



27 February 2023

Contact for apologies: danielle.leckie@alexandrina.sa.gov.au

Dear Member,

Notice of Meeting

On behalf of the Authority Chairperson, notice is hereby given pursuant to the Fleurieu Regional Aquatic Centre Authority Charter and Section 87(7) of the Local Government Act, 1999, as amended that a Meeting of the **Fleurieu Regional Aquatic Centre Authority** has been called for:

Date: Friday 3rd February 2023

Time: 9:30 am

Place: Council Chambers, City of Victor Harbor

Please find enclosed a copy of the Agenda for the meeting.

Yours faithfully

Danielle Leckie
Administration Officer, FRACA

Date & Time: Friday 3 March 2023 at 09:30 am

Location: City of Victor Harbor, Council Chambers

1. Attendance

- Steve Mathewson (Chairperson)
- Mark Easton (Independent Member)
- Vicki Tomlinson (Independent Member)
- Councillor Angela Schiller (City of Victor Harbor)
- Councillor Margaret Gardner (Alexandrina Council)

2. Apologies

3. Conflict of Interest

4. Minutes of Previous Meeting

- 4.1. Adoption of Minutes

5. Reports

- 5.1. Projects Update

6. Confidential Reports

- 6.1. Adoption of Confidential Minutes and Release of Confidentiality
6.2. Risk Management Framework
6.3. Procurement - CCTV
6.4. FRACA Resource Model

7. Meeting Close

8. Next Meeting – Friday 31 March 2023, City of Victor Harbor - Council Chamber

To: FRAC Authority Board
From: Danielle Leckie – Administration Officer, FRACA
Subject: 4.1 Adoption of Minutes
Date: 3 March 2023
References: Nil
Consultation: Nil
Attachments: 4.1a Board Minutes – Out of Session Meeting 3 February 2023

Purpose

The purpose of this report is to provide the Board with a copy of minutes of the Out of Session Board meeting held on 3 February 2023 for review.

Recommendation

The Authority Board adopt the minutes of the Board meeting held on 3 February 2023.

Date & Time: Friday 3 February 2023, 9:30am
Location: Large Meeting Room, Alexandrina Council

Meeting Opened: 9:34am

1. Present

Steve Mathewson	Independent Chairperson
Mark Easton	Independent Member
Vicki Tomlinson	Independent Member
Angela Schiller	Council Member Representative, City of Victor Harbor
Lou Nicholson	Deputy Council Member Representative, Alexandrina Council

In Attendance

Stewart Burns	Deputy Council Member Representative, City of Victor Harbor
Andrew Baker	Executive Officer, FRACA
James Lomax	Regional Manager, YMCA

2. Apologies

Margaret Gardner	Elected Member, Alexandrina Council
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3. Conflicts of Interest

Nil

The Chairperson undertook the meeting in the order presented to align with times of guests at the meeting and to facilitate the logical order of discussion. Numbering is not presented in sequential order, rather the order of proceedings.

James Lomax joined the meeting at 9:32

8. Confidential Reports

8.1. YMCA Quarterly Performance Report – Q2

Motion: FRACA00580
Moved: Vicki Tomlinson
Seconded: Cr. Angela Schiller

Pursuant to section 90(2) of the Local Government Act 1999, the Authority orders that all members of the public be excluded, with the exception of the Executive Officer, and James Lomax (YMCA), on the basis that it will receive and consider item 8.1 YMCA Quarterly Performance Report – Q2.

The Authority is satisfied, pursuant to section 90(3)(d) of the Act, that the information to be received, discussed or considered in relation to this Agenda Item is:

commercial information of a confidential nature (not being a trade secret) the disclosure of which –

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*

(ii) would, on balance, be contrary to the public interest.

Accordingly, the Authority is satisfied that the principle that the meeting should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential to prevent the disclosure of commercial information of a confidential nature (not being a trade secret) as it includes information that may prejudice the commercial position of the Authority.

CARRIED

8.2. Budget Review 2022-2023 – Q2

Motion: FRACA00582
Moved: Cr. Angela Schiller
Seconded: Mark Easton

Pursuant to Section 90(2) of the Local Government Act 1999, the Board orders that the public be excluded from the meeting, with the exception of the Executive Officer and James Lomax (YMCA), on the basis it will receive and consider item 8.2 Budget Review 2022-2023 – Q2.

The Board is satisfied that, pursuant to Section 90(3)(d) of the Act, that the information to be received, discussed, or considered in relation this agenda item is:

commercial information of a confidential nature (not being a trade secret) the disclosure of which –

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
- (ii) would, on balance, be contrary to the public interest.*

Accordingly, the Board is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential to prevent the disclosure of commercial information of a confidential nature (not being a trade secret) as it includes information that may prejudice the commercial position of the Authority.

CARRIED

Motion: FRACA00583
Moved: Cr. Angela Schiller
Seconded: Mark Easton

The Authority Board:

- For the period ending 31 December 2022 adopt a Budget Review with an operating deficit of \$952,875 and estimated cash at the end of the reporting period of \$627,635;*
- Recommend the Budget Review as at 31 December 2022 to Constituent Councils with an amendment to Council Contributions of \$240,724 due to the increase in electricity charges and instruct the Executive Officer to prepare communications to the Constituent Councils;*

- *Release the Resolution and Attachment 8.2b Uniform Presentation of Finances – Q2 2022-2023 from confidence and;*
- *Extend an invitation to the Elected Members of the Constituent Councils to an orientation and information session to be conducted at the Fleurieu Aquatic Centre.*

CARRIED

James Lomax left the meeting at 10:51am

4. Minutes of Previous Meeting

4.1. Adoption and Noting of Minutes

Motion: FRACA00584
 Moved: Vicki Tomlinson
 Seconded: Cr. Angela Schiller

The Authority Board:

- *adopt the public minutes of the Board meeting held on 16 December 2022; and*
- *note the public minutes of the Audit & Risk Management Committee meeting held 20 January 2023.*

CARRIED

5. Business Arising

5.1. Board Annual Work Plan

Motion: FRACA00585
 Moved: Cr. Angela Schiller
 Seconded: Mark Easton

The Authority Board receive and note the Board Annual Work Plan 2023 as presented on 3 February 2023.

CARRIED

7. Reports

7.1. A&RMC Annual Activity Report 2021-2022

Motion: FRACA00586
 Moved: Cr. Angela Schiller
 Seconded: Mark Easton

The Authority Board receive and note the Audit Committee Activity Report 2021-2022 and thank the Committee for its contribution and support of the Authority Board.

CARRIED

7.2. RDA Public Transport Survey

Motion: FRACA00587
Moved: Cr. Angela Schiller
Seconded: Mark Easton

The Authority Board:

- *receive and note the report; and*
- *acknowledge that a further update will be provided to the Board once known.*

CARRIED

7.3. Resolutions Register – A&RMC

Motion: FRACA00588
Moved: Cr. Angela Schiller
Seconded: Mark Easton

The Authority Board receive and note the Resolutions Register – Audit & Risk Management Committee Report and attachments.

CARRIED

7.4. Risk Management Framework

Motion: FRACA00589
Moved: Cr. Angela Schiller
Seconded: Mark Easton

The Authority Board:

- *receive and note the report; and*
- *acknowledge the scope of works as presented, including the requirement for a Strategic Risk Workshop involving the Board and Committee to be held at a date to be determined.*

CARRIED

8. Confidential Reports (continued)

8.3. In Confidence Resolutions Register – A&RMC

Motion: FRACA00590
Moved: Vicki Tomlinson
Seconded: Mark Easton

Pursuant to Section 90(2) of the Local Government Act 1999, the Board orders that the public be excluded from the meeting, with the exception of the Executive Officer on the basis it will receive and consider item 8.3. In Confidence Resolutions Register – A&RMC.

The Board is satisfied that, pursuant to Section 90(3)(d) of the Act, that the information to be received, discussed, or considered in relation this agenda item is:

commercial information of a confidential nature (not being a trade secret) the disclosure of which –

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
- (ii) would, on balance, be contrary to the public interest.*

Accordingly, the Board is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential to prevent the disclosure of commercial information of a confidential nature (not being a trade secret) as it includes information that may prejudice the commercial position of the Authority.

CARRIED

8.4. Adoption and Noting of Confidential Minutes

Motion: FRACA00592
Moved: Mark Easton
Seconded: Cr. Angela Schiller

Pursuant to Section 90(2) of the Local Government Act 1999, the Board orders that the public be excluded from the meeting, with the exception of the Executive Officer, on the basis it will receive and consider item 8.4. Adoption and Noting of Confidential Minutes.

The Board is satisfied that, pursuant to Section 90(3)(d) of the Act, that the information to be received, discussed, or considered in relation this agenda item is:

commercial information of a confidential nature (not being a trade secret) the disclosure of which –

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
- (ii) would, on balance, be contrary to the public interest.*

Accordingly, the Board is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential to prevent the disclosure of commercial information of a confidential nature (not being a trade secret) as it includes information that may prejudice the commercial position of the Authority.

CARRIED

8.5. A&RMC Self-Assessment Review

Motion: FRACA00594
Moved: Mark Easton
Seconded: Cr. Angela Schiller

Pursuant to Section 90(2) of the Local Government Act 1999, the Board orders that the public be excluded from the meeting, with the exception of the Executive Officer, on the basis it will receive and consider item 8.5. A&RMC Self-Assessment Review.

The Board is satisfied that, pursuant to Section 90(3)(a) of the Act, that the information to be received, discussed, or considered in relation this agenda item is:

Information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead)

personal affairs of a person includes –

(a) That person's –

- i. Financial affairs;*
- ii. Criminal records;*
- iii. Marital or other personal relationships;*
- iv. Personal qualities, attributes or health status;*

(b) That person's employment records, employment performance or suitability for a particular position, or other personnel matters relating to the person, but does not include the personal affairs of a body corporate.

Accordingly, the Board is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential to prevent the unreasonable disclosure of information relating to the personal affairs of a particular person or persons, relating to performance of duties.

CARRIED

6. Verbal Report

6.1. Executive Officer Update

Motion: FRACA00596
Moved: Cr. Angela Schiller
Seconded: Mark Easton

The Authority Board note the verbal update provided by the Executive Officer regarding current Authority work items in progress.

CARRIED

8. Confidential Reports (continued)

8.6. FRACA Resourcing

Motion: FRACA00597
Moved: Cr. Angela Schiller
Seconded: Cr. Lou Nicholson

Pursuant to section 90(2) of the Local Government Act 1999, the Authority orders that all members of the public be excluded, with the exception of the Executive Officer, on the basis that it will receive and consider item 8.6. FRACA Resourcing.

The Board is satisfied, pursuant to section 90(3)(a) of the Act, that the information to be received, discussed or considered in relation to this Agenda Item is:

Information of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

Accordingly, the Board is satisfied that the principle that the meeting should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential because it relates to a selection process yet to be finalised.

CARRIED

9. Next Meeting: 31 March 2023 – City of Victor Harbor, Council Chambers.

10. Meeting Closed: 1:13pm

It should be noted that in accordance with the legal advice received by the Authority dated 26 August 2020, all reports, minutes, attachments, and associated documents from items deliberated by the Authority in confidence, will automatically remain in confidence in perpetuity, unless a resolution of the Board is made to release such items. Items may also be removed from confidence under delegation. At the conclusion of each agenda item that is considered by the Authority in confidence, the default position is for the return to open / public meeting, until such time as a further resolution is made to return to confidential meeting procedures.

To: FRAC Authority Board
From: Andrew Baker
Subject: 5.1 Projects Update
Date: 3 March 2023
References: Nil
Consultation: Ashley Bland, Constructive Energy
Confidential
Attachments: 5.1a Asset Valuation Summary Report

Purpose

To provide an update to the Board on Authority projects and initiatives being progressed by Andrew Baker as part of the support services contract.

Background

The Authority entered into a contract arrangement with former Executive Officer Andrew Baker from 3 February 2023 to provide support services to the Authority in relation to the following items:

- Energy Efficiency Project
- Unsolicited Proposal Liaison
- Asset Revaluation
- Financial Services (budget preparation and reporting requirements)
- Miscellaneous support to Administration Officer (as required)

A summary of progress to date on these items is included below for the Board's information.

Discussion

Energy Efficiency Project

A meeting was held with Ashley Bland (Constructive Energy) on 24 February 2023 to confirm modelling used to determine the optimal solar system size. Contents for the tender request were also discussed including options for tenderers to provide Power Purchase Agreement (PPA) options. This usually involves a power supply contract at a fixed price with the capital expenditure and construction/maintenance costs borne by the supplier. This may be attractive to FRACA as it will likely provide an immediate reduction in expenditure with out the need for loan repayments and associated financing costs. Modelling will need to be completed and reviewed by the Audit & Risk Committee to ascertain the best value for money option resulting from the tenders.

Ashley is available to present the tender documents to a Board meeting and answer any questions that may arise. Draft documentation will be forwarded when complete and once approved can be quickly used to go to market. Consideration should be given to the preferred method of going to market, including the use of Local Government Purchasing.

It is expected Constructive Energy's initial report should be available week commencing 6 March 2023.

Unsolicited Proposal

No update from Andrew.

Asset Revaluation

Final reports were received 27 February 2023 with the Summary Report included at attachment 5.1a. The results of the report will now be reconciled with the Authority's Asset Register and appropriate values applied to individual assets. Final reports will be presented to the Audit and Risk Management Committee at their meeting to be held 24 March 2023, for final endorsement by the Board on 31 March 2023.

Financial Services

YMCA have provided draft budget calculations which will now be combined with the Authority's income and expenditure (including assumptions made for calculations) for presentation to the Audit and Risk Management Committee meeting to be held 24 March 2023.

Recommendation

The Authority Board:

- *Receive and note the report; and*
- *Note the progress made on each item as presented in the Report.*

Valuation Summary Report

Fleurieu Regional Aquatic Centre

2023 Land Buildings Swimming Pools Major Plant and Equipment Assets

01-Jul-2022

Currency: AUD



Published: 23 Feb, 2023

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Introduction

This report provides a high-level overview of the overall valuation job. It includes the results of all Asset Classes valued within this valuation job. Details of the methodology, assumptions and results for each Asset Class are detailed in the various Asset Class Methodology Report.

Summary By Value

The valuation job included the following Asset Classes. The following table shows (at an Asset Class level) the overall Fair Value expressed as a percentage of the Gross value (Replacement Cost or Market Value).

Asset Class	#	Prop by #	Current Value	Prop by FV	FV of Gross	Gross (MV)	Prop by Gross	Depr Exp	Prop by Dep Exp
Buildings	1	3.2%	15,809,599	53.7%	92.6%	17,081,417	52.1%	236,053	48.9%
Land	1	3.2%	5,605,000	19.0%	100.0%	5,605,000	17.1%		0.0%
Other Structures	29	93.5%	8,021,246	27.2%	79.6%	10,081,694	30.8%	247,052	51.1%
Totals	31		29,435,845			32,768,111		483,105	

Summary By Valuation

Assets valued using the same technique, level of the Valuation Hierarchy and general approach are recorded as within the same Fair Value Measurement Asset Class. For the purposes on Fair Value Measurement disclosures the assets were valued using the following techniques and levels of the Asset Hierarchy –

Asset Class	Valuation Technique	Valuation Hierarchy	Gross or MV	Value
Buildings	Cost	3	17,081,417	15,809,599
Land	Market	2	5,605,000	5,605,000
Other Structures	Cost	3	10,081,694	8,021,246

Changes from Previous

Change in Gross

Asset Class	#	%	Gross	%	Prev Gross	Var	%
Buildings	1	3.2%	17,081,417	52.1%	12,407,742	4,673,675	37.7%
Land	1	3.2%	5,605,000	17.1%	0	5,605,000	0%
Other Structures	29	93.5%	10,081,694	30.8%	6,863,602	3,218,092	46.9%

Change in Value

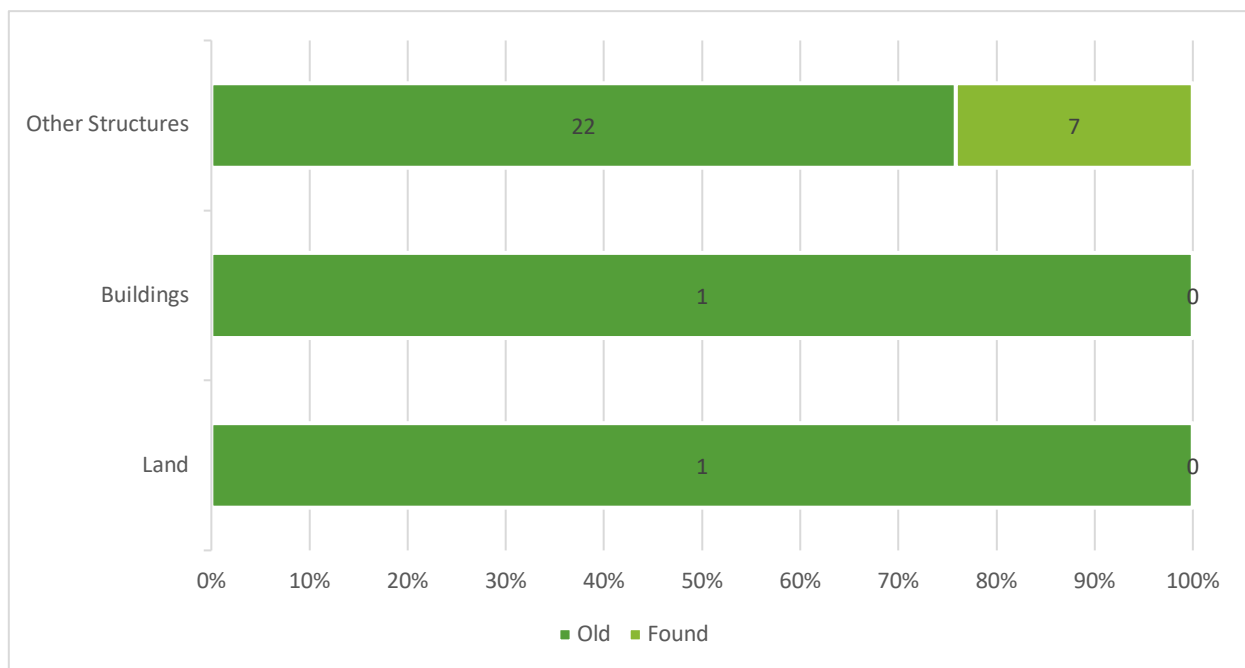
Asset Class	#	%	Value	%	Prop of Gross	Prev Value	Var	%
Buildings	1	3.2%	15,809,599	53.7%	92.6%	10,477,657	5,331,943	50.9%
Land	1	3.2%	5,605,000	19.0%	100.0%	0	5,605,000	0%
Other Structures	29	93.5%	8,021,246	27.2%	79.6%	5,669,730	2,351,517	41.5%

Change in Depreciation Expense

Asset Class	#	%	Depr Exp	%	Prev Depr Exp	Var	%
Buildings	1	3.2%	236,053	48.9%	0	236,053	0%
Land	1	3.2%	0	0.0%	0	0	0%
Other Structures	29	93.5%	247,052	51.1%	0	247,052	0%

Asset History Report

Asset Class	Asset History	#
Buildings	Old	1
Land	Old	1
Other Structures	Found	7
Other Structures	Old	22

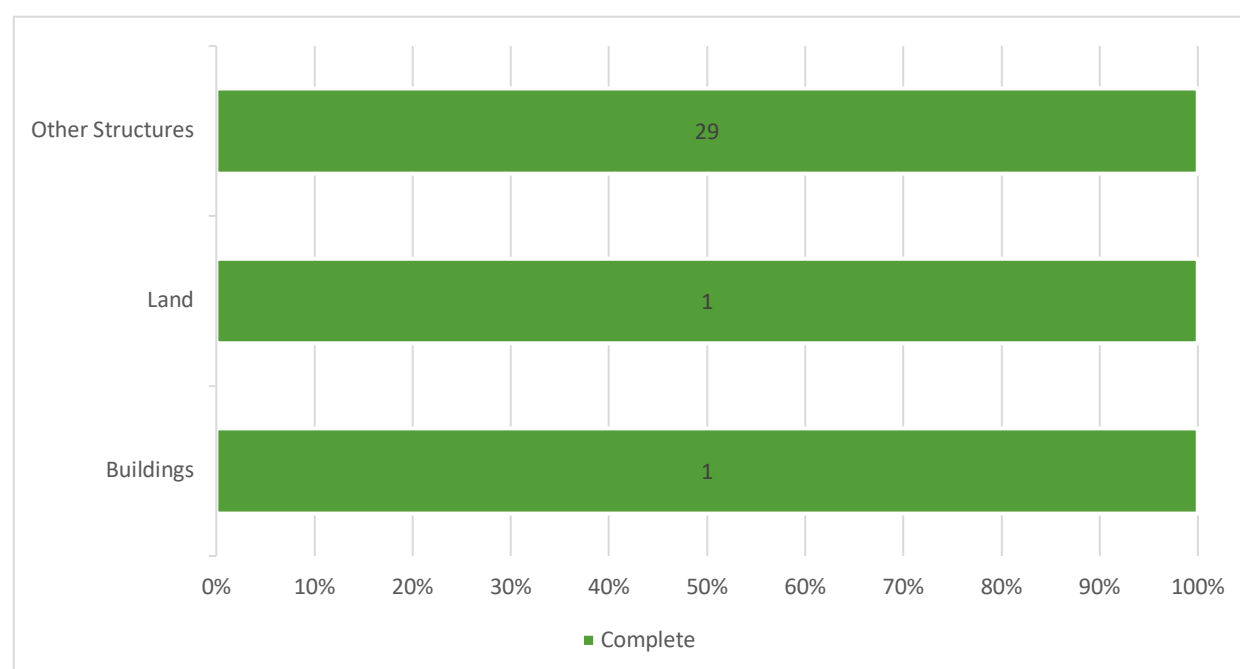


Summary of Inspections

For some Asset Classes it is either not physically possible or cost prohibitive to physically inspect each asset. Where this is the case reliance is placed on undertaking a sampling approach.

The following table and chart provide a high-level overview of the number and proportion of assets within each Asset Class that was subject to physical inspection.

Asset Class	Inspection Status	Count
Buildings	Complete	1
Land	Complete	1
Other Structures	Complete	29



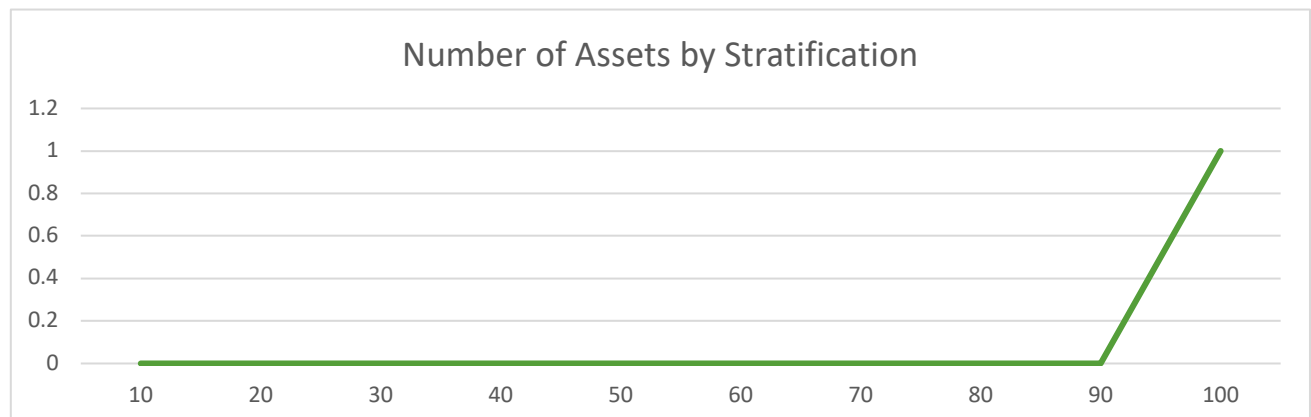
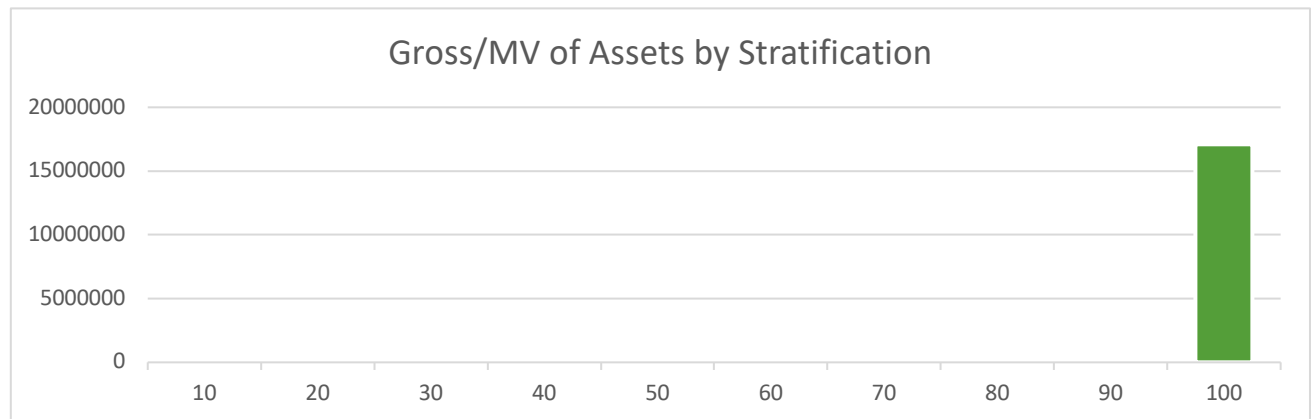
Stratification By Value

The following tables and charts provide a stratification analysis by Asset Type within each asset class. The stratification is of the current value expressed as a percentage of the gross value in the 10% ranges.

ASSET CLASS: Buildings

ASSET TYPE: Recreation - Aquatic Centre

Stratification	Count	Prop by count	Gross or MV	Prop by Gross
10	0		0	
20	0		0	
30	0		0	
40	0		0	
50	0		0	
60	0		0	
70	0		0	
80	0		0	
90	0		0	
100	1	100.0%	17,081,417	100.0%

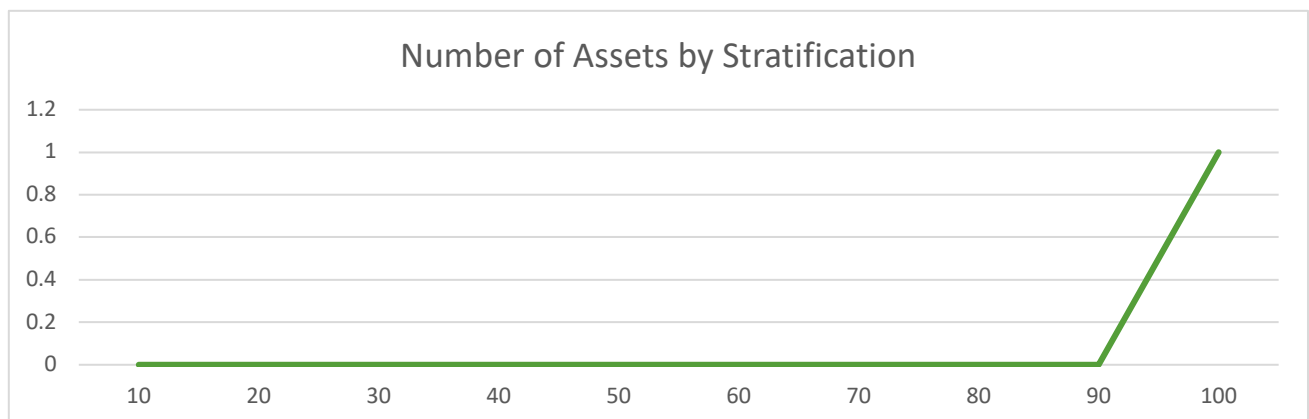
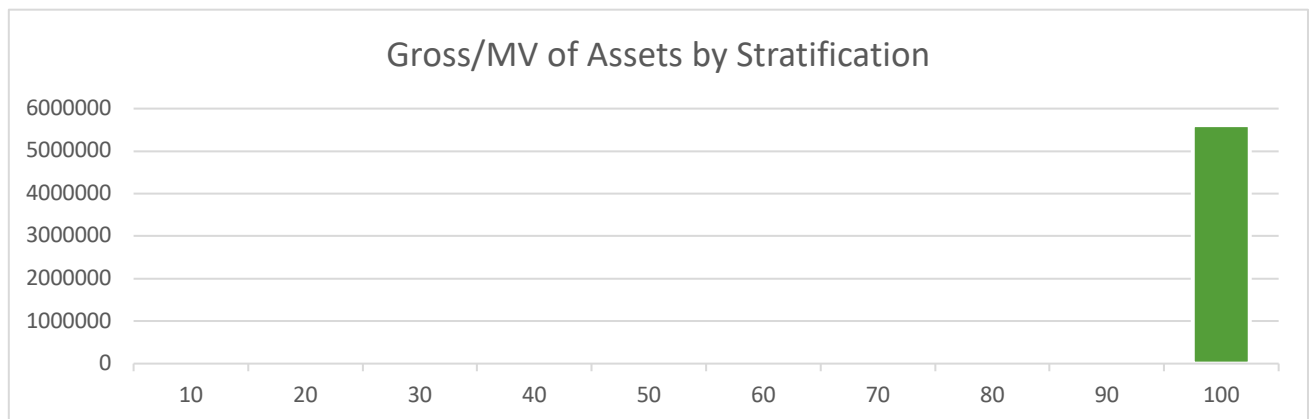


Fleurieu Regional Aquatic Centre
2023 Land Buildings Swimming Pools Major Plant and Equipment Assets
01-Jul-2022

ASSET CLASS: Land

ASSET TYPE: Commercial

Stratification	Count	Prop by count	Gross or MV	Prop by Gross
10	0		0	
20	0		0	
30	0		0	
40	0		0	
50	0		0	
60	0		0	
70	0		0	
80	0		0	
90	0		0	
100	1	100.0%	5,605,000	100.0%

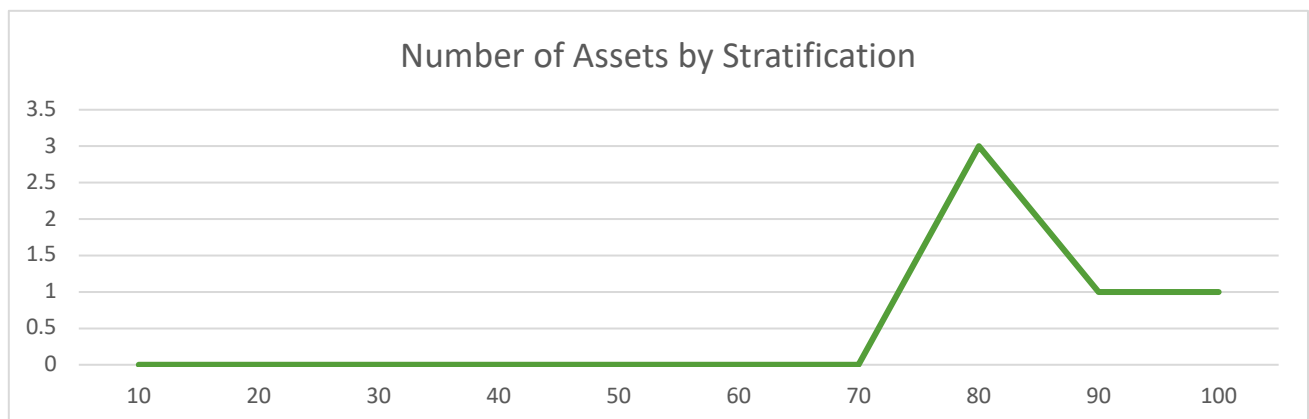
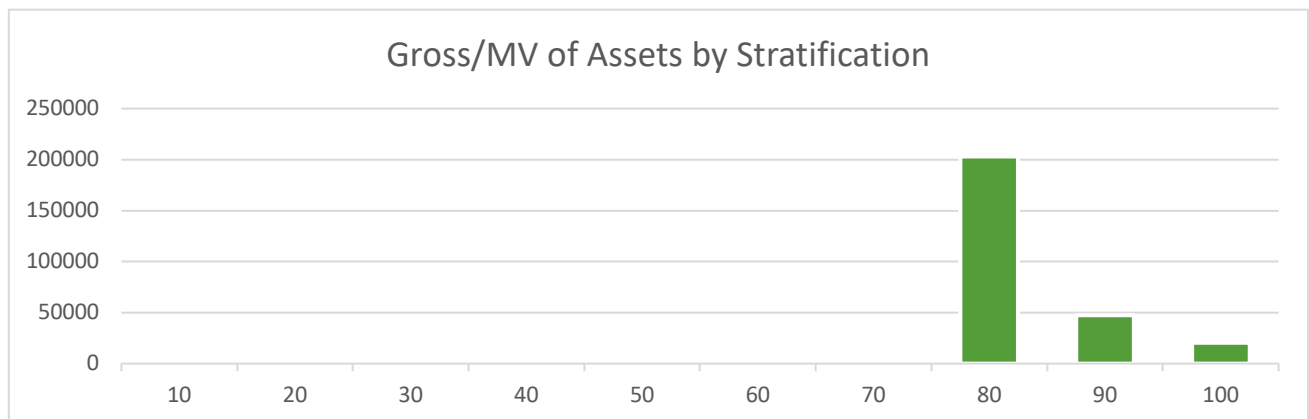


Fleurieu Regional Aquatic Centre
2023 Land Buildings Swimming Pools Major Plant and Equipment Assets
01-Jul-2022

ASSET CLASS: Other Structures

ASSET TYPE: Fences

Stratification	Count	Prop by count	Gross or MV	Prop by Gross
10	0		0	
20	0		0	
30	0		0	
40	0		0	
50	0		0	
60	0		0	
70	0		0	
80	3	60.0%	203,043	74.9%
90	1	20.0%	47,586	17.5%
100	1	20.0%	20,600	7.6%

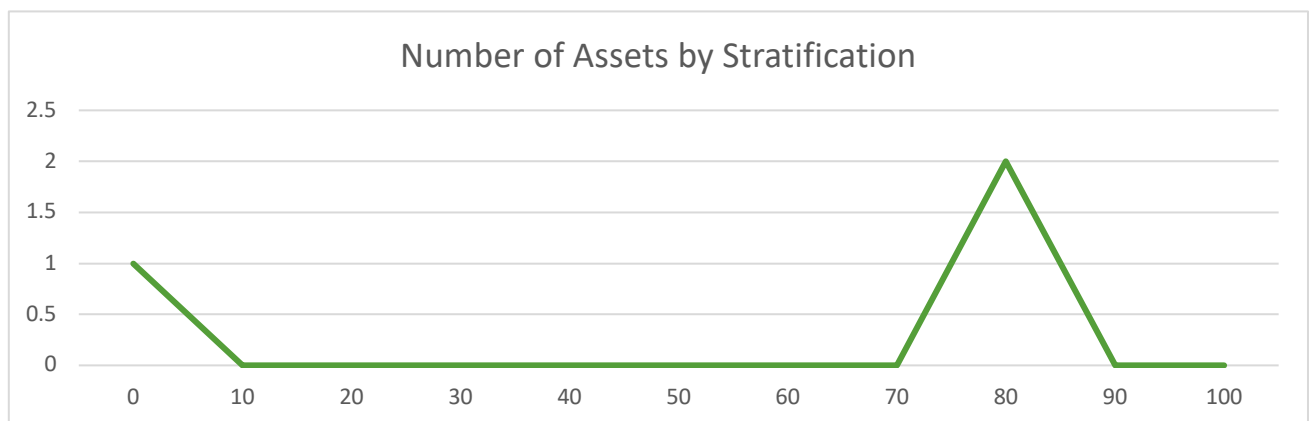
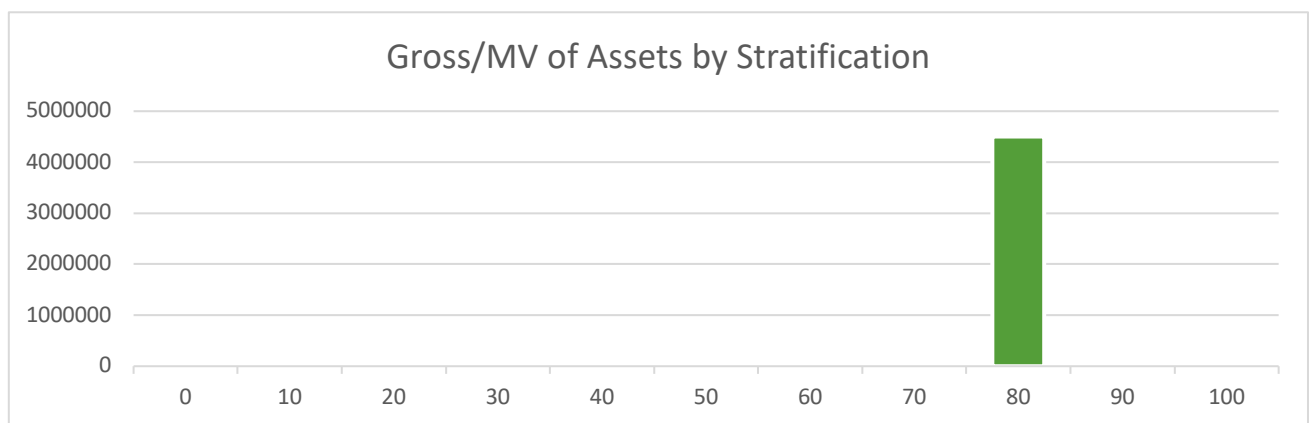


Fleurieu Regional Aquatic Centre
2023 Land Buildings Swimming Pools Major Plant and Equipment Assets
01-Jul-2022

ASSET CLASS: Other Structures

ASSET TYPE: Landscaping

Stratification	Count	Prop by count	Gross or MV	Prop by Gross
0	1	33.3%	0	0.0%
10	0		0	
20	0		0	
30	0		0	
40	0		0	
50	0		0	
60	0		0	
70	0		0	
80	2	66.7%	4,499,040	100.0%
90	0		0	
100	0		0	

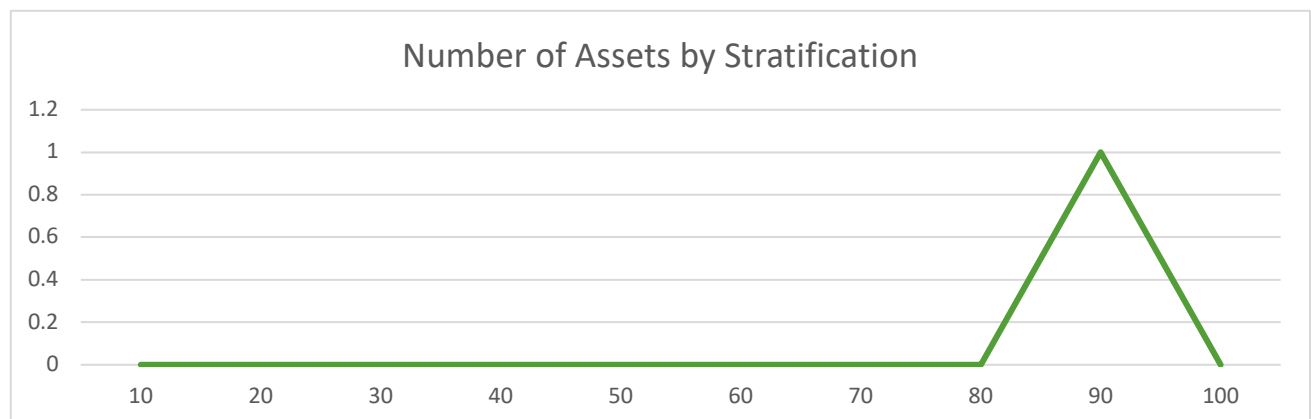
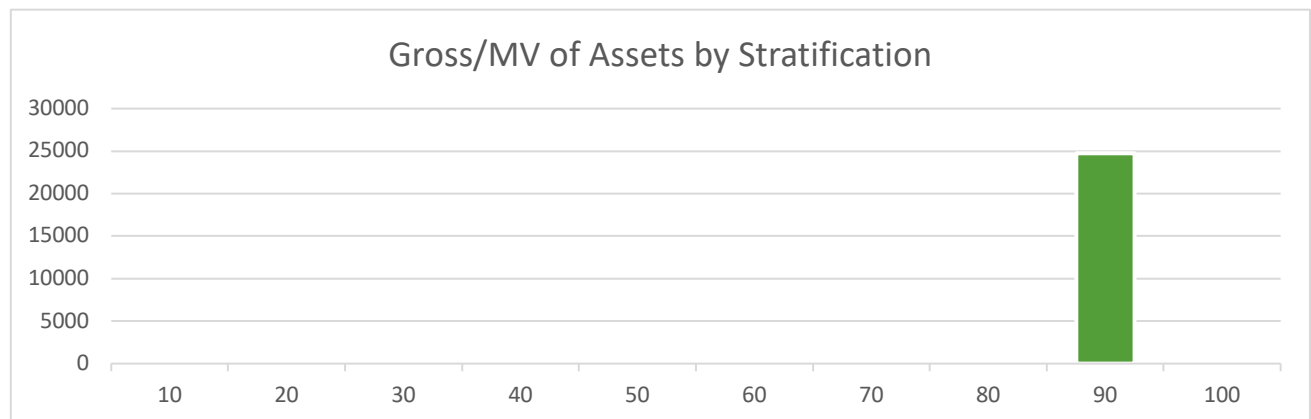


Fleurieu Regional Aquatic Centre
2023 Land Buildings Swimming Pools Major Plant and Equipment Assets
01-Jul-2022

ASSET CLASS: Other Structures

ASSET TYPE: Lighting

Stratification	Count	Prop by count	Gross or MV	Prop by Gross
10	0		0	
20	0		0	
30	0		0	
40	0		0	
50	0		0	
60	0		0	
70	0		0	
80	0		0	
90	1	100.0%	24,720	100.0%
100	0		0	

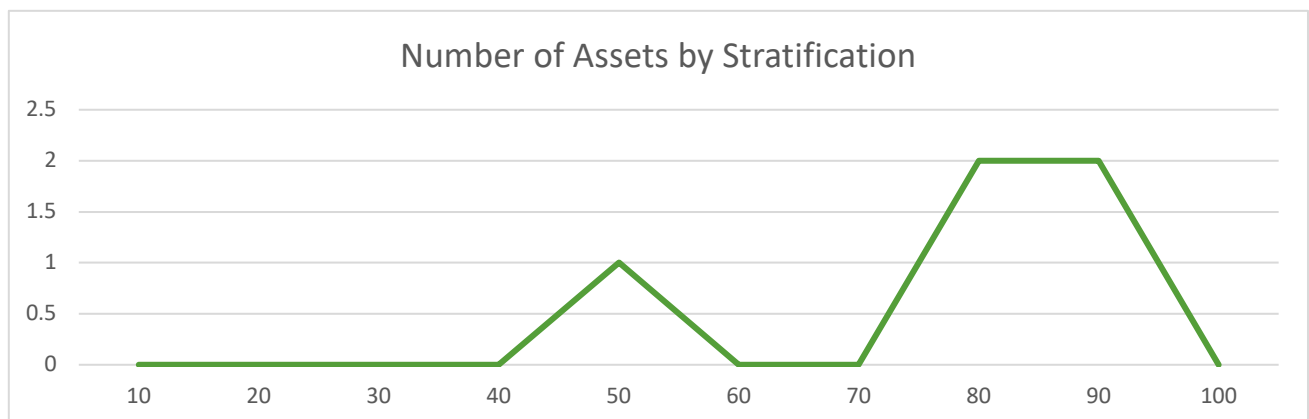
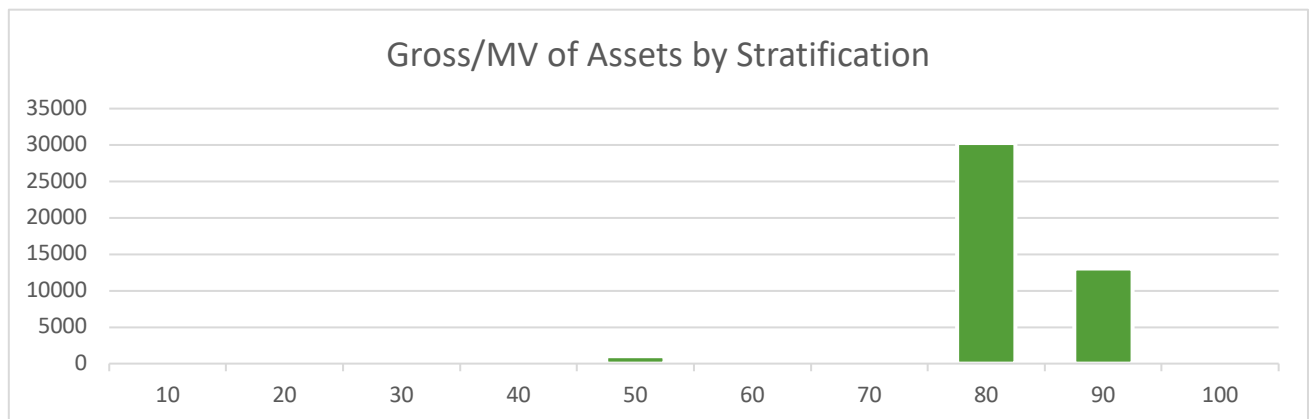


Fleurieu Regional Aquatic Centre
2023 Land Buildings Swimming Pools Major Plant and Equipment Assets
01-Jul-2022

ASSET CLASS: Other Structures

ASSET TYPE: Miscellaneous

Stratification	Count	Prop by count	Gross or MV	Prop by Gross
10	0		0	
20	0		0	
30	0		0	
40	0		0	
50	1	20.0%	1,030	2.3%
60	0		0	
70	0		0	
80	2	40.0%	30,282	68.3%
90	2	40.0%	13,013	29.4%
100	0		0	

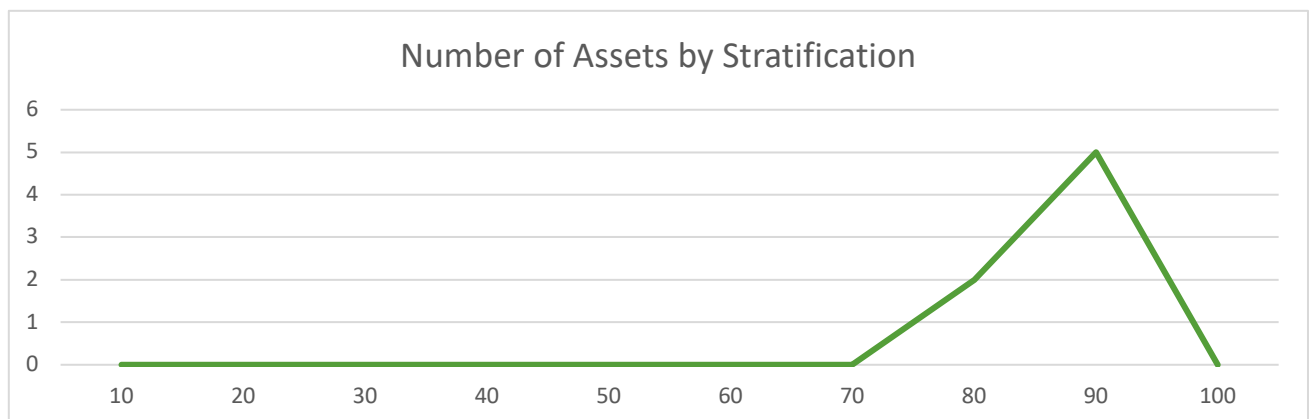
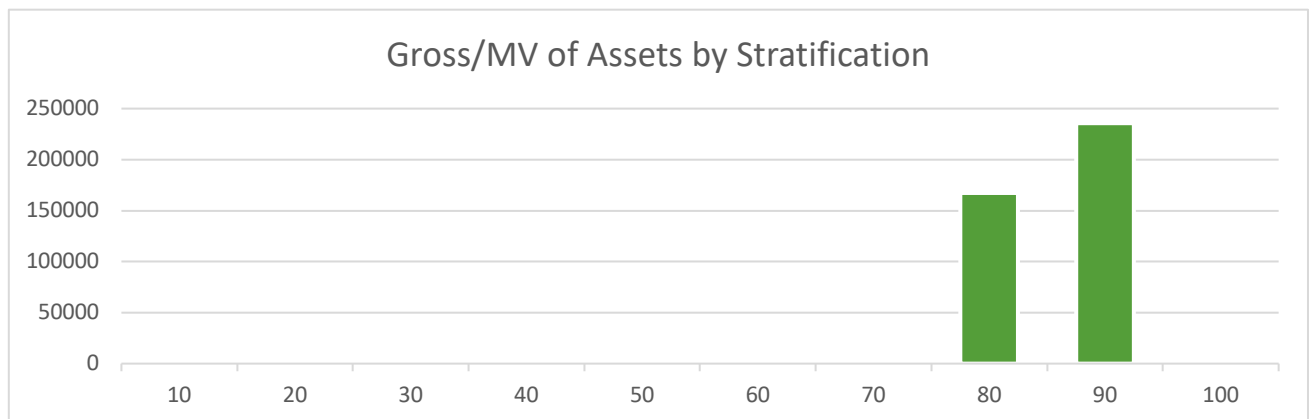


Fleurieu Regional Aquatic Centre
2023 Land Buildings Swimming Pools Major Plant and Equipment Assets
01-Jul-2022

ASSET CLASS: Other Structures

ASSET TYPE: Park Assets

Stratification	Count	Prop by count	Gross or MV	Prop by Gross
10	0		0	
20	0		0	
30	0		0	
40	0		0	
50	0		0	
60	0		0	
70	0		0	
80	2	28.6%	167,066	41.5%
90	5	71.4%	235,796	58.5%
100	0		0	

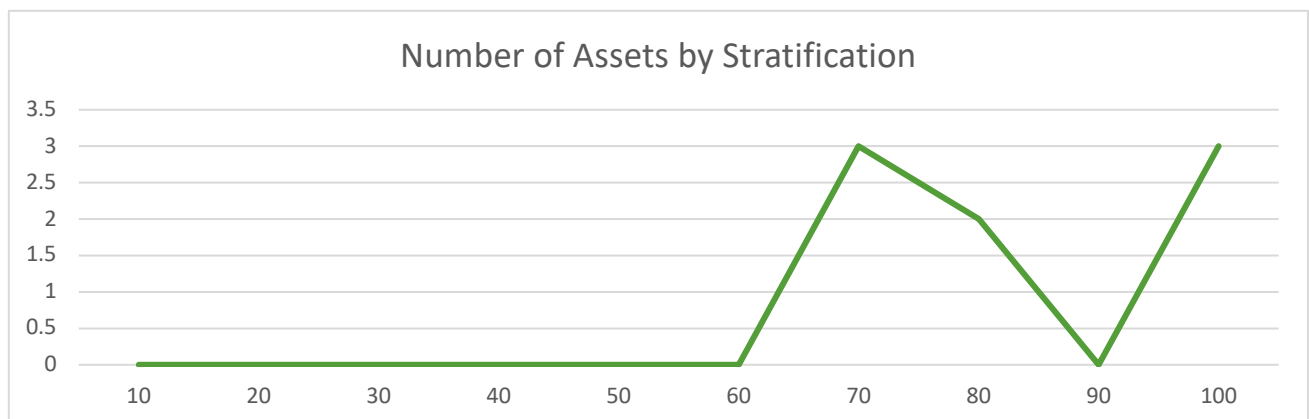
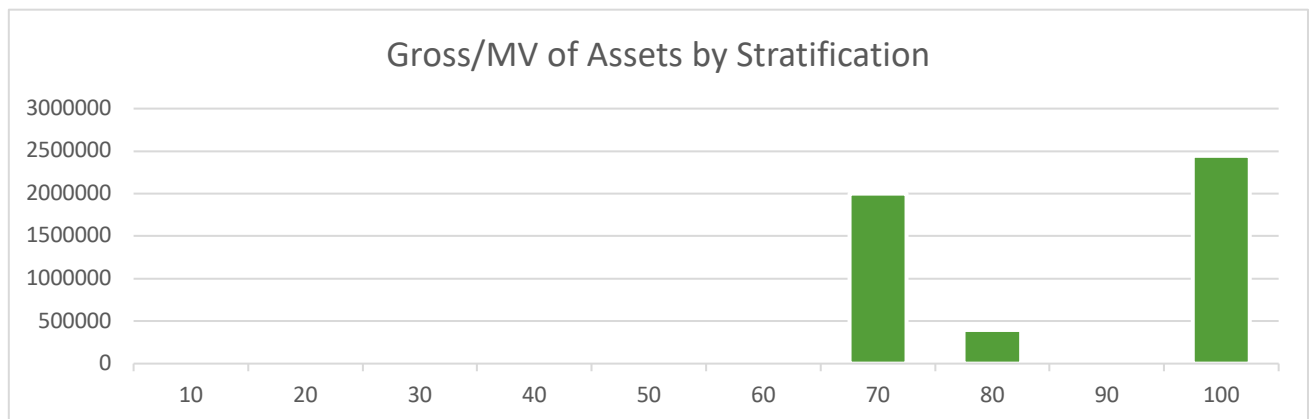


Fleurieu Regional Aquatic Centre
2023 Land Buildings Swimming Pools Major Plant and Equipment Assets
01-Jul-2022

ASSET CLASS: Other Structures

ASSET TYPE: Pool Assets

Stratification	Count	Prop by count	Gross or MV	Prop by Gross
10	0		0	
20	0		0	
30	0		0	
40	0		0	
50	0		0	
60	0		0	
70	3	37.5%	1,997,170	41.3%
80	2	25.0%	397,580	8.2%
90	0		0	
100	3	37.5%	2,444,768	50.5%



To: FRAC Authority Board
From: Danielle Leckie – Administration Officer, FRACA
Subject: 6.1 Adoption of Minutes and Release of Confidentiality
Date: 3 March 2023
References: Nil
Consultation: Nil
Attachments:

Recommendation

Pursuant to section 9(2) of the Local Government Act 1999, the Authority Board orders that all members of the public be excluded, with the exception of proxy Board Members Lou Nicholson and Stewart Burns, and Administration Officer Danielle Leckie, on the basis that it will receive and consider item 6.1 Adoption of Confidential Minutes and Release of Confidentiality.

The Board is satisfied, pursuant to section 90(3)(d) of the Act, that the information to be received, discussed or considered in relation to this Agenda item is:

Commercial information of a confidential nature (not being a trade secret) the disclosure of which –

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
- (ii) would, on balance, be contrary to the public interest.*

Accordingly, the Board is satisfied that the principle that the meeting should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential.



Confidential Out of Session Report Authority Board

Executive

To: FRAC Authority Board
From: Steve Mathewson – FRACA Board Chairperson
Subject: 1.1 FRACA Resourcing Interim Support
Date: 15 February 2023
References: Procurement Policy; Delegations Policy.
Consultation: Nil
Attachments: 1.1a Executive Support Services Fee Proposal
1.1b Procurement Policy

Confidential Substantiation

Pursuant to section 90(2) of the Local Government Act 1999, the Board orders that all members of the public be excluded from the matter, with the exception of the Administration Officer Danielle Leckie, proxy Board Members Lou Nicholson and Stewart Burns, on the basis that it will receive and consider the Out of Session item 1.1 FRACA Resourcing Interim Support.

The Board is satisfied, pursuant to section 90(3)(d) of the Act, that the information to be received, discussed or considered in relation to this Agenda Item is:

commercial information of a confidential nature (not being a trade secret) the disclosure of which –

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
- (ii) would, on balance, be contrary to the public interest.*

Accordingly, the Board is satisfied that the principle that the meeting should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential as it includes information pertaining to a commercial proposal between the Authority and a third party.

Purpose

The purpose of this report is to seek the Authority Board's approval:

- to engage former Executive Officer Andrew Baker on a contract basis as an interim solution while reviewing resourcing options and during recruitment for a new Executive Officer should that be required, and
- for a variation to the standard procurement process in line with Procurement Policy requirements.

Background

The Authority Executive Officer, Andrew Baker, resigned from his position effective Friday 3 February 2023. The role remains vacant until the position can be filled via a formal recruitment process. Under their recruitment Guarantee, McArthur will undertake any recruitment for a replacement EO for no charge.

Consistent with the Board resolution at its meeting on 3rd February 2023, the Chairperson met with the Constituent Council CEOs to commence discussions on possible alternative resourcing models for FRACA going forward. The meeting was undertaken last week and a separate update will be provided to the Board on the discussions. There are a few options to consider as a Board and we can then seek each Constituent Council's support. It is envisaged that any changes will take some time to finalise and then implement.

Regardless of the outcome, in the interim the Authority requires additional resourcing immediately to support the Board and Administration Officer to deliver on a number of impending deadlines and key projects.

Discussion

Interim Executive Officer Services

As the resignation of the Executive Officer was unanticipated, this presents a risk to the progress of current work of the Authority, with a number of projects about to reach key milestones and third parties engaged requiring support and direction to achieve their contractual obligations. Projects include (but not limited to) Asset Revaluation and the Energy Efficiency project. The success of these projects will require an Executive Officer in place (or other interim arrangements) with an understanding of current progress and outcomes required to provide direction to third parties.

Discussions between the Board Chairperson and Andrew Baker have highlighted an opportunity for interim support to be provided by Andrew until a more permanent solution can be implemented. A summary of the proposed support to be provided is attached at 1.1a Support Services Fee Proposal. The term of engagement is not fixed and may be cancelled by either party at any time.

Authority Policy Requirements to Procure Interim Support

The Authority is delegated to incur approved budgeted expenses, with the current budget including salary expenses for the Executive Officer. With the vacancy left by the Executive Officer, procuring services for the role on a temporary basis at reduced hours will remain as an expense for Executive Officer services in line with the current approved budget.

The Procurement Policy outlines the need to obtain quotes to allow for open and fair competition. Purchases up to \$5,000 require one written quote, and over \$5,000 (up to \$10,000) requires two written quotes. Based on the current rate and hours proposed for Executive Officer Support Services, should services be required for more than 4 weeks this will exceed \$5,000. With the timeframe of this service unknown at this stage, consideration has been given to the need for two quotes in line with the policy and the exceptions allowed for this requirement.

Exceptions are permitted in the Procurement Policy where specific criteria can be met in relation to obtaining quotes. This includes the following as applicable to the situation at hand:

The Authority may be exempt from the requirement to seek tenders or quotations, in the following circumstances:

- *The pressures of time are such that an open call is not feasible, such as where there has been an unanticipated FRAC or Government policy decision.*

The resignation of the Executive Officer from the substantive role was unanticipated and has created time pressures by way of impending deadlines of current work of the Authority and remaining staffing levels of one administrative officer.

The Procurement Policy also states:

When assessing the most effective method of obtaining goods and/or services, the Authority staff should consider the administrative resources required and monetary costs to the Authority of seeking tenders or quotations independently, and the reduction of these costs which can be achieved by use of approved alternative arrangements outlined above.

A request for waiver of competitive process should not be viewed as a mechanism to speed processes in a way that will not stand up to rigorous scrutiny or as a mechanism to obviate the need for careful forward planning. The granting of waiver of competitive process must be appropriately documented and approved by the Executive Officer and Chairperson.

As the proposed arrangement is an interim solution, it will afford the Authority the ability to continue to progress critical work while minimising the risks associated with a gap in services at the Executive Level. The administrative resources and cost to source quotes for an alternative interim solution ahead of a formal recruitment process would be prohibitive and detrimental to the Authority. Furthermore, administrative resources required to implement an alternative interim solution are also detrimental to the Authority's work and budget. It is also potentially counterproductive to implement an external interim solution ahead of any decisions regarding the Authority and Executive Officer role between the Authority and Constituent Councils. This is considering the time it would take to bring a new person up to speed in the role for the benefit of a short period of time only.

Recommendation

The Authority Board:

- *Approve a variation to the procurement process consistent with the Authority's Procurement Policy, to engage the services of Andrew Baker (under the proposed Trust entity) to undertake Executive level tasks as outlined in Attachment 1.1a of this report (and as otherwise agreed from time to time); and*

- *Request the Authority Chairperson to provide formal confirmation of engagement to Andrew Baker for immediate commencement and until terminated by either party.*

To: FRAC Authority Board
From: Danielle Leckie, Administration Officer
Subject: 6.2 Risk Management Framework
Date: 3 March 2023
References: Nil
Consultation: James Lomax, Regional Manager - YMCA
Vicki Tomlinson, Independent Board Member - FRACA

Confidential

Attachments:

Recommendation

Pursuant to section 90(2) of the Local Government Act 1999, the Authority orders that all members of the public be excluded, with the exception of proxy Board Members Lou Nicholson and Stewart Burns, and Administration Officer Danielle Leckie, on the basis that it will receive and consider item 6.4 Risk Management Framework.

The Authority is satisfied, pursuant to section 90(3)(d) of the Act, that the information to be received, discussed or considered in relation to this Agenda Item is:

commercial information of a confidential nature (not being a trade secret) the disclosure of which –

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
- (ii) would, on balance, be contrary to the public interest.*

Accordingly, the Authority is satisfied that the principle that the meeting should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential to prevent the disclosure of commercial information of a confidential nature (not being a trade secret).

To: FRAC Authority Board
From: Andrew Baker
Subject: 6.3 Procurement - CCTV
Date: 3 March 2023
References: Nil
Consultation: James Lomax, YMCA
Confidential
Attachments:

Recommendation

Pursuant to section 90(2) of the Local Government Act 1999, the Authority orders that all members of the public be excluded, with the exception of proxy Board Members Lou Nicholson and Stewart Burns, and Administration Officer Danielle Leckie, on the basis that it will receive and consider item 6.3 Procurement - CCTV.

The Authority is satisfied, pursuant to section 90(3)(d) of the Act, that the information to be received, discussed or considered in relation to this Agenda Item is:

commercial information of a confidential nature (not being a trade secret) the disclosure of which –

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
- (ii) would, on balance, be contrary to the public interest.*

Accordingly, the Authority is satisfied that the principle that the meeting should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential to prevent the disclosure of commercial information of a confidential nature (not being a trade secret).

To: FRAC Authority Board
From: Steve Mathewson, Authority Chairperson
Subject: 6.4 FRACA Resource Model
Date: 3 March 2023
References: Nil
Consultation: Nil
Confidential
Attachments:

Recommendation

Pursuant to section 90(2) of the Local Government Act 1999, the Authority orders that all members of the public be excluded, with the exception of the proxy Board Members Lou Nicholson and Stewart Burns, and Administration Officer Danielle Leckie, on the basis that it will receive and consider item 6.4 FRACA Resource Model.

The Authority is satisfied, pursuant to section 90(3)(d) of the Act, that the information to be received, discussed or considered in relation to this Agenda Item is:

Commercial information of a confidential nature (not being a trade secret) the disclosure of which:

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
- (ii) would, on balance, be contrary to the public interest;*

Accordingly, the Authority is satisfied that the principle that the meeting should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential because it relates to information regarding the management options and structure of the Authority.