



CITY OF PARRAMATTA COUNCIL

MAJOR PROJECTS ADVISORY COMMITTEE

CHARTER

1 Introduction

- 1.1 Council owns and controls land that is used in a variety of ways to carry out its functions. 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 in order 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 Council resolved to establish an advisory committee to assist Council with risk management and decision making in connection with property development activities involving Council owned or controlled land. This advisory committee will be known as the Major Projects Advisory Committee (*Committee*).
- 1.3 This Charter outlines the objectives, authority, composition, responsibility, reporting obligations and administrative arrangements of the Committee.

2 Objective

- 2.1 The primary objective of the Committee is to provide independent assurance in relation to risk identification and mitigation, advice on all aspects of property development and assist Council in its decision making (as a property owner and not a statutory authority) in respect of:
 - (a) Any development opportunities involving Council owned or controlled land with a project value of greater than \$5,000,000;
 - (b) Property projects defined as Critical Projects and
 - (c) Major projects involving Council that are referred to the Committee by Council or Council's Chief Executive Officer.
- 2.2 In providing this assurance and advice, the Committee will consider the benefit to Council, and in particular the rate payers, of each project or program.

3 Authority

- 3.1 In carrying out its responsibilities, the Committee must at all times recognise that primary responsibility for the management of Council rests with the Council and the Chief Executive Officer, as provided in the Act.

- 3.2 The Committee has no executive powers and cannot make decisions on behalf of Council.
- 3.3 Neither the Committee nor any of its Voting Members may direct any Council officer in his or her duties.
- 3.4 The Chairperson of the Committee may, if considered reasonably necessary and in consultation with the Chief Executive Officer or their delegate, request external advice to allow the Committee to meet its responsibilities.
- 3.5 Requests for information by the Committee and responses to such requests must be made through the Chair of the Committee.

4. Major Projects Advisory Committee Composition

- 4.1 The Committee will be comprised of a minimum of three (3) independent external members (**Committee Members**).
- 4.2 Committee Membership will be made up of a composition of members with the following relevant expertise:
- Property development and land economics;
 - Commercial arrangements between public and private sectors, preferably in property development or major assets; and
 - Risk management in property development.
- 4.3 The Committee Members will be appointed by Council following an expression of interest process to be administered by Council's Director Property and Significant Assets. In selecting an independent external member(s), Council will convene a committee 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 Committee 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 at the Committee Members provide details of their qualifications and experience of so that those details can be considered by Council to ensure the qualifications and experience of each Committee Member remain relevant to Council's requirements. The Committee Members acknowledge that at any time they are being considered for re-appointment or extension Council may also be running an expression of interest process (as referred to in clause 4.3) and the Committee Member must participate in the selection process referred to in clause 4.3 to be eligible for re-appointment or extension.
- 4.5 Council may terminate the appointment of an external Committee Member at any time at Council's discretion.
- 4.6 Any Councillor (not being a member of the Committee) may attend meetings as observers and participate to the extent permitted by the Chair.
- 4.7 The Chair of the Committee will be one of the Committee Members.
- 4.8 Council's Chief Executive Officer, the Director Property and Significant Assets and Council staff members responsible for implementation and monitoring of the Property Development and Investment Policy may attend meetings as observers, or to provide information and participate to the extent permitted by the Chair.

5 Roles and Responsibilities

- 5.1 The role of the Committee is to provide advice, independent assurance in relation to risk identification and mitigation and assist Council, through the Council Significant Property Projects Committee, in its decision making (as a property owner and not a statutory authority) in respect of matters that are within the objectives of the Committee (see clause 2).
- 5.2 The responsibilities of the Committee in the performance of its role include (without limitation):
- (a) Assuring Council that there is **effective management of risks** associated with matters that are within the objectives of the Committee (see clause 2) by (amongst other things):
- enquiry as to whether management has in place a current and comprehensive risk management framework for risks associated with matters that are within the objectives of the Committee (see clause 2);
 - Enquiry as to adequacy and effectiveness of the risk management practices adopted for matters that are within the objectives of the Committee (see clause 2);
 - Enquiry as to the integrity and prudence of the matters that are within the objectives of the Committee (see clause 2) undertaken by Council including the review of relevant policies or procedures or both; and
 - Assessing effectiveness of risk management in respect of any matters that are within the objectives of the Committee (see clause 2);
- (b) Assuring Council that **prudent commercial risk management practices** are followed in connection with matters that are within the objectives of the Committee (see clause 2) by (amongst other things):
- Reviewing the commercial management and reporting practices followed for matters that are within the objectives of the Committee (see clause 2) having regard to the legislative requirements that govern financial management in the NSW local government sector; and
 - Reviewing the adequacy of commercial management and reporting practices followed for matters that are within the objectives of the Committee (see clause 2) having regard to accounting standards and generally accepted accounting principles;
- (c) Assuring Council that adequate **legal compliance practices and procedures** are followed in connection with matters that are within the objectives of the Committee (see clause 2) by (amongst other things):
- Reviewing the approach followed to identify and assess legal and compliance risks in connection with matters that are within the objectives of the Committee (see clause 2).

- (d) Advising Council how to maximise community and financial returns to Council in the activities of the Property Development Group to meet objectives of the Committee (see clause 2).

5.3 The Committee will nominate a member or members who will, on behalf of the Committee, participate in each Gateway Review for the projects identified in Clause 2. The Gateway Reviews will be considered by the Committee on completion and the Committee will provide advice on that Gateway Review to Council.

5.4 The responsibilities of the Committee may be revised or expanded in consultation with, or as requested by, Council from time to time.

6 Reporting

6.1 Council will provide secretarial support for the Committee in the form of administrative assistance to convene meetings, taking of minutes at meeting and such other administrative assistance reasonably requested by the Chair in consultation with Council's Chief Executive Officer and Director of Property & Significant Assets.

6.2 Minutes of each Committee meeting must be tabled at the next meeting for confirmation. Minutes that have been confirmed must be reported as soon as practicable to a subsequent Council Significant Property Projects Committee meeting.

6.3 Notwithstanding clause 7.7, each Committee Member must, at the commencement of each meeting of the Committee, make any declaration of any conflicts of interest.

6.4 The Chair (in consultation with Council's Director Property and Significant Assets) must prepare an annual report for the Council which:

- (a) Summarises the work performed by the Committee to discharge its duties;
- (b) Details the number of meetings held during the year and the attendance of each member;
- (c) Sets out a summary of the business conducted by the Committee for the period to which the report relates; and
- (d) Includes such other information that the Committee thinks fit having regard to its duties.

A copy of this annual report will be provided to Council's Audit and Risk Committee through the Council Significant Property Projects Committee, and the Chair may be required to provide a briefing to the Audit and Risk Committee.

6.5 The Committee, 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 Committee will hold such meetings as the Chair considers necessary to fulfil the Committee's duties, but will meet not less than four (4) times annually. Meetings will be held during the months of February, May, August and November to review reports for Council's Significant Property Projects Committee and provide assurance and advice on

matters and as required. Details of annual quarterly meetings will be determined for the following year, at the last meeting convened each calendar year.

- 7.2 In addition to regular quarterly meetings, ad hoc meetings of the Committee may be called by the Chair following a reasonable request from a Committee 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.
- 7.3 Council's Director Property and Significant Assets will be responsible for circulating the meeting agenda and associated documentation, to Committee Members no later than 3 working days prior to each meeting. The agenda and associated documentation will be marked as confidential and reflect the Objectives (clause 2) and Responsibilities (clause 5) of the Committee. The agenda will include as an item of general business, and any reports which the Committee considers should be made to Council (clause 7.5).
- 7.4 A quorum for a meeting will be at least 2 Committee Members or where there are more than 4 Committee Members, a quorum will be at least a majority of the Committee Members entitled to attend that meeting.
- 7.5 Committee Members must abide by the Code of Conduct and relevant policies adopted by Council. Committee 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 Committee Meeting.
- 7.6 Subject to any inconsistencies in the requirements of Council's Code of Conduct which will prevail over clause 7.5, Committee Members must follow the process set out in Schedule 1 in relation to conflicts of interest.
- 7.7 Committee Members must keep all discussions during meetings confidential. No Committee Member can make public comments regarding the activities of the Committee.

8 Termination of Membership

- 8.1 Committee membership can be brought to an end in the following ways:
 - (a) The expiry of the period for which the relevant Committee Member was appointed;
 - (b) The resignation of a Committee Member by written notice to the Chair (who must without delay inform the remaining Committee members of the resignation). If the Chair resigns, written notice must be provided to Council's Chief Executive Officer;
 - (c) The removal of a Committee Member by Council resolution;
 - (d) If a Committee Member:
 - o Has been absent from three (3) consecutive meetings without having given reasons acceptable to the Committee for the Member's absence; or
 - o Has been absent from at least half of the meetings of the Committee held during the immediately preceding year without having given to the Committee acceptable reasons for the Member's absences; or
 - (e) The Council deciding to dissolve the Committee for any reason.

9 Assessment Arrangements

- 9.1 The Chair, in consultation with Council's Director Property and Significant Assets, must initiate a review of the Committee annually.

10 Charter Review

- 10.1 Council may review the continuing relevance of this charter on a biannual basis (generally at the last meeting in the relevant calendar year). Where changes are deemed necessary they will be submitted to Council for endorsement (and resolution) and will be notified to the Committee as soon as practicable after such Council resolution.

Schedule 1 - Conflicts of Interest

1. Committee Members must avoid or appropriately manage any conflict of interests to ensure that the primary objectives of the Committee (set out in clause 2.1) are met. The onus will be on Committee Members to identify and take the appropriate action to manage the conflict in favour of the Committee Member's role as a Committee Member.
2. A conflict of interest will exist where a reasonable and informed person would perceive that a Committee Member could be influenced by a private interest (either pecuniary or non-pecuniary) or other public role when carrying out its role as a Committee 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 Committee 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 Committee Member and an organisation, sporting body, club, corporation or association that is particularly strong.
4. Where a conflict of interest exists, the Committee Member which is affected by the conflict of interest (Conflicted Member) must fully disclose their interest in writing to the other Committee Members 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 Committee 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 Committee 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 Committee Members must determine whether the conflict is significant. If the conflict is found to be significant then the Committee must resolve that the conflict must be managed in accordance with paragraph 5(b). The Committee may accept, (with or without conditions) or reject, any proposal set out in the Conflict Notice issued by the Conflicted Member.

Schedule 2 - Declaration

DECLARATION

I declare that I know of no significant actual or potential, pecuniary or non-pecuniary conflict of interest on the part of myself that will affect my involvement in the Major Projects Advisory Committee for City of Parramatta Council.

I also declare that in accordance with the requirements set out in City of Parramatta Council's Code of Conduct I will disclose in writing any other actual or potential conflict of interest should I become aware of same during my involvement in the Major Projects Advisory Committee.

I understand and agree that I must maintain confidentiality of the knowledge I will gain through my involvement in the Major Projects Advisory Committee.

Declared at [place]
this day of 20 [date]
before me:

Signature of Justice of the Peace/Solicitor of
the Supreme Court of New South Wales*

Name of Justice of the Peace/Solicitor of the
Supreme Court of New South Wales in full

* Declarant to delete the inapplicable

Signature of Declarant

Name of Declarant in full