



Finance and Infrastructure Standing Committee Meeting

MINUTES

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

Tuesday 10 May 2016

Commenced at 9.00am

CENTRAL HIGHLANDS REGIONAL COUNCIL

FINANCE AND INFRASTRUCTURE STANDING COMMITTEE MEETING

TUESDAY 10 MAY 2016

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**MINUTES – FINANCE AND INFRASTRUCTURE STANDING COMMITTEE MEETING
HELD AT 9.00AM TUESDAY 10 MAY 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) C. Brimblecombe, 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 Secretaries M Wills and T Wheeler

Observers

Councillors (Cr) G. Nixon

APOLOGIES

Nil

LEAVE OF ABSENCE

Nil

Conflict of Interest, Personal Gifts and Benefits

Nil

Attendance

Manager Finance S. Fogg and Manager Asset Management M. Gatt attended the meeting at 9.01am

CORPORATE SERVICES' SECTION

Exception from Obtaining Quotes or Tenders Prior to Entering Contractual Arrangements

Executive summary:

The *Local Government Act 2009* (The Act) and the *Local Government Regulation 2012* (The Regulation) requires that Council must invite at least three written quotes prior to entering into a contractual arrangement with a value great than \$15,000 and must invite written tenders prior to entering into a contractual arrangement with a value greater than \$200,000.

The *Local Government Regulation 2012* provides for an exception to the requirements to invite quotes or tenders where the local government resolves that there is only one supplier reasonably available or where it would be impractical or disadvantageous to request quotes because of the specialised or confidential nature of the services. While in the majority of cases there are multiple supplier options available for the procurement of goods and services, in limited circumstances this is not the case, and to ensure compliance with legislation from time to time, Council may be required to resolve to enter a contract without previously obtaining quotes.

Resolution:

Cr Rolfe moved and seconded by Cr Daniels “That the Central Highlands Regional Council Finance and Infrastructure Standing Committee retrospectively endorses the actions undertaken to enter into a contract under Section 235(a) of the *Local Government Regulation 2012* without first inviting written quotes or tenders, as it is satisfied that there was only one supplier who was reasonably available for the survey and underpinning of pylons for the John Gay Bridge – due to the timing and nature of the investigations associated with bridge and clearing works.”

FISC 2016 / 05 / 10 / 001

Carried (6-0)

Resolution:

Cr Lacey moved and seconded by Cr Brimblecombe “That the Central Highlands Regional Council Finance and Infrastructure Standing Committee recommend to Council that it enters into a contract under Section 235(a) of the *Local Government Regulation 2012* without first inviting written quotes or tenders, as it is satisfied that there is only one supplier who is reasonably available for the IBIS Software for the implementation of Rates Modelling Software to link in with the Authority corporate application – due to the integration with Council’s existing ‘Authority’ software system and the ability to undertake rate modelling and reporting efficiently.”

FISC 2016 / 05 / 10 / 002

Carried (6-0)

Compliance with Related Party Disclosure Requirements

Executive summary:

From 1 July 2016 the Australian Accounting Standards Board (AASB), has determined that AASB 124 ‘Related party Disclosures’ will apply to government entities, including local government. Council must therefore disclose information about related parties in the annual financial statements. This information includes related party relationships, transactions, outstanding balances and commitments.

Related parties are likely to include: entities related to Council, the Mayor, Councillors, Chief Executive Officer and Senior Executives, close family members of each of these parties and any entities that are controlled or significantly influenced by these parties or their close family members.

Resolution:

Cr Rolfe moved and seconded by Cr Brimblecombe “That the Central Highlands Regional Council Finance and Infrastructure Standing Committee recommend to Council that it:

1. approach the Local Government Association of Queensland (LGAQ) seeking support and guidance for the practical implementation for the disclosure of related party transactions and further that Council request a late agenda item for consideration at the Western Queensland Local Government Association (WQLGA) Annual Conference regarding same;
2. develop a policy that identifies key management personnel, considers privacy issues, identifies ordinary citizen transactions and specifies when the council might disclose same (ordinary citizen transactions are those transactions that the Council would generally transact with many citizens and are generally not expected to be disclosed assuming no unusual circumstances exist);
3. capture information about close family members and related entities of all key management personnel;
4. develop a process to capture and record all financial transactions with the related parties as well as all non-financial transactions such as contracts or service level agreements; and
5. analyse and report on those transactions to satisfy the reporting requirements for the completion and audit of Council’s financial statements.”

FISC 2016 / 05 / 10 / 003

Carried (6-0)

Federal Budget 2016/17

Executive summary:

This information report provides an update on the recently released Federal Budget, outlining the key impacts for local government and the opportunities that are presented for funding projects relevant to local councils.

It also provides a basis on which to reflect our own financial position in seeking to establish financial sustainability as a key fundamental to the community. It is presented as a general overview and reflects the relevant funding sources and programs that will be available for local government.

Considered by Council.

INFRASTRUCTURE AND UTILITIES' SECTION

Traffic Advisory Group Meeting Minutes - April 2016

Executive summary:

The Traffic Advisory Group, comprising representatives from the Department of Transport and Main Roads, Queensland Police Service and Council, meets every three months to discuss a range of traffic and transport issues.

For Council's information the minutes of the meeting held on Thursday 14 April 2016 are attached.

Considered by Council.

Road Issues and Proposed Road Closures, Parish of Moodewarra

Executive summary:

Various road issues in the Donohoe Road area (north east of the Emerald township) were brought to Council's attention, including the request for a road closure by a property owner to enable them to manage their encroachments. While considering this proposed road closure, Council must give consideration to road network requirements for the area.

The initial request was for the proposed permanent road closure to deal with current encroachments for approximately 800 metres on the southern end of the gazetted, unmade road between Donohoe Road and Wyuna Road. The future requirements for this Road as well as other roads in the area impacted on by this is being considered.

Resolution:

Cr Rolfe moved and seconded by Cr Brimblecombe "That the Central Highlands Regional Council Finance and Infrastructure Standing Committee recommend to Council to not support the application for a permanent road closure adjoining Lot 1 on Survey Plan 224260, Parish of Moodewarra by the applicant A and L Romeos Pty Ltd in accordance with Council's resolution of 21 June 2010."

FISC 2016 / 05 / 10 / 004

Carried (6-0)

Adjournment

The Standing committee adjourned for morning tea at 10.33am
The standing committee resumed at 11.00am

Asset Management

Executive summary:

This information report and presentation is to provide an overview of the progress in implementing an Asset Management Framework within Central Highlands Regional Council.

Asset Management is a significant part of managing the business of Council and its service delivery to the community. Gaining an understanding of the general philosophy and principles of asset management within a structured and mature framework, will allow Council to make better informed decisions on the services council delivers through the assets it maintains and creates.

A high level overview of the Asset Management program of work undertaken to date including a holistic overview of the framework, and its supporting documentation will assist in setting the foundations for sound financial and asset management for budget process post the 2016/17. Further discussion on the results of a National Asset Management Framework (NAMF) maturity assessment, and a summary of what has been achieved to date along with the future objectives will provide Council a complete picture of the status of our asset management.

NAMF Maturity Assessment

National guideline awareness										
Plans and Strategies (status)										
Levels of Service (awareness)										
Asset Data (Holistic list)										
Asset data (componentisation)										
Conditions Assessment (methodology)										
Condition assessment (practice)										
Condition assessment (collection process)										
Asset Inspections – risk and maintenance										
Capital works planning and annual budgeting										
Maintenance planning										
Asset accounting										
Systems and tools (basic)										
Staff skills										
Resource levels										
Resource morale										
GIS functionality										
	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%

Performance Scorecard	2011%	2013%
1. Strategic Planning	65 Proficient	55 Proficient
2. Annual Budget	63 Proficient	38 Systematic
3. Annual Report	75 Proficient	70 Proficient
4. Asset Management Policy	25 Awareness	60 Proficient

Performance Scorecard	2011%	2013%
5. Asset Management Strategy	25 Awareness	67 Proficient
6. Asset Management Plans	0 Innocence	50 Systematic
7. Governance and Management	43 Systematic	39 Systematic
8. Levels of Services	44 Systematic	25 Awareness
9. Data and systems	50 Systematic	47 Systematic
10. Skills and Processes	38 Systematic	43 Systematic
11. Evaluation	42 Systematic	33 Systematic

Considered by Council.

GENERAL BUSINESS

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

CLOSED SESSION

Into Closed Session

Resolution

Cr Brimblecombe moved and seconded by Cr Rolfe “That Council close its meeting to the public in accordance with Section 275 (1)(b) (h) of the Local Government Regulation 2012 to discuss industrial matters and other business for which a public discussion would be likely prejudice the interest of the local government or someone else, or enable a person to gain financial advantage

FISC 2016 / 05 / 10 / 005

Carried (6-0)

Attendance

Manager Finance S. Fogg and Manager Asset Management M. Gatt left the meeting at 11.49am

Attendance

Manager Water Utilities P. Manning attended the meeting at 11.56am

The meeting was closed at 11.49am

Out of Closed Session

Resolution

Cr Lacey moved and seconded by Cr Daniels “That the meeting now be re-opened to the public.”

FISC 2016 / 05 / 10 / 006

Carried (6-0)

The meeting was opened at 12.15pm

Local Government Award Modernisation Update

Executive summary:

This information report provides an update on the current workplace environment and the status of Council’s Certified Agreement for staff wages and conditions.

In July 2016, the Queensland Local Government Award – State 2015 was due to come into effect and Council would be required to transition all award positions into the pay scales outlined in the new award.

An appeal against the making of the 2015 Local Government Award was later lodged by Minister Pitt. The appeal was upheld by the Industrial Court and the Award has been referred back to the Queensland Industrial Relations Commission (QIRC) to be re-determined.

This means that Central Highlands Regional Council (CHRC) is unable to lodge any enterprise agreements for certification with the QIRC until the matter has been re-determined. Furthermore, Council cannot proceed with enterprise bargaining negotiations until that time. Therefore the current Local Government Awards remains in place at CHRC. An Administrative arrangement was put in place to roll the Certified Agreement forward until 30/6/2016.

Considered by Council.

Briefing on Sewage Treatment Plants and Transitional Environmental Programs

Executive summary:

This information report outlines actions being taken for Council’s Sewage Treatment Plants which are not fully meeting their licenced discharge conditions. Transitional Environment Programs are currently in place for four of the plants.

Considered by Council.

CLOSURE OF MEETING

There being no further business, the Chair closed the meeting at 12.16pm

CONFIRMED

CHAIR

DATE