

CFA BOARD

Minutes: 18 July 2016



Board Meeting No: 1195

Time 8.30am

Location: Boardroom, Headquarters, 8 Lakeside Drive, East Burwood

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| Members Present: | Greg Smith AM | Chairperson |
| | Michelle McLean | Deputy Chairperson |
| | Gillian Sparkes | |
| | Simon Weir | |
| | Pam White | |
| In attendance: | Frances Diver | Chief Executive Officer (CEO) |
| | Steve Warrington | Acting Chief Officer (A/CO) |
| | Bruce Russell | General Counsel (GC) |
| (Item 3.2, 4.3 & 4.5 Only) | Phil Harbutt | Acting Executive Director Business Performance & Strategy (A/ED-BP&S) |
| (Item 3.2, 4.3 & 4.5 Only) | Scott Homewood | Acting Chief Financial Officer (A/CFO) |
| (Item 4.5 Only) | Georgia Fine | Acting Executive Director Infrastructure Services (A/ED-IS) |
| (Item 5.1 Only) | Emma Tyner | Acting Executive Director Communication & Legal Services (A/ED-C&LS) |
| Minutes: | Erin Eades | Governance & Corporate Services Coordinator (GCSC) |

1. BOARD ONLY SESSION

The Chair declared the meeting open at 8.30am.

1.1 Industrial Relations Update

The Chair and CEO briefed the Board on the proposed EBA negotiations.

1.2 CFA Chief Executive Officer and Chief Officer Recruitment

ED-P&C joined the meeting for this item.

The Board agreed that the CEO appointment would be considered at a further Board meeting.

It was moved by Michelle McLean and seconded by Gillian Sparkes that the Board resolve to appoint Deputy Chief Officer Steven Warrington as the Chief Officer from 30 June 2016 for a period of six (6) months.

The motion was carried.

2. PRELIMINARY MATTERS

The Board was joined by the CEO, CO, GC and GCSC at 9.30am.

2.1 Apologies

There were no apologies.

2.2 Disclosure Of Interests

There were no disclosures of interest.

2.3 Board and Committee Minutes

2.3.1 Board Minutes – 17 June 2016

It was moved by Greg Smith and seconded by Michelle McLean that, subject to minor changes, the Minutes of the Country Fire Authority special Board meeting held on 17 June 2016 be confirmed.

The motion was carried.

2.3.1 Board Minutes – 25 June 2016

It was moved by Greg Smith and seconded by Gillian Sparkes that the Minutes of the Country Fire Authority special Board meeting held on 25 June 2016 be confirmed.

The motion was carried.

2.4 Actions from Previous Board Meetings

The Board noted the Action Items.

3. GOVERNANCE AND STRATEGY

3.1 Board Governance

The Board discussed the board governance structure including the need to ensure volunteerism is appropriately reflected in the remit of the board committees.

The Board agreed that establishing the Finance Risk & Audit Committee is a priority. The Board also agreed it would wait until the full board appointments are completed before finalizing the Charters and Chairpersons of any further committees.

It was moved by Pam White and seconded Simon Weir that the Board approve:

- The Chairperson of the Finance Risk & Audit Committee be the Deputy Chairperson Michelle McLean;
- Board Member Gillian Sparkes be a member of the Finance Risk & Audit Committee;
- The Board Chair be ex-officio on all committees;
- Any Board Member can attend any of the scheduled committee meetings once established; and
- CFA undertake a review of all Board committees with a view to recommending a formal governance framework and set of charters as soon as practicable.

The rest of the agenda was taken out of order in order for Executives to attend and present.

3.2 Developing the 2016-17 CFA Budget

The A/ED-BP&S provided the Board with the current status of CFA's budget.

Action: Finance Risk & Audit Committee to consider the CFA budget at its first meeting, examine the issues and report back to the Board with recommendations.

4. EXECUTIVE REPORTS

4.1 Chief Executive Officer's Report

The CEO provided a verbal update on the following issues:

- External stakeholder meetings
- Executive capability and structure
- Current structure of CFA

The Board discussed the Bullying and Harassment Hotline.

Action: CEO to provide an update on actions being taken to address bullying and harassment.

The Board noted the CEO's Report.

4.2 Chief Officer's Report

The A/CO briefed the Board providing an update on:

- Service Delivery Operating Model
- Emergency Management Victoria (EMV) Interoperability Committees
- Implementation of the Government commitment to 350 additional career firefighters
- Proposed EBA

The Board noted the CO's Report.

4.3 Chief Financial Officer's Report

The A/CFO briefed the Board on his report highlighting the following:

- Operating budget result for 15-16
- Statewide Integrated Public Safety and Communications Strategy (SIPSaCS) funding
- Land and building revaluation
- Leave liability
- Capital underspends

The Board noted the CFO's Report.

4.4 CFA Major Projects Report

The A/ED-BP&S briefed the Board noting that:

- Project governance and oversight is being provided to the Organisational Leadership Team (OLT)
- A 'kick-start' process has been established to ensure CFA undertakes scoping exercises and budget reconciliation on all new projects.

The CEO noted that a centralised corporate function had been previously put in place to oversee all major projects across the organisation.

Action: A/ED-BP&S to deliver an updated Major Projects Report which includes financial and compliance risks.

The Board noted the CFA Major Projects Report.

4.5 Environmental Compliance Program – Current and Former Training Campuses

A/ED-IS provided an overview of the Environmental Compliance Program highlighting:

- Continued discussions with Victoria University regarding facilities at Fiskville
- Training Campuses and EPA notices

Action: A/ED-IS to provide a presentation of the Environmental Compliance Program to the Finance Risk & Audit Committee.

The Board noted the Environmental Compliance Program – Current and Former Training Campuses Report.

5. DECISION PAPERS

5.1 Annual Report 2015-16

A/ED-C&LS joined the meeting to provide the Board with an overview of the process to develop and table the Annual Report in Parliament and to receive any feedback.

The Board noted the Annual Report 2015-16 narrative and requested any Board Member feedback be provided to A/ED-C&LS out of session.

5.2 Proposed carry-overs of 2015-16 Budget

The A/CFO informed the Board:

- CFA plans to reprioritise funding to support additional investment in Edithvale Fire Station
- As outlined in paragraphs 18 and 19, a forecast surplus was identified within the Rural Fire Stations program.
- The Rural Fire Stations program has sufficient funding to deliver both its original scope plus the additional sites previously approved by the Minister.
- This broadly aligns the use of the surplus from the program with the Minister's original intent for the program.
- It is recommended that the Board approve the reprioritisation of \$0.5m Rural Fire Stations identified surplus to the Edithvale Fire Station, subject to Department of Justice and Regulation (DTJ) and Ministerial approval.

It was moved by Pam White and seconded by Simon Weir that the Board approve the reprioritization of \$0.5m Rural Fire Stations identified surplus to the Edithvale Fire Station, subject to DJR and Ministerial approval.

The motion was carried.

The A/CFO drew the Board's attention to the requested carry-overs in Annexure 1.

It was moved by Gillian Sparkes and seconded by Pam White that the Board:

- Approve the recommended operating budget carry-over of \$22.1m and the recommended capital budget carry-over of \$20.0m; and
- Note the impact on the Forward Estimates to be updated at the next available opportunity.

The motion was carried.

Action: CEO to provide information to the Chair on access to toilets by Brigades.

6. INFORMATION PAPERS

6.1 Strategic Risks – Board Update

The Board discussed the strategic risks in regards to the Fiskville Training Ground and the Hazelwood Memorandum of Understanding.

Action: CEO to incorporate overview of Fiskville Training Ground remediation into a future Board meeting.

Action: CEO to ensure the Memorandum of Understanding on Hazelwood to come before the Board for approval.

The Board noted the Strategic Risks – Board Update.

6.2 Performance Reporting and Measurement 2016

The Board noted the Performance Reporting and Measurement 2016 information paper with significant reservations.

Action: CEO to examine current performance reporting and measurement and provide a full briefing at a future Board meeting.

6.3 CFA Performance Dashboard – Monthly Heartbeat

The Board withdrew this paper and asked that the CEO reconsider its presentation and content.

Action: CEO to review the CFA Performance Dashboard.

7. PROCEDURAL MATTERS

7.1 CORPORATE DOCUMENTS

7.1.1 Documents sealed during the period

There were no documents sealed during the period.

7.1.2 Property Documents Executed under Delegation

- Hamilton ICC, 915 Mt Napier Road, Hamilton. Lease renewal of existing Hamilton ICC from Rural Industries Skill Training for \$13,200.00 per annum (GST inclusive) for 1 year commencing on 1 July 2016.
- Ferntree Gully ICC, Unit 27/69 Acacia Road, Ferntree Gully. Lease renewal of Unit 27 / 69 Acacia Road, Ferntree Gully from Road Nash Superannuation P/L for \$63,636.00 per annum plus GST for 5 years commencing on 1 July 2016 with 1 further renewal option of 5 years available.
- Ferntree Gully UFB, 5 – 7 The Avenue, Ferntree Gully. Temporary lease of Ferntree Gully fire station by Ambulance Victoria for 5 months commencing on 20 June 2016 at a rental of N/A.
- Transfer of Land. Neerim South RFB – Disposal of old fire station and site at 13 Wagners Road, Neerim South to Cobain United P/L for \$297,000 (GST inclusive). GST payable \$27,000.00.
- Transfer of Land. Chocolyn RFB – Purchase of new site at 664 Camperdown – Lismore Road, Chocolyn from K & M Moore for \$9,000.00 (GST exclusive). Total cost to CFA \$12,000 (legal & survey costs).
- Dimboola UFB, 2 High Street, Dimboola. Purchase of new site at 2 High Street, Dimboola from R D Hall for \$55,000 (GST exclusive). The purchase is subject to satisfactory soil tests regarding any possible contamination on the site.
- Hawkesdale Office, 72 Dawson Street, Hawkesdale. Lease renewal of existing Hawkesdale office from Moyne Shire Council for \$5,481.95 per annum (GST inclusive) for 5 years commencing on 15 September 2016.

- Transfer of land. Geelong DMO workshop – disposal of old Geelong DMO Workshop and site at 3 Cadman Terrace, North Geelong to J T Dixon Super Holdings P.L for \$682,000.00 (GST inclusive). GST payable \$62,000.00.
- Upper Ferntree Gully UFB, Railway Lots 25 & 26 Burwood Highway, Upper Ferntree Gully. Sub-lease renewal of Railway Lots 25 & 26, Burwood Highway, Upper Ferntree Gully to Telstra Corporation Ltd for \$25,000.00 per annum plus GST for 7 years 9 months commencing on 15 November 2015 and expires on 31 August 2023.
- Wodonga District Office & ICC, Moorefield Park Drive, Wodonga. Access Licence Agreement for the District 24 Office from La Trobe University for \$1.00 per annum plus GST for 5 years commencing on 1 July 2015.

The Board noted the Property Documents Executed under Delegation.

7.2 OUT OF SESSION PAPERS FOR NOTING

7.2a Circular Resolution regarding Authority for Payment passed by 5 Board Members on 15 July 2016:

The Board delegate:

- a) To the CFA Chairperson the authority to endorse a confidential financial transaction up to \$800,000; and*
- b) This power of delegation is effective immediately and valid until 9am on 18 July, 2016.*

The Board noted the Circular Resolution regarding Authority for Payment.

7.3 BOARD CORRESPONDENCE

The Board noted the correspondence.

8. MEETING PERFORMANCE REFLECTION

A meeting reflection was provided by members of the Board.

The meeting closed at 2.42pm.

The next meeting will be held on Monday 15 August 2016 at Burwood HQ.

Minutes of the Board meeting held on 18 July 2016 were presented to the Authority for its consideration.

Greg Smith AM
Chairperson

CONFIRMED AT AUTHORITY MEETING

19 SEPTEMBER 2016