



Finance and Infrastructure Standing Committee Meeting

MINUTES

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

Tuesday 24 January 2017

Commenced at 8.30am

CENTRAL HIGHLANDS REGIONAL COUNCIL

FINANCE AND INFRASTRUCTURE STANDING COMMITTEE MEETING

TUESDAY 24 JANUARY 2017

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**MINUTES – FINANCE AND INFRASTRUCTURE STANDING COMMITTEE MEETING
HELD AT 8.30AM TUESDAY 24 JANUARY 2017 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, and C. Rolfe

Officers

Acting Chief Executive Officer M. Parker, General Manager Corporate Services J Bradshaw, General Manager Infrastructure and Utilities G. Joubert, General Manager Commercial Services M. Webster, Manager Community and Customer Service Luke Lankowski, Coordinator Emergency Services Glenn Bell, Coordinator Communications A. Ferris, Minute Secretary Susan Cooper

Observers

Cr Nixon and Cr McIndoe

APOLOGIES

LEAVE OF ABSENCE

Resolution:

Nil

CONFIRMATION OF MINUTES OF PREVIOUS MEETING

Finance and Infrastructure Standing Committee Meeting: 13 December 2016

Resolution:

Cr Rolfe moved and seconded by Cr Brimblecombe “That the minutes of the previous Finance and Infrastructure Standing Committee Meeting held on 23 December 2016 be confirmed.”

FISC 2017 / 01 / 24 / 001

Carried (5-0)

Business Arising Out Of Minutes

Nil

Outstanding Meeting Actions

Dingo Racecourse Water. Tenders have closed and funding to be sourced in Budget Review 2.
Reward Road matter to be closed out.

Conflict of Interest, Personal Gifts and Benefits

Nil

INFRASTRUCTURE AND UTILITIES' SECTION

Attendance

Manager Community and Customer Service Luke Lankowski left the meeting at 8.40am

Out of Sequence

Due to Mr Geoff Kavanagh already being in attendance for the Closed Session SunWater item the committee moved to discuss the Closed Session item first.

CLOSED SESSION

Into Closed Session

Resolution

Cr Rolfe moved and seconded by Cr Daniels "That Council close its meeting to the public in accordance with Section 275 (1) (h) of the Local Government Regulation 2012 that Council staff involved in the closed discussions remain in the room."

FISC 2017 / 01 / 24 / 002

Carried (5-0)

Attendance

General Manager Corporate Services J. Bradshaw, General Manager Infrastructure and Utilities G. Joubert, General Manager Commercial Services M. Webster, Manager Water Utilities P Manning, Geoff Kavanagh, Jacobs.

The meeting was closed at 8.40am.

Out of Closed Session

Resolution

Cr Rolfe moved and seconded by Cr Daniels "That the meeting now be re-opened to the public."

FISC 2017 / 01 / 24 / 003

Carried (5-0)

Review of SunWater's Annual Water Charges

Executive summary:

In 2014, SunWater sought to increase water charges to the Central Highlands Regional Council (CHRC) by 320%. Given the magnitude of the potential increase, Council considers that it is appropriate for SunWater to explain the drivers of the increase and to demonstrate its key assumptions.

CHRC is concerned that SunWater is seeking to recover capital costs that were contributed by customers or Government with a clear understanding that it would not be recovered – it was a free grant.

It is possible that SunWater is exercising its monopoly power by proposing prices that are higher than would prevail in a competitive market. SunWater's resulting return on equity may be 'excessive'.

The simplest way forward is for SunWater and CHRC to have a commercial negotiation in light of all the key facts including SunWater's valuation of its asset base, weighted average cost of capital (WACC) and pricing calculations. This negotiation can be guided by well-established water pricing principles as explained in the body of the report.

However, if a commercial agreement cannot be reached, then both parties should accept the outcomes of economic regulation. However, economic regulation can be expensive and time consuming, when compared with a commercial negotiation conducted in good faith.

Considered by Council.

Out of Sequence

The committee returned to discuss the following reports.

INFRASTRUCTURE AND UTILITIES' SECTION

Central Highlands Regional Floodway Resilience Program

Executive summary:

On 2 December 2016 Central Highlands Regional Council received notification on the successful application under the Queensland State Government 2016-17 *Grants and Subsidies Program - Natural Disaster Resilience Program*. The funding is granted on the basis of 60% grant funding to be matched by a 40% Council contribution. The intent of the successful application is to undertake the construction of a number of concrete floodways throughout Central Highlands Regional Council area

Resolution:

Cr Rolfe moved and seconded by Cr Brimblecombe "That Central Highlands Regional Council Finance and Infrastructure Standing Committee approve the following budget allocations:

	Current Year 16/17	Budget Year 17/18	Total Project Cost
Council Contribution (40%)	\$ 478,648.00	\$ 154,952.00	\$ 633,600.00
State Contribution (60%)	\$ 718,626.00	\$ 231,774.00	\$ 950,400.00
Total	\$ 1,197,274.00	\$ 386,726.00	\$ 1,584,000.00

And refer the budget allocations to the 2016-17 Budget Review two and the 2017-18 capital budget".

FISC 2017 / 01 / 24 / 004

Carried (5-0)

Request for Support for Australian Research Council Linkage Project

Executive Summary

Local governments have the available technology to present emergency and disaster-related information to the broader community in hopes of additional preparedness and effective responses to emergency events and natural disasters. Yet, the roles of emergency and disaster information among the general public are neither clearly defined nor understood. In an era of increased information, real-time data, improved communications infrastructure and advanced warning systems, information released during disasters may be insufficient, excessive, or plainly misunderstood. Research is required to determine the implications of the broader dissemination of emergency and disaster information to ensure it achieves its intended purpose, which is to increase the resilience and safety of the community.

Central Highlands Regional Council has been approached to become a partner organisation with Queensland University of Technology (QUT) for a three year study program on *Integrated Emergency and Disaster Information for Improved Community Resilience* looking at the question: "How can emergency and disaster information be provided directly to the community to increase disaster resilience?"

The main aim of this project is to cost-effectively alleviate the risk and impact of natural disasters and extreme events on Australian communities and thereby improve public safety and social and community resilience.

Resolution:

Cr Brimblecombe moved and seconded by Cr Rolfe "That Central Highlands Regional Council Finance and Infrastructure Standing Committee strongly supports Queensland University of Technology's application to the Australian Research Council Linkage Projects scheme, led by Professor Douglas Baker. The proposed research about emergency and disaster information management is considered to be innovative and the

expected outcomes will deliver significant impact to our organisation and the safety of Australian communities.

Further that Central Highlands Regional Council:

1. Commit \$10,000 cash and in-kind commitment towards this project over three years. In-kind commitment will involve researchers working with the Local Disaster Management Group to gain local knowledge and contacts;
2. Become a partner organisation for the project; and
3. Under the Funding Agreement between the Australian Research Council and Queensland University of Technology, the following is required:
 - a. Central Highlands Regional Council and Queensland University of Technology enter into a written collaborative agreement that sets out the agreed arrangements and address intellectual property related to the project; and
 - b. This agreement will be drafted and negotiated in a collaborative fashion and will not be executed by the Chief Executive Officer until each organisation is satisfied with the content.”

FISC 2017 / 01 / 24 / 005

Carried (5-0)

Attendance

Coordinator Emergency Glenn Bell left the meeting at 9.27am

Manager Community and Customer Service Luke Lankowski entered the meeting at 9.28am.

Cr David Lacey entered the meeting at 9.32am

COMMUNITIES' SECTION

Request for Additional Funding – Emerald Office Executive Area

Executive summary:

This report seeks approval for capital funding to undertake the refurbishment and remodelling of the executive area of the Emerald Office. This project seeks to facilitate better utilisation of that space by elected members, visitors and staff and would provide improved meeting spaces and office space.

Resolution:

Cr Rolfe moved and seconded by Cr Daniels “That Central Highlands Regional Council approve the allocation of \$150,000 in the 2016/2017 Financial Year capital budget to fund the refurbishment and remodelling of the Emerald office executive area.”

FISC 2017 / 01 / 24 / 006

Carried (6-0)

Attendance

Manager Community and Customer Service Luke Lankowski left the meeting at 9.40am

Manager Airport David Voss entered the meeting at 9.42am

COMMERCIAL SERVICES' SECTION

Emerald Airport General Aviation Condition Report and Proposed Rectification Plan

Executive summary:

In 2016 Council commissioned GHD Pty Ltd to undertake a project to provide a condition report and mitigation options in relation to the non-compliance and poor condition of the pavement, taxiways and apron area at the General Aviation precinct Emerald airport. The scope of the work included testing and design at a cost of approximately \$103,000. The work was commissioned following technical assessment by Civil Aviation Safety Authority and identification of non-conformances in 2015.

The next phase of this project is for Council to adopt one of the three (3) recommend concept design options from the 'Emerald Airport General Aviation Apron Upgrade Concept Design Options Report', and progress with the chosen design to progress the project to a 'shovel ready' stage. Preferred option design will require additional project funding of \$115,000 at this phase of the project.

Resolution:

Cr Daniels moved and seconded by Cr Rolfe "That Central Highlands Regional Council Finance and Infrastructure Standing Committee approve funding for GHD Pty Ltd to undertake the detailed design of 'Option 3 Code B GA Parking' for the mitigation of non-conformances throughout the General Aviation precinct. The cost of this project is \$115,000. It is further recommended that these funds be provided from the Emerald Airport Reserve."

FISC 2017 / 01 / 24 / 007

Carried (6-0)

Emerald Airport Paid Car Park Equipment Upgrade

Executive summary

Airport staff have discovered that select airport customers are undertaking numerous actions at Emerald airport to avoid paying car park fees and charges. After investigations over a period of three (3) weeks it has been estimated that Council are incurring a potential loss of revenue estimated to be between \$90,000 to \$140,000 per annum. It is recommended that Council upgrade car park infrastructure at a cost of \$36,000 including GST. The upgrade work will mitigate this issue.

Resolution:

Cr Rolfe moved and seconded by Cr Brimblecombe "That Central Highlands Regional Council Finance and Infrastructure Standing Committee approve the proposed upgrade of car park infrastructure at Emerald airport at a cost of \$36,000 including GST to mitigate the loss of revenue in car park fees and charges. Further, that funds be allocated from the Airport Reserve to offset the cost of this capital upgrade."

FISC 2017 / 01 / 21 / 008

Carried (6-0)

Tender for Emerald Airport Runway Enrichment Program 2016T100C

Executive summary

The Emerald Airport Runway Enrichment Project consists of 2 components – Part A being Runway Enrichment which has a critical time component for works to commence in late March or early April 2017 depending upon weather. Part B involves the reconstruction of both ends of runway and is the most significant component of works and cost for the overall project. The runway enrichment and reconstruction works need to be completed separately, due to airport operational requirements. This report provides for decision in regard to tender for Part A of the project involving enrichment works for:

- The main runway 06/24 (excluding both runway ends which will be reconstructed later in 2017)
- Taxiway 'B' (bravo)
- RPT apron Bays 1 and 2.

Resolution:

Cr Hayes moved and seconded by Cr Lacey "That Central Highlands Regional Council Finance and Infrastructure Standing Committee accepts the tender of Rock n Road Bitumen for the runway enrichment project (Part A) for Emerald Airport runway 06/24, Taxiway 'B', and Regular Passenger Transport aprons Bays 1 and 2 for the amount of \$276,243.52 (GST exclusive) for Tender 2016T100C."

FISC 2017 / 01 / 21 / 009

Carried (6-0)

Emerald Aerodrome Annual Technical Inspection Report

Executive summary

The Aerodrome Technical Inspection for Emerald Aerodrome was conducted on 25 and 26 October 2016. The inspection was conducted in accordance with the requirements set by the Civil Aviation Safety Authority (CASA) in Civil Aviation Safety Regulations 1998 Part 139 Aerodromes, and the Manual of Standards Part 139 – Aerodromes. The Aerodrome Technical Inspection is a physical inspection of the aerodrome's facilities together with the operational and management protocols that are in place. Its purpose is to identify any deterioration that could make the aerodrome unsafe for aircraft operations. This information report has been provided for the Committee's information and outlines recommended actions suggested for each deficiency identified.

For Council information.

GENERAL BUSINESS

Cr Hayes raised the issue of landscaping and ascetic appeal at the new airport intersection. General Manager Commercial Services Michelle Webster confirmed that this would be part of the budget process for 2017/18. An area of road in front of the railway line needs to be replaced which was not part of the original budget. The Department of Transport and Main Road have indicated that they may provide some funds towards this project.

Cr Rolfe raised the safety issue at Anakie Crossroads. General discussion was had regarding Stop signs instead of Give Way, rumble strips, slip lanes. The issue will be raised at the Traffic Advisory Group meeting to be held on 17 February 2017.

CLOSURE OF MEETING

There being no further business, the Chair closed the meeting at 10.10am