



Finance and Infrastructure Standing Committee Meeting

MINUTES

Meeting held in the Central Highlands Regional Council Chambers, Emerald Office

Tuesday 14 June 2016

Commenced at 9.00am

CENTRAL HIGHLANDS REGIONAL COUNCIL

FINANCE AND INFRASTRUCTURE STANDING COMMITTEE MEETING

TUESDAY 14 JUNE 2016

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**MINUTES – FINANCE AND INFRASTRUCTURE STANDING COMMITTEE MEETING
HELD AT 9.00AM TUESDAY 14 JUNE 2016 IN THE CENTRAL HIGHLANDS REGIONAL COUNCIL
CHAMBERS, EMERALD OFFICE**

PRESENT

Councillors

Councillor (Crs) K. Hayes (Mayor), G. Godwin-Smith (Deputy Mayor / Chair)
Councillors (Crs) M. Daniels, D. Lacey and C. Rolfe

Officers

Chief Executive Officer S. Mason, General Manager Corporate Services J. Bradshaw, General Manager Infrastructure and Utilities G. Joubert, General Manager Commercial Services M. Webster, Coordinator Communications A. Ferris, Minute Secretary M. Wills

Observers

Cr G. Nixon, Cr A. McIndoe, Cr P. Bell

APOLOGIES

Cr C. Brimblecombe

LEAVE OF ABSENCE

Nil

CONFIRMATION OF MINUTES OF PREVIOUS MEETING

Finance and Infrastructure Standing Committee Meeting: 10 May 2016

Resolution:

Cr Hayes moved and seconded by Cr Rolfe “That the minutes of the previous Finance and Infrastructure Standing Committee Meeting held on 10 May 2016 be confirmed.”

FISC 2016 / 06 / 14 / 001

Carried (5-0)

Business Arising Out Of Minutes

Nil

Conflict of Interest, Personal Gifts and Benefits

Nil

INFRASTRUCTURE AND UTILITIES' SECTION

Attendance

Project Engineer G. Poll attended the meeting at 9.20am

Nogoa River Excavation Project Status Update and Managed Contract Business Case

Executive Summary:

This report provides Council with a status update on the Nogoa River Excavation project, including current tender process, grant funding extensions of time, statutory approvals and permits as well as budget estimates to complete all works. The report further includes a business case comparing and identifying both risks and benefits for the currently open tender contract, as well as a direct managed delivery option with a Panel of Providers established from the local contractors registered on the Council 360 Central Supplier Register to deliver works under a performance contract arrangements.

Resolution:

Cr Rolfe moved and seconded by Cr Hayes "That Central Highlands Regional Council Finance and Infrastructure Standing Committee:

1. Recommend that the Nogoa River Excavation project Sites 2, 3, 10 and 11 be delivered through open tender contract;
2. Refer the budget request for the additional \$1,200,000 to complete works on Sites 2, 3, 10 and 11, for consideration in the 2016/17 Capital Works Budget as a priority. Further that Council seek funding to offset the cost of the additional expenditure from the Queensland and/or Australian Government;
3. Refer the remaining \$3,000,000 budget request for the remaining Sites 4, 9a, 1, 5, 6, 7 and 8 to the 2016/17 Capital Works Budget for consideration contingent on funding being provided by the Queensland and/or Australian Governments; and
4. Give consideration to delivering the remaining future works by direct managed contracts under a Panel of Providers arrangement."

FISC 2016 / 06 / 14 / 002

Carried (5-0)

Attendance

Project Engineer G. Poll left the meeting at 10.11am

Manager Technical Services S. Ripper attended the meeting at 10.12am

Emerald Airport Intersection Works Tender Recommendation

Executive summary:

Central Highlands Regional Council is required, by Department of Transport and Main Roads as a concurrence agency, to upgrade the intersection of the Emerald Airport Access Road and Gregory Highway as part of their development conditions. The design is complete and tenders for construction have closed with a contractor recommended.

Considered by Council.

New Street Road Works Tender Recommendation

Executive summary:

The Emerald Flood Mitigation Project has identified the need to raise New Street to above the 2010/11 flood levels to provide an evacuation route for residents and businesses trapped in South Emerald during a flood event of this magnitude.

Tenders were called for the road works and closed early May 2016. This report recommends acceptance of a tenderer as preferred and delegation of acceptance within budget to Council Officers.

Resolution:

Cr Daniels moved and seconded by Cr Rolfe “That the Central Highlands Regional Council Finance and Infrastructure Standing Committee confirm:

1. Simon Contractors Pty Ltd as the Preferred Contractor for the New Street Road Works - Tender Request for Tender 2016T091C; and
2. Acceptance of the tender of Simon Contractors Pty Ltd for the for the New Street Road Works - Tender Request for Tender 2016T091C works, subject to satisfactory completion of final tender clarifications and negotiations.

FISC 2016 / 06 / 14 / 003

Carried (5-0)

Attendance

Manager Technical Services S. Ripper left the meeting at 10.22am

Manager Water Utilities P. Manning attended the meeting at 10.22am

Water Utilities Water Main Replacement Program

Executive summary:

A ten year water main replacement program will be developed over the next twelve months. This will be based on current information available from Assetic (the asset management database) and maintenance records.

Considered by Council.

Attendance

Manager Water Utilities P. Manning left the meeting at 10.30am

Adjournment

The meeting was adjourned at 10.31am for morning tea.

The meeting resumed at 10.53am.

Cr Rolfe did not return to the meeting.

Manager Infrastructure J. Akers attended the meeting at 10.53am

Costs of Creating and Maintaining a Sealed Road versus an Unsealed Road

Executive summary:

The Central Highlands Regional Council is the fourth largest council in Queensland by virtue of rural road network. With approximately seventy five percent of the councils rural road network being unsealed, the real cost of upgrading a rural road from unsealed to sealed is one of the key considerations when considering any proposed upgrade.

Considered by Council.

Ten Year Roads Investment Program Strategy Discussion Paper

Executive summary:

The Central Highlands Regional Council has ownership and stewardship of a vast transport network. The strategic investment into the network is a must for consideration, not just within the next ten years but beyond.

Considered by Council.

Attendance

Cr Daniels left the meeting at 11.51am

Manager Infrastructure J. Akers left the meeting at 11.52am

Manager Asset Management M. Gatt and Manager Information Services A. Jurd attended the meeting at 11.52am

Cr Daniels returned to the meeting at 11.52am

CORPORATE SERVICES' SECTION


Asset Management Policy and Asset Management Strategy

Executive summary:

Asset Management is critical to managing the business of Council and its service delivery to the community. The Asset Management Policy and the Asset Management Strategy are part of the broader Asset Management framework that provides information to allow Council to make better informed decisions on the services council delivers through the assets it creates and maintains.

Resolution:

Cr Hayes moved and seconded by Cr Daniels “That Central Highlands Regional Council approve the Asset Management Policy and the Asset Management Strategy as presented.”

	COUNCIL POLICY	
	Asset Management Policy	
POLICY NUMBER: [automated #]	DEPARTMENT:	Corporate Services
EFFECTIVE DATE: 01 JULY 2016	UNIT:	Asset Management

1.0 Purpose and Scope

This policy:

- Specifies Central Highlands Regional Council’s overarching intentions and guiding principles for asset management.
- Complies with the National Asset Management and Planning Framework as agreed by all State and Territory Planning Ministers in May 2009.

- Informs Council's strategic asset management planning and enables the development and implementation of long term Asset Management Plans.
- Includes requirements for commitment to funding infrastructure renewal, legislative compliance and to the continual improvement of Council's asset management performance.

Asset Management at Council is the combination of management, financial, economic and technical practices applied to physical assets, with the objective of meeting the required levels of service in the most cost-effective and fit for purpose manner.

This policy applies to all physical assets owned or controlled by Council, however in keeping with the Queensland State Government's requirements, the initial focus will be given to Council's long life infrastructure assets. Therefore the physical asset classes covered by this policy are categorised as followed:

- Transport (Roads, Bridges & Major Culverts)
- Flood Mitigation & Drainage
- Water and Sewage Infrastructure
- Buildings
- Pathways
- Site Improvements
- Land
- Plant & Vehicles

Note: This policy does not include intangible assets, people, intellectual property and financial instruments.

2.0 Reference

Local Government Act 2009
Local Government Regulation 2012
Non-Current Asset Accounting Policy
Project Decision Framework Policy
Budget Policy

3.0 Definitions

CEO refers to Chief Executive Officer

Council refers to Central Highlands Regional Council

The Act shall mean the Local Government Act 2009 (as amended).

The Regulation shall mean the Local Government Regulation 2012 (as amended).

Asset shall mean an item that has potential or actual value to an organisation.

Asset Life Cycle refers to the life of an asset, beginning with the establishment of a need for it, through its acquisition, operation and any maintenance or upgrading, to its disposal.

Asset Management refers to the systematic approach to manage assets through all lifecycle phases. This involves applying a combination of engineering, financial and other technical practices to the management of infrastructure; costs; opportunities; risks; and performance.

4.0 Policy Statement

Council acknowledges that assets (particularly infrastructure assets) support its core business of delivering services to the Central Highlands community. The Central Highlands Regional Council is committed to ensuring that infrastructure and services are provided in a sustainable manner, with appropriate levels of service to residents and visitors.

Council is committed to the adoption of sound asset management practices and processes which will significantly contribute to the achievement of the regions vision.

Significant and on-going expenditure is required to maintain existing infrastructure and it is important that Council employs high-level asset management skills and practices to ensure that its asset-intensive services are delivered economically and sustainably.

Council is also committed to managing its assets from a ‘whole of life’ perspective in accordance with recognised industry practice. Council recognises the need to establish an appropriate balance between the creation of new assets and the maintenance of its existing asset base. This includes reducing the gap between current expenditure on infrastructure maintenance and renewal and the level of expenditure required to ensure on-going infrastructure sustainability.

This will require the integration of Council’s asset management plans with its long term community and financial plans and the consideration of total life cycle costs for new or enhanced services. Furthermore, Council recognises that levels of service need to be set via a process that balances the community’s needs and expectations with Council’s ability to fund both now and in the future.

In view of the above Council aspires to the following:

“To develop and maintain asset management governance, skills, processes, technology and data in order to provide the desired level of service for present and future customers in the most cost effective and fit for purpose manner”

Asset Custodians must adhere to asset management principles that are classified according to the four domains as illustrated in Table 1.

Table 1

Asset Management Domain	Guiding Principles
Accountability and Direction	<ul style="list-style-type: none"> • The management of assets aligns with the Council’s vision and conforms to corporate policy, strategy and plans for the provision of asset based services to the community. • An enterprise first, multi-disciplinary and consistent approach is taken to asset management in accordance with Council’s Asset Management Framework. • Accountability for the management of Council owned or controlled assets is unambiguous, accepted and met. • Asset management industry standards are used where appropriate and adapted if necessary to maintain organisational consistency.
Asset Information Management	<ul style="list-style-type: none"> • Asset information is managed in accordance with Council’s information management and asset management standards and policies. • Assets under the control of Council are identified and recorded in a register with the level of detail and accuracy being based on: <ol style="list-style-type: none"> 1) Statutory requirements; <i>and then</i> 2) Risk management requirements; <i>and then</i> 3) Cost/benefit. • Statutory requirements for external reporting are met (as a minimum).

Asset Management Domain	Guiding Principles
Lifecycle Management	<ul style="list-style-type: none"> • Assets are managed from a whole-of-life perspective (i.e. from planning and design to disposal). • Assets are managed to achieve the lowest possible whole-of-life cost whilst controlling exposure to risk and loss of service. • Assets are managed in support of the development of sustainable communities and are capable of adapting to changing environmental and social conditions. • Statutory requirements for asset management planning are met (as a minimum).
Service Level Management	<ul style="list-style-type: none"> • A planned approach is taken to the impacts of growth and demographic change through demand management and asset investment using an agreed growth and demographic model. • Current and desired levels of service are defined for asset based services that consider: community expectations; legislative and technical requirements; the cost of service and economic, environmental and social sustainability. • Council is committed to funding infrastructure renewal requirements stated in the annually updated Total Asset Management Plan, to ensure the sustainability of the Region's infrastructure base. • Investment decisions for new/upgraded infrastructure will consider whole-of- life costs, including specifying additional annual operations and maintenance costs as part of the defined approval process.

5.0 Policy Review

All policies will be reviewed at least bi-annually or when any of the following evaluations occur:

- Relevant legislation, regulations, standards and policies are amended or replaced; and
- Other circumstances as determined from time to time by the Chief Executive Officer or through a resolution of Council.

This policy is nominated to be reviewed on:

FISC 2016 / 06 / 14 / 004

Carried (4-0)

Asset Management Plans

Executive summary:

Asset Management is critical to managing the business of Council and its service delivery to the community. The Total Asset Management Plan (TAMP) and the individual class Asset Management Plans (AMP's) are a requirement of section 104 of the *Local Government Act (2009)* and sections 167 and 168 of the *Local Government Regulation (2012)*.

The TAMP and AMP's are key strategic documents that support decision making and are reviewed by external bodies such as the Queensland Audit Office and the Queensland Treasury Corporation in regard to Council's long term financial planning and sustainability.

Resolution:

Cr Lacey moved and seconded by Cr Daniels “That Central Highlands Regional Council approve the Total Asset Management Plan and individual class Asset Management Plans as presented.”

FISC 2016 / 06 / 14 / 005

Carried (4-0)

Information, Communications and Technology Strategy and Corporate Software Review

Executive summary:

The purpose of this report is to outline actions that are to be taken after a review of councils current Information, Communications and Technology (ICT) Strategic Plan and associated project priorities.

The outcome from this review saw recommendations on how and what could be achieved in the short, medium and long term to improve the overall use of services being provided by Information Services to the further benefit of the greater organisation and to then look to restructure the current strategic plan to suit.

In reviewing these priorities it is clear that many of the existing projects looking to be undertaken were based on finding solutions to either problems that exist in the current Corporate Software (Authority) or are looking to implement additional functionality that are either not available or is not considered a suitable solution based on current business requirements.

As a result, operational plan items have been identified and appropriate budget has been allocated in the upcoming 2016/17 financial year for the relevant scoping of requirements and associated market engagement to review replacement options of our current Corporate Software.

Considered by Council.

Attendance

Manager Asset Management M. Gatt and Manager Information Services A. Jurd left the meeting at 12.26pm

Attendance

General Manager Infrastructure and Utilities G. Joubert left the meeting at 12.35pm

COMMERCIAL SERVICES' SECTION

Emerald Saleyards Coordination Committee

Executive summary:

The Emerald Saleyards Coordination Committee is a reference group established as a forum for communication on matters relating to the Emerald Saleyards. The role of the reference group is to provide a structured communication mechanism between Council, Saleyards Management and Staff, Emerald Livestock Association, Agforce and other relevant stakeholders.

Resolution:

Cr Lacey moved and seconded by Cr Hayes “That Central Highlands Regional Council Finance and Infrastructure Standing Committee endorse Councillor/s Rolfe, Nixon and Daniels to represent Council on the Emerald Saleyards Coordination Committee with Cr Rolfe as the chair.”

FISC 2016 / 06 / 14 / 006

Carried (4-0)

Attendance

General Manager Infrastructure and Utilities G. Joubert returned to the meeting at 12.37pm

National Saleyards Expo Bendigo 2016

Executive summary:

The National Saleyards Expo will be held in Bendigo from Tuesday 26 to Thursday 28 July 2016.

The conference program for the Australian Livestock Markets Association National Saleyards Expo program will include topics such as operational challenges, technology, modernisation and animal welfare standards and guidelines.

Resolution:

Cr Hayes moved and seconded by Cr Lacey “That Central Highlands Regional Council Finance and Infrastructure Standing Committee endorse Councillor Rolfe to attend the National Saleyards Expo which is to be held in Bendigo from 26 to 28 July 2016.”

FISC 2016 / 06 / 14 / 007

Carried (4-0)

Airport Advisory Committee

Executive summary:

The development of the Central Highlands Regional Council – Airport Advisory Committee was to enable Council to engage and consult with Airport users and stakeholders. To ensure sound governance principles support the function of an Advisory Committee, a Terms of Reference document has been developed and adopted by Council on 9 March 2016.

Resolution:

Cr Daniels moved and seconded by Cr Hayes “That Central Highlands Regional Council Finance and Infrastructure Standing Committee:

1. Approve the continuation of the Airport Advisory Committee; and
2. Appoint a Councillor Lacey and Bell to the Airport Advisory Committee with Cr Lacey to be nominated as the chairperson to the Committee.”

FISC 2016 / 06 / 14 / 008

Carried (4-0)

Australian Airports Association National Conference – Canberra – 21 to 25 November 2016

Executive summary:

The Australian Airports Association National Conference 2016 will be held in Canberra from Tuesday 21 to Friday 25 November 2016.

Resolution:

Cr Daniels moved and seconded by Cr Hayes “That Central Highlands Regional Council Finance and Infrastructure Standing Committee endorse Councillor Lacey to attend the Australian Airports Association National Conference which is to be held in Canberra from 21 to 25 November 2016.”

FISC 2016 / 06 / 14 / 009

Carried (4-0)

Commercial Services Business Activities

Executive summary:

As part of Council's previous strategy meeting annual cycle, a report on the Commercial Services Business Activities of Airport, Saleyards and Quarry was scheduled in June 2016 for presentation to Council. This report outlines achievements and improvements within these respective businesses in 2015/16 and proposed improvements in 2016/17.

Considered by Council.

GENERAL BUSINESS

(Verbal matters raised by Councillors either as a question, acknowledgement and or additional follow-up by officers)

Nil

CLOSURE OF MEETING

There being no further business, the Chair closed the meeting at 1.02pm

CONFIRMED

CHAIR

DATE