

# HUNTER COUNCILS

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**Hunter Councils Inc Board Meeting  
Friday 11 February 2011  
Crowne Plaza Hunter Valley**

## MINUTES

### Item 1 Welcomes and Apologies

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#### Attendees

Alison Davey	Cessnock City Council	Lea Rosser	Cessnock City Council
Cr Harold Johnston	Dungog Shire Council	.....	.....
Cr Geoff Slack	Gloucester Shire Council	Allan Young	Gloucester Shire Council
Cr Jan McWilliams	Great Lakes Council	Glenn Handford	Great Lakes Council
Cr Peter Blackmore	Maitland City Council	David Evans	Maitland City Council
Cr Martin Rush	Muswellbrook Shire Council	Steve McDonald	Muswellbrook Shire Council
Cr John Tate	Newcastle City Council	.....	.....
Cr Bob Westbury	Port Stephens Council	Peter Gesling	Port Stephens Council
Cr Sue Moore	Singleton Council	.....	.....
Cr Lee Watts	Upper Hunter Shire Council	Daryl Dutton	Upper Hunter Shire Council

#### Apologies

.....	.....	Craig Deasey	Dungog Shire Council
Cr Geoff Slack	Gloucester Shire Council	.....	.....
.....	.....	Rob Noble	Newcastle City Council
.....	.....	Scott Greensill	Singleton Council

#### Staff in attendance

Roger Stephan	CEO
Kate McInnes	Administration and Marketing Coordinator

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## **Item 1 Welcomes and Apologies**

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The Chair, Cr Martin Rush, Mayor of Muswellbrook Shire Council welcomed the Mayors and General Managers to the meeting. The apologies of Craig Deasey, General Manager of Dungog Shire Council, Rob Noble, Acting General Manager of Newcastle City Council and Scott Greensill, General Manager of Singleton Council were noted.

### **RECOMMENDATION:**

**THAT the apologies be accepted.**

Moved:	Cr Peter Blackmore
Seconded:	Cr Lee Watts
	<b><i>Carried.</i></b>

## **Item 2 Minutes from the previous meeting**

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The minutes from the previous meeting of 18 November 2010 were accepted as true and correct.

### **RECOMMENDATION:**

**THAT the minutes of the Board Meeting of 18 November 2010 be accepted as true and correct.**

Moved:	Cr Alison Davey
Seconded:	Cr Sue Moore
	<b><i>Carried.</i></b>

## **Item 3 Business Arising from Previous Minutes**

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3.1 Nil

## **Item 4 Presentations**

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### **4.1 Chairperson's Report**

The Chair spoke briefly to the Board on a number of issues regarding advocacy.

#### **4.2 CEO's Report: Hunter Councils business overview**

The CEO gave a powerpoint presentation to the Board on the business units and likely future directions of Hunter Councils' business units.

#### **RECOMMENDATION:**

**THAT the presentation be received and noted.**

Moved: Cr Greg Piper  
Seconded: Cr Bob Westbury

***Carried.***

#### **4.3 Tourism Hunter: Discussion of RTO amalgamation / New Regional Sydney RTO**

The Chair welcomed Tara O'Connell, Chair of Tourism Hunter, Peter Harman, Deputy Chair of Tourism Hunter and Sheridan Ferrier, Executive Manager of Tourism Hunter to the meeting.

The Chair of Tourism Hunter gave a presentation to the Board on the new structure of Tourism Hunter and possible directions in relation to regional tourism.

#### **RECOMMENDATION:**

**THAT the presentation be received and noted.**

Moved: Cr Bob Westbury  
Seconded: Cr John Tate

***Carried.***

#### **Item 5 Business Arising from Presentations**

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A discussion was held regarding Local Government's role with Tourism Hunter.

If was suggested that Local Government should indicate a desire to view a three year business plan.

## Item 6 CEO's Reports

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### 6.1 2010 / 2011 Budget Review

The CEO spoke to the report. Key issues discussed included:

- The CEO gave an overview of the proposed budget revision. In summary there will be some increases in income and some in expenditure. The organisation is conservatively expecting a surplus of \$318,517. This is a good result given the fact that contributions from member councils to Hunter Councils Administration were eliminated and a range of other factors due to the continued growth of the business.
- In terms of expenditure, there is one major item in relation to the computer server. The current server is passed its use by date. The organisation is looking to change the way that data and the central data storage area is managed. Currently all applications that are used are on computers, due to this there are varying versions of applications that usually aren't compatible with each other.
- The cloud solution proposed for Hunter Councils addresses the above issues. 'Cloud Computing' is internet based computing where information technology resources such as operating systems, networks, storage, databases and software applications are available instantly, on demand from an external service provider. \$125,356 is the worst case scenario cost of the new server.
- Hunter Councils currently has just over \$900,000 worth of untied funds at bank as well as \$1.57 million worth of funds that are related to grants. The CEO advised that there will be approximately \$2.6 million at bank at the end of the financial year, \$1.5 million of which will be untied funds. There will be a report to GMAC and the Board later in the year with suggestions as to future funding. Options could include refunding all or part of the Environment Division contributions from member councils. Another option would be to substantially pay off an amount of the Local Government Training Institute loan. In summary, however, the organisation is in a strong financial position.
- It was suggested that advice be sought on the IT system. The CEO advised he will source another quotation before a decision is made.

#### **RECOMMENDATION:**

**THAT the revised budget as submitted for the 2010 – 2011 financial year be approved.**

Moved:

Seconded:

Cr Greg Piper

Cr John Tate

***Carried.***

### 6.2 2011 Annual Conference

The Annual Conference scheduled for the 10<sup>th</sup> March 2011 was discussed.

The intent of the Conference is to provide an opportunity for Councillors and senior staff from around the region to meet, share experiences and explore issues and opportunities of

relevance to local government and our local communities.

Invitations have been issued to The Hon Jodi McKay MP, Minister for Tourism, Minister for the Hunter, Minister for Science and Medical Research and Minister for Women, Brad Hazzard, Shadow Minister for Planning, Shadow Minister for Infrastructure and The Hon Michael Gallacher MLC, Leader of the Opposition in the Legislative Council, Shadow Minister for Police, Shadow Minister for the Hunter.

It was suggested that the CEO of Hunter Councils give a presentation on Hunter Councils at the conference.

The Chair made it clear that the conference would be an opportunity to present a case for the Hunter Region to the current and potential State Government. There will be no capacity to move a motion, and limited capacity to ask questions of the speakers.

**RECOMMENDATION:**

**THAT the proposed content of the Hunter Councils Annual Conference 2011 be endorsed.**

Moved:

Cr Peter Blackmore

Seconded:

Cr Geoff Slack

***Carried.***

**6.3 Application by Mid Western Regional Council for membership of Hunter Councils**

The granting of associate membership to Mid Western Regional Council was discussed.

Associate membership will not offer voting rights to the Council, but it would facilitate professional linkages that could build over time at a pace that could be managed within the current and potential resources of Hunter Councils. Noting that Mid Western Regional Council is already a member of Regional Procurement, subscription to environmental programs could also be negotiated at a funding and delivery rate appropriate to both parties.

**RECOMMENDATION:**

**THAT the Board grant the Associate Membership of Hunter Councils to Mid Western Regional Council.**

Moved:

Cr Peter Blackmore

Seconded:

Cr Sue Moore

***Carried.***

**6.4 Hunter Councils Legal Services**

A discussion was held regarding the consideration of the establishment of a new legal services business unit for Hunter Councils. There is considerable practical and financial attraction in developing a legal services business within Hunter Councils.

\$500,000 is an estimate of the salary, rental and compulsory professional development costs for the first twelve months, recognising that the imperative from day one would be to make money. \$500,000 is the worst case scenario based on the best estimate. The business should break even in twelve months.

The Chair advised that there were few risks associated with the business and that it would be extremely beneficial. Local government law services are a state wide market and the potential to expand is a great step forward in the maturing of the organisation.

Financial reporting of the business will be done monthly.

The business would be owned by Hunter Councils Limited with reports monthly to GMAC and bi-monthly to the Board of Hunter Councils Inc.

#### **RECOMMENDATION:**

**THAT the Hunter Councils Board set aside an amount of \$500,000 from funds held in deposit to underwrite establishment of an incorporated legal practice in accordance with Part 2.6 of the Legal Professional Act 2004 and that, for the purposes of such incorporation:**

- a) The Board of Hunter Councils Inc support the Board of Hunter Councils Limited in becoming the sole shareholder of the legal practice.**
- b) The Board of Hunter Councils Inc authorise the CEO of Hunter Councils to allocate \$500,000 of underwriting to Hunter Councils Ltd on an as needs basis and that reporting on such funding form a part of the monthly reporting to the General Managers Advisory Committee and bi-monthly reporting to the Board.**
- c) Hunter Councils Inc enter into a loan agreement with Hunter Councils Ltd for repayment of the debt accrued as a result of part (b) above**
- d) The Board of Hunter Councils Inc endorse the CEO of Hunter Councils and the Chair of the General Managers Advisory Group being appointed as non-executive directors of the legal practice.**

Moved:

Cr Greg Piper

Seconded:

Cr John Tate

***Carried.***

## **Item 7      General Business**

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### **7.1          Draft Bill**

Cr Greg Piper discussed the Environment Planning and Assessment Amendment (Maintenance of Local Government Development Consent Powers) Bill 2010.

### **7.2**

The CEO was congratulated for his organisation of the Board meeting.

**Item 8      Next Meeting**

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31 March 2011, 9:30am

Local Government Training Institute, Thornton.