



# ORDINARY MEETING OF COUNCIL SUPPLEMENTARY ITEMS

To be held at 5pm on

**Tuesday 17 November 2015**

Council Chambers

11 Manning Street, KIAMA NSW 2533

## **Members**

His Worship the Mayor

Councillor B Petschler

Councillor W Steel

Deputy Mayor

Councillor M Honey

Councillor G McClure

Councillor N Reilly

Councillor K Rice

Councillor D Seage

Councillor A Sloan

Councillor M Way

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## 16 ADDENDUM TO REPORTS

### 16.1 Kiama Local Traffic Committee - Minutes

Responsible Director: Engineering and Works

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#### Attachments

- 1 Kiama Local Traffic Committee Meeting Minutes - 3 November 2015

#### Enclosures

Nil

#### **RECOMMENDED**

That the Minutes of the Kiama Local Traffic Committee Meeting held on 3 November 2015 be received and accepted.

#### **BACKGROUND**

The Minutes of the Kiama Local Traffic Committee meeting held on 3 November 2015 are attached for information.

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MINUTES OF THE KIAMA LOCAL TRAFFIC COMMITTEE MEETING HELD - 3 NOVEMBER 2015

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**COMMENCING AT:** Meeting held electronically

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**1 Minutes of Previous Meeting**

**CR048**

**Committee recommendation** that the minutes of the 6 October 2015 meeting be received and accepted.

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**FORMAL ITEMS (UNDER RMS DELEGATIONS)**

**2 North Kiama Drive, Kiama Downs  
Temporary Closure – Australia Day Parade 2016**

**CR049**

**Committee recommendation** that approval be given to the organisers of the Australia Day activities to temporarily close North Kiama Drive between Merindah Avenue and Johnson Street, Kiama Downs on 26 January 2016 between 6:30am to 11:30am, subject to organisers and suitably qualified traffic controllers complying with the following conditions:

- 1) preparation of a Traffic Management Plan in consultation with Police and Council officers;
  - 2) the road closure to be undertaken by organisers in compliance with the Traffic Management Plan;
  - 3) notification of this closure be given to Police, Local Emergency Services, businesses and residents affected by the closure;
  - 4) an advertisement be placed in the local media advising of the closure; and
  - 5) proof of public liability insurance complying with the Australian Prudential Regulatory Authority (APRA) being provided to Council prior to the event.
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**INFORMAL ITEMS (TRAFFIC ENGINEERING ADVICE)**

Nil

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**LATE BUSINESS**

Nil

**The next meeting of the Committee will be held on Tuesday 1 December 2015**

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**16.2 Southern Phone Notice of Annual General Meeting**Responsible Director: Office of the General Manager

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As a shareholder Council has received notification of the Southern Phone Annual General Meeting. The meeting is to be held on 23 November at the Moruya Golf Club commencing 10.30am.

Items of Business include the Consideration of the Financial Reports, Appointment of the Auditor and Election of Directors.

The Constitution of Southern Phones requires that each year at the close of the Annual General Meeting, by rotation, the two longest serving directors must retire. Mr Brian Johns will be retiring but will offer himself for re-election. Mr Nigel Hennessy resigned as a Director in August. Ms Cathy Aston is standing for election to replace Mr Hennessy.

The Notice of the Annual General Meeting is attached for information.

**Attachments**

- 1 Notice of Annual General Meeting



## Notice of Annual General Meeting

The Annual General Meeting of Southern Phone Company Limited (ABN 42 100 901 184) will be held at the following date and venue:

Date & Time: Monday, 23rd November 2015 at 10.30am (AEDT)

Venue: **Moruya Golf Club,**  
Evans Street,  
Moruya, NSW

### Items of Business

**1. Consideration of Financial Reports**

To receive and consider the annual Financial Reports, Directors' Report and the Independent Auditor's Report for the financial year ending 30 June 2015.

**2. Appointment of the Auditor**

To consider, and if thought appropriate, pass the following resolution:

That - Duesburys Nexia be appointed as Auditor for the financial year 2015-16.

**3. Election of Directors**

In accordance with Article 37 of the Company's Constitution:

(a) Mr Brian Johns retires and being eligible, offers himself for re-election

(b) Ms Cathy Aston being eligible, offers herself for election

Items 3(a) and 3(b) will be voted on as separate ordinary resolutions.

**4. Remuneration of Directors**

To consider, and if thought appropriate, pass the following resolution:

That - In accordance with Clause 39.1 of the Company's Constitution, the total pool for Directors' fees be an annual amount of \$390,000 fixed for a period of 3 years commencing 1 July, 2016.

By Order of the Board

Mark Smeaton  
Company Secretary

Dated 29 October 2015



**It is important proxy forms are returned to ensure a quorum for the meeting. If your Council is unable to attend the meeting please return your completed proxy voting form to the company by email, post or fax by no later than 5.00pm on Friday, November 20 2015.**

Item 16.2

Attachment 1



### Voting and Proxies

1. Subject to the Constitution and to any rights or restrictions attaching to any class of Shares every Member may vote and every Member has one vote for each fully paid Share.
2. A Member who is entitled to vote at a General Meeting of the Company may appoint not more than two proxies to attend and vote at the Meeting on that Member's behalf. A proxy need not be a Member.
3. If a Member appoints one proxy, that proxy may, subject to the Corporations Act 2001, vote on a show of hands. If a Member appoints two proxies and the appointment does not specify the proportion or number of the Member's votes each proxy may exercise, each proxy may exercise half the votes; however, neither proxy may vote on a show of hands.
4. A proxy may vote or abstain as he or she chooses, except where the appointment of the proxy directs the way the proxy is to vote on a particular resolution.
5. An appointment of a proxy is valid if it is signed by the Member making the appointment and contains the information required by subsection 250A(1) of the Corporations Act 2001. The Directors may determine that an appointment of a proxy is valid even if it only contains some of the information required by section 250A(1) of the Corporations Act 2001.
6. If a proxy appointment is signed by the Member but does not name the proxy or proxies in whose favour it is given, the Chairperson may either act as proxy or complete the proxy appointment by inserting the name or names of one or more Directors or the Secretary.
7. As per section 22.4 of the Company Constitution, the Chairperson has a casting vote in addition to the Chairperson's votes as a Member, proxy, attorney or representative.
8. The appointment of a proxy must be received by the Company at least 48 hours (unless reduced in the notice of meeting to which the appointment relates) before the General Meeting (or the resumption of an adjourned General Meeting) at which the appointee is to attend and vote.

### Explanatory Notes

#### ITEM 1: FINANCIAL STATEMENTS AND REPORTS

The Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2015 will be put before the AGM. This item does not require a formal resolution and, accordingly, no vote will be held on this item. Shareholders will, however, be given a reasonable opportunity to ask questions on these Reports during discussion on this item.

#### ITEM 2: APPOINTMENT OF THE AUDITOR

The Directors recommend to shareholders that Duesburys Nexia be reappointed as the Company Auditor. The firm has recently successfully completed the audit for the 2014-15 financial year.

#### ITEM 3: ELECTION OF DIRECTORS

The Company Constitution sets out a comprehensive process governing the election of Directors.

Clause 37.1 of the Constitution requires that at the close of each Annual General Meeting the number nearest to, but not more than one-third of the Directors, must retire by rotation. This means that two Directors must retire and they are those who have been longest in office since their last appointment. This year these Directors are Mr Brian Johns and Mr Nigel Hennessy. Mr Hennessy resigned from the Board on 4 August 2015.





In accordance with clause 35.1 of the Constitution, the Directors may nominate a person to stand for election as a Director at a General Meeting of the Company. In nominating candidates for election, the Board shall have regard to the following factors (35.2):

- (a) The nomination of persons who have the necessary skills, experience and competencies to complement the skills, experience and competencies of existing Directors; and
- (b) The nomination of persons reflecting the geographic spread of members, having regard to the practicalities and cost of Directors attending Board Meetings.

In accordance with clause 35.3, the Board has established a Nomination and Remuneration Committee to which three Directors have been appointed. The members of this Committee do not include any Directors whose term of appointment finishes at the 2015 Annual General Meeting.

In accordance with clause 35.5, the Nominations and Remuneration Committee has:

- (a) Undertaken an extensive process of analysis and evaluation of Board competencies. This work has been completed with the assistance of independent consultants Strategic Governance Group Pty Ltd; and
- (b) Reviewed the competency of the retiring Director who wishes to continue following the Annual General Meeting.

Following this work, the Committee considered the full range of competencies required for the Board to perform optimally and judged Mr Johns' fit with these requirements. The Committee was satisfied that Mr Johns did fulfill the Board's competency requirements and retained independence of character and judgement.

The Committee also undertook an extensive process of recruitment to select an additional candidate for nomination. After considering the competency requirements identified by Strategic Governance Group, the Committee selected Ms Cathy Aston.

Acting on the Committee's recommendation, the Board endorses the nomination of Mr Brian Johns as a candidate for re-election and Ms Cathy Aston as a candidate for election.

#### **ITEM 4: REMUNERATION OF DIRECTORS**

The total amount of Non-Executive Directors' fees is determined by shareholders at the Annual General Meeting (AGM) as and when recommended by the Board. The last review covered the period 2013 to 2015 with the current review and recommendations being for the period 2016 to 2019.

In accordance with past practice the Board's Nomination and Remuneration Committee engaged the services of an external and independent Board remuneration consultant to review the fees paid to Directors and to make recommendations to the Board. Mastertek Pty Ltd was engaged to assist the Company with the review of the Non-Executive Director (NED) remuneration. Mastertek conducted the last review in 2012.

Mastertek's approach to providing independent advice on market practice and trends in relation to Non-Executive Directors is to benchmark existing remuneration levels against organisations of a similar size, dimension and industry sector. In that regard, a peer group of 22 listed companies was identified to provide a basis for market analysis and comparison to practices at Southern Phone. Of the 22 companies, 17 were able to provide fee pool disclosures. Across the group the medium fee pool for companies with less than \$200 million revenue was \$550,000.

The report noted that Southern Phone fees were notably lower than trends across the peer group. The report stated that should Southern Phone benchmark against all peer companies



included in the analysis, then a fee pool in the range of \$351,000 and \$438,700 would see it placed between the middle and upper quartiles.

Shareholders have previously agreed that a pool of funds should be allocated for Directors' Fees and that it is the responsibility of the Board to ensure that payments can only be made to Directors such that the pool is not exceeded. This is in accordance with Clause 39.1 of the Company Constitution. It is the responsibility of the Board to determine the distribution of individual Director fees (Clause 39.2 of Constitution).

After considering the Mastertek Report the Board recommends to shareholders that the annual total Fee Pool be \$390,000 which is the mid-point of the range of \$351,000 and \$438,000 contained in the Report and that this remain constant for a period of 3 years commencing 1 July 2016.



## Brian Johns AO

Brian Johns AO was a Director of Copyright Agency Limited and of Melbourne University Press. He was Adjunct Professor in the Creative Industries Faculty at the Queensland University of Technology, and Chairman of the Hong Kong-based dot-com company, Hownew.

Brian was previously Publishing Director of Penguin Books Australia, Managing Director of the Special Broadcasting Service (SBS), Chairman of the Broadband Services Expert Group (BSEG), Chairman of the Australian Broadcasting Authority (ABA), Deputy Chair of the Asian Broadcasting Union (ABU), and Managing Director of the Australian Broadcasting Corporation (ABC).

### Recommendation

The Board (other than the Director who is the subject of this resolution) recommends that shareholders vote in favour of Mr Johns' re-election. The Chairman of the AGM intends to vote all available proxies in favour of this Resolution.



## Cathy Aston

BEc (Macq), MComm (UNSW), GAICD, TFASFA, F Fin

Cathy Aston is an experienced executive and non-executive Director of digital and telecommunications businesses across Asia/Pacific.

She has a broad commercial background with senior roles in finance, marketing, strategy and business improvement. Previous positions include Executive Director, Digital Business at Telstra Corporation, Finance Director, Telstra International (Hong Kong) and CEO/Managing Director, Mobitel Pvt Ltd (a mobile phone company in Sri Lanka).

Cathy is currently Chair of Pillar Administration, a non-executive Director of the Australian Brandenburg Orchestra and a non-executive director of the Financial Services Institute of Australasia (FINSIA).

### Recommendation

The Board recommends that shareholders vote in favour of Ms Aston's election. The Chairman of the AGM intends to vote all available proxies in favour of this Resolution.

## 16.1 Plant Replacement

CSP Objective: 4 Responsible Civic Leadership that is Transparent, Innovative and Accessible

CSP Strategy: 4.12 Effectively manage Plant Assets to meet Community Strategic Plan requirements

Delivery Program: 4.12.1 Manage Council Plant by the creation and implementation of the Plant Asset Management Plan actions.

### Summary

This report was submitted to the October meeting of Council where it was resolved to defer the purchase of three (3) Crew Cab trucks. The deferral followed notice having just been received of the IPART findings into Council's "Fit for the Future" submission. Since receipt of the IPART findings Council has established a working party to investigate actions to address the financial criteria which did not meet the IPART benchmarks. The first meeting of the working party took place on Monday 16 November 2015, with Council's auditor and Mr Tim McCarthy from Morris and Low consulting. Discussion focused on investigation into asset renewal expenditure and asset depreciation. A subsequent meeting with the relevant staff, to better inform this review, is scheduled for Thursday 25 November 2015.

The issue of plant replacement was briefly discussed at the meeting of 16 November where it was noted that Council had implemented a policy to create a Plant Reserve Fund in 2008/2009. The reserve funds are created by charging each job the individual items of plant work on an amount to be directed to the reserve fund. The amount is calculated on the optimal replacement time for each item of plant.

Council's Depot Manager and Plant Superintendent regularly reviews the optimal time for replacement based on resale value, replacement cost, maintenance costs and operational performance of the plant item.

Since introduction of the Plant Reserve Fund Council has been able to maintain its fleet in a safe and good working condition. Prior to the implementation of the Fund all major plant replacement items needed to compete with funding for other projects in the Capital Works budget.

The replacement of the items in this report has been budgeted for in the current financial year and accordingly the funds have been brought into the budget from the Reserve. Additionally any further deferral of this matter will require Council to re-tender as the tender price is only valid for 60 days.

It is therefore recommended that the items be approved for purchase.

The report informs Council of the process and outcomes of the request for quotations for the purchase of three (3) Crew Cab trucks.

### Finance

The capital expenditure of \$176,086.35 + GST will be made available from the Engineering Services Plant Replacement budget. This purchase was identified in the 2015/2016 budget.

Report of the Director Engineering and Works

16.1 Plant Replacement (cont)

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### **Policy**

The RFQ has been undertaken in accordance with the Local Government Tender Regulations 2005.

### **Attachments**

Nil

### **Enclosures**

Nil

### **RECOMMENDATION**

That Council purchase three (3) Isuzu NPR Crew Cab trucks from Dwyers Truck Centre with a total capital value of \$176,086.35 + GST.

### **BACKGROUND**

As part of the 2015-2016 Plant Replacement Program, Plant Numbers 9164, 9172 and 9177 have been identified as being at the end of its economical life and requiring replacement.

A specification was developed in consultation with stakeholder to ensure the vehicle will meet the operational needs of the Construction section.

A request for quotation was then placed with the Local Government Procurement Vendor Panel system. The request for quotation was sent to all panel members under LGP contract 1608-2 and NPN04-13.

Council received four submissions with an average cost of \$178,304.25 + GST.

All submissions were evaluated using 6 different criteria including price, specification, warranty, after sales support, Australian content and an operator assessment.

The combined scores for each criteria were then inputted into the LGP evaluation matrix. This produced an overall ranking and recommendation for the vehicle that best meets our requirements.

The Isuzu NPR from Dwyer Truck Centre ranked number one after completion of the evaluation and as such is recommended for purchase.