

LATE REPORT

ITEM 7.4.2

UNITYWATER BOARD APPOINTMENT

Ordinary Meeting

13 December 2012

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7.4.2 LATE REPORT - UNITYWATER BOARD APPOINTMENT

File No: ECM
Author: Executive Director
Executive Office

PURPOSE

The purpose of this report is to seek a council delegation to the Chief Executive Officer for the appointment of board members to Unitywater.

EXECUTIVE SUMMARY

In June 2010, five members were appointed to the Board of Unitywater in accordance with the requirements of the Participation Agreement. Since those initial appointments, there has been one vacancy on the Board following a resignation in 2011. A replacement director was appointed to fill that vacancy.

Council was advised on 7 December 2012 that two current Unitywater board members have been appointed to the board of the SEQ Bulk Water Authority from 1 January 2013.

These two board members will stand down from the Unitywater Board and it is necessary that the participating local governments appoint replacement directors to fill the vacant roles.

OFFICER RECOMMENDATION

That Council:

- a) receive and note the report titled "Unitywater Board Appointment"; and
- b) resolve to delegate to the Chief Executive Officer, in consultation with the Mayor and the Finance and Water Portfolio Councillor, the power to appoint a Member to the Board of the Northern SEQ Distributor-Retailer Authority pursuant to s.33(2) of the *South East Queensland Water (Distribution and Retail Restructuring) Act 2009* to fill the existing vacancy.

FINANCE AND RESOURCING

There are no financial implications related to this report.

CORPORATE PLAN

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.5 - Advocacy and partnerships

Strategy: 8.5.3 - Manage the transition of council's water business to the State Government and maximise the potential benefits to council as a shareholder

CONSULTATION

Internal Consultation

- Mayor, Sunshine Coast Council
- Finance and Water Portfolio Councillor
- Chief Executive Officer, Sunshine Coast Council

External Consultation

- Chair, Unitywater Board

Community Engagement

There has not been any community engagement undertaken in preparing this report.

PROPOSAL

Council has previously authorised the appointment of the Board Members of Unitywater. Section 33(2) of the *South East Queensland Water (Distribution and Retail Restructuring) Act 2009* (the Act) requires that Board Members must be appointed by the Distributor Retailer's Participants.

A Participant is defined in section 20(3) of the Act as an entity that holds participation rights in the Distributor Retailer. The entities holding the participation rights are identified in the Participation Agreement in accordance with section 20 of the Act.

The Participation Agreement for Unitywater was made by the Minister in accordance with section 23 of the Act on 25 June 2010. The Participation Agreement identifies Sunshine Coast Regional Council and Moreton Bay Regional Council as Participants.

Section 6.2 of the Participation Agreement requires that a Board Member be appointed by all Participants signing a document stating that they are in favour of the appointment of the Board Member.

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Council was advised on 7 December 2012 that two current Unitywater board members have been appointed to the board of the SEQ Bulk Water Authority from 1 January 2013.

These two board members will stand down from the Unitywater Board and it is necessary that the participating local governments appoint replacement directors to fill the vacant roles.

Legal

The *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*, in particular, section 33(2) states that the Unitywater Board members must be appointed by the distributor retailer's participants, that is, Sunshine Coast Regional Council and Moreton Bay Regional Council.

Policy

There are no policy implications in the recommendations of this report.

Risk

This report and its recommendations do not expose council to any risks.

Previous Council Resolution

At the Ordinary Meeting of 24 August 2011, council passed the following resolution (OM11/203):

That Council:

- a) *receive and note the report titled "Unitywater Update";*
- b) *resolve to delegate to the Chief Executive Officer, in consultation with the Mayor as Portfolio Councillor for Water Reform, the power to appoint a Member to the Board of the Northern SEQ Distributor-Retailer Authority pursuant to s.33(2) of the South East Queensland (Distribution and Retail Restructuring) Act 2009 to fill the existing vacancy; and*
- c) *request the Chief Executive Officer to write to Unitywater seeking an update in relation to the process of tariff reform.*

Related Documentation

Participation Agreement between Moreton Bay Regional Council and Sunshine Coast Regional Council.

Critical Dates

With the departure of two directors, there will only be three directors as at 1 January 2013. Unitywater has requested that the appointments be made by 11 January 2013.

Implementation

The identification of suitable replacement directors will be undertaken and these will be considered by the Chair of Unitywater and the Mayors of the respective councils.

A complete review of delegations relating to council-owned entities has been undertaken and a report will be presented to council in early 2013.