

Business Paper

EXTRAORDINARY MEETING

17 February 2011



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MEETING NOTICE

The EXTRAORDINARY MEETING
of Wyong Shire Council
will be held in the Council Chamber,
Wyong Civic Centre, Hely Street, Wyong on
THURSDAY 17 FEBRUARY 2011 at 7.00 pm,
for the transaction of the business listed below:

OPENING PRAYER

ACKNOWLEDGEMENT OF COUNTRY

RECEIPT OF APOLOGIES

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Michael Whittaker
GENERAL MANAGER

1.1 Disclosures of Interest

TRIM REFERENCE: F2004/08792 - D02514188
AUTHOR: Monica Redmond; Administration Assistant
MANAGER: Lesley Crawley, Manager Corporate Governance

The provisions of Chapter 14 of the *Local Government Act, 1993* regulate the way in which Councillors and nominated staff of Council conduct themselves to ensure that there is no conflict between their private interests and their public trust.

The Act prescribes that where a member of Council (or a Committee of Council) has a direct or indirect financial (pecuniary) interest in a matter to be considered at a meeting of the Council (or Committee), that interest must be disclosed as soon as practicable after the start of the meeting and the reasons for declaring such interest.

As members are aware, the provisions of the Local Government Act restrict any member who has declared a pecuniary interest in any matter from participating in the discussions, voting on that matter, and require that member to vacate the Chamber.

Council's Code of Conduct provides that if members have a non-pecuniary conflict of interest, the nature of the conflict must be disclosed. The Code also provides for a number of ways in which a member may manage non pecuniary conflicts of interest.

RECOMMENDATION

That Councillors now disclose any conflicts of interest in matters under consideration by Council at this meeting.

2.1 Constitution and Voting Shareholders' Agreement

TRIM REFERENCE: F2004/08792 - D02513666

DIRECTOR: Greg McDonald; Director Infrastructure Management

SUMMARY

This report relates to the report to be presented to the Central Coast Regional Organisation of Councils at its meeting to be held on 17 February 2011 in relation to the Central Coast Water Corporation Constitution and Voting Shareholders' Agreement.

RECOMMENDATION

That Council adopt the recommendations of the CCROC as follows:

- A Approve the Constitution for Central Coast Water Corporation in the form tabled (Constitution) at the meeting of the Central Coast Regional Organisation of Council's held on 17 February 2011.*
- B Affix the Council's seal to the Constitution.*
- C Approve the Voting Shareholders' Agreement in the form tabled (Voting Shareholders' Agreement) at the meeting of the Central Coast Regional Organisation of Council's held on 17 February 2011.*
- D Enter into and affix the Council's seal to the Voting Shareholders' Agreement.*
- E Request the Minister to recommend the making of a proclamation to commence section 4 of the Central Coast Water Corporation Act 2006 (NSW).*

BACKGROUND

At its meeting to be held on 17 February 2011 the Central Coast Regional Organisation of Councils will consider the report "Central Coast Water Corporation Constitution and Voting Shareholders Agreement". The report recommends that Gosford and Wyong Councils:

- A In relation to the Constitution, each Council by resolution of the Council, resolve to :
 - (i) approve the Constitution for Central Coast Water Corporation; and
 - (ii) affix its seal to the Constitution.
- B In relation to the Voting Shareholders' Agreement, each Council by resolution of the Council, resolve to:
 - (i) approve the Voting Shareholders' Agreement; and

(ii) enter into and affix its seal to the Voting Shareholders' Agreement.

C Each Council by resolution of the Council resolve to request the Minister to recommend the making of a proclamation to commence section 4 of the Central Coast Water Corporation Act 2006 (NSW).

Financial Implications

Detailed financial assessment will be undertaken as part of the implementation of the Corporation.

ATTACHMENTS

Nil.

2.2 Timing of Implementation

TRIM REFERENCE: F2004/08792 - D02513674

DIRECTOR : Greg McDonald; Director Infrastructure Management

SUMMARY

This report relates to the report to be presented to the Central Coast Regional Organisation of Councils meeting to be held on 17 February 2011 in relation to the Central Coast Water Corporation – Timing of Implementation.

RECOMMENDATION

That Council adopt the recommendations of the CCROC as follows:

That Council endorse in-principle a compressed timeframe for the transfer of all of the Councils' water supply authority functions, responsibilities, assets and staff for commencement on 1 July 2013.

BACKGROUND

At its meeting to be held on 17 February 2011 the Central Coast Regional Organisation of Councils will consider the report "Central Coast Water Corporation - Timing of Implementation". The report recommends that Gosford and Wyong Councils:

"ENDORSE in-principle a compressed timeframe for the transfer of all of the Councils' water supply authority functions, responsibilities, assets and staff for commencement on 1 July 2013".

Financial Implications

The recommendation does not impact on Council's financial position.

ATTACHMENT A

**CENTRAL COAST REGIONAL ORGANISATION OF COUNCILS' MEETING
17 FEBRUARY 2011****ISSUE**

In-principle support is sought for a compressed timeframe for the transfer of the Councils' water supply authority functions and responsibilities to the Central Coast Water Corporation ('Corporation').

BACKGROUND

The Memorandum of Understanding (MoU) agreed between the Councils and Minister for Water provides for a five stage approach to the establishment of the Corporation. An assessment of each subsequent phase would be undertaken 15 months after the commencement of the current phase. The commencement of the subsequent phase would occur on the basis of a positive benefit cost analysis (conditions prescribed within the MoU). Under this approach, the full transfer of functions could take up to 10 years (ie 15 months from commencement to assessment and then planning for the next phase ~ up to 2 years per phase)

CURRENT SITUATION

The PCG recently met with representatives of water corporations and local government organisations in South East Queensland and Launceston. Two key observations from discussions with these representatives were:

- The establishment of a water corporation provided benefits to both the Councils and community in relation to costs, strategic planning and capital investments.
- Councils benefited from dividends paid by a more efficient organisation that could be applied to other community projects.

Concerns were raised by those same representatives that the Councils' staged approach could introduce avoidable risks and compromise the momentum necessary to realise the potential benefits to the community and Councils. Specifically, it was indicated that from their experiences, the staged approach was likely to dilute the corporate focus and reduce staff morale and productivity.

In both jurisdictions, the water corporations were established within a 6-12 month timeframe. Representatives indicated that these timeframes were too short and did not provide for the necessary due diligence investigations. It was suggested that the Councils' were ideally positioned with the current approach, to develop the required managements systems and undertake proper due diligence in a carefully structured manner. It was considered that a 24 month transfer period provided an appropriate balance of maintaining focus as well as allowing sufficient time to undertake the necessary investigations and develop the required systems to support a new corporation.

DISCUSSION

The PCG in its opinion, based on its discussions with representatives of water corporations and local government organisations, recommends that a compressed phased approach is pursued in recognition of the potential benefits to the community and Councils

It is recommended that the Board of Directors be charged with responsibility for developing a plan to implement the full transfer of the Councils' functions, responsibilities, assets and staff for commencement on 1 July 2013.

RECOMMENDATION

That the Councils **ENDORSE** in-principle a compressed timeframe for the transfer of all of the Councils' water supply authority functions, responsibilities, assets and staff for commencement on 1 July 2013.

ATTACHMENTS

Nil.

2.3 Recruitment of Directors

TRIM REFERENCE: F2004/08792 - D02513669

DIRECTOR: Greg McDonald; Director Infrastructure Management

SUMMARY

This report relates to the report to be presented to the Central Coast Regional Organisation of Councils meeting to be held on 17 February 2011 in relation to the Central Coast Water Corporation Recruitment of Directors.

RECOMMENDATION

That Council adopt the recommendations of the CCROC as follows:

- A The information be noted.*
- B The General Manager be delegated responsibility for proceeding with the recruitment of director in accordance with the process outlined in the Voting Shareholders' Agreement.*
- C The remuneration for directors be set at an upper limit of \$30,000 and Chairperson at an upper limit of \$45,000 and that the final remuneration be subject to negotiation with the directors and Chairperson based on their skills and experience.*

BACKGROUND

The Central Coast Regional Organisation of Councils at its meeting to be held on 17 February 2011 will consider the report "Central Coast Water Corporation Recruitment of Directors" which recommends that Gosford and Wyong Councils:

- 1 **NOTE** and **ENDORSE** the report
- 2 **DELEGATE** to the General Managers responsibility for proceeding with the recruitment of director in accordance with the process outlined in the Voting Shareholders' Agreement
- 3 **APPROVE** the remuneration for directors be set at an upper limit of \$30,000 and Chairperson at an upper limit of \$45,000 and that the final remuneration be subject to negotiation with the directors and Chairperson based on their skills and experience.

Financial Implications

The recommendation does not impact on Council's financial position.

ATTACHMENTS

Nil.