaining useful lives. A maintenance schedule should also be established to ensure that the condition of the assets, particularly the runway, is maintained as this will extend the useful life of the assets. These plans should be followed and updated on a regular basis (e.g. annually or bi-annually) to ensure that the plans remain current and the depreciation expense is reflective of the actual expected cost and timeline for replacement of the assets.

Detailed findings

Finding		Recommendation
8	Additional revenue streams	
The financial results of this program are declining however there is limited scope for the expenditure to be decreased due to safety requirements at the airport. Currently the only stream of revenue is the landing and passenger levies charged. However opportunities have been identified to increase the revenue streams and potentially cover a larger portion of the costs in providing these services.		Consideration should be given to whether there are possible revenue streams which have not been realised and consider whether the revenues and community benefit that could be generated from these ideas could outweigh the costs to implement: • Charging REX Airlines rental for the areas of the airport building in which they permanently utilise in order to provide their services. • Operating a cafeteria using the existing facilities within the airport building. This provides both a service to the community as well as a revenue stream to Council. • Leasing out the cafeteria facilities to an external party so that they can operate a cafeteria.

Waste management services

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Executive summary

This report details the findings and recommendations arising from our Sustainability of Council's Programs review at Mornington Shire Council ("MSC"). The review was performed in February 2020.

Refer to **Appendix 1** for details of the objective, scope and approach for conducting the review.

Background

The waste management services program's purpose is to provide services to the community in regards to the collection and disposal of waste. In order to provide this essential community service, Council must maintain waste bins, earth moving equipment and a waste management facility.

The waste management facility is required to be remediated once the facility has reached the end of its life, expected to be 2030. This is an Environmental Protection Agency (EPA) requirement and as such a liability has been recognised in the financial statements for the first time in the 2019FY for \$1.094m which represents costs that are expected to be incurred by Council in 2030 upon the landfill closure as well as associated monitoring and maintenance costs for the subsequent 30 years.

A waste collection utility charge of \$1,490 per bin per year is being charged to provide this service.

We have reviewed the waste management services program and have determined that there are improvement areas that Council can focus on in order to improve the program's results.

Roles and responsibilities

Waste management team

The waste management department falls within the Executive Manager Technical Services responsibility. The waste management department consists of a Waste Management Supervisor who reports directly to the Executive Manager and is responsible for managing a team of three which includes a truck operator and two landfill officers.

We note that the Executive Manager Technical Services role is currently filled by the Water & Sewerage Team Leader who is performing higher duties in the absence of a permanent appointment.

The Waste Management Supervisor is responsible for the day to day operations of the waste management services and for managing the safety standards.

Key stakeholders

Internal

Council produces waste during providing services in other internal departments. Council has bins which are collected as well as disposing waste directly at the landfill facility.

External

Everyone within the Mornington Shire uses the services of the waste management facility including the rubbish collection service. Contractors, government departments, business and local residents are all external stakeholders of the waste management facility.

Key information



700 bins issued within Mornington Shire's region (approximately)



3 weekly bin collections



\$619,300 budgeted annual garbage charges (2020)



4 staff involved in the process

Strategic direction

There are no documented objectives or goals for this program for either financial, strategic or community based objectives. Whilst the team does have a financial budget set for each financial year it appears that the overarching objective identified was to complete three waste collections per week.

Service planning

We note that a service plan has not been developed to determine what level of service Council can afford to provide that still meets the community's needs.

We have held discussions with the program team in relation to service planning including identifying the service requirements, accurately determining the costs and revenues and monitoring the financial and operational results in order to make decisions regarding the level of service.

Identifying service requirements

The current level of services provided are three waste collections per week, island wide. From our discussions with the waste management team, the bins collected on Monday, Wednesday and Fridays are usually full.

The landfill site is also available for the disposal of rubbish at no charge. Access to the landfill is not restricted at any point to encourage rubbish to be taken to the landfill rather than being disposed of elsewhere on the island.

We note that the level of service provided in this community exceeds the service levels that we see within other similar townships. We note that Burketown, Normanton and Karumba all have one residential waste collection per week. Normanton and Karumba separate the commercial waste collection from the residential and perform additional services for commercial users.

The community as a whole should be consulted to determine the value that they place on the current level of service and whether this service could be reduced without having a significant impact on the community.

Determining costs*Purchasing*

There are minimal costs incurred in relation to purchasing of goods and services at the waste management facility.

Employees

Employee wages form a majority of the costs incurred in relation to the waste management facility.

The current level of service provided requires two employees to perform the waste collection three times a week due to the fact that the bins are not placed on the kerb for the truck to pick up automatically. We also note that the Monday and Wednesday collections take the two employees a full day to perform and the Friday collection takes a half day. On Tuesdays and Thursdays the employees work from the waste management facility and are predominantly sorting waste into categories and using equipment to push the waste into piles such as general, green waste, steel etc. given that the bins are used for all waste types.

Internal job costing

The waste management department receive services and goods from other Council departments. These costs include plant, fuel and supplies from stores (i.e. safety equipment, uniforms and stationery).

No indirect costs such as administration or corporate costs are allocated to this program.

Determining revenue streams

The waste management facility program has one revenue stream. Waste management levies are collected from the community as part of the 'rating' process. These waste levies are charged at \$1,490 per bin for the 2020 year. Per Council's revenue statement, this service charge has been increased by 5% from the 2019 year.

The waste management charges are levied annually. We note that there were approximately 700 bins which were levied within the shire in the 2020 year (note that bins used internally by Council are exempt).

Monitoring of results

Up until recently, no financial reports for the waste management facility were being provided to the program team for monitoring. Recently, the finance team have been developing management reports for each program so that the program manager can review the financial results in real time to ensure that transactions are being recorded correctly and informed decisions can be made.

Budget vs actual results have also been made available to the program managers recently in order to receive their input into what capital and operational expenditure would be ideal for each program.

There are currently no mechanisms in place for monitoring other results such as recoverability of receivables and return on assets.

Capital management**Ownership of assets**

Mornington Shire Council is located on land assigned to it under Deed of Grant in Trust (DOGIT) under Section 341 of the Land Act 1994. As such there is no ownership of the land within Mornington Shire Council's boundaries.

Whilst the land isn't owned by Council, the assets which Council has constructed on DOGIT land are owned and maintained by Council.

These following waste management facility assets have been capitalised and the depreciation for these assets is being recognised within the program:

- Rubbish depot (Donga)
- Dangerous goods shed.

We note that the landfill itself should not be capitalised given that the Council does not own the land on which the landfill is located.

Equipment used for waste management such as the old garbage truck, new garbage truck and dozers, are owned by the plant department and are charged internally to the waste management facility program. As such no depreciation is recognised for these assets.

Capital management (cont.)**Capital replacement**

The average useful lives of these assets are 30 years and the accumulated depreciation recognised for these assets equates to less than one year and are therefore due to be replaced by 2049 on average.

Council expects that when the landfill site is required to be remediated at the end of its life (estimated to be in 2030), the remediation costs are likely to be funded by the State or Federal Government as Council does not currently have funds for this expenditure.

Per the Council's budget, it was noted that Council is currently creating internal reserves as a method of putting aside funds in order to cover the future costs associated with the rehabilitation of the waste management facility. In the 2019-20 financial year it is budgeted that \$321,700, being the budgeted surplus for the year, will be transferred to the internal reserve for waste management.

Whilst it is a positive step to create internal reserves to set aside the programs annual surpluses to fund future remediation expenditure, this will only be effective if the program meets budget.

Maintenance

Maintenance of the bins, equipment and waste management facility is the responsibility of the waste management team. Maintenance costs have been minimal however we note that there has been some equipment requiring maintenance that has not occurred resulting in the equipment deteriorating to a point where the equipment is not functioning. An example are the pumps that move water from the waste pits to the leach ponds which are not currently working as the maintenance was not completed when it was first identified that they were not operating effectively.

Operations

We noted that there are a number of operational difficulties in regards to waste management that need to be overcome to provide a more efficient service.

There are difficulties with animal control and as a result bins are regularly secured to fences and the lids fastened shut to keep the animals out. This hinders the collection process as an extra staff member is required to locate the bins and deliver them to the garbage truck on the kerb so that the garbage truck can lift the bin and empty the contents into the truck.

There are also no restrictions on the rubbish that can be placed into the Council rubbish bins. The waste team noted that the rubbish from the Council bins that they are sorting through contain everything including deceased pets and hospital sharps waste. There is no method in the way that rubbish is disposed at the landfill site. Customers do not follow the signs that are currently in place at the landfill concerning the locations to dispose of each category of waste which requires additional work by the waste management team to sort through and organise.

Opportunities for improvement

From our discussions during the review of this program a number of ideas were raised which could benefit the waste management program:

- Perform a stocktake of bins and ensure that they are all being charged the annual garbage service charge.
- Implement programs such as animal control and community education with the focus of streamlining the bin collection process.
- Fees for disposal of commercial rubbish direct to the landfill site could be added to the schedule of fees and charges. This could be an effective revenue stream if the landfill site is manned during working hours so that fees could be collected.

- There could be an opportunity to participate in the container for cash scheme. This may be beneficial to Council if a cost effective method of transferring the containers to a recycling facility can be sourced.
- Recycling program – It may be possible to implement a recycling program where recyclables such as cardboard and bottles can be collected in separate bins and then sold on the mainland. Council should consider reaching out to other remote Councils to identify whether there are any easy solutions to reducing the amount of waste which fills the landfill each year, whether there are opportunities to sell these recyclable materials and whether there are any potential cost savings to be achieved by working with other Councils.

The viability of these ideas has not been discussed. Consideration should be given as to whether the revenues and community benefit that could be generated from these ideas would outweigh the costs to implement.

Future plans

The future plans for the waste management facility are to improve the operations at the landfill site including implementing better signage and having an employee stationed at the facility to direct the community to the correct areas to dispose of their waste. In order to have an employee stationed at the landfill, there are plans to eventually have a structure with a generator, toilet facilities and clean water.

Ideally the waste team would like to reduce the amount of time performing the waste collections and potentially providing collection services fewer times a week. In order to do this it has been identified that there will need to be education within the community regarding what should and should not be placed in the Council bins. Animal control services will also need to be increased so that bins can be left on the kerb without being knocked over by horses and dogs.

Financial performance

We were unable to perform a full analysis of historical results as we identified that due to inaccurate job coding of both revenues and expenses the financial results for the waste management job code (2905) did not accurately reflect the actual activities undertaken and revenues collected.

Historical results

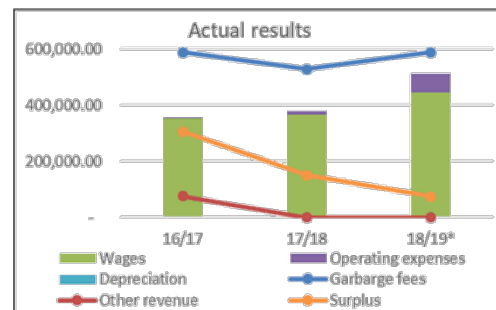
Revenues

Revenues relate to the waste management levy. Historically this has been the only revenue stream for this program. The waste management levies have remained relatively consistent for the past three years.

Expenditure

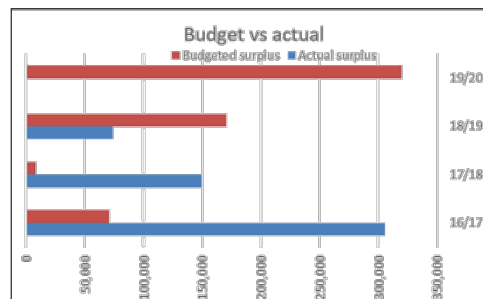
Currently there are several main costs associated with the waste management services program, including:

- Wages: in 2018 and 2019 the wages costs associated with this program have increased by 4% and 22% respectively. The wage increase in 2019 appears to relate to an increase in hours taken to provide the same level of service indicating that there are labour inefficiencies.
- Operating costs: in 2018 and 2019 the operating costs have increased by 187% and 436% respectively.



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Budget vs actual results



The Waste Management Facility has made surpluses over the past three years and are budgeted to make a large surplus in 2020. We note however that over the past three years the actual results have reduced significantly each year and in the 2019 year the budget was not met.

The budgeted surplus for the 2020 year is \$319,700 which is larger than in previous years. We have compared the results to the end of January 2020 to the budget and note that currently the program is only projected to achieve 75% of this budgeted surplus.

The entire revenue for the year should have been recorded given that the waste management charge was levied in August 2019 however the total charges levied were only 85% of the budgeted charges.

The wages have been budgeted to decrease by 53% compared to the 2019 actuals and operating expenses are expected to increase by 30%. It appears as though this budget was set with the expectation that the operation of the waste collection truck would only require one employee rather than two which hasn't been the case.

Future focused

This program is unique in the fact that the "assets" relating to this program have not been capitalised as it is the accounting policy not to capitalise landfill assets if the land on which they are located is not owned by Council. As a result, the future sustainability of the program cannot be determined by whether or not the program can fund the depreciation expense. Council has a future liability to remediate the current landfill site which is expected to occur in 2030. Also as part of the future liability for Council are ongoing maintenance and monitoring costs for the landfill. These costs together have been estimated by AECOM to be \$1.094m. Council is beginning to set aside the surpluses of this program into an internal reserve from 2020 in the hopes of funding these costs in 2030.

Additionally, as the current site closes in 2030, a new landfill site will need to be established. At present, Council does not have the equipment nor employees with the necessary qualifications or experience in order to establish new pits therefore it is likely that external contractors will be required to establish the new landfill sites which may come with a significant cost.

Council should determine an estimated future cost for establishing the new site and create a plan to be able to fund these costs.

Waste utility service charges

Recoverability

From our review of the aged receivables detail we can identify that there are seventeen debtors outstanding for annual charges totalling \$665,564 which includes annual waste, water and sewerage charges. We note that the total general charges invoiced during the 2020 year amounted to \$2.2million indicating that approximately 30% of the revenues are yet to be collected.

Sixteen of these debtors are in the greater than three months ageing bracket.

Overall result

It has been determined that this is an essential community service and that it would be in the best interests of the community for Council to continue providing waste management services.

Currently the waste management facility program is making small surpluses when factoring in depreciation expense. The small surpluses currently being realised are not sufficient to cover the future restoration costs and subsequent monitoring costs nor sufficient to support the establishment of a new waste management facility upon the closure of the current facility in 2030. In order for this program to be sustainable the program would be required to internally fund these restoration costs. Currently, Councils plan is to rely on grant funding for the restoration of the landfill which may not be sustainable.

We have considered options available to Council to improve their financial sustainability for the waste management services program.

The revenue for the program is relatively set given community expectations that yearly increases in rates will be minimal. While Council has the ability to set the waste charges at any amount it considers appropriate, any increase other than small annual increases would be unpalatable to the community. It is unlikely Council could generate sufficient revenues to fund the provision for the landfill remediation without additional charges or levies.

Expenditure has been increasing over recent years despite no growth in the services provided by the program. There are a number of options to reduce operational costs and improve operating efficiency however these need to be actioned with third party assistance.

Whilst we have identified some findings which may improve the financial results of the program, we do not believe that these improvements will be able to fund the costs to remediate the current landfill and construct a new landfill.

We believe that Council will need to make changes to the direction of the program to move forward in a sustainable manner. In the medium term Council should consider setting up and maintaining a waste station to enable the collection of waste disposal fees and charges and the better management of waste disposal as well as embracing recycling, in whichever form this takes for Mornington Shire Council. This will involve community education and a culture of embracing change within Council.

Detailed findings

Finding		Recommendation
1	Strategic planning	
There appears to be a lack of direction for this program as Council's overarching objectives and goals do not seem to be applied nor are there specific financial, strategic or community based objectives set for the program. The strategic direction is neither documented nor communicated.		Strategic objectives for the program should be developed, documented and communicated to the team. When developing strategic plans consider: • Linkage to the overall goals and objectives included within Council's operational and corporate plans. • The level of service provided to the community, the community's expectations and how this service level is expected to change in the future. • The level of service that Council can afford to provide and work on adjusting the community's expectations to align to what Council can afford. • How will the strategic objectives be measured and monitored. Perhaps KPIs can be developed for the program and linked to the employees' performance appraisals. • Document the objectives and goals for the program in a simple and easy to follow format that can be made readily available to the team and executives.
2	Documented procedures	
Currently only two staff have the knowledge and skills to perform the required duties for the waste collection along with operations at the waste management facility. If these staff were to leave, this knowledge will be lost.		Consider key areas that need to be documented for all roles and functions within the waste management facility program and implement a plan to document these areas: • use flowcharts to document processes that clearly show responsibilities, and • document procedures, keeping it short, tight explanations, bullet points. Implement checklists to support procedures to ensure every required step or piece of information is completed at various stages of the process.

Detailed findings

Finding	Recommendation
3 Employee management There are five employees of this program who are employed for a total of four full time equivalent positions. Wage costs have increased by 22% in 2019 when compared to 2018 to perform the same services which may indicate that there are labour inefficiencies.	It is important to establish effective employee management processes to improve operational efficiencies. The following should be considered: • Document the descriptions for roles within this program including what each employee is responsible for on a day to day basis. This job description can expand as employees are trained to take on new responsibilities. • Training should be provided to upskill employees to take on additional responsibilities which are currently being outsourced to other programs resulting in additional wages being incurred for this program. For example training to use machinery such as the bulldozer. • Regular performance appraisals which incorporate strategic KPIs and discussions regarding training needs and support needed by the individual to perform their roles effectively. • Ensuring that employment arrangements are structured to ensure that the maximum productivity is achieved for the wage cost.
4 Maintenance planning It was identified that there has been some equipment requiring maintenance however the maintenance required has not occurred resulting in the equipment deteriorating to a point where the equipment is not functioning. For example there are pumps that move water from the waste pits to the leach ponds which are not currently working as the maintenance was not completed when it was first identified that they were not operating effectively. As a result, these pumps will require extensive maintenance works or replacement which is coupled with costs above and beyond the costs that would have initially been incurred to perform the maintenance.	We recommend that Council undertake a process to identify what the maintenance requirements for this program are and determine a maintenance schedule to be implemented with the aim of maintaining the condition of the assets to extend their useful lives and reduce future maintenance and replacement costs.

Detailed findings

Finding	Recommendation
5 Monitoring of revenues and receivables We note that the current revenues allocated to the waste management services program are purely annual waste charges. From our review of the debtors listing it is noted that approximately 30% of the annual charges (including waste, water and sewerage) are overdue. This is a significant percentage of annual charges debtors to be overdue. Per Council's Revenue Statement, interest of 9.83%p.a. will be charged on overdue annual charges however it does not appear as though the interest is being charged. This is a missed revenue source for Council.	We recommend that Council consider charging interest on overdue annual charges as outlined in the revenue statement. Consideration should also be given to increasing efforts in monitoring and following-up debtors however we note that this is a difficult situation.
6 Focus on reducing costs The bin collection process is inefficient resulting in large wage costs. We have noted a number of inefficiencies which may be resulting in unnecessary costs, including: • there are difficulties with animal control which hinders the collection process as bins must be located on the property and taken to the rubbish truck by Council staff. • there are no restrictions on the rubbish that can be placed into the Council rubbish bins. • there is also no method in the way that rubbish is disposed at the landfill site. • customers do not follow the signs at the landfill resulting in the waste management team being required to sort through and move the waste.	The following should be considered: • implementing an animal control program to reduce the impact of wild animals within the community including on the bin collection process. • community education programs regarding the processes for bin collection, i.e. leaving the bins on the street to be collected and what waste can be put into the bins. • whether the current model of three collections per week with one bin per collection could be modified to double the number of bins each property has and halve the frequency of collections as this will enable efficiencies to be gained. • Whether the cost of having a permanent position based at the landfill to direct where waste is dumped would result in cost savings when compared with the current method of moving the waste to the correct piles after the fact. If an employee were to be permanently located at the landfill, they could also be responsible for collecting dumping fees per the fees and charges schedule (if charges for dumping certain waste items were implemented).

Appendices



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Appendix 1

Objectives and scope of work

Objectives

The objectives of this project are to:

- Gain an understanding of the structure and operations of Council's key programs
- Gain an understanding of the future sustainability of these key programs.
- Gain an understanding of how the programs can be monitored to reduce risk of over expenditure.

Period covered

These procedures will be completed in the year ending 30 June 2020.

Scope

The scope of the project will include the following to the extent possible within the agreed budget. Note that the below procedures are unlikely to be achieved for all projects but will be completed in order of priority to Council. Projects listed below are in their order of priority:

- Obtain a detailed understanding of the Council's key programs, including:
 - Community housing programs
 - Barge operations
 - Workshop and plant operations
 - Store and warehousing facilities
 - Airport operations
 - Waste management services
- Review financial results of each operation over the past two years and future forecasts.
- Discuss future operations with key Council stakeholders for each program to understand future plans.
- Work with Council to develop a sustainability analysis for each of the programs within the scope.
- Draft a report addressing the sustainability of each program including issues identified and suggested action plans. Provide a draft report to stakeholders for comment.

Stakeholders consulted

The following stakeholders were consulted as part of the workshop and plant operations review:

- David Torr (Acting Executive Manager Technical Services)
- Geoff Size (Workshop Manager)

The following stakeholders were consulted as part of the store and warehouse facilities review:

- Shannon Wells (Warehouse Manager)
- Melissa Pomare (Supply Coordinator)
- Owen Jensen (Finance and Administration Manager)

The following stakeholders were consulted as part of the airport operations review:

- David Torr (Acting Executive Manager Technical Services)
- Allan Seckington (Airport Reporting Officer)

The following stakeholders were consulted as part of the waste management services program review:

- David Torr (Acting Executive Manager Technical Services)
- Harold Cameron (Waste Management Supervisor)

In addition, we also communicate with the following stakeholders in relation to the financial results for all four programs:

- Kerry Whiting (Executive Manager Finance and Human Services)
- Owen Jensen (Finance and Administration Manager)
- Lyndon Prior (Contract Accountant)

Appendix 2

Cost versus impact matrix

Matrix

To use the matrix, you score tasks based firstly on their impact (improvement is sustainability) and secondly the cost needed to complete them.

You then use your scores to plot these activities in one of the four quadrants below.

Prioritise

Quick Wins (High Impact, Low Cost)

Quick wins are the most attractive projects, because they give you a good return for relatively little effort. Focus on these as much as you can.

Major Projects (High Impact, High Cost)

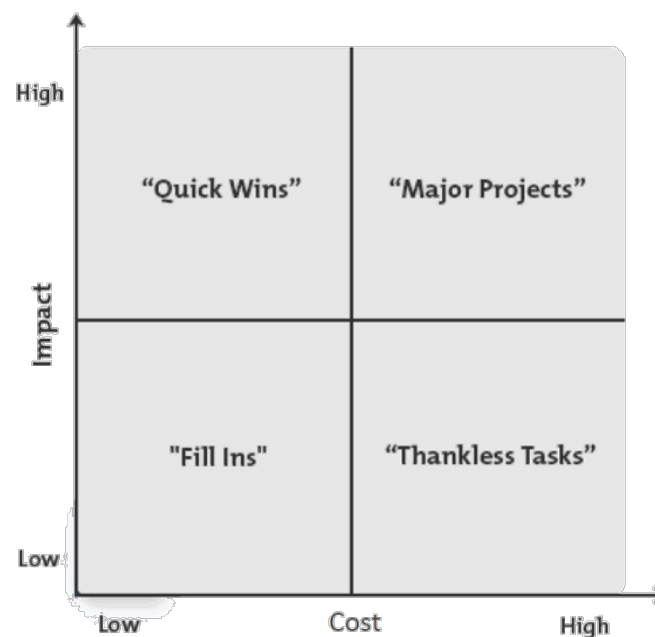
Major projects give good returns, but they are time-consuming and costly. This means that one major project can "crowd out" many quick wins.

Fill Ins (Low Impact, Low Cost)

Don't worry too much about doing these activities – if you have spare time, do them, but drop them or delegate them if something better comes along.

Thankless Tasks (Low Impact, High Cost)

Try to avoid these activities. Not only do they give little return, they also soak up time that you should be using on quick wins.



https://www.mindtools.com/pages/article/newHTE_95.htm

Inherent limitations & Restriction of use

The matters raised in this report came to our attention during the course of our review, as a result of our testing performed. Testing is conducted on a sample basis, over a specific period of time, and our report therefore provides assurance regarding the operating effectiveness of the actual controls tested. The possibility therefore exists that our report may not include all weaknesses that exist or improvements that may be made where these relate to controls not tested as part of this review.

Our review is not a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities. Management should therefore not rely solely on our report to identify all weaknesses that may exist.

Our comments should be read in the context of the scope of our work as detailed in the terms of reference. Where possible, management representations are independently verified, though some findings within this report may have been prepared on the basis of management representations which have not been independently tested.

Suggestions for improvement should be assessed by Mornington Shire Council in their full commercial impact before they are implemented.

This report has been prepared solely for the use of Mornington Shire Council and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose.

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13.3 FINANCIAL REPORT AS AT 30TH APRIL 2020**Author:** Finance Manager

Attachments: 1 Financial Statements as at April 2020
 2 Capital Budget Summary as at April 2020

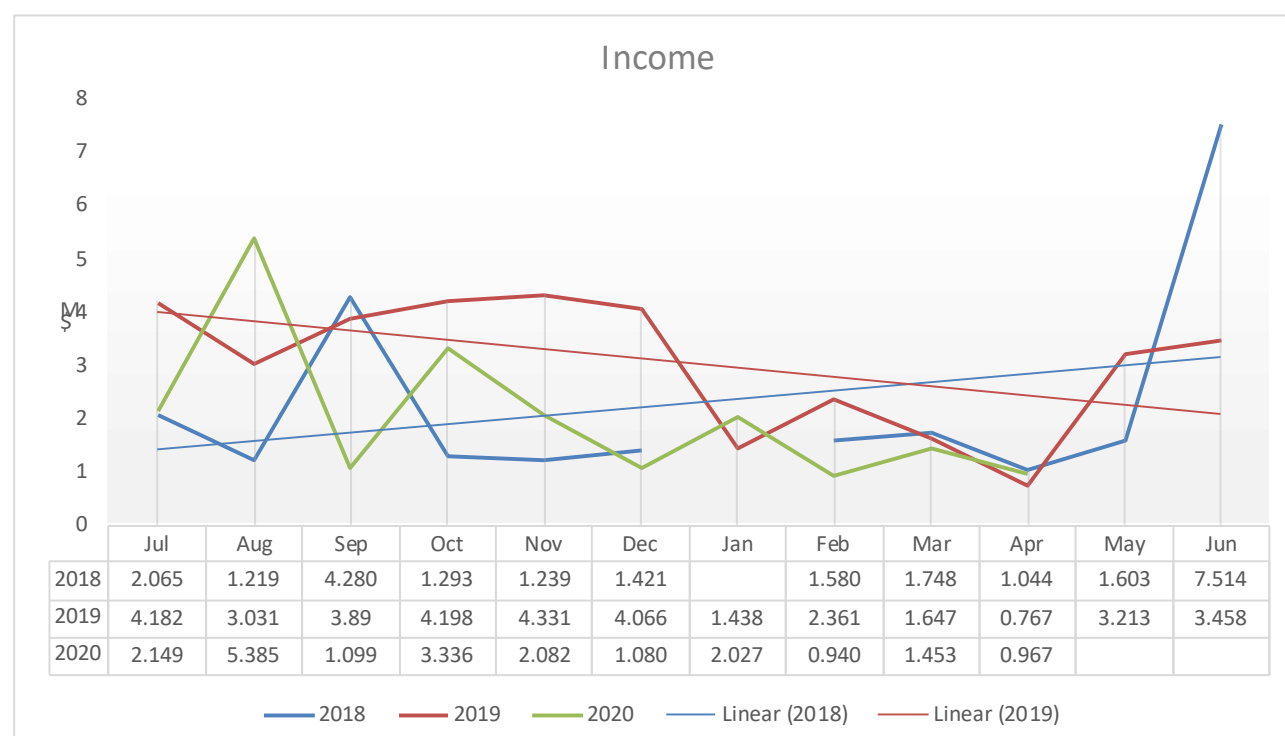
PURPOSE (EXECUTIVE SUMMARY)

This report provides Council with a financial report as required under Section 204 of the Local Government Regulation 2012. The financial report must state the progress that has been made in relation to the local government's budget for the period of the financial year up to a day as near as practicable to the end of the month before the meeting is held. This report provides the following attachments as supporting information as at 30th April 2020 (i.e. 83.33% through the financial year);

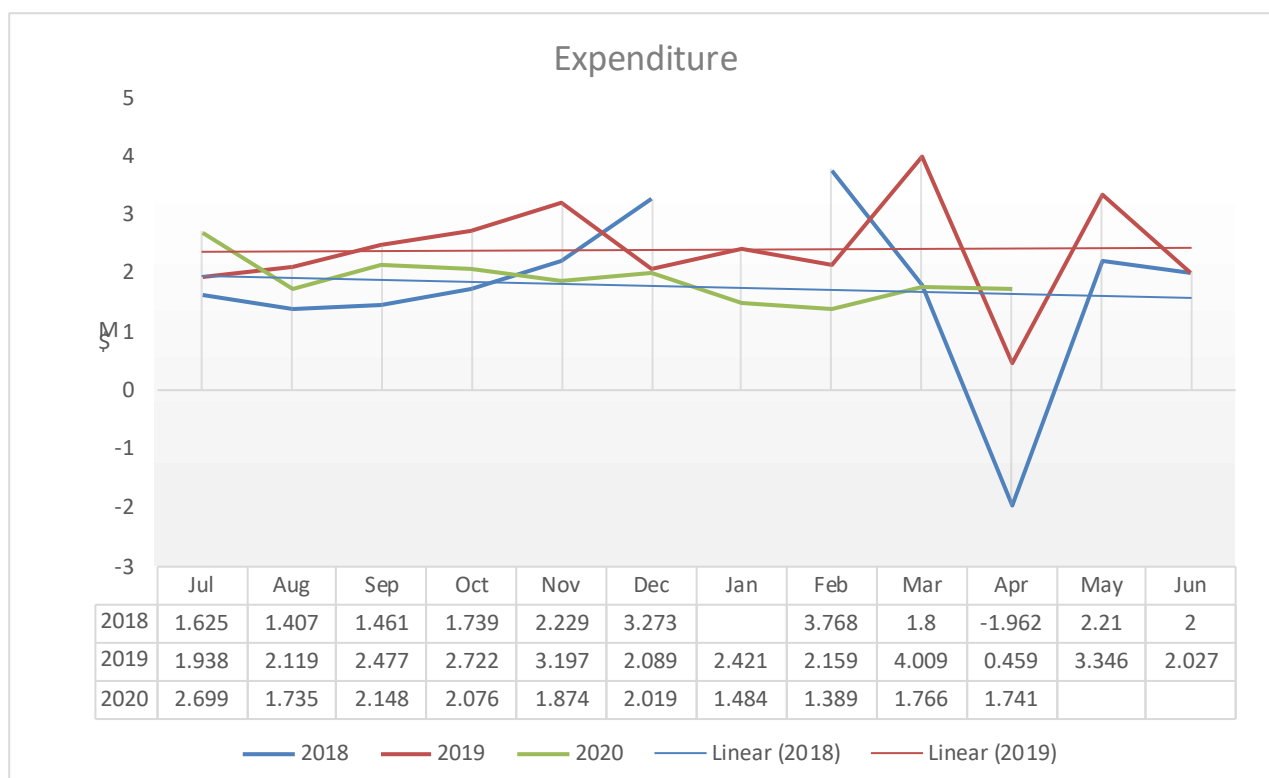
- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Cash Flows
- Capital Budget Summary

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION

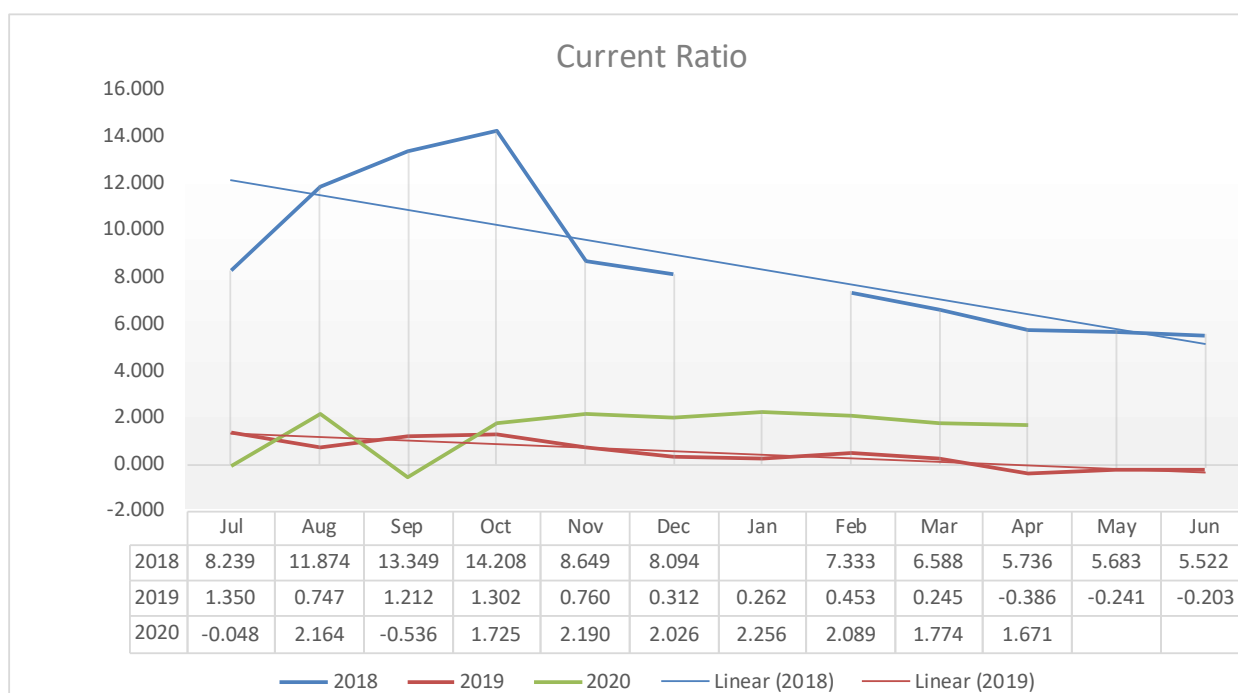
The following graphs illustrate the main points of interest. The data is drawn from the attached documents and comparative information which has been drawn from information presented to council in previous reporting months.



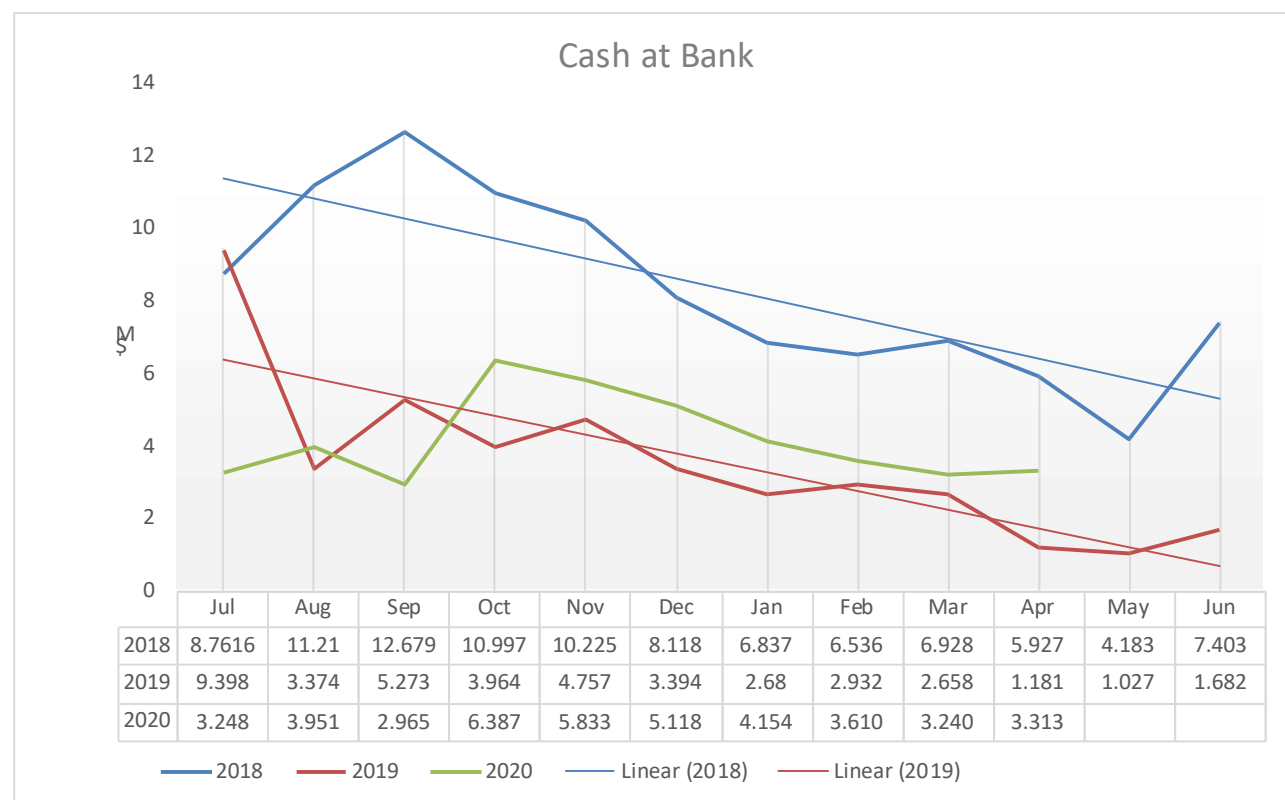
Comment: Total Income at 58% of total budget. Slightly down on budget YTD, predominantly as a result of timing of forecasted capital grants and contributions for disaster recovery works. Total recurrent revenue is 71% of budget as at 30 April 2020.



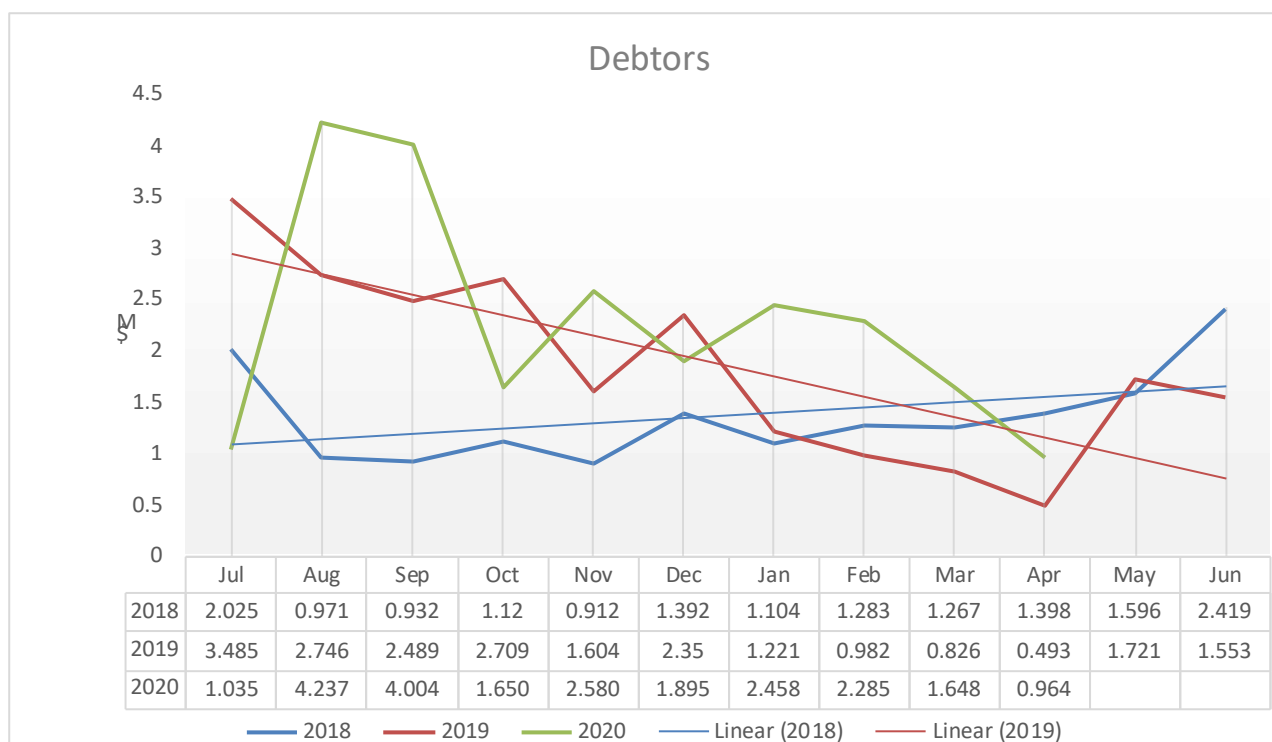
Comment: Expenditure at 76% of total budget and below the current budget. Employee benefits are currently 75% of budget as at 30 April 2020, materials and services are currently at 72% of budget. There is housing expenditure included in materials and services totalling approximately \$150,000 relating to variations in works which is still to be recovered. Depreciation expense is currently above budget, and an exercise in reviewing estimated useful lives of road infrastructure is being performed to ensure the fixed asset registers reflect current maintenance and renewal programs.



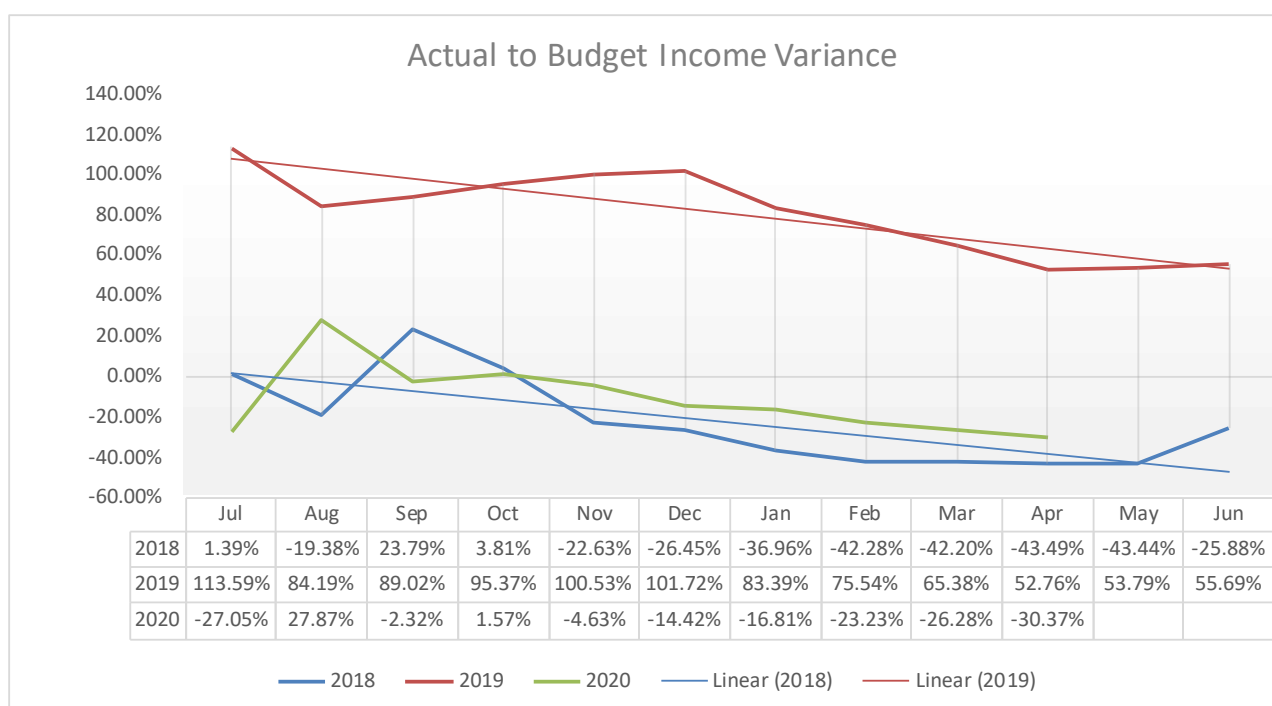
Comment: A current ratio above 1 is considered a minimum. Compared to 2018 this indicator excludes unexpended grant balances and debtors older than 30 days being included from current assets. It is envisaged this indicator will decrease in the later half of the year as Council draws down on the operational assistance grants received.



Comment: This graph provides comfort if it is trending upwards. This has remained at a similar value in April 2020. When unexpended grants are excluded, Council has a positive cash at bank of \$0.609m, and improved during the month of April 2020. Similar to the current ratio, this is expected to decline in future months as Council draws down on the operational grants.

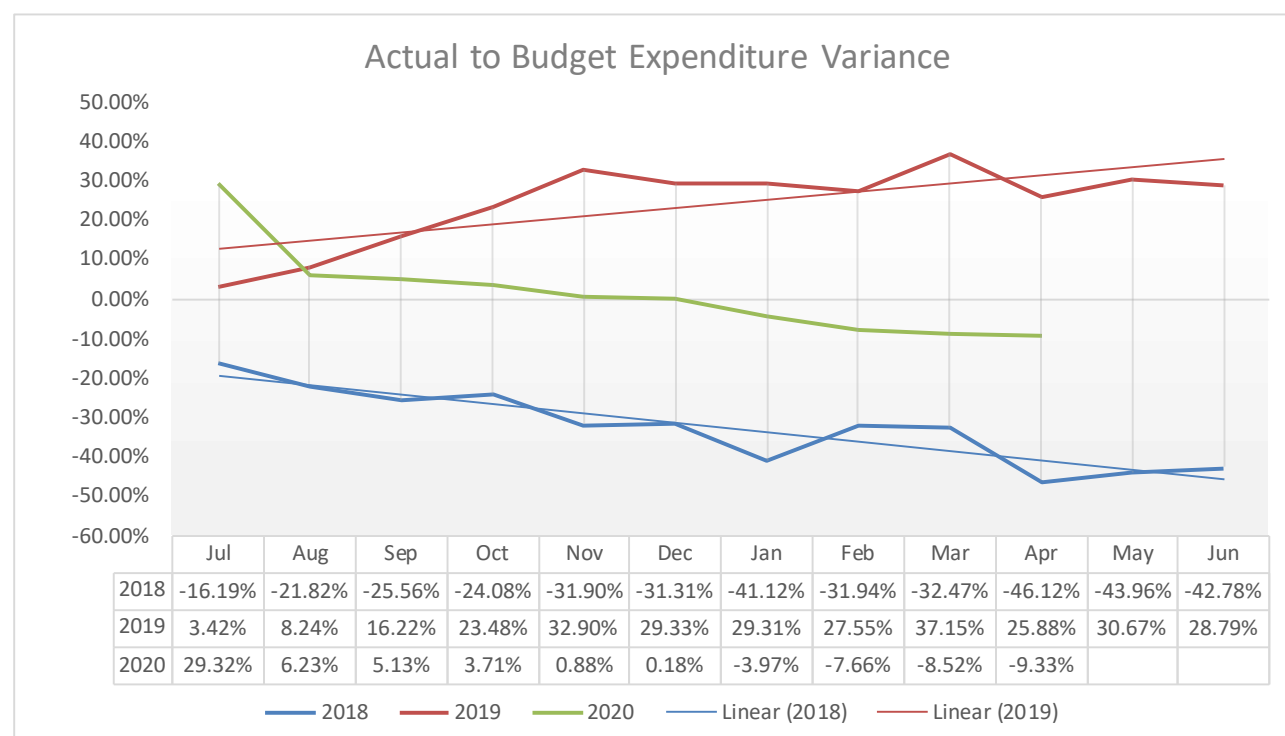


Comment: This graph should be trending downwards from the commencement of each year and has well and truly commenced this trend for 2019/2020. Whilst good progress has been achieved in the collection of council service charge revenue and ongoing housing program works, there are still several general service charges being followed up. A further reduction in council service charges is expected to be paid in June 2020 as institutions pay their final quarterly instalment. Council will refer old accounts not being paid to debt collectors.

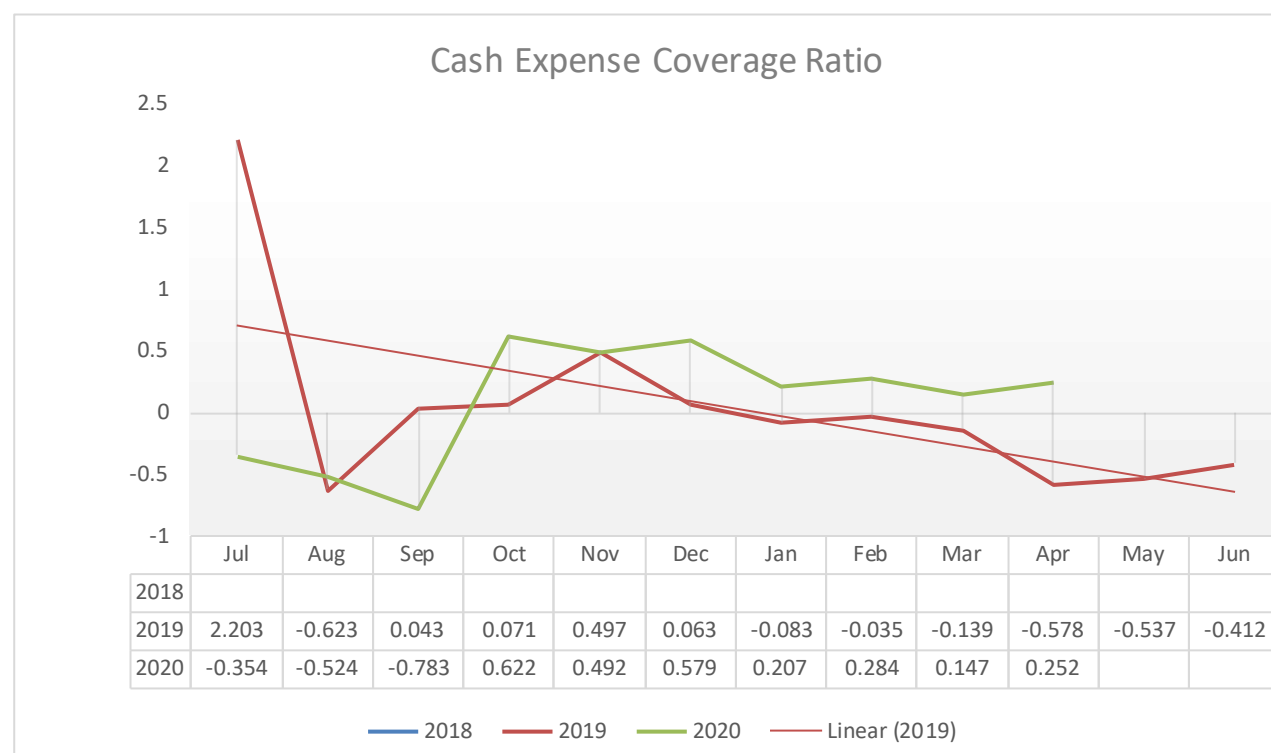


Comment: This graph should hover around the 0 +/- 5% trend line. This would represent an organisation on track with budget management and may take years to develop. A large diversion from 0% indicates a poor budget prediction for income by managers. Increased ownership and education measures have been developed as part of this year's budget process. The Actual to

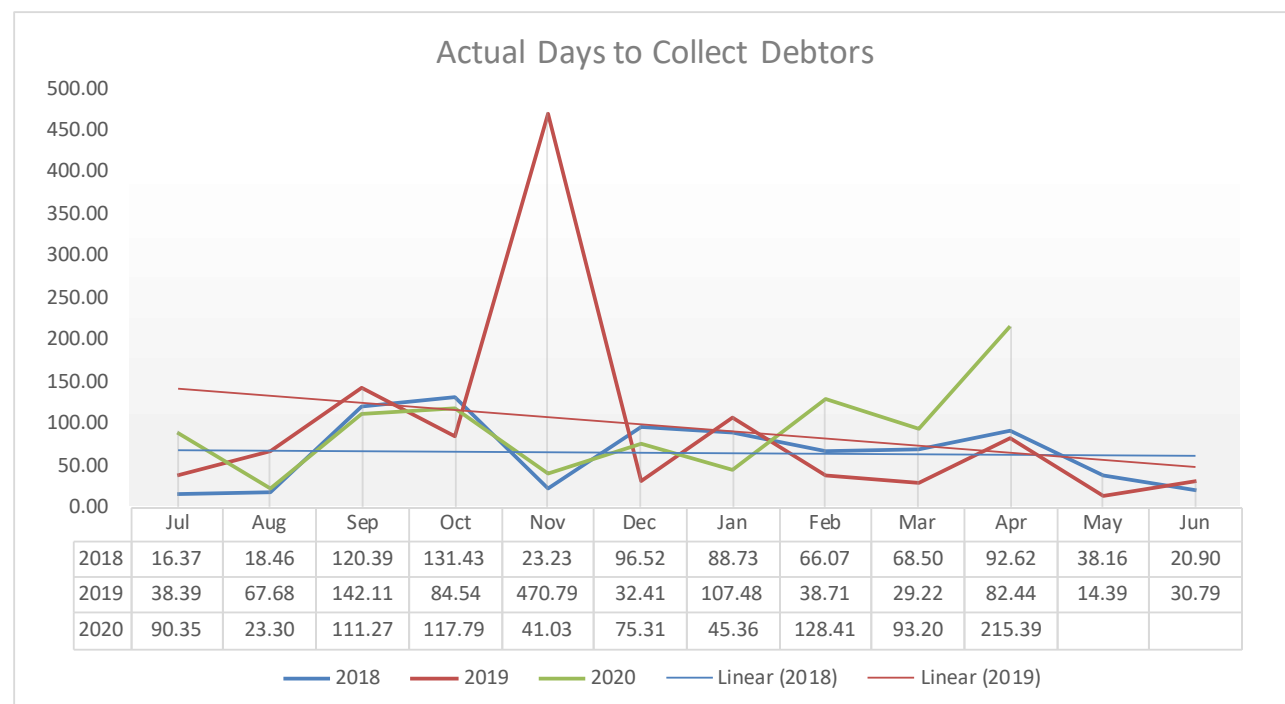
Budget Income variance has just fallen to -30.37% in April 2020, which predominantly is due to timing differences on the forecasting of Capital Grants and Contributions, i.e. disaster recovery funding.



Comment: This graph should hover around the 0 +/- 5% trend-line. This would represent an organisation on track with budget management and may take many years to develop. Current year tracking is higher than budget. The quantity of diversion from 0% illustrates a worrying budget prediction for expenditure by managers. Increased ownership and education measures had been developed during this year's budget process, which are beginning to take effect. The actual to budget expenditure variance below budget has increased slightly for the year to date of -9.33% at April 2020.



Comment: The expense coverage ratio has been included for the first time in 2019/2020 as is considered by QAO as a good indicator of a Council's short term liquidity. A healthy target as suggested by QAO is between three (3) and six (6). Mornington is one of nine (9) QLD councils with a cash expense coverage ratio of less than 3 months. This indicator needs to increase and further cost control measures may need to be taken if the ratio does not increase to acceptable levels. This ratio will decrease again as Council draws down on this cash. There is further works being reviewed to reduce operational expenditure, and maximise income opportunities.



Comment: The actual days to collect debtors measures how quickly cash is being collected from debtors. A shorter number of days is preferred, else Council is financing debts of individuals and organisations. Council has implemented an interest charge for overdue debtors. It is hoped this acts as a disincentive for debtors with outstanding debts. The actual number of days to collect debtors decreased during the month to an average of 215 Days, as Council has seen very good collections in current month billings being paid well ahead of terms, and the remaining average weighting increasing is due to institutions with outstanding general service charges to make their June Quarter instalment.

FINANCIAL & RESOURCE IMPLICATIONS

It is noted that the actual to budget income variance had decreased by -30.37%, and the actual to budget expenditure variance had decreased by -9.33% indicating a narrowing gap in the forecasted net result. This is due to an improvement in reducing and controlling ongoing operational expenditure. The % of actual vs. budget at 76% for the year to date is higher for recurrent expenditure then recurrent revenue at 71%. This is predominantly due to the effects in trading as a result of a decrease in housing and accommodation revenue during the month of April 2020 due to Covid-19. The increase in the actual to budget total income variance is due to timing differences in the forecasting of the capital grants and contributions.

RECOMMENDATION

That Council notes and receives the information in this report.

Mornington Shire Council
Statement of Comprehensive Income
For the month ended 30 April 2020

	ACTUALS	ACTUALS/ BUDGET	ORIGINAL BUDGET	ORIGINAL BUDGET	REVISED BUDGET (@ Dec 19 Qbrs)
	30-Apr-20	%	30-Apr-20	30-Jun-20	30-Jun-20
Revenue					
Recurrent revenue					
Local Government Levies	2,805,038	84%	2,789,083	3,346,900	3,346,900
Fees and Utility Charges	424,531	76%	466,167	559,400	559,400
Rental Income	1,474,581	88%	1,391,417	1,669,700	1,669,700
Interest Earned	35,729	18%	166,667	200,000	50,000
Sales-Contracts and Recoverable Works	7,180,623	61%	9,737,208	11,684,650	11,366,650
Other Recurrent Income	99,782	40%	208,333	250,000	210,000
Grants, Subsidies and Contributions	3,413,032	86%	3,295,250	3,954,300	3,954,300
Total recurrent revenue	15,433,316	71%	18,054,125	21,664,950	21,156,950
Capital revenue					
Capital Grants, Subsidies, and Contributions	5,084,832		11,411,743	13,694,092	8,756,708
Total capital revenue	5,084,832	37%	11,411,743	13,694,092	8,756,708
Total revenue	20,518,148	58%	29,465,868	35,359,042	29,913,658
Capital Income	0	0%	0	0	0
Total income	20,518,148	58%	29,465,868	35,359,042	29,913,658
Expenses					
Recurrent expenses					
Employee Benefits	5,210,193	75%	5,810,657	6,972,788	6,770,788
Materials and Services	8,764,567	72%	10,142,052	12,170,462	12,321,462
Finance Costs	11,085	50%	18,583	22,300	12,000
Depreciation and Amortisation	5,103,620	87%	4,907,917	5,889,500	5,839,500
Total recurrent expenses	19,089,465	76%	20,879,208	25,055,050	24,943,750
Capital expenses					
Capital Expenses	-157,968		0	0	0
Impairment Losses	0		0	0	0
Total capital expenses	-157,968		0	0	0
Total expenses	18,931,497	76%	20,879,208	25,055,050	24,943,750
Net surplus	1,586,651	15%	8,586,660	10,303,992	4,969,908
Operating Capabilities before Depn and Capital Inc.	1,605,439		2,082,833	2,499,400	2,052,700
Operating Capabilities before Capital Income	-3,498,181		-2,825,083	-3,390,100	-3,786,800

Mornington Shire Council
Statement of Financial Position
For the month ended 30 April 2020

	ACTUALS	ORIGINAL BUDGET	REVISED BUDGET (@ Dec 19 Qbrs)
	30-Apr-20	30-Jun-20	30-Jun-20
Current Assets			
Cash and cash equivalents	3,312,708	4,768,154	2,503,249
Trade and other receivables	964,299	2,222,534	2,222,534
Inventories	935,198	469,406	469,406
Other financial assets	208,092	201,047	201,047
	<u>5,420,297</u>	<u>7,661,141</u>	<u>5,396,236</u>
	0	0	0
Total current assets	<u>5,420,297</u>	<u>7,661,141</u>	<u>5,396,236</u>
Non-current Assets			
Other financial assets non-current	5,731,595	6,122,400	6,122,400
Property, plant and equipment	102,137,720	130,371,683	121,697,864
Total non-current assets	<u>107,869,315</u>	<u>136,494,083</u>	<u>127,820,264</u>
TOTAL ASSETS	<u>113,289,612</u>	<u>144,155,224</u>	<u>133,216,500</u>
Current Liabilities			
Trade and other payables	339,279	1,425,036	905,336
Provisions	705,846	71,891	71,891
Loans	0	235,291	0
Total current liabilities	<u>1,045,124</u>	<u>1,732,218</u>	<u>977,227</u>
Non-current Liabilities			
Provisions	1,219,527	58,952	1,219,527
Loans	0	4,647,649	0
Total non-current liabilities	<u>1,219,527</u>	<u>4,706,601</u>	<u>1,219,527</u>
TOTAL LIABILITIES	<u>2,264,652</u>	<u>6,438,819</u>	<u>2,196,754</u>
NET COMMUNITY ASSETS	<u>111,024,961</u>	<u>137,716,405</u>	<u>131,019,746</u>
Community Equity			
Asset revaluation reserve	99,160,206	107,141,328	107,141,328
Retained surplus/(deficiency)	11,864,755	30,575,077	23,878,418
Other reserves	0	0	0
TOTAL COMMUNITY EQUITY	<u>111,024,961</u>	<u>137,716,405</u>	<u>131,019,746</u>

Mornington Shire Council
Statement of Cash Flows
For the month ended 30 April 2020

	ACTUALS	ORIGINAL BUDGET	REVISED BUDGET (@ Dec 19 Qbrs)
	30-Apr-20	30-Jun-20	30-Jun-20
Cash flows from operating activities:			
Receipts from Customers	13,153,323	15,423,997	15,065,997
Payments to Suppliers and Employees	-16,752,462	-19,065,430	-19,116,429
	-3,599,139	-3,641,433	-4,050,432
Interest Received	35,729	200,000	50,000
Rental Income	1,329,017	1,614,043	1,614,043
Non-Capital Grants, Subsidies and Contributions	3,413,032	3,954,300	3,954,300
Borrowing Costs	0	-10,300	0
Net cash inflow (outflow) from operating activities	1,178,639	2,116,609	1,567,910
Cash flows from investing activities:			
Payments for Property, Plant and Equipment	-4,593,168	-18,626,400	-10,002,581
Payments for intangible assets	0	0	0
Proceeds from Sale of Property, Plant and Equipment	85,954	0	0
Finance lease Receipts	-624,760	0	0
Capital Grants, Subsidies and Contributions	5,084,832	13,694,092	8,756,708
Net cash inflow (outflow) from investing activities	-47,142	-4,932,308	-1,245,873
Cash flows from financing activities:	0	5,000,000	0
Repayment of Borrowings	0	-117,060	0
Net cash inflow (outflow) from financing activities	0	4,882,940	0
Net increase (decrease) in cash held	1,131,497	2,067,241	322,037
Cash at Beginning of Reporting Period	2,181,211	2,700,911	2,181,211
Cash at End of Reporting Period	3,312,708	4,768,152	2,503,248

Capital Budget Summary

Morrington Shire Council

30/04/2020

	Department	Budget	2019	YTD Capital Expenditure	Closing Balance	Committed Exp	Warehouse not posted	Adjusted Total	% of Budget	Grant Received in Previous Years	Current Year Grant	Total Grant Received	Restricted Funds
Project													
4100 Airport Terminal Building (RAAP)	Airport	1,780,000	1,652,461	120,340	1,772,741	8,500	-	1,781,241	100%	1,883,000	0	1,883,000	101,759
4100 Civic Centre (LGGSP)	Administration	8,862,820	22,875	5,999	28,874	-	-	28,874	0%	-	1,595,308	1,595,308	1,566,434
4100 Cyclone Shelter			11,321	-	11,321	-	-	11,321	-	-	-	-	-
4100 Dog Pound (W4Q)	Animal Control	472,000	460,334	19,901	480,235	-	-	480,235	102%	424,800	-	424,800	-
4100 Kiosk Upgrade	Leika Murrin: Kiosk		1,985	720	2,705	-	-	2,705	-	-	-	-	-
4100 Leika Murrin Tavern Upgrade (BOR)	Leika Murrin: Tavern	1,202,500	3,828	280,375	284,203	2,016	57	286,276	24%	500,000	-	500,000	213,724
4100 Places of Refuge (W4Q)		1,430,000	60,847	1,052,647	1,113,394	43,581	8,373	1,165,349	81%	715,000	572,000	1,287,000	121,651
4100 Staff Housing Install (W4Q)	Facilities: Residential	358,000	359,750	3,639	363,389	-	163	363,552	102%	322,200	-	322,200	-
4100 Storage Shed Refurb (W4Q)	Housing	340,000	44,904	312,139	357,043	4,987	6	361,636	106%	306,000	-	306,000	-
4100 Warehouse Shelving (W4Q)	Warehouse	210,000	214,897	-	214,897	-	-	214,897	102%	189,000	138,000	327,000	112,103
4100 RTO Demountable		-	-	11,431	11,431	-	-	11,431	100%	-	-	-	-
4150 Effluent Outflow Pipe (ICCIIP)	Sewerage Management	835,431	278,789	234,448	513,237	-	-	513,237	61%	816,067	120,230	936,297	423,060
4150 Sewer Pond Desludging (ICCIIP)	Sewerage Management	-	-	-	-	-	46	46	-	-	-	-	-
4150 Sewer Pump Station Upgrade (ICCIIP)	Sewerage Management	200,000	-	214,854	214,854	288,861	-	513,715	-	-	396,685	396,685	-
4250 Chlorine Hypo Dosing Upgrade (ICCIIP)	Water Management	103,011	-	111,273	111,273	-	-	111,273	-	-	86,710	86,710	-
4450 Airport Safety (RAAP)	Airport	1,210,000	846,545	391,282	1,237,827	750	335	1,238,912	102%	1,117,000	-	1,117,000	-
4450 Basketball Court Fencing			35,000	-	35,000	-	-	35,000	-	-	-	35,000	-
4450 Concrete Batch Plant (BOR)	Batching	496,556	484,970	1,212	486,182	-	-	486,182	98%	369,560	106,996	476,556	-
4450 Fuel Facility Upgrade (BOR)	Bowser	600,000	617,422	3,991	621,384	-	-	621,384	119%	501,220	-	501,220	-
4450 Service Station Upgrade (BOR)	Workshop and Plant	400,000	431,102	3,797	434,898	-	-	434,898	109%	400,000	-	400,000	-
DRFA - 2019 Event	Roads and Civil		114,446	1,825,249	1,939,696	-	-	1,939,696	-	35,940	2,068,904	2,104,844	166,148
Capital - Work in Progress			-	-	-	-	-	-	-	-	-	-	-
Total		18,710,318	5,941,416	4,593,168	10,534,584	358,295	8,980	10,901,859	58%	7,614,787	5,084,832	12,699,619	2,703,880

13.4 QUARTERLY BUDGET REVIEW (AS AT 31ST MARCH 2020)**Author:** Finance Manager**Attachments:** 1 Quarterly Budget Review (As at 31 March 2020)**PURPOSE (EXECUTIVE SUMMARY)**

This report provides Council with a high level review of Council's approved Budget with a number of recommended budget adjustments to reflect actual and planned results.

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION

The following table summarises the recommended changes to the Quarterly Budget Review as at 31st March 2020.

Statement of Income Statement	Original Budget 2019-20 \$'000's	Revised Budget 2019-20 (@ Dec 19) \$'000's	Actual (31 st March 2020) \$'000's	% of Original Budget	Budget Review Variations (31 Mar 20) \$'000's	Revised Budget 2019-20 (@ Mar 20) \$'000's
Operating Revenue	\$21,665	\$21,157	\$ 14,892	69%	(\$950)	\$20,207
Operating Expenditure (Including Depreciation)	(\$25,055)	(\$24,944)	(\$17,314)	69%	(\$560)	(\$24,384)
Operating Income & Expenditure (Before Capital Income)	(\$3,390)	(\$3,787)	(\$2,422)	71%	(\$390)	(\$4,177)
Capital Income	\$13,694	\$8,757	\$4,658	34%	-	\$8,757
Capital Expenses	-	-	(\$125)	-	-	-
Net Cost of Services	\$10,304	\$4,970	\$2,361	23%	(\$390)	\$4,580
<i>Plus</i> new loan Borrowings	\$ 5,000	-	-	-	-	-
<i>Less</i> Principal Loan Repayments	(\$117)	-	-	-	-	-
<i>Add</i> Back Depreciation	\$5,890	\$5,840	\$4,593	78%	-	\$5,840
Funds Available for Capital Program	\$21,077	\$10,810	\$6,954	33%	(\$390)	\$10,420
<i>Less</i> Capital Expenditure	(\$18,626)	(\$10,003)	(\$4,658)	25%	(\$390)	(\$10,393)
Funds Available for Distribution to Reserves	\$2,451	\$807	\$2,296	94%	(\$780)	\$27
Transfer to Cash Reserves (Internal Restrictions)	(\$446)	(\$446)	-	-	-	(\$446)
Transfer from Cash Reserves – 2018.19 (Carried Forward Funds)		\$2,449	-	-		\$2,449
Working Funds (Surplus / (Deficit))	\$2,005	\$2,810	\$2,296	115%	(\$780)	\$2,030

The following variations have been identified and recommended for the Quarter Ended 31st March 2020.

Quarterly Budget Review Adjustments – Income Statement	Income	Expenditure
Airport	\$110,000 (Decrease)	
Executive		\$150,000 (Decrease)
Housing	\$510,000 (Decrease)	\$410,000 (Decrease)
Motel	\$130,000 (Decrease)	
Visitor Accommodation Centre	\$200,000 (Decrease)	
Sub-Total	\$950,000 (Decrease)	\$560,000 (Decrease)
Nett Surplus Decrease (Covid-19 Impact)	\$390,000 (Decrease)	

Quarterly Budget Review Adjustments – Balance Sheet		Capital Expenditure - Adjustments
Information Technology	Upgrade (Final Transition x Old Server Platform)	\$150,000 Increase
Plant and Equipment (Fleet) (Refer April Meeting)	(Excavator & Replacement Parks & Gardens Truck)	\$200,000 Increase
Bakery (Refer May Meeting)	Replacement Bakery Oven	\$ 40,000 Increase
Total		\$ 390,000 Increase

The reduction in the forecasted result is predominantly due to the effects being realised due to the Covid-19 Virus. The direct impacts have seen a reduction in airport income, accommodation income with Council's Visitor Accommodation Centre, and Motel. There also has been a slowing in Housing operations due to delays in jobs to be authorised due to staff restrictions in this time of Covid-19. This is having an impact on meeting our fixed costs. At this stage, there has been no reduction in resourcing with re-deployment of staffing occurring where available.

The adjustments to the capital expenditure will enable purchases of assets requiring renewal including I.T. Upgrades, Fleet, and Bakery equipment.

FINANCIAL & RESOURCE IMPLICATIONS

As detailed above and attached.

RECOMMENDATION

That Council approves the 3rd quarter budget adjustments reflected in the associated table above resulting in a revised net result of \$4,579,908.

Mornington Shire Council
Projected Operating Statement
Quarterly Budget Review (As at 31st March 2020)
For the year ending 30th June 2020

	Actual 18/19	Budget 19/20	Actual Mar 20	%	Revised Budget 2019/20 (@ 31 Dec 19)	Revised Budget 2019/20 (@ 31 Mar 20)
Revenue						
Recurrent Revenue						
Rates, Levies & Charges	2,051,943	3,346,900	2,804,220	84%	3,346,900	3,346,900
Fees & Charges	498,274	559,400	390,272	70%	559,400	449,400
Rental Income	1,287,083	1,669,700	1,437,606	86%	1,669,700	1,339,700
Interest Received	76,303	200,000	35,708	18%	50,000	50,000
Sales Revenue	10,866,026	11,684,650	6,777,830	58%	11,366,650	10,856,650
Other Income	61,711	250,000	99,782	40%	210,000	210,000
Grants, Subsidies, Contributions & Donations	5,127,652	3,954,300	3,347,101	85%	3,954,300	3,954,300
Total Recurrent Revenue	19,968,992	21,664,950	14,892,519	69%	21,156,950	20,206,950
Capital Revenue						
Grants, Subsidies, Contributions & Donations	16,634,018	13,694,092	4,658,208	34%	8,756,708	8,756,708
Other Capital Revenue	0	0	0		0	0
Total Capital Revenue	16,634,018	13,694,092	4,658,208	34%	8,756,708	8,756,708
Total Income	36,603,010	35,359,042	19,550,727	55%	29,913,658	28,963,658
Expenditure						
Expenditure						
Employee Benefits	8,067,285	6,972,788	4,678,112	67%	6,770,788	6,620,788
Materials & Services	14,968,515	12,170,462	8,032,251	66%	12,321,462	11,911,462
Finance Costs	44,347	22,300	10,627	48%	12,000	12,000
Depreciation & Amortisation	6,111,477	5,889,500	4,593,258	78%	5,839,500	5,839,500
Total Expenditure	29,191,624	25,055,050	17,314,248	69%	24,943,750	24,383,750
Capital Expense	1,288,890	0	-124,695		0	0
Total Expenditure	30,480,514	25,055,050	17,189,553	69%	24,943,750	24,383,750
OPERATING CAPABILITIES BEFORE DEPRECIATION AND	-3,111,155	2,499,400	2,171,529	87%	2,052,700	1,662,700
OPERATING CAPABILITIES BEFORE CAPITAL INCOME	-9,222,632	-3,390,100	-2,421,729	71%	-3,786,800	-4,176,800
Net Result	6,122,496	10,303,992	2,361,174	23%	4,969,908	4,579,908

Mornington Shire Council
Statement of Financial Position
Quarterly Budget Review (As at 31st March 2020)
For the year ending 30th June 2020

	Actual 18/19	Budget 19/20	Actual Mar 20	%	Revised Budget 2019/20 (@ 31 Dec 19)	Revised Budget 2019/20 (@ 31 Mar 20)
Current Assets						
Cash and Cash Equivalents	2,181,211	4,768,154	3,239,674	68%	2,503,249	1,723,249
Trade and Other Receivables	1,570,188	2,222,534	1,648,012	74%	2,222,534	2,222,534
Inventories	573,239	469,406	935,842	199%	469,406	469,406
Other Financial Assets	208,091	201,047	208,092	104%	201,047	201,047
Total Current Assets	4,532,729	7,661,141	6,031,620	79%	5,396,236	4,616,236
Non-Current Assets						
Trade and Other Receivables	0	0	0		0	0
Other Financial Assets	5,909,712	6,122,400	5,731,595	94%	6,122,400	6,122,400
Property, Plant and Equipment	113,117,096	130,371,683	102,647,951	79%	121,697,864	122,087,864
Total Non-Current Assets	119,026,808	136,494,083	108,379,546	79%	127,820,264	128,210,264
TOTAL ASSETS	123,559,537	144,155,224	114,411,166	79%	133,216,500	132,826,500
Current Liabilities						
Trade and Other Payables	2,072,592	1,425,036	384,712	27%	905,336	905,336
Provisions	84,208	71,891	705,845	982%	71,891	71,891
Loans	0	235,291	0	0%	0	0
Total Current Liabilities	2,156,800	1,732,218	1,090,557	1009%	977,227	977,227
Non-Current Liabilities						
Trade and Other Payables	0	0	0		0	0
Provisions	1,215,974	58,952	1,219,527	2069%	1,219,527	1,219,527
Loans	0	4,647,649	0	0%	0	0
Total Non-Current Liabilities	1,215,974	4,706,601	1,219,527	26%	1,219,527	1,219,527
TOTAL LIABILITIES	3,372,774	6,438,819	2,310,084	36%	2,196,754	2,196,754
NET COMMUNITY ASSETS	120,186,763	137,716,405	112,101,082	81%	131,019,746	130,629,746
Community Equity						
Asset Revaluation Reserve	99,160,197	107,141,328	99,160,206	93%	107,141,328	107,141,328
Retained Surplus	21,026,566	30,575,077	12,940,876	42%	23,878,418	23,488,418
Other Reserves	0	0	0		0	0
TOTAL COMMUNITY EQUITY	120,186,763	137,716,405	112,101,082	81%	131,019,746	130,629,746

Mornington Shire Council
Statement of Cash Flows
Quarterly Budget Review (As at 31st March 2020)
For the year ending 30th June 2020

	Actual 18/19	Budget 19/20	Actual Mar 20	%	Revised Budget 2019/20 (@ 31 Dec 19)	Revised Budget 2019/20 (@ 31 Mar 20)
Cash flows from operating activities:						
Receipts from Customers	13,822,473	15,423,997	11,945,321	77%	15,065,997	14,115,997
Payments to Suppliers and Employees	-22,250,788	-19,065,430	-16,267,579	85%	-19,116,429	-18,556,429
	-8,428,315	-3,641,433	-4,322,258	119%	-4,050,432	-4,440,432
Interest Received	76,303	200,000	35,708	18%	50,000	50,000
Rental Income	1,287,083	1,614,043	1,116,670	69%	1,614,043	1,614,043
Operating Grants & Subsidies	5,127,652	3,954,300	3,347,101	85%	3,954,300	3,954,300
Borrowing Costs	0	-10,300	0	0%	0	0
Net Cash Inflow (Outflow) from operating activities	-1,937,277	2,116,610	177,221	8%	1,567,911	1,177,911
Cash flows from investing activities:						
Payments for Property, Plant and Equipments	-20,249,026	-18,626,400	-3,240,161	17%	-10,002,581	-10,392,581
Payments for Intangible Assets	0	0	87,955		0	0
Proceeds from Sales of Property, Plant & Equipment	329,622		-624,760			
Finance Lease Receipts	16,634,018	13,694,092	4,658,208	34%	8,756,708	8,756,708
Capital Grants and Subsidies	-3,285,386	-4,932,308	881,242	-18%	-1,245,873	-1,635,873
Net Cash Inflow(Outflow) from investing activities:						
Cash flows from financing activities:						
Proceeds from borrowings		5,000,000	0	0%	0	0
Proceeds from Borrowings		-117,060	0	0%	0	0
Repayment of Borrowings						
Net Cash Inflow(Outflow) from financing activities	0	4,882,940	0	0%	0	0
Net Increase(Decrease) in Cash and Cash Equivalents H	-5,222,663	2,067,242	1,058,463	51%	322,038	-457,962
Cash and Cash Equivalents at Beginning of reporting Period	7,403,873	2,181,211	2,181,211	100%	2,181,211	2,181,211
Cash and Cash Equivalents at End of Reporting Period	2,181,210	4,248,453	3,239,674	76%	2,503,249	1,723,249

13.5 BAKERY OVEN REPLACEMENT CAPITAL EXPENDITURE**Author:** Finance Manager**Attachments:** Nil**PURPOSE (EXECUTIVE SUMMARY)**

The purpose of this report is to provide Council with a plan that outlines the purchase of a new bakery bread oven to replace the existing bread oven which is no longer serviceable and parts are no longer available.

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION

The bakery has two bread ovens so that if one requires repairs the baking of bread is able to continue. One of the existing bread oven is no longer serviceable and parts are no longer available. All bakery equipment is currently either at end of its useful life or approaching end of life within the current financial year.

FINANCIAL & RESOURCE IMPLICATIONS

The consequences of not proceeding are as follows:

- Bread making would cease if the remaining operational oven fails.
- Contractors are not willing to come to Mornington Island to make repairs.
- Staff will continue to be balance working additional hours to compensate for inadequate / inappropriate equipment resulting in fatigue.

An analysis of the key risks is tabled below:

Description of Risk	Risk Rating
Bread not available	High
Workplace Health and Safety – Additional hours to staff due to inappropriate equipment leading to fatigue.	High
Staff – Additional resourcing reasonably required to meet output demands if inappropriate equipment retained.	High
Strategy – Loss of council commitment and investment of resources.	Moderate

Council has obtained three quotations and these are summarised as follows:

Supplier	Model	Price (Ex Gst)
Supplier 1	4 Deck Oven - stone floors – 16 Tray	\$ 32,780
Supplier 2	4 Deck Oven - stone floors – 24 Tray	\$ 64,000
Supplier 3	3 Deck Oven – stone floor & steam – 20 trays	\$ 56,900

The preferred oven is per supplier # 1, and the decision has been based on the following reasons:

- The oven is more suitable for remote use as it has no electronic components and not likely to break down.

- The size of the oven allows for wheeling bin position without dismantling the front door.
- The oven is very well priced and represents value for money.
- The oven is more reliable as it has no windows on the doors and will not lose heat for used or damaged door seals.
- The supplier will provide a kit of spare parts, the oven can be repaired by any electrician as it is simple and does not use electronic parts and does not require uninterrupted power supply for protection.
- The oven is a fully reconditioned oven and holds a 1-year full warranty.
- It is suitable for all baking requirements including speciality breads, pies, sausage rolls, pizzas, cakes, muffins etc...
- The delivery cost (to be advised) will be much lower than the two other quoted ovens as the supplier will deliver on installation using their own truck.
- The supplier proposed to remove the faulty oven and buy it back. The written down value in June 2020 will be nil, and Council will recognise a small surplus on the disposal of the old oven.
- The supplier will also buy and remove all the obsolete bakery equipment cluttering the floor.
- Supplier # 1 is the preferred option selected by the Bakery manager.

Funding for the purchase of the replacement bakery oven has been identified in operational savings itemised within the Quarterly Budget Review as at 31st March 2020.

RECOMMENDATION

1. That Council receive and note the information in this report.
2. That Council amend and increase Capital Expenditure Budget by \$40,000 to acquire the recommended bakery equipment.

13.6 FACILITIES MANAGEMENT QUATERLY REPORT TO MARCH 2020

Author: Facilities Manager

Attachments: Nil

PURPOSE (EXECUTIVE SUMMARY)

To provide Council with an update on the operations of the facilities Management Department

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION

The Facilities Manager is responsible for the following programs operated by Council:

- Motel
- Visitors Accommodation Complex
- Lelka Murrin Kiosk
- Bakery
- Staff Housing / Guest House
- All Council Administration Buildings

MOTEL AND VISITOR ACCOMMODATION CENTRE

The Motel has continued to be well utilised from Monday to Friday and continues to be the most popular accommodation; Gidgee Healing and Royal Flying Doctors are still booking months in advance and most rooms are always booked. VAC is then the only option for corporate travellers.

Unfortunately the Motel booking have been cancelled due to COVID-19, the motel site has been designed as a place for self isolation for community members returning to the Island as well as emergency accommodation for the event of an outbreak of COVID-19 on the Island

The new accommodation booking system, Preno is working with no major issues. The majority of bookings are now done online which has decreased the number of enquiries received via telephone and email. Information about available accommodation and pricing is readily available online via the council website <http://www.mornington.qld.gov.au/accommadtion/> . This process has been more time efficient especially now that we can invoice directly from Preno using Xero.

The new security company, Bilby security Ltd, has engaged a night watchman to patrol the VAC grounds only. So far it has been successful as the numbers of reported incidents have significantly reduced.

The pest control contractor has been successfully completed the pest treatment to all the council properties (i.e. Administration buildings, Bakery, staff accommodation, VAC, Motel, Tavern).

The program is still replacing old Manchester and furniture and this continues to be challenging due to not having any proper lockable storage area and we are ordering on the need basis. Facilities have ordered vital furniture and currently it is stored at the back of the Tavern which is only a temporary option.

Facilities is investigating the building of a new laundry as the actual site is part of the tavern facility and will not be available when the tavern lease is going to be signed.

A 12m x 3m transportable would be sufficient to house all the equipment and improve the storage area for Manchester and cleaning equipment and chemical as well as motel consumable. The ideal location would be adjacent to the tavern back wall as it is close to power, water and sewage.

Guest satisfaction surveys have been left in the Motel rooms for guest to provide feedback. Motel guests are more inclined to completing the surveys with a lot a positive feedback

The following questions are listed on the survey, with the option to tick a score one to five, with five being the most satisfied. I have summarised the results and recorded the average below;

The check-in process was timely and efficient – 4.8

The check-in staff were courteous – 4.7

My reservation was accurate – 4.7

My room was furnished appropriately – 4.7

My room was clean and comfortable – 4.9

My bed and bedding were comfortable – 3.8

Bathroom was clean and fully equipped – 4.8

All appliances were in working order – 4.8

Grounds were tidy and secure – 4.9

VAC

Facilities are investigating means to improve the safety of contractors residing at the VAC as well as employees residing in the community.

A business plan is getting written.

Some safety improvement suggestions are:

- Replacing the old perimeter fence with a non climbable fence
- Installing 2 electric gates with card readers
- Improving the lighting for night safety
- Improving the window screens to protect residents from rock throwing
- Implementation of a radio network with geolocation and duress button to allow fast response for breaking situation. The network would allow location of all users and cars in real time facilitating with police intervention and recovering the stolen vehicles and emergencies.

LELKA MURRIN

Lelka Murrin Kiosk continues to remain closed whilst the places of refuge and refurbishment projects are undertaken. Positions in the organisation chart have been removed on the basis the facility will be closed until at least 30th June 2020. When the new Facilities Manager commences Council will start afresh the EOI process to look for a suitable contractor / proprietor.

Due to COVID-19 the contractors working at the tavern have left the island, the project has been delayed further.

BAKERY

The Bakery Manager has worked hard to build positive relationships with customers and clients including Gunamanda.

The bakery is now delivering fresh bred to Gunamunda store and has greatly improved the quality of bred baked, the baker is working overtime to supply enough bred and is delivering to the hospital and school. The range of bred is now including withe bred, multi grain bred, high fibre bread, bred roll and French rolls. At Easter the bakery baked hot cross bred for the Gunamunda shop and due to equipment issues could not cope fully with the demand.

The shop is buying frozen bread from mainland due to the insufficient production (due to out of order equipment) the bakery could supply sufficient amount of bread to the shop to be frozen and sold on Saturdays.

The actual bread oven is working to 1/3 of capacity and the bakery manager has to work long hours to keep up with the demand. A replacement oven suitable for the need has been identified and a quote has been given to Council for review.

With the right equipment there is an opportunity to open a small Coffee Shop in the available space at the back of the bakery. The bakery will not sell bread not to enter in competition with the shop. The products offered would include sandwiches, muffins, pies, sausage rolls, cakes, hot dogs, burgers and fresh baked pizzas etc... Fresh brewed coffee and soft drinks will be served as well.

Ideally this option would create a job opportunity for a community member.

Depending on the demand an apprentice baker position could be offered.

STAFF HOUSING & LEASES

The provision of staff accommodation continues to be a challenge for Council. The majority of Council houses are now occupied. As Council's infrastructure ages and as Council provide more housing to local staff it will become increasingly critical to investigate the provision of new facilities. The transfer of six accommodation units from the hospital has taken place and are completed.

The Facilities Department have started the task of implementing procedure and policies around inventory, asset management, lease agreements, inspections and maintenance of staff housing. This will continue to be a challenge with the high number of staff turnovers.

Facilities have invested in an inspection software relying on picture archived electronically. The software is an accurate way of recording housing condition at beginning of lease and comparing with the end of lease property condition. It is also easy to record the equipment and furniture part of the lease agreement.

FACILITIES CLEANING & GROUND STAFF

The cleaning program currently have 6 cleaners with 2 full time and 4 casual cleaners in line with council's organisation chart of 4 FTE for the 2019/2020 financial year.

A cleaning supervisor Sophia Thomson has been hired as per April 2020 and is now running the daily cleaning operation.

Viktorija Borodulja accommodation manager resigned.

Kiara Butcher is now the new accommodation manager and started 05/05/20

Both new employees are community members.

RECOMMENDATION

That Council note the report.

14 STAFF REPORTS - INFRASTRUCTURE & TECHNICAL SERVICES**14.1 ANIMAL MANAGEMENT PLAN 2020 – 2024**

Author: Acting Executive Manager Technical Services

Attachments:

1	Veterinary Report May20
2	AMMIR Plan
3	AMMIR Quote

PURPOSE (EXECUTIVE SUMMARY)

To provide Council with updated Animal Management Plan 2020 – 2024.

EXECUTIVE SUMMARY

This plan aims to identify the key issues impacting the community, with regards to Animal Management, and provides strategic directions for Animal Management to be achieved over the next four years. Through planning, engaging and education aim to cultivate a community which fosters animal welfare and promotes responsible pet ownership. To develop and implement this strategic plan, we are engaging with community and stakeholders to identify key issues relating to pet ownership.

The 'Animal Management Plan' has a strong focus on education and compliance. It has been written in accordance with legislative requirements of the *Animal Management (Cats and Dogs) Act 2008*. The plan also encompasses the regulator services and enforcement activities contained in Mornington Shire Council Local Laws and the *Local Government Act 2009*.

Each key issue has one or more objectives and an action plan that details the new actions the Mornington Shire Council will undertake over the next four years to achieve its animal management goals and objectives.

The plan contains a set of activities that will be used to monitor the Mornington Shire Council progress in achieving its animal management goals and objectives.

Core purpose of the animal management service:

- Implement the Mornington Shire Council responsibilities under the various acts;
- Promote the welfare of animals;
- Inform and educate the community about the needs and responsible pet ownership;
- Ensure all needs of all members of the community are reflected in the domestic animal management plan, policies and practices.
- The plan has identified actions which are immediate, short- and medium-term priority. This is displayed through the implementation plan section.

KEY FOCUSES

-
- Registration & Microchipping
 - Model Local Laws
 - Managing Pets
 - Over Population & Euthanasia
 - Facilities & Resources
 - Education & Awareness
 - Community Safety & Environment

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INTRODUCTION – ANIMAL MANAGEMENT PLAN

The purpose of this Animal Management Plan (AMP) is to provide the Gununa community with a strategic framework that delivers policy direction and an action plan for the animal management space in 2020-2024. Through this plan, MSC will invite the community, along with other key stakeholders to work in partnership to meet the current and future challenges relating to animal management in the township of Gununa.

VISION

The Mornington Shire Council encourages responsible pet ownership. Part of the MSC vision is to 'plan for a future that includes domestic animals as valued members of our community'. This means looking after pets by keeping the family together.

OBJECTIVE

The Animal Management Plan will aim to improve the effectiveness of management services and activities by;

- Improving community education and awareness towards responsible pet ownership;
- Minimising reactive work and encouraging proactive solutions;
- Increasing community engagement;
- Improving compliance to local laws and orders;
- Minimising animal attacks and risk to the community;
- Increasing animal identification and registration; and
- Improving animal welfare (pet overpopulation and euthanasia).

WHAT IS ANIMAL MANAGEMENT?

Animal management focuses on the control and regulation of domestic animals, i.e. cats, dogs, pigs and horses. Animal management is firmly governed by legislation at both a state and local level.

Animal management is a service that MSC provides to aim to:

- Minimise risk to community health and safety;
- Reduce environmental harm or environmental nuisance;
- Support animal owners to keep their animals in a manner that complies with the relevant legislation and local laws; and
- Promote responsible pet ownership

ANIMAL MANAGEMENT – CORE FUNCTIONS

MSC employs a fulltime ACO & EHO within the Community, who is responsible for overseeing animal management in the community.

ANIMAL MANAGEMENT COMPLIANCE

Responding to reports and monitoring compliance to general animal management issues such as enclosures, registration, wandering at large, public nuisances, impounding/ returning strays.

EDUCATION AND PUBLIC AWARENESS

Delivery of education programs with the general public and local schools, and the development and distribution of public educational material.

PERMIT AND APPROVALS

The assessment, processing, granting and compliance activities relating to keeping multiple dogs.

IMPOUNDING AND SURRENDER

Impounding stray dogs and collecting surrendered animals when requested by the public (working hours only).

MSC POUND FACILITIES

Management of the MSC pound facility where impounded and surrendered animals are sheltered until the animal is released to its owner or rehoused.

EMERGENCY RESPONSE (OUT OF HOURS)

Attending to reported dog attacks out of hours.



ANIMAL MANAGEMENT LEGISLATION

This document outlines the services that the MSC will provide to community in accordance with the *Local Government Act 2009*. Under this protocol Mornington Shire Council will delegate authority to appoint as Authorized Persons.

- *The Local Government Act 2009 - Section 202*
- *Animal Management (Cats and Dogs) Act 2008 - Section 104*

- *Public Health Act 2005 - Section 377 (2)*
 - *Waste Reduction and Recycling Act 2001 - Section 263 {2}*
 - *Land Protection (Pest and Stock Route Management) Act 2002 - 244*
 - *Environmental Protection Act 1994-Section 445(2)*
-

KEY PERFORMANCE INDICATORS

The progress and success of animal management in the community will continue to be reviewed against the following key performance indicators;

- Number of animal registrations
- Number of animals desexed
- Number of animals entering pound
- Number of animals reclaimed from pound
- Number of animals euthanased in pound
- Number of animal complaints (requests for service)
- Number of dog attacks causing injury
- Number of compliance notices

COMMUNITY ANIMAL MANAGEMENT SURVEY

The community that are willing to participate in a survey relating to animal issues will allow the community an opportunity to have their say on what they identified the concerns to be.

- Community Knowledge
 - Requirement to Microchip animals
 - Requirement to Register animals
 - MSC role to enforce Local Laws and State Legislation
 - Benefit of Animal Management Education to the Community
 - Horses & Pigs in a build-up area (in town)
-

EDUCATION AND AWARENESS

The MSC recognizes that educating our community on the obligations and responsibilities of pet ownership is one of the most important facets of our role for the community. The Mornington Shire Council will employ an Animal Control Officer who will raise awareness of these obligations using a variety of methods including; developing educational material and awareness programs,

consistently applying enforcement and compliance strategies and reviewing and improving local laws, policies and procedures.

An Animal Management Survey will identify a number of key focus points for the education and awareness program; registration, microchipping, de-sexing, effective control, appropriate enclosures, care and welfare and legislation. MSC will address the key focus points to promote responsible pet ownership through various resources including social media, the MSC webpage, public notices, newspaper articles, fact sheets and public interactions.

EDUCATION BREAKDOWN

Registrations: MSC will communicate with community to advise of its requirements of registration including renewal dates, requirements for documentation and fees and charges.

Microchipping: The drive for this program is the benefit of easily identifying and reuniting animals with their owners to comply with the *Animal Management (Cats and Dogs) Act 2008 - Section 104*.

De-Sexing: Conduct desexing programs in conjunction with vet visits, will focus on the benefits for both the animal's health, such as but not limited to;

- Decreasing Aggression/roaming
- Reducing testicular and mammary tumors
- Improved Genetics
- Reducing unwanted litters

Pet Enclosures: MSC will raise awareness and educate animal owners on the importance of suitable enclosures through the development of fact sheets and by responding to complaints with standard enforcement and compliance strategies. The MSC aim is to reduce and or prevent the following issues regarding cats and dogs:

- Traffic hazards from wandering animals.
- Animals injuring themselves or other persons or animals.
- Territorial behaviors.
- Danger to wildlife.
- Having to be impounded.
- Reduce the risk of contracting and spreading communicable diseases.

Care and Welfare: The Department of Agriculture and Fisheries are the governing body for animal welfare in the FNQ region. The MSC through community and school education programs will develop educational material around animal welfare. The program will focus on:

- Empathy for animals.
- Understanding of dogs needs and behaviors.
- Safe personal behaviors around animals.
- Knowledge of relationships between dogs and human health.

- Knowledge of animal management programs.
- An understanding of owner responsibilities that contribute to the wellbeing of animals.
- Education around what to do in a dog attack.

Legislation: The 2020 - 2024 Animal Management Plan aims to significantly improve the community awareness of legislation pertaining to owning and living with pets. Through the implementation of this plan, the MSC will review existing and develop new procedures and policies and local laws which highlight and clarify legislative requirements. The MSC aim is to uphold the vision '*plan for a future that includes domestic animals as valued members of our community*'.

KEY FOCUS AREAS

1. REGISTRATION AND MICROCHIPPING

1.1 Strategy - Ensure all animals are registered and microchipped and relevant data is stored in accordance with Legislative requirements

It is MSC's aim to have all dogs in the community registered and microchipped in accordance with the State Legislation. As per the *Animal Management (Cats and Dogs) Act, Section 44, all dogs must be registered at 12 weeks of age (3 months) and Section 13 requires all animals born after 1 July 2008 to be microchipped*. By registering animals, owners ensure animals are easily identified when they are lost or inadvertently escaped their property.

Number	Activity	Timeframe
1.1.1	Develop a systematic registration inspection program as per the legislation	Short term
1.1.2	Develop an education programs as outlined in the education section of this plan	Short term

Timeframe Legend	
Immediate	Commence now
Short Term	6 months – 18 months
Medium Term	18 months – 3 years
Long Term	3 years +

1.1.3	Hold a minimum of one microchipping and registration day for the community	Short term
1.1.4	Ensure all animals investigated, seized and impounded are registered by the owner before they are released by MSC	Immediate
1.1.5	Ensure all animals investigated, seized and impounded are microchipped by the owner before they are released	Immediate

1.2 Strategy – Improve MSC Systems to increase customers satisfaction

Customer service satisfaction is very important to MSC. Therefore it is critical that we are continuously reviewing and improving our processes to ensure all residents have a positive and

successful interaction with MSC.

Number	Activity	Timeframe
1.2.1	Review MSC administration procedures	Medium term
1.2.2	Upskill MSC staff in administration processes and animal management requirements	Medium term

1.3 Strategy - Improve community compliance with Local and State Legislations

It is requirement for all pet owners to understand their obligations under Local and State Legislation. MSC aims to work with the Gununa community to ensure responsible pet ownership through education and owner's being held accountable for non-compliance.

Number	Activity	Timeframe
1.3.1	Educate the community through fact sheets, individual interactions and holding owners accountable	Short term
1.3.2	Consistent application of issuing of compliance Notices and Penalty Infringement Notices (PIN)	Short term

2. COMMUNITY SAFETY AND ENVIRONMENT

2.1 Strategy - Reduce risk to residents from numbers of dogs wandering

Majority of the animals impounded by MSC, from public places, are a result of animals escaping from private property enclosures. This often occurs during the hours while the owners are not home.

The impacts on the community can pose a significant safety and environmental risk. Results from the recent Animal Management survey revealed that the Mornington community see dogs wandering as the most significant issue. This issue can then lead to a range of other issues including;

- Attacks on people and other animals, and/ or
- Incidents or aggression and nuisance behavior towards people and other animals (e.g. barking).
- Interference with traffic resulting in incident.

Number	Activity	Timeframe
2.1.1	Maintain a regime of varied vehicular animal control patrolling	Immediate
2.1.2	Educate community in Local and Stage Legislation requirements	Immediate

2.2 Strategy - Permit system

MSC has a permit system in place to manage the number of dogs allowed to reside at one property. The current requirement is a maximum of two dogs at the house and a maximum of one dog at a unit/ apartment. MSC is aware that the current permit system is inconsistent and therefore a consultative process with the community and stakeholders will be completed.

Number	Activity	Timeframe
2.2.1	Review current permit process with relevant stakeholders to ensure consistency with customer service expectations	Short term

2.3 Strategy- Manage dangerous, menacing and restricted dog breeds

If a dog is involved in an attack, has bitten a person causing serious injury, or has menaced a person more than once it can be declared as dangerous or menacing by MSC, otherwise known as a 'Regulated Dog'. Owners of declared regulated dogs are required to comply with certain conditions to ensure the safety of the community. In Australia, five specific breeds have been identified as 'restricted', as they are considered higher risk to the community's safety more so than other breeds. These breeds are required to be regulated under the Customs Regulations 1956 of the Commonwealth.

The following dog breeds are restricted;

- American Pit Bull Terrier (or Pit Bull Terrier)
- Fila Brasileiro
- Japanese Tosa
- Dago Argentine
- Perro de Presa Canario (or Presa Canario)

Of these breeds, the Pitbull and the Perro de Presa are the breeds that are currently in Australia. Dogs displaying physical characters of these breeds are to be registered with MSC as 'restricted'. There are certain requirements to hold a restricted permit. For more information regarding these conditions, go to part 2 of the *Animal Management (Cats and Dogs) Regulations 2009*.

Number	Activity	Timeframe
2.3.1	Develop a systematic registration inspection program as per the legislation for regulated dogs	Short term
2.3.3	Update state register with current declared animals	Immediate

2.4 Strategy - Barking dogs and animal nuisance

Barking dogs and animal nuisances (dust and odour) pose problems for the Gununa community. The Gununa community has a significant number of barking dogs which can pose an issue both during the day and at night for residents. Whilst sensitivity and tolerance levels play a key role, it is important that complaints are acted upon in a timely manner to ensure the wellbeing of the community is maintained.

Number	Activity	Timeframe
2.4.1	In the field education with the community, working with the community to resolve issues, complaint based	Immediate
2.4.2	Community fact sheet on barking dogs. This may be through community forums, surveys, social media and community events	Immediate

3. COMMUNITY EDUCATION AND AWARENESS

3.1 Strategy- Improve community engagement, education and marketing opportunities

The key to a successful animal management service is ensuring that the community is adequately educated on responsible pet ownership principles. MSC endeavors to provide sufficient educational material to the community in order for pet owners to comply.

Number	Activity	Timeframe
3.1.1	Develop fact sheet program and communication plan, as outlined in education section of this plan	Short term
3.1.2	In the field education with the community. This may be through community forums, surveys, social media and community events	Immediate

3.2 Strategy - Build partnerships with other local Councils

Building partnerships with other local governments to share resources and information is working towards achieving animal management goals relevant to all stakeholders.

Number	Activity	Timeframe
3.2.1	Develop relationship with Mapoon Council and Napranum Council to enable knowledge and resource sharing. (e.g. offer support with microchipping days, delivering dogs back to community etc.)	Short term

3.3 Strategy – Implement CAPS

CAPS is a major stakeholder in animal management and MSC will seek to collaborate with CAPS.

Number	Activity	Timeframe
3.3.1	Develop policy agreement between CAPS and MSC. This policy may include: • Rehoming animals • Pound management • Pound extensions • Projects	Immediate

3.4 Strategy – Manage welfare issues and concerns

Animal welfare is a key focus for the community when it comes to animal ownership.

Respondents from the recent survey indicated that animal welfare was the highest priority to address in the MSC review of the model Local Laws.

Number	Activity	Timeframe
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3.4.1	Educate community regarding reporting requirements with Department of Agriculture and Fisheries (OAF) for animal welfare complaints	Immediate
3.4.2	Work with relevant state agencies to address welfare complaints and issues	Immediate

4. COMMUNITY FACILITIES AND RESOURCES

4.1 Strategy – Pound Facility

In order for MSC to provide an effective service to the community it is essential that the pound facility maintenance is completed regularly and improvements are made to bring the facility to align with Australian Standards.

Number	Activity	Timeframe
4.1.1	Complete upgrades to pound facility as identified e.g. fencing maintenance, cat enclosures, and new run area for dogs, source new food supplier, and dangerous dog enclosure	Short term

5. OVERPOPULATION AND EUTHANASIA

5.1 Strategy - Implement a De-sexing Program

Pet overpopulation is an on-going community issue. Each year MSC has to euthanise a number of animals for various reasons. Assessments are needing to be implemented on animals relating to health and suitability for rehoming. While MSC will look to collaborate with CAPS in attempt to find new homes, the limited number of foster carers and facilities restricts this process. It is the aim of the MSC to take a pro-active approach by encouraging owners to de-sex their animals to prevent overpopulation.

Number	Activity	Timeframe
5.1.1	Coordinate a de-sexing program with either the local vet, RSPCA or a locum	Short term
5.1.2	Develop education material and factsheet around the benefits of de-sexing	Short term
5.1.3	Review feasibility of mandatory de-sexing and breed permit process	Short term

6. MANAGING CATS

6.1 Strategy – Cat registration

When the topic of animal management arises people generally think of dogs, however cats pose a significant environmental risk to the Gununa community. Both domestic and feral cats have a devastating impact on the Australian native wildlife species. Letting cats roam free at night and uncontrolled breeding are the two causes of this epidemic. Cats are also known to create a nuisance at night by aggravating dogs causing them to bark, creating a domino effect. Like owners of dogs, owners of cats are legally required to keep them under effective control at all times (*Local*

Law No.6 Keeping and Control of Animals, Section 16) and be microchipped (*Animal Management (Cats and Dogs) Act 2008, Section 13*). MSC aims to educate cat owners so that they understand their obligations.

Number	Activity	Timeframe
6.1.1	Investigate whether cat registration requirements can be implemented into the local laws	Short term
6.1.2	Education and awareness by WTA Community Safety Officer	Short term
6.1.3	Develop advertising campaign to inform community of microchipping requirements for cats	Short term

7. MODEL LOCAL LAWS

7.1 Strategy - Adopt new model Local Laws

Animal Management in Mornington Island is governed by the MSC Local Laws and State Legislation. Since the release of the *Animal Management (Cats and Dogs) Act 2008*, MSC Local Laws have not been reviewed and updated to align. It is important for the community that MSC reviews and adopts new local laws to enable animal management to work effectively in Mornington Island.

Number	Activity	Timeframe
7.1.1	Liaise with the stakeholders to adopt new model animal management local laws	Short term

IMPLEMENTATION PLAN

Time Frame	Number	Activity
	1.1.4	Ensure all animals investigated, seized and impounded are registered by the owner before they are released by MSC
	1.1.5	Ensure all animals investigated, seized and impounded are microchipped by the owner before they are released
	2.1.1	Maintain a regime of varied vehicular animal control patrolling
	2.1.2	Educate community in Local and State Legislation requirements
	2.3.3	Update state register with current declared animals
	2.4.1	In the field education with the community, working with the community to resolve issues, complaint based
	2.4.2	Community fact sheet on barking dogs. This may be through community forums, surveys, social media and community events
	3.1.2	In the field education with the community. This may be through community forums, surveys, social media and community events

Immediate	3.3.1	Develop policy agreement between CAPS and MSC. This policy may include: • Rehoming animals • Pound management • Pound extensions • Projects
	3.4.1	Educate community regarding reporting requirements with Department of Agriculture and Fisheries (OAF) for animal welfare complaints
	3.4.2	Work with relevant state agencies to address welfare complaints and issues
Short Term	1.1.1	Develop a systematic registration inspection program as per the legislation
	1.1.2	Develop an education programs as outlined in the education section of this plan
	1.1.3	Hold a minimum of one microchipping and registration day for the community
	1.3.1	Educate the community through fact sheets, individual interactions and holding owners accountable
	1.3.2	Consistent application of issuing of compliance Notices and Penalty Infringement Notices (PIN)
	2.2.1	Review current permit process with relevant stakeholders to ensure consistency with customer service expectations
	2.3.1	Develop a systematic registration inspection program as per the legislation for regulated dogs
	3.1.1	Develop fact sheet program and communication plan, as outlined in education section of this plan
	3.2.1	Develop relationship with Mapoon Council and Napranum Council to enable knowledge and resource sharing. (e.g. offer support with microchipping days, delivering dogs back to community etc.)
	4.1.1	Complete upgrades to pound facility as identified e.g. fencing maintenance, cat enclosures, and new run area for dogs, source new food supplier, and dangerous dog enclosure
	5.1.1	Coordinate a de-sexing program with either the local vet, RSPCA or a locum
	5.1.2	Develop education material and factsheet around the benefits of de-sexing
	5.1.3	Review feasibility of mandatory de-sexing and breed permit process
	6.1.1	Investigate whether cat registration requirements can be implemented into the local laws
Short Term	6.1.2	Education and awareness by WTA Community Safety Officer

	6.1.3	Develop advertising campaign to inform community of microchipping requirements for cats
	7.1.1	Liaise with the stakeholders to adopt new model animal management local laws
Medium Term	1.2.1	Review MSC administration procedures
	1.2.2	Upskill MSC staff in administration processes and animal management requirements

ANIMAL MANAGEMENT DEVELOPMENT, REVIEW AND REPORTING PROCESS

The animal management plan has been developed to provide strategic direction for animal management within the township of MSC for the period of 2020 – 2024. Due to potential legislative requirements it is important that the plan is reviewed to allow for new strategies and issues to be raised and incorporated.

ANNUAL REVIEW

The animal Management Plan will be reviewed on an annual basis to;

- Ensure the plan and strategies still align with MSC corporate and business plan
- Identify new issues and strategies to be incorporated into the plan
- Review submissions from the members, staff and community for inclusion and discussion

The review will take place prior to the budget being finalised each year to ensure sufficient funds are set aside for new projects and services.'

REPORTING

Performance against the Animal Management Plan will be provided through the business reporting process.

FINANCIAL & RESOURCE IMPLICATIONS

As per above report.

RECOMMENDATION

That the Council provide advice and direction regarding the proposed Animal Management Plan.

Veterinary Report

Morningside Island Shire Council

10th – 14th February 2020

Dr Hannah Burton BVSc (Hons) & Nurse Katrina Doody RVN

Burton Veterinary Contracting has just completed our first trip for 2020 to Morningside Island. Although we had a successful trip, it was a little quieter than usual with some Sorry Business occurring during the week, and no liaison workers to help retrieve animals. During meetings with the CEO and Community Services Manager, we discussed how vital it is to have these liaison workers helping us and there is very little needed in way of training or skills. We just ask that they can drive a vehicle and happy to work with us – we can do the rest! We also would require a 4 door utility vehicle to help bring our drugs, equipment and animals around safely. Unfortunately we had to swap vehicles during this trip and it hindered our ability to do house calls.

Having said that, we were successful in desexing 15 animals this trip and we treated a total of 112 animals. 5 euthanasias were performed on critically ill, injured or aggressive animals. We continue to see a great response to our new parasite control program and many community members commented on how effective the 'Bravecto' chews were for their dog's mange and tick control. To have no ticks on our recurring client's dogs in the middle of the wet season is such a great sign.

Hopefully with further education and consistency with the program we can keep driving our services and animals seen will increase again. Many members of the community are becoming regular faces and we absolutely love building such a positive rapport with the local community and their animals.

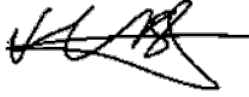
Going forward with this year, we would be keen to see AMRRIC involved in doing a survey of the community to help get a population count of animals in the community. AMRRIC have been helpful in Doomadgee where we run a very similar program and they are interspersing their visit 6 weeks after our vet trips to help keep consistency on the ground. They also have an iPad program that is very simply and user friendly, designed specifically for indigenous community animal programs. We would also like to coordinate with the school and get a PetPep program running during our visits.

Another idea that was discussed during our trip was making Friday (being a shorter day due to flying out) a day for non-indigenous consults and desexings. This idea has been popular in Doomadgee and we have implemented that the \$75+GST desexing consumable surgery fee be paid to the council to help recuperate some of the costs involved in supplying a vet to the island. We would be happy to discuss this further with council for our next trip in May.

Once again, Burton Veterinary Contracting would like to thank the Morningside Island Shire Council and the wider community for their continued support of the vet program and we look forward to building on our great relationship into the future. The council should be proud of their commitment to animal welfare and community support here, and we feel fortunate to be a part of that.

Thank you for allowing us to come to your beautiful part of the world, and please do not hesitate to contact us directly if you have any queries or concerns.

Kind regards,



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As discussed, installation of existing App has recently been made impossible (thanks to apple!). We are working on a new app which should be available in the coming months, and will be available on both apple and android devices, as well as having a desktop/web-based login. We are yet to determine the full details of our ongoing costs for hosting and maintenance, but anticipate that we will charge users an annual subscription fee to recoup our costs. This subscription may be incorporated into a broader AMRRIC membership that entitles members to additional assistance with things like data analysis and strategic planning. We will certainly keep you updated about all this when the new app is available, and subscription details confirmed.

I have spoken to our CEO about the census and costings, and she has agreed to extend our offer to Doomadgee to Mornington also. This includes:

AMRRIC to provide pro bono:

- 2 x AMRRIC staff time for app training and census data collection (likely 2-3 days, depending on the size of the animal populations)
- an ipad with AMRRIC App installed, for use during the census
- post-census data analysis and recommendations
- community-wide ivermectin (anti-parasite) treatments for all dogs (pending approval from your regular vet service provider)
- travel to/from Mornington Island (assuming that commercial fares are both available and priced similarly to pre-COVID-19 pricing; if this isn't the case we may need to discuss travel costs further)

In return, we would appreciate *Mornington Council to provide, in-kind:*

- accommodation for our staff
- a vehicle for our staff to use
- Council staff to train and work alongside the AMRRIC staff members (e.g. your Animal Management Worker)

The bulk of AMRRIC's operations are currently funded by the federal government, National Indigenous Australian's Agency. This funding agreement allows us to provide considerable in-kind to assist remote Indigenous LGAs to improve and enhance their animal management programs, and hence supporting our pro bono offerings outlined above. Once the census is complete, we would be eager to continue working with Mornington Shire Council to develop and implement an effective, data-informed, strategic animal management plan.

If, in addition to the census training, Mornington would also like AMRRIC to deliver school and community based education around responsible pet ownership, care for animals etc, we can offer this to Mornington based on a daily rate to cover the wages of our 2 staff members. Please let me know if you'd like us to provide a quote for this. As mentioned on the phone, this would ideally be delivered in conjunction with the visiting vet service.

We actually have recently had former vet nurse/now AMRRIC Project Office Katrina Doody join the AMRRIC team. Kat previously lived at Mt Isa and worked with both Hannah Burton and Ed Butterworth prior, to deliver remote vet services, including to Mornington. She is already familiar with the community so we anticipate that we would send Kat plus our Education Officer Courtney Falls, once COVID-19 travel restrictions allow.

And as a bit of history for you, if you aren't already aware, one of our former Education Officers did a fair bit of education work almost 10 years ago on Mornington Island. Sophie Constable was our Education Officer at the time who delivered the program – she is also a veterinarian by training. Some of residents may have recollections of these visits.

If you have any questions, please don't hesitate to get in touch. And If you would like to proceed with the census and/or education program please do let me know.

Kind regards,
Bonny

AMRRIC is primarily funded to:

Facilitate and co-ordinate animal health programs.

Collaborate with LGA's and veterinary providers to support existing programs and facilitate programs where none exist.

Support and facilitate community and school based education programs and resources that reinforce responsible pet ownership.

Collate data on companion animal populations and management history

Keys to AMRRIC's approach

Understanding and respecting peoples' connection to their animals

Working with all stakeholders to develop culturally appropriate tailored programs that meet the needs of the community as a whole

Building trust and implementing changes slowly, allowing people to personally recognise the benefits of participation

Support and services that AMRRIC can offer:

Education and Training

We have a wide range of education resources on our website that can be freely downloaded and used within schools and communities. The resources mostly focus on responsible pet ownership, animal needs/care and safety around dogs, though we have recently been working on developing some cat-focuses to complement our otherwise largely dog-focused resource library. The resources have all been designed with remote communities in mind, and are culturally and contextually appropriate. We have recently renovated our website and are still working on our resource library search function, so if there are particular topics you are interested in but can't find, please don't hesitate to reach out.

AMRRIC can directly deliver community and school-based education programs, or can also train AMWs in the use and delivery of our educational resources. A few years back, via Queensland Health (organised through the Tropical Public Health Unit in Cairns) we sent each Indigenous LGA in QLD an Education Resource Kit. This kit was a large blue or black plastic box which contained a variety of props to aid in the delivery of school-based educational lessons around animal care and empathy etc. If Mornington still has this kit, we would be happy to train your AMW in its use, or alternatively can supply another kit, alongside training in its use.

AMRRIC staff are also able to provide other training to build capacity of AMW's. Training can be provided in use of the AMRRIC App (for census data collection), and preparation+administration of Ivermectin (anti-parasite medication) so AMW's can provide this service between vet visits (pending consent from the visiting vet service provider). We can also train the AMW's on how to support the veterinary program to maximise the vet's time during visits e.g. by collecting a vet job list, capturing and transporting animals to the vet suite etc. While at this stage all of this training is non-accredited, we are working behind the scenes to establish some accredited units, relevant to remote community animal management, that could be delivered as individual units, skills sets or as part of broader qualifications (e.g. Cert IV in Animal Regulation and Management).

Strategic Planning

AMRRIC staff can work with AMW's to undertake a census to collect baseline data. A report with recommendations on education, training and vet service requirements can then be provided.

AMRRIC staff can work with you to develop an Animal Management Strategy to guide your program and if required, seek additional funding.

We can advocate and support applications for additional funding. This can include Letters of Support, partnering on grant applications and supporting advocating for additional government funding. As a not-for-profit AMRRIC can apply for funding that is not accessible to some local government organisations.

Veterinary Services

Should your regular vet service provider be supportive, and where transport and accommodation is available, AMRRIC can enhance vet visits by supplying vet and vet nurse volunteers to increase outcomes of each visit.

Where required, we can also work with you and your regular vet service provider to secure funding and deliver a 'blitz program' – i.e. a team of vets and vet nurses working alongside your staff, aiming for large numbers of dog and cat desexings to bring the reproductive rate down and get on top of the companion animal population, ensuring a more stable population going forward.

Costs for each of these services/support vary depending on staffing and travel needs, however AMRRIC is able to provide significant in-kind in relation to any of these areas if which you require support.

Dr Bonny Cumming BVSc MVS (Cons Med)

Program Manager – Strategic Delivery | AMRRIC

QUOTE FOR SERVICES – 8th May 2020

Presented to the “client”: David Torr
Acting Exec Manager Tech Services
Mornington Shire Council

Background

AMRRIC submits to you this quote to undertake a census and deliver an education program, based on the discussions that have taken place in early May between yourself and AMRRIC Program Manager- Strategic Delivery, Dr Bonny Cumming.

The Quote

Please refer to the third page of this document.

Communities Involved: Mornington Island - Gununa

The Services

As part of the quoted price, AMRRIC will deliver the following services:

1. 2 days of animal-focused education delivery

School-based education and community education events increase community awareness of responsible pet ownership, and engagement in available veterinary services.

Included in this quote is a 2 day Education Program, delivered by AMRRIC's Education Officer and Project Officer (quote item 1). AMRRIC is able to offer Education Program preparation and reporting costs as an in-kind contribution (quote item 2).

Upon discussion, educational content can be tailored to community needs. Local staff, e.g. Animal Management and/or Environmental Health Workers can also be trained in education delivery, enabling ongoing knowledge sharing for the community.

In AMRRIC's experience, Education Programs have the best outcomes when delivered in conjunction with a visiting vet service. AMRRIC encourages Mornington Shire Council to consider coordinating the Education Program with a vet visit.

2. 3 day community-wide companion animal census using the AMRRIC App

Companion animal census data collection and analysis allows for informed animal management planning and monitoring. Door to door censuses also present an opportunity for community engagement and knowledge transfer around responsible pet ownership.

AMRRIC will provide 2 staff members to work alongside Mornington Shire Council's Animal Management Worker, training them in the use of the AMRRIC App for data collection, and undertaking a community-wide census. Given the population size, AMRRIC anticipates 3 days will be required to undertake the census (quote item 3).

In addition to data collection and training in the AMRRIC App, upon agreement from Mornington Shire Council's regular vet service provider, AMRRIC will also provide anti-parasitic treatments for all community dogs, to be delivered during the door to door census (included in quote item 3).

Following the census, AMRRIC will analyse the data and provide a report, outlining recommendations for data-informed animal management strategies (quote item 4).

AMRRIC is able to cover all costs associated with the census as an in-kind contribution, subject to the conditions outlined below.

1

Services to be provided by the "client"

The following are required elements of the program delivery and are assumed to be provided in-kind by the Mornington Shire Council.

1. Community Liaison Officer

We request that the Council will provide a Community liaison officer – e.g. an Animal Management Worker. This person will assist the team with their communication and interaction within the community, and can be trained in the use of the AMRRIC App and Education delivery. Our experience has demonstrated that the involvement of a CLO greatly enhances program outcomes through providing clear and trusted communication.

2. Accommodation

We request that Council provides the two AMRRIC staff members with appropriate and secure accommodation during their time on Mornington Island.

3. Vehicle use

We request that Council provides a vehicle for use by AMRRIC staff while on the Island.

Conditions of the Services on Offer

1. The quote assumes that the census and education programs are to be delivered within the same week. If the Education Program is to be delivered separately to the census, additional travel costs will be incurred.
2. AMRRIC has also been in discussion with Doomadgee Aboriginal Shire Council and has tentative plans to deliver a census there. Given the travel costs associated with transporting AMRRIC staff members from Darwin to either Doomadgee or Mornington, AMRRIC's offer to cover the costs of travel is reliant on the ability to coordinate the Doomadgee and Mornington trips in subsequent weeks, thus avoiding additional travel costs. If the Doomadgee and Mornington trips cannot be coordinated in consecutive weeks, we would request Mornington Shire Council to contribute to 50% of the total travel costs from Darwin, associated with the Mornington trip.
3. AMRRIC is committed to partnership approaches, with long-term and effective outcomes for remote community animal management. AMRRIC is pleased to offer significant in-kind contributions on the basis that upon quote acceptance, AMRRIC and Mornington Aboriginal Shire Council will enter a Memorandum Of Understanding, paving the way for a long-term relationship and collaboration on strategic animal management planning and activities.

Should you have any questions about this quote, please don't hesitate to contact:

Dr Bonny Cumming
Program Manager – Strategic Delivery | AMRRIC
bonny.cumming@amrric.org | 0417697790



Animal Management in Rural and Remote Indigenous Communities
Ltd
ABN: 71 173 062 319
4/41 Sadgroves Crescent, Winnellie NT 0820
GPO Box 4829, Darwin NT 0801
Phone: (08) 8948 1768

Project Quote

Project: Mornington Island Education & Census Program

Client: Mornington Shire Council

Quote No: 20-05.02

Date: 8/05/2020

Item	Description of Works	Unit	Unit Quantity	Unit Rate	Subtotal	AMRRIC Discount Applied	Discount Amount / In-Kind	Total Client Quote
1	2 Day Education Program Delivery	Per Day	2	1,672.20	\$3,344.40			3,344.40
2	Program Preparation & Reporting	Per Day	3	693.00	\$2,079.00	100%	2,079.00	0.00
3	3 Day Census / Data Collection	Per Day	3	1,637.20	\$4,911.60	100%	4,911.60	0.00
4	Census Data Analysis & Reporting	Report	1	852.50	\$852.50	100%	852.50	0.00
5	Return Travel Darwin to Mornington Islands	Travel per person	2	6,164.40	\$12,328.80	100%	12,328.80	0.00

Sub-total:	\$23,516.30	\$20,171.90	\$3,344.40
GST @ 10%:	\$2,351.63	\$2,017.19	\$334.44
Total Quote (Inc GST):	\$25,867.93	\$22,189.09	\$3,678.84

14.2 HOUSING REPORT

Author: Housing Manager

Attachments: Nil

PURPOSE (EXECUTIVE SUMMARY)

The purpose of this report is to provide the Council with an update of the Housing program for the month of May 2020.

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION**CURRENT BAS WORKS PROGRAMS UNDERWAY**

1) **2018/19 BAS Do & Charge Program** – As at the date of this report, 5 jobs out of a total of 1634 Repairs & Maintenance Jobs for the 2018/19 financial year remain outstanding as detailed below:

- (i) Carpentry – 3
- (ii) Electrical – 1
- (iii) Plumbing – 1

2) **2019/20 BAS Do & Charge Program** – 112 jobs out of a total of 1238 current jobs issued remain are yet to be completed as detailed below:

- (i) Plumbing – 42
- (ii) Electrical – 18
- (iii) Tree Maintenance/Arboreal Works – 10
- (iv) Carpentry – 32
- (v) Fencing Repairs – 5
- (vi) Pest Control – 4
- (vii) Painting – 1

BAS Do & Charge Jobs Summary 2018/19 to 2019/20 at 05.05.2020:

Total number of jobs issued on the BAS Portal	142
Total number of jobs completed/ready for billing	25
Total number of jobs outstanding/yet to complete	117

- **2018/19 BAS Purchase Orders Program** – there are 5 outstanding PO jobs for the financial year. These jobs comprise of:

- (i) 1x Fencing Upgrade at Mornington Island State School – Has been cancelled and included in current School Fencing Project;

(ii) 3 HIPS (Housing Improvement Program) remain to be completed. The timeline for each property is as follows:

- Res 4/503 Lardil – external cladding completed, demolition completed, bathroom fit-out 90%, kitchen 80%, all other works on hold awaiting ACM results, variation issued awaiting approval; on hold due to COVID-19
- 5A/264 Lardil – engineers’ inspection report received, quoted works and awaiting approval of decks, laundry on hold, ACM variation issued and approved, on hold due to COVID-19;
- 5B/264 Lardil – external painting completed, external cladding 60%, engineers’ report received, works have been quoted and awaiting approval, kitchen installed, robes installed, bathroom 80%. Vinyl flooring and approved ACM removals on hold due to COVID-19

- **2019/20 BAS Purchase Orders Program** – BAS has released a total of 86 jobs to date valued at \$5.3 million (GST-inclusive). 73 jobs valued at \$2.5 million have been completed and paid. A remainder 13 jobs valued at \$2.8 million are yet to be completed.

The summary of the completed jobs is as follows:

Description of Works	Quantity	\$
Carports x26	26	1,100,000.00
Carport x1 - Gidgee	1	58,400.00
Driveways x19	19	579,720.00
Fencing Upgrade x2	2	30,600.00
Painting x10	10	203,000.00
Concrete Works x1	1	10,100.00
Flooring Upgrade x2	2	48,800.00
Kitchen Upgrades/Repairs x3	3	65,500.00
NAHA Upgrade x1	1	203,500.00
Rear Patio Upgrade x1	1	11,900.00
Clothesline & Footpath Upgrade x1	1	10,600.00
Hot Water Replacement x1	1	3,700.00
Shower Repairs x1	1	26,900.00

External Repairs x1	1	33,100.00
Toilet/Basin combo - Police Station	1	8,400.00
Trenching Project & C Block Upgrade - MISS x2	2	134,000.00
Totals	73	2,528,220.00

Below is a summary of the 13 jobs valued at \$2.8 million have yet to be completed:

- (i) 2x Fencing Upgrades valued at \$28,600 – QAS Residences fencing jobs are works-in-progress;
- (iii) 1x Flooring Upgrade valued at \$5,300 – works on hold due to COVID-19;
- (iv) 1x MI Hospital Ceiling Replacement valued at 12,300 – awaiting direction from Department of Health, has been billed for materials and 40% completion;
- (v) 1x Laundry Upgrade valued at \$14,100 – underway to be completed by 08/05/20;
- (vi) 1x Concrete works valued \$28,300 – works currently under construction;
- (vii) 1x Security Fencing Upgrade MISS/PCYC Oval valued at \$2.47 million – purchase order for materials has been issued to supplier, anticipated arrival of materials by mid-May;
- (viii) 3x Asbestos Removal valued at \$50,300 – these are HIPS variation jobs and are currently on hold due to COVID-19;
- (ix) 1x Roof Replacement Project valued at \$57,700 – on hold due to COVID-9;
- (x) 1x Install Hoist at MISS project valued at \$35,900 – materials have been procured, awaiting materials arrival to commence project;
- (xi) 1x Full Refurbishment valued at \$78,700 – works on hold;
- (xii) 1x Handrails & Balustrades project valued at \$18,300 – Materials order expected approx. arrival date 20th May 2020;
- (xiii) 1x Install Hoist Job Value at \$27,500 – Materials ordered expected approx. arrival date 27th May 2020;

STAFFING REPORT

- Adam Wallace, Daniel Linden and Dale Moore have ceased their employment with MSC as of the 3/04/2020.
- Andrew Campbell has been engaged to fill the final carpentry position with-in the ORG chart and will commence once restrictions from Covid-19 are lifted.
- Cybil Smyler has been appointed in the Housing Administration Officer-Trainee position and will commence duties 18/05/2020.
- Michael Wilson, (Mixer) is currently job shadowing Rohan Gibbs in the role of Housing Supervisor.

FINANCIAL & RESOURCE IMPLICATIONS

1. Plug Ins x10 Project – Outstanding		
Sep19 Claim (Variation) - Submitted	\$527,893.72	Yet to receive approval from QBuild
TOTAL	\$527,893.72	

Commentary: The Progress Claim 12 (Variation Claim) for this project worth approximately \$527,894 was raised and submitted in September 2019. We aim to have the claim finalised by the end of the financial year.

2. BAS PO Jobs				
	Jan20	Feb20	Mar20	Apr20
Total Revenue (\$)	898,818.48	\$254,197	\$345,773	131,269.20
Invoice Quantity	31 Invoices	8 Invoices	14 Invoices	9 Invoices
Average \$/invoice	\$28,994	\$31,775	\$24,698	\$14,585

Commentary: The table above indicates a general decrease in the revenue figures for the QBuild Purchase Order Projects from January through to April. This is attributed to larger scale program works scheduled for 2019-20 have been successfully completed well ahead of schedule. Additional works and funding have been sourced, for example, the Security Fencing Upgrade Mornington Island State School.

3. BAS D&C Jobs				
	Jan20	Feb20	Mar20	Apr20
Total Revenue (\$)	\$176,759	\$192,395	\$121,807	\$186,547
Invoice Quantity	178 Invoices	144 Invoices	87 Invoices	124 Invoices
Average \$/invoice	\$993	\$1,336	\$1,400	\$1,504

Commentary: The table above showed a general increase in revenue due to closing out of several aged cards. Some work has been affected due to COVID-19 and associated travel restrictions, however a shift in direction has ensured and secured a constant work and revenue flow for Council.

An outstanding effort from Rohan and the team (Jayne, Violet, Lolita and Sophie) has seen a considerable number of aged jobs finalised and billed.

4. Private Works Jobs			
Apr20 Invoices	\$	Invoice	N/A
TOTAL	\$		

Commentary: There are no outstanding invoices that will be invoiced in the month of May.

RECOMMENDATION

That Council note and receive this report.

14.3 OPAL FUEL REINTRODUCE

Author: Acting Executive Manager Technical Services

Attachments:

- 1 Report to Council Dec18
- 2 Report to Council Jan19
- 3 Minutes Extract Jan19
- 4 Unleaded Fuel Survey 2020
- 5 Low Aromatic Fuel Act [Note]

PURPOSE (EXECUTIVE SUMMARY)

To provide Council with a report and information to consider the reintroduction of opal fuel for sale in lieu of unleaded fuel on Mornington Island.

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION

In late October to December 2018 Council undertook a community survey to gauge the acceptance of unleaded fuel use in the community over Opal Fuel which was the fuel in stock at the time. It appears the primary motivation for the change from Opal fuel to unleaded fuel was the reported poor performance and damage done to motors resulting from the use of opal fuel. Survey results indicated that the community was in favour of unleaded fuel for sale on Mornington Island. It was the opinion of the community that they felt that their vehicles, boats and bikes performed better on unleaded fuel rather than on opal fuel. See Attachment 1 – Report to Council Dec18 and Attachment 2 - Report to Council Jan19.

As a result in January 2019 Council passed a resolution to replace opal fuel and permit the sale of unleaded fuel on Mornington Island. Timeline to that decision is depicted here:

Ordinary meeting of Council - December 12th 2018

- Governance and Communications Report
 - o Reference to Opal v Unleaded fuel community survey
 - With Recommendation: *That Council provide advice and direction regarding the possible reintroduction of unleaded fuel to be sold on Mornington Island.*
 - Adopted as Resolution: 2018/254

Ordinary meeting of Council – January 16th 2019

- Governance and Communications Report
 - o Report 12.6 - Sale of Fuel on Mornington Island
 - With Recommendation: *That Council provide advice and direction regarding the possible reintroduction of unleaded fuel to be sold on Mornington Island.*
 - This recommendation was not adopted.
 - o Motion – *That Council approve the reintroduction of Unleaded Fuel for sale on Mornington Island* – was adopted as resolution 2019/10.

There appears to be no other evidence of further information or reports being presented to Council.

See attachment 3 – Minutes Extract Jan19.

Since that time, as an apparent consequence to the reintroduction of unleaded fuels our community has witnessed an increase in substance abuse, specifically petrol sniffing, and associated anti-social behaviour. Hence, it is prudent that Council now considers the cost to the community of such behaviours plus associated health issues and the correlation between these and the presence of unleaded fuel.

Council did undertake a further survey earlier this year regarding opal fuel however the survey centred more round the community's awareness of substance abuse, specifically petrol sniffing

and the community's understanding of services and support available to assist those dealing with the issue. See survey results at Attachment 4 – Unleaded Fuel Survey 2020.

A community 'watch and act' group has been formed which includes representatives from Health, Education and Police, plus other service providers which are there to assist people where and when they can.

Council has been provided with information, data and requests from various community members and service providers to reconsider the provision of unleaded fuel.

The data below, provided by ATODS (Alcohol, Tobacco & Other Drug Services) shows reported incidents of petrol sniffing over the last three months:

MORNINGTON ISLAND VOLATILE SUBSTANCE MISUSE INCIDENTS.

Presentations to the Emergency Department.

- All misuse has been of Regular fuel either sniffing or chroming.
- The count is of individuals whether in a group or alone.
- Age and gender of the individual is noted.
- No file research conducted for symptomatology or treatment.

Monthly numbers. 2020

February Total 64.

39 Male- Age range 10-16 years.

25 Female Age range 9-15 years.

March Total 49.

20 Male Age range 10-21 years

29 Female Age range 10-20 years.

April Total 8.

7 Male Age range 12-17 years.

1 Female 15 years old.

Information and data on the benefits of opal fuels and the banning of unleaded or 'sniff able' fuels in indigenous communities across Australia is widely published and generally accepted by every level of stakeholder, and therefore is not reproduced here in this report. Readers are referred to their internet search engine; opal or unleaded fuel in indigenous communities/ health impacts of petrol sniffing etc. for additional information.

In addition, Council might consider an application to the Commonwealth Minister of Indigenous Affairs to have Mornington Island designated a 'low aromatic fuel area' under an instrument of the Low Aromatic Fuel Act 2013. See explanatory note at Attachment 5 – Low Aromatic Fuel Act [Note].

FINANCIAL & RESOURCE IMPLICATIONS

Whilst there is no direct financial or resource implication associated with this report and its recommendation in terms of the cost of supplying fuel to the community, Council might consider the social, community and associated financial cost to the community of maintaining the sale of unleaded fuel on Mornington Island.

RECOMMENDATION

1. That Council approve the sale of Opal fuels, and that the change from unleaded to opal fuel be introduced as earlier as is possible and practical.

2. That the sale of unleaded fuel from Council's bowzers be banned.

ORDINARY COUNCIL MEETING AGENDA

21 DECEMBER 2018

12.4 GOVERNANCE AND COMMUNICATIONS REPORT**Author:** Governance and Communications Manager**Attachments:**
1 Novemebr stats.docx
2 Surveys.docx
3 Top Stories- Nov.docx**PURPOSE (EXECUTIVE SUMMARY)**

To provide Council with an update of the movements of the Governance and Communications Manager

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION

The Governance and Communications Manager is responsible for the Council's social media pages, website, media releases, advertisements of vacant positions and tenders, Service Delivery review, Council meetings and AMP Committee Meetings.

Social Media

During the months of October to December, the Council's social media pages continue to increase its range of audience and engagement.

During recent months, Council's social media pages saw high levels of attention for our 40th Anniversary of Local Government celebrations, Community Liquor Permit Function, Fishing Competition, update of council works and Minister Crawford's Visit to Mornington Island.

We received huge amounts of positive feedback from the event/celebrations and residents loved their commemorative shirts that Council distributed.

During November we conducted community consultation through various surveys and polls using different formats including Facebook, Survey monkey and in person. The results are presented as attachments.

One of the most significant polls was the Opal Fuel vs Unleaded Fuel, which saw 222 residents participate and the results indicate 66% of residents would like to see unleaded fuel reintroduced for sale on Mornington Island.

FINANCIAL & RESOURCE IMPLICATIONS

Nil

RECOMMENDATION

1. That Council note and receive this report
2. That Council provide advice and direction regarding the possible reintroduction of unleaded fuel to be sold on Mornington Island.

ORDINARY COUNCIL MEETING AGENDA

16 JANUARY 2019

12.6 SALE OF FUEL ON MORNINGTON ISLAND**Author:** Governance and Communications Manager**Attachments:** Nil**PURPOSE (EXECUTIVE SUMMARY)**

To provide council with results conducted through community consultation surveys identifying whether community would rather the sale of Unleaded Fuel or Opal fuel on the island.

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION

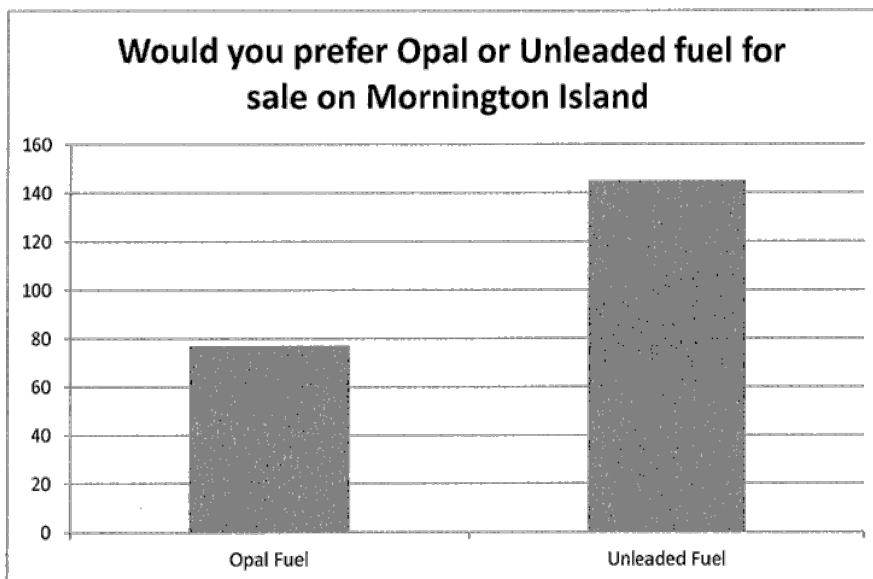
Opal fuel is a low-aromatic unleaded fuel that has been designed to discourage people from sniffing by lowering the amount of the toxic components which give petrol sniffers a 'high'.

Council initially introduced Opal fuel to address the issue of petrol sniffing on Mornington Island.

During the months of October to December the Governance and Communications Manager conducted surveys through multiple methods such as Facebook polls, survey monkey and written surveys.

During this period, 222 residents participated in the survey and indicated that 66% of residents would like to see Unleaded Fuel reintroduced for sale on Mornington Island.

There were a number of reasons residents indicated they would like to see the change, the main reason being they believe it is better for their vehicles, boats and bikes.

**FINANCIAL & RESOURCE IMPLICATIONS**

Nil

RECOMMENDATION

1. That Council note and receive this report
2. That Council provide advice and direction regarding the reintroduction of Unleaded Fuel for sale on Mornington Island.

ORDINARY COUNCIL MEETING MINUTES16 JANUARY 2019

Moved: Cr Jane Ah Kit

Seconded: Cr Bob Thompson

That Council note and receive this report.

CARRIED 4/0

12.4 MORNINGTON SHIRE COUNCIL - LOCAL DISASTER MANAGEMENT GROUP REPORT.**RESOLUTION 2019/8**

Moved: Cr Jane Ah Kit

Seconded: Cr Bob Thompson

1. Council note and receive this report.

CARRIED 4/0

12.5 LOCAL GOVERNMENT CHANGE COMMISSION - DEADLINE FOR SUBMISSIONS FOR PROPOSED LOCAL GOVERNMENT CHANGES.**RESOLUTION 2019/9**

Moved: Cr Jane Ah Kit

Seconded: Cr Bob Thompson

That Council provide their advice and direction regarding any proposed Local Government Changes for the 2020 quadrennial Local Government elections.

CARRIED 4/0

12.6 SALE OF FUEL ON MORNINGTON ISLAND**RESOLUTION 2019/10**

Moved: Cr Jane Ah Kit

Seconded: Cr Bob Thompson

1. That Council note and receive this report
2. That Council approve the reintroduction of Unleaded Fuel for sale on Mornington Island.

CARRIED 4/0

12.7 MORNINGTON SHIRE COUNCIL SERVICE DELIVERY STRATEGIC REVIEW - TERMS OF REFERENCE AND FRAMEWORK OF SERVICE DELIVERY WORKING GROUP FOR COUNCIL ENDORSEMENT AND APPROVAL.**RESOLUTION 2019/11**

Moved: Cr Jane Ah Kit

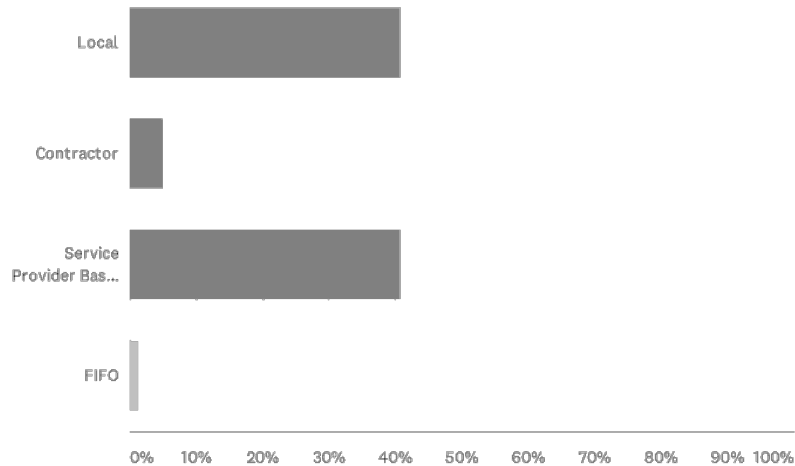
Page 4

Initial: _____

Mornington Island Unleaded Fuel Survey

Q1 What's your position in community?

Answered: 81 Skipped: 0



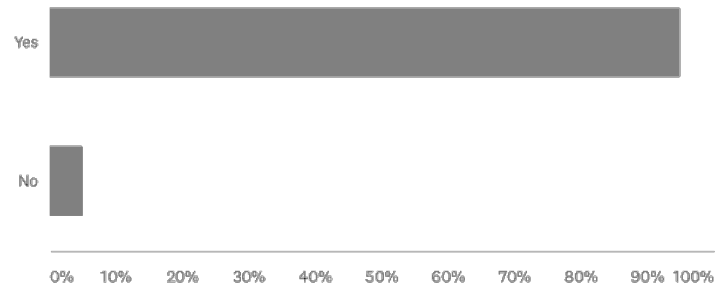
ANSWER CHOICES		RESPONSES	
Local		40.74%	33
Contractor		4.94%	4
Service Provider Based in Community		40.74%	33
FIFO		1.23%	1
TOTAL			81

#	OTHER (PLEASE SPECIFY)	DATE
1	Art Centre Manager	4/8/2020 11:46 AM
2	Married to a local	4/8/2020 11:44 AM
3	Apprentice Mechanic	4/8/2020 11:30 AM
4	RN Queensland Health	4/8/2020 11:11 AM
5	teacher	3/7/2020 8:29 AM
6	Partner	3/6/2020 11:19 PM
7	Education	3/3/2020 10:02 PM
8	Teacher	3/3/2020 9:41 PM
9	Ex service provider from community	3/3/2020 7:04 PM
10	School Staff	3/3/2020 5:06 PM
11	Government worker	3/3/2020 5:02 PM
12	Teacher	3/3/2020 4:31 PM

Mornington Island Unleaded Fuel Survey

Q2 Are you aware of any issues unleaded fuel has on community?

Answered: 81 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	95.06%	77
No	4.94%	4
TOTAL		81

Mornington Island Unleaded Fuel Survey

#	IF SO, WHAT?	DATE
1	Sniffers and break ins and bad behaviour	4/8/2020 1:33 PM
2	Break ins and danger	4/8/2020 1:31 PM
3	An ongoing series of issues becoming more serious and dangerous for everyone.	4/8/2020 11:46 AM
4	sniffing increased crime rate, service providers feeling unsafe in their homes due to break ins. fighting between families	4/8/2020 11:44 AM
5	Sniffing	4/8/2020 11:40 AM
6	Sniffing, stealing, break entering in houses	4/8/2020 11:39 AM
7	All good	4/8/2020 11:34 AM
8	The kids are the issue not the fuel	4/8/2020 11:33 AM
9	Unleaded fuel being sniffed by many young people here.	4/8/2020 11:32 AM
10	Kids coming to my workplace and stealing fuel from the genset	4/8/2020 11:30 AM
11	Petrol sniffing	4/8/2020 11:11 AM
12	Kids sniffing	3/22/2020 12:30 PM
13	Youth Volatile Substance Misuse	3/10/2020 5:21 PM
14	Children sniffing leading to multiple other issues.	3/10/2020 5:19 PM
15	sniffing, break-ins+stealingh	3/9/2020 2:36 PM
16	Petrol sniffing	3/9/2020 1:23 PM
17	Sniffing	3/7/2020 11:31 PM
18	Killing our youth	3/7/2020 5:18 PM
19	HEALTH: Petrol sniffing FINANCIAL: overpriced	3/7/2020 12:43 PM
20	Sniffing fuel	3/7/2020 8:29 AM
21	Lots of theft of fuel from vehicles & premises.	3/6/2020 11:19 PM
22	Increased sniffing and theft within the community	3/6/2020 4:51 PM
23	Sniffing	3/5/2020 8:00 PM
24	Health. Security	3/5/2020 6:06 PM
25	sniffers	3/5/2020 4:35 PM
26	Sniffing	3/5/2020 10:33 AM
27	Kids using unleaded fuel for sniffing which leads to increased stealing offences as kids will break in to homes & businesses to get fuel from people's cars and mowers.	3/4/2020 7:29 PM
28	Petrol sniffing, break and enter, stealing vehicles	3/4/2020 2:36 PM
29	Increase in crime directly related to sniffers Increase in hostile situations within families and community members caused from the stress of this increase in sniffing	3/4/2020 2:12 PM
30	Sniffing	3/4/2020 6:19 AM
31	Huge sniffing crisis, theft as a result, break -ins, potential for violence.	3/4/2020 3:28 AM
32	Sniffing	3/4/2020 12:54 AM
33	Since the re-introduction of unleaded petrol at the petrol station, there has been a significant spike in the rates of the act of volatile substance abuse and hospitalisation of those abusing the substance. Property offences have occurred as those abusing substances seek to gain access to substances due to the addictive nature of the abuse. This may lead to convictions that inhibit future career and travel aspirations. Minors are greatly impacted, and those abusing	3/4/2020 12:19 AM

Morrington Island Unleaded Fuel Survey

substances face irreparable mental and physical health problems, inhibiting their abilities to reach their social, cultural and academic potential. For those with pre-existing health conditions, volatile substance abuse can be fatal, which would cause significant emotional stress to the community. This places unnecessary financial burdens on community members, as well as the health care system. Families affected may experience alienation, and community morale is being negatively impacted as it creates persistent, unsafe conditions for adults and children.

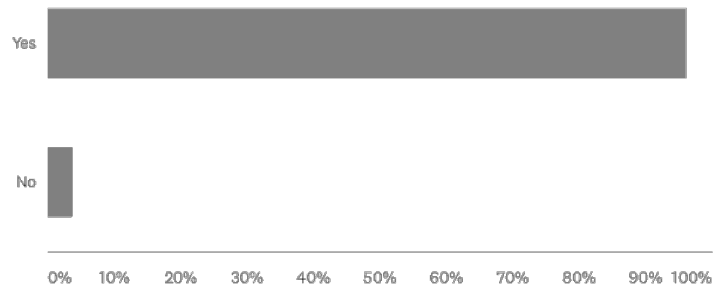
34	Sniffing, kids becoming violent, break ins	3/3/2020 11:07 PM
35	Danger to the kids health and lives as they are constantly sniffing gas. The kids are then a safety issue not just for themselves and each other, but anyone else around as when high they become unpredictable and violent. The kids health should be more important than adults want for fuel!	3/3/2020 11:00 PM
36	Children and adults sniffing Children stealing petrol Violence caused by sniffing Decline in attendance at school due to sniffing	3/3/2020 10:02 PM
37	Theft, truancy, health issues, trespassing, erratic behaviour, break-ins, extreme harassment	3/3/2020 9:41 PM
38	Petrol sniffing and other volatile substance misuse resulting in severe health problems for kids	3/3/2020 7:40 PM
39	Sniffing of petrol by the youth has gotten out of control. Epidemically worse then before unleaded got brought back in.	3/3/2020 7:38 PM
40	Young kids sniffing it	3/3/2020 7:33 PM
41	Sniffing in youth	3/3/2020 7:04 PM
42	Sniffing	3/3/2020 6:41 PM
43	Petrol sniffing	3/3/2020 6:06 PM
44	Children unable to attend school due to sniffing issues.	3/3/2020 5:51 PM
45	Damage to children inhaling fuel, damage to property when children are high or breaking in to steal fuel	3/3/2020 5:23 PM
46	Substance abuse	3/3/2020 5:16 PM
47	Children sniffing, stealing fuel	3/3/2020 5:08 PM
48	People, especially youth sniffing and causing trouble, e.g. break ins.	3/3/2020 5:05 PM
49	Volatile substance abuse. Youth are sniffing the unleaded, harming their health and committing crimes both whilst high and to steal further fuel to sniff	3/3/2020 5:02 PM
50	Kids sniff petrol and also break into properties to get petrol	3/3/2020 4:58 PM
51	Sniffing stealing of petroleum	3/3/2020 4:56 PM
52	Kids sniffing	3/3/2020 4:55 PM
53	Children sniffing and associated offences	3/3/2020 4:55 PM
54	There is a large number of children sniffing petrol in the community and breaking into houses.	3/3/2020 4:53 PM
55	Kids sniffing.	3/3/2020 4:50 PM
56	Young persons in the community are sniffing unleaded fuel nightly.	3/3/2020 4:41 PM
57	last year while opal fuel was on island there was not an issue with sniffing. Since unleaded came back that has changed.	3/3/2020 4:40 PM
58	Sniffing	3/3/2020 4:34 PM
59	School students sniffing and missing school.	3/3/2020 4:33 PM
60	Kids have been sniffing petrol	3/3/2020 4:32 PM
61	Continual issues with students sniffing fuel to get high. There have been multiple issues with students of Morrington Island State School sniffing fuel.	3/3/2020 4:32 PM

Mornington Island Unleaded Fuel Survey

62	Sniffing	3/3/2020 4:31 PM
63	Petrol sniffing	3/3/2020 4:29 PM
64	Young people sniffing petrol	3/3/2020 4:28 PM
65	40 kids sniffing and crime brake ins	3/3/2020 4:19 PM

Q3 Are you aware of people sniffing petrol and other products in community?

Answered: 81 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	96.30%	78
No	3.70%	3
TOTAL		81

Morrington Island Unleaded Fuel Survey

#	IF YES, WHAT ISSUES HAVE YOU EXPERIENCED?	DATE
1	Someone came into my home with an axe	4/8/2020 1:33 PM
2	Break ins noise and danger	4/8/2020 1:31 PM
3	breaking in at art centre plus the siege at Bynoe staff houses	4/8/2020 11:46 AM
4	seen kids walking the streets being very loud early hours of the morning multiple places broken in	4/8/2020 11:44 AM
5	sniffing	4/8/2020 11:40 AM
6	drinking home made brew some people do	4/8/2020 11:39 AM
7	Broke into shed	4/8/2020 11:34 AM
8	Heard and seen groups at hospital	4/8/2020 11:32 AM
9	Nil	4/8/2020 11:30 AM
10	Seen kids and know of break ins for fuel	3/22/2020 12:30 PM
11	as above	3/9/2020 2:36 PM
12	Young kids high from sniffing	3/9/2020 1:23 PM
13	Break and enter fuel taking and property damage to equipment.	3/7/2020 11:31 PM
14	Break in car theft kids walking around with knives	3/7/2020 5:18 PM
15	Over excited kids	3/7/2020 8:29 AM
16	None. All hearsay.	3/6/2020 11:19 PM
17	Have been broken into 3 x times Have witnesses children sniffing	3/6/2020 4:51 PM
18	Substance abuse, suicide, brain damage, social and emotional effects, increased criminal activity	3/5/2020 8:00 PM
19	Theft from personal property	3/5/2020 6:06 PM
20	antisocial behaviour	3/5/2020 4:35 PM
21	See sniffing daily	3/5/2020 10:33 AM
22	It's common knowledge among community.	3/4/2020 7:29 PM
23	Stealing fuel from underneath the house	3/4/2020 2:36 PM
24	A Break-in to my house while I was home at 3am in the morning & being terrified until they were chased away an hour and a half later A group of youths trying to steal our work vehicle & taking turns in bashing it with a metal pole, a large shovel & a large stick Youths trying to break into my bedroom window around 4.15am Youths yelling abuse, threatening to kill my boss & smashing their weapons against his bedroom window A group of local family members getting extremely stressed and wanting to get physically abusive with their relatives who had been sniffing Have witnessed a boy sniffing petrol from a plastic cool drink bottle in my yard, outside my bedroom window I have found empty soft drink bottles around my house and my workplace on several occasions, that had had petrol in them (I could smell it when I picked them up to put them in the rubbish bin)	3/4/2020 2:12 PM
25	Sniffing	3/4/2020 6:19 AM
26	Personal safety issues as a result. Car theft, break - ins, break - ins to service provider business areas.	3/4/2020 3:28 AM
27	Children sniffing. Breaking into properties for petrol.	3/4/2020 12:54 AM
28	Witnessed and reported children sniffing. Families and teachers experiencing emotional distress due to the hospitalisation of their children and students. Classrooms smelling of petrol.	3/4/2020 12:19 AM
29	Mostly kids sniffing gas, carrying cups around with gas in it to sniff, sniffing deodorants. Young kids (like 8 or 9 even) sniffing from fly spray cans. Older kids sniffing around younger kids.	3/3/2020 11:00 PM

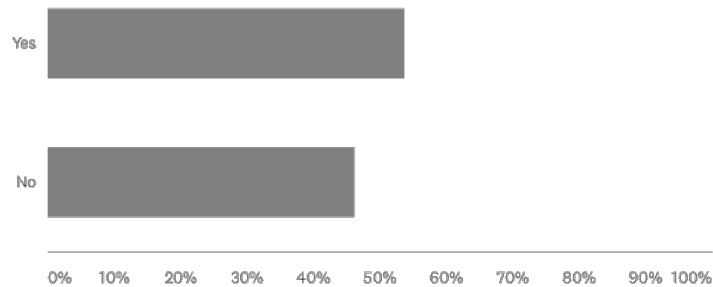
Morrington Island Unleaded Fuel Survey

30	Children sniffing petrol, fly spray, deodorant	3/3/2020 10:02 PM
31	Students sniffing, reports of absent students sniffing, erratic behaviours, break-ins to my home and classroom by children searching for products to sniff, children trespassing on my property, distress, concerns for own safety	3/3/2020 9:41 PM
32	As a teacher I am aware of many of my students who do it. I have seen them do it. I have supported siblings concerned about it. I have consoled students who now want to die after doing it. I have consoled families members who are at a loss and don't know what to do. I have consoled community members who are frightened because of incidents that have happened by kids under the influence.	3/3/2020 7:38 PM
33	Lots of break and enters, youth stealing	3/3/2020 7:04 PM
34	Stealing	3/3/2020 6:41 PM
35	As above. Students attending school high or not able to attend school due to health issues or addicted to sniffing.	3/3/2020 5:51 PM
36	Children stealing and Aerosol sniffing	3/3/2020 5:23 PM
37	Children sniffing	3/3/2020 5:16 PM
38	Seen them sniffing and stealing fuel from people's houses. They are high all the time and something is going to happen	3/3/2020 5:08 PM
39	Youth high on fuel committing crimes- harassing people, threatening people for fuel, trespass, stealing Youth high of fuel committing violence against their family and trying to harm themselves Youth slowing destroying their health by sniffing	3/3/2020 5:02 PM
40	Groups of kids, some as young as 10 wander the streets all night sniffing petrol and committing crimes	3/3/2020 4:58 PM
41	Stealing aerosol cans Petrol Petrol tanks	3/3/2020 4:56 PM
42	Kids sniffing fuel. Causing trouble	3/3/2020 4:55 PM
43	Victimisation	3/3/2020 4:55 PM
44	Some fly spray too	3/3/2020 4:53 PM
45	Cars being stolen just for the fuel.	3/3/2020 4:50 PM
46	theft of council small plant equipment amd draining of fuel tanks. on cars and small plant.	3/3/2020 4:44 PM
47	Deodorant is also used but not as readily available as unleaded fuel.	3/3/2020 4:41 PM
48	Students are participating risk taking behaviour which is doing long term damage to their hearts and brains. It is also preventing them from coming to school or if they do come to school inhibits their learning as they experience mood swings. Children when high are doing illegal things such as hurting others, breaking into places, stealing cars and more.	3/3/2020 4:40 PM
49	Just hear about it breaking in places where fuel likely to be.. seen 5 kids when I was driving pass sniffing	3/3/2020 4:34 PM
50	Students sniffing fuel and aerosols	3/3/2020 4:33 PM
51	Kids coming to school sniffing and high, kids leaving school to go sniff	3/3/2020 4:32 PM
52	We have had over 17 incidents in the first 5 weeks of the school year of students engaging in volatile substance misuse.	3/3/2020 4:32 PM
53	My house was broken into	3/3/2020 4:31 PM
54	Children sniffing and I have also heard aerosol sprays	3/3/2020 4:29 PM
55	Young people taking advantage of the darkness around PCYC at night to sniff petrol and deodorants	3/3/2020 4:28 PM
56	My house they stole petrol and broke in to get it	3/3/2020 4:19 PM

Morrington Island Unleaded Fuel Survey

Q4 Do you know the agencies on Morrington Island that inhaling/ sniffing individuals of any substance can be referred to?

Answered: 80 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	53.75%	43
No	46.25%	37
Total Respondents: 80		

Morningside Island Unleaded Fuel Survey

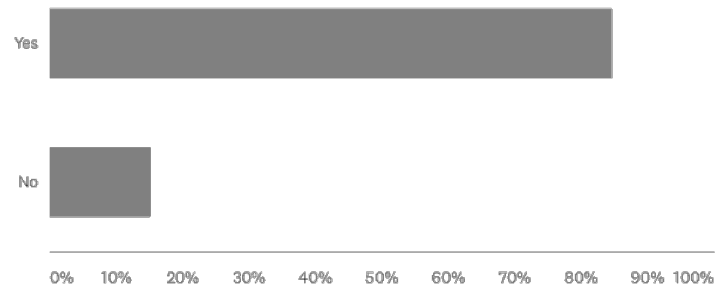
#	IF YES, PLEASE LIST AGENCIES:	DATE
1	Police and hospital	4/8/2020 1:33 PM
2	hospital and police would be the first	4/8/2020 11:46 AM
3	Hospital and ATODS	4/8/2020 11:44 AM
4	Gidgee, NWRH, Mission Australia	4/8/2020 11:40 AM
5	Hospital, save the children	4/8/2020 11:39 AM
6	Hospital, police, ATODS, Mental Health	4/8/2020 11:32 AM
7	Child Safety, Detention Centre	4/8/2020 11:30 AM
8	Dept Health, ATODS, Police	4/8/2020 11:24 AM
9	ATODS, Queensland Health	4/8/2020 11:11 AM
10	Hospital	3/22/2020 12:30 PM
11	ATODS, STC	3/10/2020 5:19 PM
12	Police Hospital	3/9/2020 1:23 PM
13	Queensland health- hospital/ambulance Gidgee QPS	3/7/2020 12:43 PM
14	ATODS NWRH Child Safety Save the Children Gidgee	3/6/2020 4:51 PM
15	Gidgee healing	3/5/2020 6:06 PM
16	police and jail	3/5/2020 4:35 PM
17	PCYC, Youth Justice, MI Police,	3/4/2020 2:36 PM
18	Gidgee	3/4/2020 6:19 AM
19	Gidgee, Morningside Island Hospital, the Well-being centre.	3/4/2020 3:28 AM
20	Mission Australia Gidgee Healing Child safety	3/4/2020 12:19 AM
21	Are there even any??	3/3/2020 11:00 PM
22	Child safety, save the children, aboriginal and Torres Strait islander intensive family support	3/3/2020 10:02 PM
23	The police, hospital, send VSM report to healthcare	3/3/2020 9:41 PM
24	As a teacher I refer to the police and child services.	3/3/2020 7:38 PM
25	Hospital	3/3/2020 7:33 PM
26	Unsure. My guess would be police, save the children, hospital.	3/3/2020 5:51 PM
27	Hospital, police	3/3/2020 5:23 PM
28	Police, school, child services	3/3/2020 5:16 PM
29	Save the children North west remote health Mental health staff	3/3/2020 5:02 PM
30	Police	3/3/2020 4:58 PM
31	Save the children, mission , pcyc	3/3/2020 4:55 PM
32	Save the children Jankari Iaka Mission Australia QLD health	3/3/2020 4:55 PM
33	Police, atods	3/3/2020 4:53 PM
34	ATODS	3/3/2020 4:41 PM
35	Police, child safety (but they aren't here often)	3/3/2020 4:40 PM
36	Don't give a shit	3/3/2020 4:34 PM
37	Morningside island state school	3/3/2020 4:33 PM

Mornington Island Unleaded Fuel Survey

38	Police, Gidgee, hospital	3/3/2020 4:32 PM
39	Police, gidgee, north west remote health, save the children, child protection	3/3/2020 4:32 PM
40	Police Hospital Child Safety	3/3/2020 4:29 PM
41	Hospital, QPS	3/3/2020 4:28 PM

Q5 Do you know what to do or who to contact if you find people sniffing petrol or other products?

Answered: 79 Skipped: 2



ANSWER CHOICES	RESPONSES	
Yes	84.81%	67
No	15.19%	12
TOTAL		79

Mornington Island Unleaded Fuel Survey

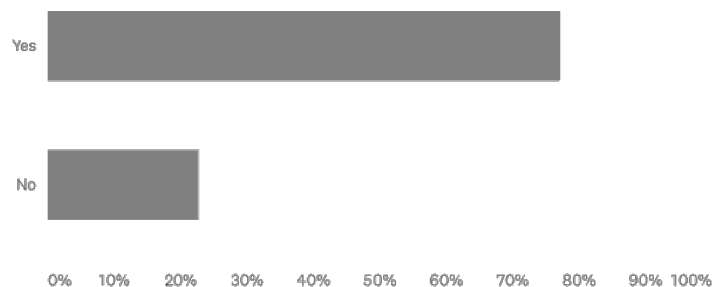
#	IF YES, WHO ARE THE CONTACTS?	DATE
1	Police and hospital	4/8/2020 1:33 PM
2	police	4/8/2020 1:31 PM
3	police in first instance	4/8/2020 11:46 AM
4	Local Police or 000	4/8/2020 11:44 AM
5	Ambulance, Police and other service providers	4/8/2020 11:40 AM
6	Police, ambulance, night patrol	4/8/2020 11:39 AM
7	Police	4/8/2020 11:37 AM
8	Call Police	4/8/2020 11:32 AM
9	Police, parents	4/8/2020 11:30 AM
10	Police	4/8/2020 11:27 AM
11	Police	4/8/2020 11:24 AM
12	Police	3/22/2020 12:30 PM
13	Police or Ambulance	3/10/2020 5:21 PM
14	Call QPS or QAS	3/10/2020 5:19 PM
15	Police Hospital	3/9/2020 1:23 PM
16	Police and security	3/7/2020 11:31 PM
17	Police	3/7/2020 5:18 PM
18	Police, school	3/7/2020 8:29 AM
19	You can always try to encourage the people involved to stop sniffing fuel, but you're likely to be told where to go.	3/6/2020 11:19 PM
20	Police or ambulance	3/6/2020 4:51 PM
21	Police	3/5/2020 6:06 PM
22	police	3/5/2020 4:35 PM
23	Police	3/5/2020 10:33 AM
24	Police, wellbeing centre, night patrol.	3/4/2020 7:29 PM
25	Police Sargent at MI police	3/4/2020 2:36 PM
26	Mornington Island Police	3/4/2020 2:12 PM
27	The police	3/4/2020 6:19 AM
28	Police. Hospital	3/4/2020 3:28 AM
29	Police	3/4/2020 12:54 AM
30	Triple zero	3/4/2020 12:19 AM
31	000 or the police directly	3/3/2020 11:07 PM
32	As most the issues happen when kids are high, and dangerous, most likely police, but its about time the families were made accountable and looked after their future generations	3/3/2020 11:00 PM
33	000, Mornington Island Police Station, complete a VMS form and email to Qld health	3/3/2020 10:02 PM
34	The police - not always available.	3/3/2020 9:41 PM
35	Police and my supervisors.	3/3/2020 7:38 PM
36	QPS, QAS and Hospital	3/3/2020 7:33 PM

Mornington Island Unleaded Fuel Survey

37	Police	3/3/2020 7:04 PM
38	Police?	3/3/2020 5:51 PM
39	Police	3/3/2020 5:23 PM
40	Police	3/3/2020 5:16 PM
41	Police ambulance	3/3/2020 5:08 PM
42	Call the police and or the ambulance Get the person medical care	3/3/2020 5:02 PM
43	Police	3/3/2020 4:58 PM
44	Ring the polices talk with them About sniffing and the effects	3/3/2020 4:56 PM
45	Police, ambulance	3/3/2020 4:55 PM
46	Don't chase, call ambulance	3/3/2020 4:53 PM
47	Police, ambulance	3/3/2020 4:41 PM
48	Police, child safety	3/3/2020 4:40 PM
49	Cops	3/3/2020 4:34 PM
50	Police.	3/3/2020 4:33 PM
51	Police	3/3/2020 4:32 PM
52	Police, volatile substance misuse form.	3/3/2020 4:32 PM
53	Police	3/3/2020 4:31 PM
54	Notify police	3/3/2020 4:29 PM
55	Triple zero	3/3/2020 4:28 PM
56	Police	3/3/2020 3:53 PM

Q6 Do you know the difference between unleaded petrol and opal fuel?

Answered: 79 Skipped: 2



ANSWER CHOICES	RESPONSES	
Yes	77.22%	61
No	22.78%	18
TOTAL		79

12 / 15

Mornington Island Unleaded Fuel Survey

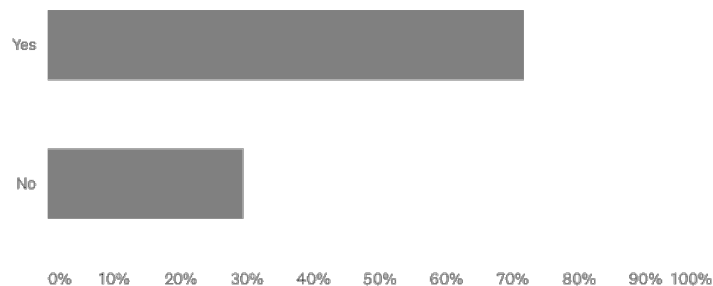
#	IF YES, PLEASE LIST	DATE
1	You can't sniff opal	4/8/2020 1:33 PM
2	Opal safer	4/8/2020 1:31 PM
3	You cant get high from opal fuel but you can from ULP. But opal fuel is bad for your motors	4/8/2020 11:44 AM
4	colour and smell	4/8/2020 11:39 AM
5	Unleaded fuels smells and intoxicates/harms	4/8/2020 11:32 AM
6	Unleaded is stronger then opal fuel	4/8/2020 11:30 AM
7	Opal has low aroma	4/8/2020 11:24 AM
8	People don't get a high off Opal Fuel like they do on unleaded fuel	3/10/2020 5:21 PM
9	Opal is low-aromatic, less harmful for people	3/9/2020 2:36 PM
10	Opal doesn't get you high	3/9/2020 1:23 PM
11	Unleaded don't damage your engine.	3/7/2020 11:31 PM
12	Opal is Better for youth	3/7/2020 5:18 PM
13	Opal has less aromatics such as toluene	3/7/2020 12:43 PM
14	I do believe it is not suitable for all unleaded vehicles.	3/6/2020 11:19 PM
15	Fumes that may be inhaled	3/5/2020 8:00 PM
16	Opal cannot be sniffed	3/5/2020 10:33 AM
17	Opal fuel doesn't have the ingredient that kids get 'high' from when sniffing. Other than that it works the same as normal unleaded.	3/4/2020 7:29 PM
18	Opal is a low aromatic unleaded petrol & is the least toxic fuel when it comes to chronic exposure as it doesn't produce the "high" from sniffing that the typical unleaded petrol does. Typical unleaded petrol contains 25% aromatics (which produce the "high" when inhaled) Opal has 5% aromatics & less toluene & solvents, but costs more to produce. However, the Australian Government subsidises Opal's provisions Opal can be used on all machinery, including outboard motors, motorbikes, whippersnippers & lawnmowers but is not suitable for aviation	3/4/2020 2:12 PM
19	Opal is less harmful but not as good to run machinery.	3/4/2020 12:54 AM
20	Opal fuel is a low aromatic fuel that does not produce a high when sniffed. It is a direct substitute for regular unleaded 91 fuel with comparable performance. Opal fuel receives a subsidy from the Australian Government's Petrol Sniffing Prevention Program. Opal fuel is formulated to clean sooty deposits in engines as they run. Opal fuel meets the National Fuels Quality Standards Act 2000.	3/4/2020 12:19 AM
21	Opal isnt as lethal? It's not able to be sniffed like u leaded. Opal is slightly lower grade, so fof performance motors u need to either get unleaded yourself or add extras into your tank to increase the performance of the gas. Opal doesn't kill the kids.	3/3/2020 11:00 PM
22	Opal won't kill our kids like petrol will.	3/3/2020 10:02 PM
23	Opal is low-aromatic, developed to combat fuel-sniffing in aboriginal communities, not as good for cars as unleaded. I own a car and would still prefer that Opal be brought back to help stop this issue.	3/3/2020 9:41 PM
24	One is safe and kids don't sniff it like normal unleaded	3/3/2020 7:40 PM
25	Ops fuel does not have the aroma that unleaded does and therefore it is impossible to get a high from it if sniffed.	3/3/2020 7:38 PM
26	Low aromatic unleaded petrol that is unsatisfactory for sniffing. It doesn't produce the desired high.	3/3/2020 7:33 PM
27	Opal has lower octane content to remove fume effects e.g.. no good for sniffing	3/3/2020 7:04 PM

Morrington Island Unleaded Fuel Survey

28	Opal fuel does not give the high people get sniffing unleaded fuel	3/3/2020 5:23 PM
29	Opal is thicker	3/3/2020 5:08 PM
30	You can't get high from sniffing opal fuel	3/3/2020 5:05 PM
31	Opal has different components to unleaded and does not give the 'high' when sniffed that unleaded does	3/3/2020 5:02 PM
32	Opal doesn't get the kids high when they sniff it	3/3/2020 4:58 PM
33	Gases/ ingredients are different in percentages where opal doesn't give enough fumes to be sniffed Unleaded is better for your outboard motors and cars though	3/3/2020 4:56 PM
34	Kids can't sniff opal	3/3/2020 4:55 PM
35	Opal does not give the 'high' if sniffed Needs additives for outboards	3/3/2020 4:55 PM
36	Opal is a variety of low-aromatic 91 RON petrol developed in 2005 by BP Australia to combat the rising use of petrol as an inhalant in remote Indigenous Australian communities	3/3/2020 4:53 PM
37	Opal fuel is low aromatic preventing the high that you receive from sniffing the product.	3/3/2020 4:41 PM
38	Opal doesn't contain the products that give people a high	3/3/2020 4:40 PM
39	Opal is cheap shit fuel what fuck car's outboard motors up and the idiots can't get high .. unleaded fuel is good for car's and outboard motors but the idiots can get high	3/3/2020 4:34 PM
40	Can't get high off opal. Therefore students won't steal it.	3/3/2020 4:33 PM
41	The smell	3/3/2020 4:32 PM
42	Opal fuel is a low aromatic fuel that Has a much less ability to get high from, and was introduced to combat the issue with petrol sniffing in Aboriginal communities.	3/3/2020 4:32 PM
43	Not really only that it is safer cos kids can't sniff Opal	3/3/2020 4:29 PM
44	Unleaded contains higher percentage of aromatics	3/3/2020 4:28 PM
45	Octane levels different	3/3/2020 4:19 PM

Q7 Do you support banning the sale of unleaded fuel on Morrington Island?

Answered: 78 Skipped: 3



Mornington Island Unleaded Fuel Survey

ANSWER CHOICES	RESPONSES	
Yes	71.79%	56
No	29.49%	23
Total Respondents: 78		

Low Aromatic Fuel Act 2013

EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Indigenous Affairs

Low Aromatic Fuel Act 2013

Low Aromatic Fuel (Designated Areas) (Katherine Region) Instrument 2016

Section 14 of the *Low Aromatic Fuel Act 2013* (the Act) provides that the Commonwealth Minister for Indigenous Affairs (the Minister) may, by legislative instrument, designate an area as a 'low aromatic fuel area.'

This instrument designates the following areas in the Northern Territory as low aromatic fuel areas: Katherine, parts of Nitmiluk, Tindal and Mataranka.

If an area is designated as a low aromatic fuel area, then section 8 of the Act makes it an offence for a corporation to engage in the following prohibited conduct:

- Supply regular unleaded petrol to a person in a low aromatic fuel area;
- Transport regular unleaded petrol to supply to a person in a low aromatic fuel area; and
- Possess regular unleaded petrol to supply to a person in a low aromatic fuel area.

Corporations who commit an offence under the Act may face a penalty of up to 300 penalty units. At the time of publication, 300 penalty units equals \$54,000.

Before designating a low aromatic fuel area, the Minister must be satisfied that the designation is reasonably likely to help reduce potential harm to the health of people, including Aboriginal persons and Torres Strait Islanders, living in the area from sniffing fuel (paragraph 14(2)(a)). The Minister must also be satisfied that there are adequate facilities for supply of low aromatic fuel in the area (paragraph 14(2)(b)) and that the appropriate States and Territories have not or are unlikely to enact legislation consistent with the Act (paragraph 14(2)(c)).

The Minister must have regard to matters listed in the Act (subsection 14(3)), including the wellbeing of people, including Aboriginal persons and Torres Strait Island Islanders, living in the area, in designating a low aromatic fuel area under subsection 14(1).

14.4 TECHICAL SERVICES MONTHLY REPORT

Author: Acting Executive Manager Technical Services

Attachments: Nil

PURPOSE (EXECUTIVE SUMMARY)

To provide council with an update regarding monthly activities conducted by the Technical Services Department.

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION**WATER AND SEWERAGE**

Water samples are taken on a daily basis from a number of sample points, throughout the township, to monitor the chlorine residual of the drinking water. Daily clean out of sewer grates at the ponds and monitoring pump stations A, B, and C. Daily maintenance work is being carried out at Clearwater to keep treatment process running efficiently. Works have been carried out at the WTP changing the process of Gas Chlorination to Liquid Chlorination so that council compliance with WHS regulations.

Table 1: Processed water going to community

Month End	Usage in KL	Month End	Usage in KL	Month End	Usage in KL	Month End	Usage in KL
Jan	24,624 KL	April	24,855 KL	July		Oct	
Feb	24,112 KL	May		Aug		Nov	
March	25,368 KL	June		Sept		Dec	
Total	74,104 KL	Total		Total		Total	

Table 2: Monthly rainfall

Month End	Rainfall	Month End	Rainfall	Month End	Rainfall	Month End	Rainfall
Jan	-	April	38mm	July		Oct	
Feb	-	May		Aug		Nov	
March	6mm	June		Sept		Dec	
Total	6mm	Total		Total		Total	

Table 3: Dam capacity values (in %) taken on the last day of each month

Month End	Dam Capacity	Month End	Dam Capacity	Month End	Dam Capacity	Month End	Dam Capacity
Jan	75%	April	100%	July		Oct	
Feb	101%	May		Aug		Nov	
March	100%	June		Sept		Dec	

PARKS AND GARDENS

Maintenance works has been carried out throughout the community with rubbish remove along fence lines, Also B.A.S work with mow & tidy , tree trimming removal through-out the community.

CIVIL

Civil crew have assisted with barge delivery's and have also assisted with Parks & Gardens crew with tree trimming & rubbish removal. Works has also been carried out within the community with rubbish removal .

LANDFILL

The landfill crew are continuing with the three times a week rubbish collection. Two days a week clear landfill/dump. Delays have occurred due to truck failures. Works are being done to improve signage at dump.

FENCING

The fencing department have carried out works on B.A.S. do & charge jobs as well as fences repairs in the community.

BATCH PLANT

Continuing maintenance works has been done as well as rubbish removal. Batching crew have been doing some concrete pours on driveways in the community.

FINANCIAL & RESOURCE IMPLICATIONS

Nil

RECOMMENDATION

That the council note and receive this report.

15 STAFF REPORTS - HUMAN SERVICES

Nil

16 GENERAL BUSINESS

17 CONFIDENTIAL REPORTS**RECOMMENDATION**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 275 of the Local Government Act 2009:

17.1 Disaster Recovery Funding Arrangements - Koppens Developments Pty Ltd - 2019 claim number 5 for approval.

This matter is considered to be confidential under Section 275(e) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with contracts proposed to be made by Mornington Shire Council.

17.2 Crime and Corruption Commission investigation.

This matter is considered to be confidential under Section 275(a) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with the appointment, dismissal or discipline of employees.

17.3 Queensland Government \$40 million interim capital housing program.

This matter is considered to be confidential under Section 275(e) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with contracts proposed to be made by Mornington Shire Council.

18 NEXT MEETING

19 CLOSURE