



Finance and Infrastructure Standing Committee Meeting

MINUTES

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

Tuesday 11 October 2016

Commenced at 9.00am

CENTRAL HIGHLANDS REGIONAL COUNCIL

FINANCE AND INFRASTRUCTURE STANDING COMMITTEE MEETING

TUESDAY 11 OCTOBER 2016

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**MINUTES – FINANCE AND INFRASTRUCTURE STANDING COMMITTEE MEETING
HELD AT 9.00AM TUESDAY 11 OCTOBER 2016 IN THE CENTRAL HIGHLANDS REGIONAL COUNCIL
CHAMBERS, EMERALD OFFICE**

PRESENT

Councillors

Councillor (Crs) K. Hayes (Mayor) from 9.30am, 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, Senior Advisor Chief Executive Office M.Grunsell, Minute Secretary T. Wheeler

Observers

Cr G.Nixon from 9.25am
Cr A.McIndoe from 9.36am

APOLOGIES

Nil

LEAVE OF ABSENCE

Resolution:

Cr Rolfe moved and seconded by Cr Brimblecombe “That a leave of absence be granted for Cr M. Daniels for the Finance and Infrastructure Standing Committee Meeting on the 8th November 2016.”

FISC 2016 / 10 / 11 / 001

Carried (5-0)

Business Arising Out Of Minutes

Nil

Outstanding Meeting Actions

Nil

Conflict of Interest, Personal Gifts and Benefits

Nil

CORPORATE SERVICES' SECTION

Attendance

Manager Finance S.Fogg attended the meeting at 9.07am

Sale of Land - Rate Arrears

Executive summary:

The purpose of this report is to provide information to Council about the process to be undertaken prior to the final sale of land for overdue rates and to also provide information about the level of outstanding rates which may be eligible for sale in accordance with the Local Government Regulation 2012.

Considered by Council

Attendance

Coordinator Procurement D.Glacken attended the meeting at 9.22am

Cr G.Nixon attended the meeting at 9.25am as an observer

Cr K.Hayes attended the meeting at 9.30am

Cr A.McIndoe attended the meeting at 9.36am as an observer

Local Preference Policy Review

Executive summary:

The Local Preference Policy provides consistent direction and guidance to support economic activity within the Central Highlands Region. The aim of this policy is to find the right balance between supporting local businesses and providing value for money for all ratepayers within Central Highlands Region.

The policy provides for preference to be given to suppliers within the Central Highlands Region, as well as a further preference on a locality basis for suppliers within the vicinity in which the work is being performed. With increasing interactions with local business and the challenges in the national and local economies the policy provides a basis upon which to address current business practices and to create an environment where the support for local communities is reinforced.

Resolution:

Cr Brimblecombe moved and seconded by Cr Rolfe "That Central Highlands Regional Council adopt the Local Preference Policy as presented."

	COUNCIL POLICY	
	Local Preference	
POLICY NUMBER:	DEPARTMENT:	Corporate Services
EFFECTIVE DATE: 11 October 2016	UNIT:	Finance

1.0 Purpose and Scope

The policy's purpose and scope is to provide consistent direction and guidance to all officers when undertaking procurement activities in line with the sound contracting principles included in the *Local Government Act 2009*:

- value for money;
- open and effective competition;
- the development of competitive local business and industry;
- environmental protection; and
- ethical behaviour and fair dealing.

2.0 Reference

Local Government Act 2009
 Local Government Regulation 2012
 Trade Practices Act 1974
 Competition and Consumer Act 2010
 Employee Code of Conduct
 CHRC Procurement Guideline
 CHRC Procurement Manual

3.0 Definitions

CEO shall mean *Chief Executive Officer* - a person who holds an appointment under section 194 of the *Local Government Act 2009*. This includes a person acting in this position

CHRC shall mean *Central Highlands Regional Council*

Council shall mean *Central Highlands Regional Council*

Employee shall mean a *Local Government Employee*, including:

- a. the Chief Executive Officer; or
- b. a person holding an appointment under section 196 of the *Local Government Act 2009*

Local shall mean an entity or individual physically located within the Central Highlands Regional Council boundaries.

Registered Business shall mean a company or entity as defined by the Australian Securities and Investment Commission (ASIC) and that also appears as "Active" in the ASIC Business Name Register and as amended from time to time.

Central/West Queensland shall mean the broader region outside of the Central Highlands Regional Council boundaries. Councils which fall under this region are Banana Shire Council, Barcaldine Regional Council, Blackall-Tambo Regional Council, Gladstone Regional Council, Isaac Regional Council, Livingstone Regional Council, Mackay Regional Council, Maranoa Regional Council, Murweh Regional Council, and Rockhampton Regional Council.

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

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

Whole of Life Cost (WoL) shall mean the total of all costs over the life of the good/service/work (i.e. acquisition, maintenance and disposal costs)

4.0 Policy Statement

Council is committed to the principle of the development of competitive local business and industry when entering into:

- contracts for the supply of goods or services;
- contracts for the carrying out of works; and
- the disposal of assets.

For this purpose, if an expression of interest, tender or quotation is evaluated and all things being equal it is Council's preference to purchase locally. That is, a local preference evaluation/selection criteria with a weighting of not more than 20% (of the evaluation/selection criteria total) will be utilised in the evaluation process, and where other selection criteria are evaluated equally then;

Council may accept a tender submission or offer from a local supplier in preference to a comparable tender submission or offer from a non-local supplier even if the tender submission or offer from the non-local supplier has been assessed as more favourable in terms of one or more of the assessment criteria applied (including, but not limited to, price), so long as the overall differences are not substantial, and so long as it is clear that the selected local supplier can meet Council's requirements at an acceptably high standard which is generally comparable to that of other offers.

4.1 Local Preference/Content Evaluation and Weighting Criteria

Local preference is not simply a price benefit to a local supplier, (e.g. where their price is 20% higher than a competitor's price), but rather a quantitative measurement that can be utilised in recognition of the physical presence of the supplier in the Central Highlands Council area, as well as the demonstrated and/or actual accompanying social and economic benefits that this provides to Council, such as:

- creation of new and/or maintenance of existing local employment opportunities;
- more responsive and readily available servicing support;
- closer and more convenient communication regarding progress, performance and measurement to enable effective and efficient contract administration and management;
- encouragement for the relocation of established businesses from outside the region to physically enter, establish and maintain a physical presence ongoing in the region;
- to assist businesses to become sustainable and ongoing;
- to assist local businesses to remain competitive;
- support for economic growth within the local area; and
- returning value-added benefits to Council and its ratepayers from the associated local commercial transactions.

Therefore, in this policy statement, a "local supplier" is a supplier that:

- is beneficially owned and operated by persons who are residents of the local government area of Council and pay rates; or
- is a registered business or individual that has its principal place of business within the Local Government area of Council; or otherwise
- has a place of business within the Local Government area of Council which solely or primarily employs persons who are residents or ratepayers of the Local Government area of Council.

Council's preference is to purchase locally and as such will apply up to a 20% weighting to all offers received in response to its expressions of interest, quotations and Tenders where the offer is able to demonstrate some form of "local" economic benefit.

Where the total contract value is between \$1 and less than \$15,000 in a financial year, all offers shall have a 20% weighting applied to the relevant qualitative criteria when undertaking a comparative analysis of the offers.

Where the total contract value is between \$15,001 and less than \$100,000 in a financial year, all offers shall have a 10% weighting applied to the relevant qualitative criteria when undertaking a comparative analysis of the offers.

Where the total contract value is between \$100,001 and less than \$200,000 in a financial year, all offers shall have a 5% weighting applied to the relevant qualitative criteria when undertaking a comparative analysis of the offers.

Where the total contract value will be in excess of \$200,000 in a financial year, all offers will be treated in accordance with the identified evaluation criteria and weighting detailed in Council’s published invitation document taking into consideration the procurement context, although the weighting should not exceed a maximum of 5%.

Tenders greater than \$200,000 will where practical, have a demonstrated local content of 20% by the tenderer in their submission.

To facilitate Council’s desire to distribute work across the region, Council will assign a higher weighting to those contractors/suppliers registered in the vicinity in which the work is being performed.

When evaluating offers the following ratings are to be applied:

Definition	Scoring	Supporting Business
Business is registered and operated in the locality the work is being performed, pays rates or leases a business premises and employs locals within that locality of Central Highlands Region.	100%	Economic and social benefits remain within the specific locality of the Central Highlands Region.
Business is registered and operated in the Central Highlands Regional Council area, however outside of the locality the work is being performed, pays rates or leases a business premises and employs locals within Central Highlands Regional Council boundaries.	50%	Economic and social benefits remain within the Central Highlands Regional Council area.
Business is registered outside Central Highlands Regional Council boundaries and employs greater than 50% of its workforce in Central Highlands Regional Council boundaries.	40%	Significant contribution and commitment being demonstrated and being realised in the Central Highlands Regional Council area.
Business is registered outside Central Highlands Regional Council boundaries and employs between 50% and 20% of its workforce in Central Highlands Regional Council boundaries.	30%	Economic and social benefits realised through the employment of locally based staff.
Business is registered outside Central Highlands Regional Council boundaries and employs a locally based workforce from within the Central Highlands Regional Council boundaries of less than 20%.	20%	Economic and social benefits realised through the employment of locally based staff.
Business is registered outside Central Highlands Regional Council boundaries and is within the Central/West Queensland Region. The business employs a locally based workforce from within the greater Central Highlands Regional Council and/or Central/West Queensland region.	10%	Significant contribution and commitment being demonstrated across the broader Central/West Queensland area.
Other	0%	External to Central Queensland Region

5.0 Policy Review

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

- Changes in relevant legislation, regulations, standards and/or Council policies or directives; 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 or before 1 November, 2017.

FISC 2016 / 10 / 11 / 002

Carried (6-0)

Attendance

Manager Finance S. Fogg and Coordinator Procurement D. Glacken left the meeting at 9.41am
General Manager Corporate Services J.Bradshaw left the meeting at 9.41am

Attendance

General Manager Corporate Services J.Bradshaw returned to the meeting at 9.42am

COMMERCIAL SERVICES' SECTION

State Infrastructure Fund - Maturing the Infrastructure Pipeline Program

Executive summary:

The release of the Maturing the Infrastructure Pipeline Program was announced by the Honourable Jackie Trad MP, Deputy Premier and Minister for Infrastructure, Local Government and Planning on 9 September 2016 with total funding of \$20 million which forms part of the \$2 billion State Infrastructure Fund.

The program is to fast track early stages of the infrastructure project pipeline by developing strategic assessments and preliminary evaluations for projects to assess the potential viability and feasibility of each proposal. New proposals from local government have been requested, with a closing date of 21 October 2016. A number of projects have been identified for Council's consideration to be submitted under this funding opportunity.

Resolution:

Cr Rolfe moved and seconded by Cr Daniels "That Central Highlands Regional Council endorse the following projects for submission under the Maturing the Infrastructure Pipeline Program:

- Emerald Saleyards Improvements (including Draft Area, Double Decker Ramp, Tick Clearing Holding Area and Dump Ramp) – identified to improve workplace health and safety outcomes and increased cattle processing with commencement of tick clearing operations;
- Emerald Entertainment, Events and Evacuation Centre – development and construction of a multi-purpose facility ;
- Yamala Feeder Road - intermodal hub needs a major improvement in the feeder network south of Yamala to ensure transport costs are reduced to the minimum; and
- Bedford Weir Crossing - investigate options to reduce the average annual time of closure of the Blackwater – Cooroora Road's crossing of the Mackenzie River."

FISC 2016 / 10 / 11 / 003

Carried (6-0)

CONFIRMATION OF MINUTES OF PREVIOUS MEETING

Finance and Infrastructure Standing Committee Meeting: 13 September 2016

Resolution:

Cr Brimblecombe moved and seconded by Cr Rolfe "That the minutes of the previous Finance and Infrastructure Standing Committee Meeting held on 13 September 2016 be confirmed subject to amendments as discussed."

FISC 2016 / 10 / 11 / 004

Carried (6-0)

COMMERCIAL SERVICES' SECTION - Continued

Arena Digital

Executive summary:

Arena Digital Production Pty Ltd have approached Emerald Saleyards to promote the installation of SaleYard Television, digital information screens for Saleyards. SaleYard Television provides a free digital information screen to be located at the saleyards, which provides personalised content and real-time messaging. The installation and maintenance of the information system is at no cost to Council and the digital medium is funded through local business sponsorship and advertising.

Resolution:

Cr Brimblecombe moved and seconded by Cr Rolfe "That Central Highlands Regional Council seek advice regarding this proposal from the Emerald Saleyards Coordination Committee and that this report be represented to the forthcoming Finance and Infrastructure Standing Committee Meeting for consideration."

FISC 2016 / 10 / 11 / 005

Carried (6-0)

Adjournment

The meeting was adjourned at 10.23am for morning tea and Airport site visit.

The meeting resumed at 11.54am

Cr Lacey and Cr Daniels did not return to the meeting

General Manager Corporate Services J.Bradshaw and General Manager Infrastructure and Utilities

G.Joubert did not return to the meeting

Attendance

Cr Lacey returned to the meeting at 11.55am

Cr Daniels returned to the meeting at 11.59am

Emerald Airport Hangar and Office Building

Executive summary:

Following the liquidation of Advanced Aviation Group Pty Ltd, Council has exercised its rights as lessor due to default of lease and claimed ownership of fixtures on airport land, being hangar and demountable office building at the Emerald Airport. Council took possession of the buildings on 1 July 2016. To maximise the best leasing opportunities for these buildings, it is desirable that some improvement works are undertaken to assist in attracting desirable aviation operators and enhance Council's ability to attract commercial rents. The information in the report is provided for the purpose of informing Council in regard to potential additional budget allocation required for Emerald Airport in the 2016/17 budget and which will form part of the impending budget review process.

Considered by Council.

GENERAL BUSINESS

Nil

CLOSURE OF MEETING

There being no further business, the Chair closed the meeting at 12.00pm.

CONFIRMED

CHAIR

DATE