



# CITY OF PARRAMATTA COUNCIL

## MAJOR PROJECTS ADVISORY COMMITTEE

### CHARTER

#### 1 Introduction

- 1.1 In July 2010, Council adopted the Property Development and Investment Policy 2010 (**PDI policy**) to (amongst other things) guide the identification of development opportunities involving Council-owned land to contribute towards Council's long-term financial sustainability. Long-term financial sustainability is critical to Council's ability to perform its statutory functions.
- 1.2 On 12 November 2012, Council resolved to establish a Major Projects Advisory Committee (**MPAC**) to assist Council with risk management and decision making in connection with property development activities involving Council owned or controlled land.
- 1.3 This Charter outlines the objectives, authority, composition, responsibility, reporting obligations, and administrative arrangements of the MPAC.

#### 2 Objective

- 2.1 The objective of the MPAC is to provide Council independent assurance in relation to risk identification and risk management (as a property owner and not a statutory authority) for any critical, significant or major property projects involving Council that are referred to MPAC by Council or the Chief Executive Officer (being "**Major Projects**").
- 2.2 In providing this assurance, the MPAC will consider the benefit to Council, and in particular the rate payers, of each project.

#### 3 Authority

- 3.1 In carrying out its responsibilities, the MPAC must at all times recognise that responsibility for the management of Council rests with the Council and Council's Chief Executive Officer as provided in the *Local Government Act 1993*.
- 3.2 For the avoidance of doubt, the MPAC will report to Council's Chief Executive Officer in carrying out the objectives set out in clause 2 of this charter.
- 3.3 The MPAC acknowledges and agrees:

- (a) it has no executive powers and cannot make decisions on behalf of Council; and
- (b) neither the MPAC, nor any of the individual members constituting MPAC, can direct or influence how Council officers undertake their duties.

3.4 Requests for information by the MPAC and responses to such requests must be made through the Chair of the MPAC to the Chief Executive Officer (or its delegates).

#### **4. MPAC Composition**

4.1 The MPAC will be comprised of a minimum of at least three (3) independent external members (**MPAC Members**).

4.2 MPAC Membership will be made up of a composition of members with the following relevant qualifications and expertise:

- (a) Property development and land economics;
- (b) Commercial arrangements between public and private sectors, preferably in property development or major assets; and
- (c) Risk management in property development.

4.3 New MPAC Members will be appointed by Council following an expression of interest process to be administered by the Chief Executive Officer. In selecting new MPAC Members, Council will convene a committee which may include the Chair of MPAC (or any other MPAC member delegated by the CEO), who will be responsible for coordinating the selection process, conducting interviews, and recommending a preferred candidate(s). The committee in making its recommendation(s) to Council will be required to provide details of the qualifications and experience of all the candidate(s) considered and the basis for their recommendations.

4.4 The MPAC Members may be appointed for an initial period not exceeding three (3) years after which time they will be eligible for extension or re-appointment, provided that the MPAC Members provide details of their qualifications and experience so that those details can be considered by Council to ensure they remain relevant to Council's requirements. The MPAC Members acknowledge that at any time they are being considered for re-appointment or extension Council may also run an expression of interest process (as referred to in clause 4.3 of this charter) and the MPAC Member must participate in the selection process referred to in clause 4.3 of this charter to be eligible for re-appointment or extension.

4.5 To the extent possible, the appointment and/or re-appointment of MPAC Members will commence at least three (3) months before the end date of their respective term and be staggered so that the end date of the terms of no more than two (2) MPAC Members will occur simultaneously.

4.6 MPAC appointments (either new or re-appointment) are to be approved by Council.

#### **5 Roles and Responsibilities**

5.1 The role of the MPAC is to carry out the objectives set out in clause 2 of this charter.

5.2 The responsibilities of the Chair of MPAC include:

- (a) To chair MPAC meetings;
- (b) Request external advice to allow the MPAC to meet its responsibilities (with the approval of the Chief Executive Officer);
- (c) Receive information requests and responses from MPAC Members and Council officers;
- (d) Request secretarial/administrative support on behalf of the MPAC (with the approval of the Chief Executive Officer and Executive Director, Property and Place);
- (e) Prepare annual reports for the Council in accordance with the requirements of the MPAC Charter;
- (f) Attend and provide a quarterly update of MPAC's activities to the Audit Risk and Improvement Committee;
- (g) Attend the monthly/bi-monthly PDG Property Projects Workshop and assist Council in decision making as required by the Executive Director, Property and Place and/or Chief Executive Officer;
- (h) Consider the frequency of MPAC meetings; and
- (i) Receive resignations from MPAC Members and without delay, inform the Chief Executive Officer and the remaining MPAC Members of any resignations.

5.3 The responsibilities of the MPAC Members include:

- (a) carry out any activities requested by Council and/or the Chief Executive Officer; and
- (b) meet with Council representatives and other MPAC Members as/when required.

5.4 The responsibilities of the MPAC in the performance of its role include (without limitation):

- (a) Assuring Council that there is **effective management of risks** associated with matters that are referred to MPAC under clause 2.1 of this charter;
- (b) Assuring Council that prudent **commercial risk management practices** are followed in connection with matters that are referred to MPAC under clause 2.1 of this charter;
- (c) Assuring Council that adequate **legal compliance practices and procedures** are followed in connection with matters that are referred to MPAC under clause 2.1 of this charter; and
- (d) Assuring Council in respect of any other matter or issue which Council or the Chief Executive Officer has asked the MPAC to review.

5.4 The MPAC acknowledges that:

- (a) in carrying out the performance of its role it will, upon request by the Chief Executive Officer or the Executive Director, Property and Place, be required to prepare reports which summarise MPAC's observations and recommendations; and
- (b) such reports may be used as supporting documentation to any relevant Council report seeking a decision in respect of Major Projects.

## **6 Reporting**

- 6.1 The Executive Director, Property and Place will identify and provide to MPAC a quarterly report which sets out project dashboards and risk registers for all major projects managed by the Property Development Group. MPAC Members will be required to attend (in person or via remote means as agreed to by the Chief Executive Officer) a quarterly meeting in which they will be allowed to ask questions to discharge their duties.
- 6.2 All reports generated by the MPAC will be addressed to the Chief Executive Officer.
- 6.2 Council may provide secretarial support for the MPAC in the form of administrative assistance to convene meetings, taking of minutes at meetings and such other administrative assistance reasonably requested by the Chair in consultation with Council's Chief Executive Officer and Executive Director, Property and Place.
- 6.3 Minutes of each MPAC quarterly meeting must be tabled at the next quarterly meeting for confirmation. Minutes that have been confirmed must be circulated to all Councillors as soon as practicable as part of the next monthly PDG Workshop.
- 6.4 Each MPAC Member must, at the commencement of each meeting of the MPAC, make any declaration of any conflicts of interest.
- 6.4 On or around October of each year, the Chair (in consultation with the other MPAC Members) must prepare an annual report addressed to the Chief Executive Officer with a copy to the Executive Director, Property and Place which:
  - (a) Summarises the work performed by the MPAC to discharge its duties over the past financial year;
  - (b) Details the number of meetings held during the year and the attendance of each member over the past financial year; and
  - (c) Includes such other information that the MPAC thinks fit having regard to its duties.

A copy of this annual report will be provided to Council's Audit, Risk and Improvement Committee, and the Chair may be required to provide a briefing to Council's Audit, Risk and Improvement Committee. A copy of this annual report will also be reported to Council.

- 6.5 The MPAC, through the Chief Executive Officer or their delegate, may report to Council any matter relevant to its duties that are considered to be of sufficient importance to do so.

## **7 Administration**

- 7.1 The Chair of MPAC may, with the approval of the Chief Executive Officer or the Executive Director, Property and Place:

- (a) hold meetings to review the Major Projects identified in clause 2 and provide assurance on matters as required (with or without representatives from Council); and
  - (b) hold ad hoc meetings of the MPAC following a reasonable request from an MPAC Member or request under a Council resolution. A minimum of three (3) days' notice must be provided in the event of an ad hoc meeting.
- 7.2 The Executive Director, Property and Place will be responsible for circulating the meeting agenda and associated documentation to MPAC Members no later than five (5) working days before each meeting with Council representatives. The agenda and associated documentation will be marked as confidential and reflect the Objectives (clause 2) and Responsibilities (clause 5) of the MPAC.
- 7.3 A quorum for a meeting will be at least 2 MPAC Members or where there are more than 4 MPAC Members, a quorum will be at least a majority of the MPAC Members entitled to attend that meeting.
- 7.4 The MPAC acknowledges that the administration of the MPAC is underpinned by the guiding principles of the following documents:
- (a) Property Development and Investment Policy;
  - (b) MPAC Charter;
  - (c) MPAC Services Agreement signed by MPAC Members;
  - (d) PDG Property Projects Workshop – Terms of Reference;
  - (e) Guidelines for Probity in Public Sector Projects ICAC; and
  - (f) Council Code of Conduct – Policy and Procedure,
- which may be amended from time to time.
- 7.5 MPAC Members must abide by Council's Code of Conduct and relevant policies adopted by Council. MPAC Members must declare and manage any conflicts of interest in a manner consistent with the Code of Conduct adopted by Council. For completeness, declarations of interest will be an agenda item at each MPAC meeting.
- 7.6 Subject to any inconsistencies in the requirements of Council's Code of Conduct which will prevail over clause 7.6, MPAC Members must follow the process set out in Schedule 1 of this charter in relation to conflicts of interest.
- 7.7 MPAC Members must keep all discussions during meetings confidential. No MPAC Member can make public comments regarding the activities of the MPAC without the prior approval of the Chief Executive Officer.

## **8 Termination of Membership**

- 8.1 The MPAC Members acknowledge and agree that their membership of the MPAC can be brought to an end in the following ways:

- (a) The expiry of the period for which the relevant MPAC Member was appointed;
- (b) The resignation of a MPAC Member by written notice to the Chair (who must without delay inform the Chief Executive Officer and remaining MPAC Member of the resignation). If the Chair resigns, written notice must be provided to the Chief Executive Officer;
- (c) The loss of relevant qualifications relied upon for the initial appointment to MPAC;
- (d) The removal of an MPAC Member by Council resolution; or
- (e) If a Committee Member:
  - Has been absent from three (3) consecutive meetings without having given reasons acceptable to the Chair; or
  - Has been absent from at least half of the meetings of the MPAC held during the immediately preceding year without having given to the Chair acceptable reasons for the MPAC Member's absences; or
- (f) The Council deciding to dissolve the MPAC for any reason.

## **9 Chair Appointment and Annual Review of MPAC**

- 9.1 The Chair of the MPAC will be nominated and appointed from one of the MPAC Members by the Chief Executive Officer. The role of the Chair may be reviewed on an annual basis by the Chief Executive Officer.
- 9.2 The Chair, in consultation with Council's Chief Executive Officer and the other MPAC Members, may initiate a review of the MPAC annually.

## **10 Charter Review**

- 10.1 Council may review the continuing relevance of this charter on an annual basis. Where changes are deemed necessary, they will be submitted to Council for approval and will be notified to the MPAC as soon as practicable after such Council resolution.

## Schedule 1 - Conflicts of Interest

1. MPAC Members must avoid or appropriately manage any conflict of interests to ensure that the objectives of the MPAC (set out in clause 2.1) are met. The onus will be on MPAC Members to identify and take the appropriate action to manage the conflict in favour of the MPAC Member's role as a MPAC Member.
2. A conflict of interest will exist where a reasonable and informed person would perceive that a MPAC Member could be influenced by a private interest (either pecuniary or non-pecuniary) or other public role when carrying out its role as a MPAC Member.
3. Generally, a non-pecuniary conflict of interest will be significant where a matter does not raise a pecuniary interest but it involves:
  - a. A relationship between a MPAC Member and another person that is particularly close, for example, parent, grandparent, brother, sister, uncle, aunt, nephew, niece, descendant or adopted child of the person or the person's spouse, current or former spouse or partner, de facto or other person living in the same household;
  - b. Other relationships that are particularly close, such as friendships and business relationships. Closeness is defined by the nature of the friendship or business relationship, the frequency of contact and the duration of the friendship or relationship; or
  - c. An affiliation between the MPAC Member and an organisation, sporting body, club, corporation or association that is particularly strong.
4. Where a conflict of interest exists, the MPAC Member which is affected by the conflict of interest (**Conflicted Member**) must fully disclose their interest in writing to the other MPAC Members and Council's Chief Executive Officer as soon as practicable (**Conflict Notice**).
5. In the Conflict Notice, the Conflicted Member must propose whether the conflict will be managed by the Conflicted Member by:
  - a. Removing the source of the conflict, by relinquishing or divesting the interest that creates the conflict; or
  - b. Having no involvement with the MPAC in respect of the matter, by absenting themselves from any meeting or discussion, and not taking part in any discussions, debate or voting on the issue.
6. Notwithstanding paragraph 5, if the Conflicted Member has a non-pecuniary interest which it reasonably considers is not significant and does not require further action, in the Conflict Notice the Conflicted Member must provide an explanation as to why the conflict of that non-pecuniary interest does not require further action in the circumstances.
7. Where a Conflicted Member has given a Conflict Notice, the MPAC must hold a meeting as soon as practicable. The Conflicted Member is not entitled to attend that part of the meeting which relates to its conflict. At the meeting, the MPAC Members must determine whether the conflict is significant. If the conflict is found to be significant then the MPAC must resolve that the conflict must be managed in accordance with paragraph 5(b). The MPAC may accept, (with or without conditions) or reject, any proposal set out in the

Conflict Notice issued by the Conflicted Member. The Chair of MPAC must report the outcome of all conflicts under this clause to the Chief Executive Officer.



