



LATE ITEMS BUSINESS PAPER

General Meeting

Wednesday 8 March 2017

Roma Administration Centre

NOTICE OF MEETING

Date: 8 March 2017

Mayor:

Councillor T D Golder

Deputy Mayor:
Councillors:

Councillor J L Chambers
Councillor R Bryant
Councillor N H Chandler
Councillor P J Flynn
Councillor C J O'Neil
Councillor G B McMullen
Councillor D J Schefe
Councillor J M Stanford

Chief Executive Officer:

Ms Julie Reitano

Senior Management:

Mr Cameron Castles (Director Infrastructure Services)
Mr Rob Hayward (Director Development, Facilities &
Environmental Services)
Ms Sharon Frank (Director Corporate, Community & Commercial
Services)

Officers:

Ms Jane Frith (Coordinator Corporate Communications)

Please find attached agenda for the **General Meeting** to be held at the Roma Administration Centre on
March 8, 2017 at 9.00AM.

Julie Reitano
Chief Executive Officer

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OFFICER REPORT

Meeting: General 8 March 2017

Date: 2 March 2017

Item Number: L.1

File Number: D17/15593

SUBJECT HEADING: My Maranoa Business - Local Content Star Rating System

Classification: Open Access

Officer's Title: Manager - Procurement & Commercial Services

Executive Summary:

The *My Maranoa Business – Local Content Star Rating System* was introduced to acknowledge local businesses' contribution to the regional economy and provide a powerful promotional platform for these businesses.

Following the rating system's introduction in late 2015, members of the business community have provided feedback on the rating criteria. These changes have been incorporated into the revised rating system.

Council's approval of the draft rating system is sought, prior to the commencement of community consultation.

Officer's Recommendation:

That:

1. Council endorse the revised My Maranoa Business – Local Content Star Rating System.
2. Members of the business community be provided with the opportunity to comment on the rating system and the criteria contained within, and that the outputs of this community consultation be considered by Council at a future General Meeting.
3. The local content weighting for quotation requests (below \$200,000) be equal to 2 points per star rating (a total weighting of 10%).
4. The local content weighting for all public tenders be equal to 3 points per star rating (a total weighting of 15%).

Body of Report:





The *My Maranoa Business – Local Content Star Rating System* was introduced to acknowledge local businesses' contribution to the regional economy and provide a powerful promotional platform for these businesses.

Following the rating system's introduction in late 2015, members of the business community have provided feedback on the rating criteria. These changes have been incorporated into the revised rating system.

Council's approval of the draft rating system is sought, prior to the commencement of community consultation.


The amendments relate to:

- **Recognition of business ratepayers (e.g. Commercial, Industrial, Rural) –** although many larger businesses do not have owners/directors that reside within the Maranoa region, they still contribute by way of local spend, commercial rates, and employee salaries/wages.
- **Recognition of startup businesses –** providing a star rating (1 star) for newly established businesses that do not satisfy the requirements of the other ratings (i.e. local ownership / high percentage of local employment).
- **Exception for local businesses that expand –** allowing businesses to retain their 5 Star Local rating if they expand outside of the region (if the directors continue to reside locally and the business maintains an office/store in the Maranoa region).

Star Rating – Local Content	Criteria to be Met (<u>All</u> in each category)	Public Benefit
 15 Points (tenders) 10 Points (quotes)	<ul style="list-style-type: none"> • 100% ownership (or Directors) live in the Maranoa region • 90% employees residents of the Maranoa region • Head office is in the Maranoa region <p><i>NB: an exception to these requirements exists in the case of locally-established businesses that have expanded to other regions (i.e. not all employees need to be residents of the Maranoa region. The business must maintain a presence in the Maranoa region (head office/ home office) and directors/owners must continue to reside in the Maranoa region.</i></p>	<ul style="list-style-type: none"> • Individual company's profits and majority of salaries/wages stay within the Maranoa region. • Strong investment in the Maranoa region. • Demonstrated that benefit of tender is not about increasing the profit of an individual – benefit is spread within the community. • Enables Council to report on tangible/actual public benefits. • Does not deter businesses from expanding their operations to neighbouring regions. Increased profit to be reinvested locally.
 12 Points (tenders) 8 Points (quotes)	<ul style="list-style-type: none"> • > 75% ownership (or Directors) live in the Maranoa region • > 75% employees residents of the Maranoa region • Head office is in the Maranoa region 	<ul style="list-style-type: none"> • Significant funds (profits and salaries/wages) stay within the Maranoa region. • Strong investment in the Maranoa region. • Majority of ratepayer funds reinvested in the local economy. Enables Council to report on tangible/actual public benefits.
 9 Points (tenders) 6 points (quotes)	<ul style="list-style-type: none"> • 1 or more owners/ Directors live in the Maranoa region. • > 25% employees are residents of the Maranoa region • Office/Branch in the Maranoa region 	<ul style="list-style-type: none"> • Majority of funds (profits and salaries/wages) stay within the Maranoa region. • Investment in the Maranoa region. • Majority of ratepayer funds reinvested in the local economy. Enables Council to report on tangible/actual public benefits.
 6 Points (tenders) 4 Points (quotes)	<ul style="list-style-type: none"> • The business/entity is a ratepayer in the Maranoa region (e.g. commercial, industrial, rural ratepayer for a period of 2+years) • Employs residents of the Maranoa region • Office in the Maranoa region 	<ul style="list-style-type: none"> • Majority of profits leave the Maranoa region, but the majority of salaries/wages stay within the Maranoa region, and creates local employment with investment in the Maranoa region. • Majority of ratepayer funds reinvested in the local economy. Enables Council to report on tangible/actual public benefits.

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 3 Points (tenders) 2 Points (quotes)	<ul style="list-style-type: none">• The business/entity is a ratepayer in the Maranoa region (e.g. commercial, industrial, rural ratepayer or long-term commercial lessee (<2 years) in the Maranoa region (incl. startup businesses)• Employs residents of the Maranoa region• Office in the Maranoa region	<ul style="list-style-type: none">• Benefits broader regional economy.• Majority of ratepayer funds reinvested in the local economy. Enables Council to report on tangible/actual public benefits.• Recognises the importance of startup businesses
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** A business may not be eligible for a My Maranoa Business - Local Content Star Rating if the company/entity has previously initiated legal proceedings against Council. Any forthcoming legal proceedings (initiated by a business/entity) may result in disqualification from the My Maranoa Business program.*

The changes have been identified in the attached document.

Consultation (internal/external):

Council Workshop – 7 March 2017

Chief Executive Officer

Risk Assessment (Legal, Financial, Political etc.):

Nil

Policy Implications:

Nil

Financial Resource Implications:

Nil

Link to Corporate Plan:

Corporate Plan 2014-2019

Strategic Priority 2: Our Finances

2.3 More with Less

2.3.1 Competitive local business






Supporting Documentation:

[1](#) General Meeting 8 March 2017 - Revised My Maranoa Business Local Content Star Rating System D17/15604

Report authorised by:

Director - Corporate, Community & Commercial Services

Chief Executive Officer

Star Rating – Local Content	Criteria to be Met (All in each category)	Public Benefit
 15 Points	<ul style="list-style-type: none"> 100% ownership (or Directors) live in the Maranoa region 90% employees residents of the Maranoa region Head office is in the Maranoa region <p><i>NB: an exception to these requirements exists in the case of locally-established businesses that have expanded to other regions (i.e. not all employees need to be residents of the Maranoa region). The business must maintain a presence in the Maranoa region (office/store) and directors/owners must continue to reside in the Maranoa region.</i></p>	<ul style="list-style-type: none"> Individual company's profits and majority of salaries/wages stay within the Maranoa region. Strong investment in the Maranoa region. Demonstrated that benefit of tender is not about increasing the profit of an individual – benefit is spread within the community. Enables Council to report on tangible/actual public benefits. Does not deter businesses from expanding their operations to neighbouring regions. Increased profit generation allows funds to be reinvested locally.
 12 Points	<ul style="list-style-type: none"> > 75% ownership (or Directors) live in the Maranoa region > 75% employees residents of the Maranoa region Head office is in the Maranoa region 	<ul style="list-style-type: none"> Significant funds (profits and salaries/wages) stay within the Maranoa region. Strong investment in the Maranoa region. Majority of ratepayer funds reinvested in the local economy. Enables Council to report on tangible/actual public benefits.
 9 Points	<ul style="list-style-type: none"> > 50% ownership (or Directors) live in the Maranoa region 1 or more owners/ Directors live in the Maranoa region. > 50% employees are residents of the Maranoa region Office/Branch in the Maranoa region 	<ul style="list-style-type: none"> Majority of funds (profits and salaries/wages) stay within the Maranoa region. Investment in the Maranoa region. Majority of ratepayer funds reinvested in the local economy. Enables Council to report on tangible/actual public benefits.
 6 Points	<ul style="list-style-type: none"> 1 or more owners / Directors live in the Maranoa region Commercial ratepayer in the Maranoa LGA (period of 2+years) Employs residents of the Maranoa region Office in the Maranoa region 	<ul style="list-style-type: none"> Majority of profits leave the Maranoa region, but the majority of salaries/wages stay within the Maranoa region, and creates local employment with investment in the Maranoa region. Majority of ratepayer funds reinvested in the local economy. Enables Council to report on tangible/actual public benefits.
 3 Points	<ul style="list-style-type: none"> Principal place of business in South West Queensland (Toowoomba & West of Toowoomba) AND Commercial ratepayer or long-term commercial lessee (<2 years) in the Maranoa region (incl. startup businesses) Employs residents of the Maranoa region Office in the Maranoa region 	<ul style="list-style-type: none"> Benefits broader regional economy. The Maranoa region has important and valued connections with Toowoomba being the closest, largest regional centre. We rely on it to supplement services where our local economy is not sufficiently large to sustain provision of those services. Council recognises the importance of a thriving and diverse range of services in driving distance to the Maranoa region. Council also recognises the opportunity for each of the local government areas further west of Toowoomba, including our immediate neighbours, to complement and access each other's available goods and services, thereby creating reciprocal benefits to our local economies. Majority of ratepayer funds reinvested in the local economy. Enables Council to report on tangible/actual public benefits. Recognises the importance of startup businesses

OFFICER REPORT

Meeting: General 8 March 2017

Date: 2 March 2017

Item Number: L.2

File Number: D17/15862

SUBJECT HEADING: Investment Policy Amendments

Classification: Open Access

Officer's Title: Specialist - Finance Systems Support

Executive Summary:

Council's current Investment Policy has been reviewed to optimise opportunities for achieving better investment returns on cash investments now that short term investment interest rates reducing.

Amendments proposed include increasing the maximum funds invested (by 2 million) for A1+, A1, A2 & A3 rated institutions (any one institution) and allowing investments of up to \$250,000 with unrated institutions (any one institution) as they are government guaranteed.

Officer's Recommendation:

That Council amend its current Investment policy to reflect the changes as listed in the table below.

Body of Report:

Council actively manages its cash investments and earns significant investment interest each year with \$1.53 million budgeted for 2016/17FY.

Council's current Investment Policy only allows Council to invest with institutions that have a short term (Standard & Poors) rating of A1+, A1, A2 and A3. There is an opportunity to invest up to \$250,000 with unrated institutions (with typically higher investment returns) at no risk to Council as they are government guaranteed for that amount per institution.

Proposed amendments also include increasing the maximum funds invested (by 2 million) for each rating category A1+, A1, A2 and A3.

The table listed below represents the current and proposed amendments to Councils investment parameters and credit requirements as per its policy.

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S&P short term rating	Current Total Limit (max % of Portfolio)	Proposed Total Limit (max % of Portfolio)	Current Maximum Funds (Any one Institution)	Proposed Maximum Funds (Any one Institution)
A1+	100%	100%	\$8M	\$10M
A1	50%	50%	\$8M	\$10M
A2	30%	30%	\$4M	\$6M
A3	10%	10%	\$4M	\$6M
Unrated	Nil	10%	Nil	\$250K
QTC Pooled funds	100%	100%	Unlimited	Unlimited

Consultation (internal/external):

Director Corporate, Community & Commercial Services

Risk Assessment (Legal, Financial, Political etc.):

Unrated institutions are government guaranteed up to \$250,000 investment which is the proposed limit for this rating.

Policy Implications:

The Investment Policy provides Council with a contemporary approach to investment based on an assessment of market and liquidity risk within the legislative framework of the Statutory Bodies Financial Arrangements Act 1982 and the Statutory Bodies Financial Arrangements Regulations 2007.

Financial Resource Implications:

Total Investment Revenue Budgeted in 2016/17FY \$1.53 Million – currently trending ahead of budget projections.

Link to Corporate Plan:

Corporate Plan 2014-2019
Strategic Priority 2: Our Finances
2.5 Management Reporting (Internal)
2.5.9 Accounting and financial advice

Supporting Documentation:

Nil

Report authorised by:

Director - Corporate, Community & Commercial Services

OFFICER REPORT

Meeting: General 8 March 2017

Date: 8 March 2017

Item Number: L.3

File Number: D17/17207

SUBJECT HEADING: Receipt of Letter from Councillor Bryant

Classification: Open Access

Officer's Title: Chief Executive Officer

Executive Summary:

A copy of a letter will be tabled at the Council meeting.

Officer's Recommendation:

That the information be considered.

Body of Report:

Further information will be provided at the meeting.

Consultation (internal/external):

Risk Assessment (Legal, Financial, Political etc.):

Policy Implications:

Financial Resource Implications:

Link to Corporate Plan:

Corporate Plan 2014-2019

Strategic Priority 1: Community Leadership & Accountability

1.2 Information & Advice to Councillors

1.2.1 Agendas

Supporting Documentation:

Nil

Report authorised by:

Chief Executive Officer