

**INVERELL SHIRE COUNCIL**

**NOTICE OF ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING**

2 July, 2015

An Economic & Community Sustainability Committee Meeting will be held in the Committee Room, Administrative Centre, 144 Otho Street, Inverell on Wednesday, 8 July, 2015, commencing at 10.30am.

Your attendance at this Economic & Community Sustainability Committee Meeting would be appreciated.

**P J HENRY PSM**

**GENERAL MANAGER**

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**A G E N D A**

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<b>SECTION A</b>	<b>APOLOGIES CONFIRMATION OF MINUTES DISCLOSURE OF CONFLICT OF INTERESTS/PECUNIARY AND NON-PECUNIARY INTERESTS</b>
<b>SECTION B</b>	<b>ADVOCACY REPORTS</b>
<b>SECTION C</b>	<b>COMMITTEE REPORTS</b>
<b>SECTION D</b>	<b>DESTINATION REPORTS</b>
<b>SECTION E</b>	<b>INFORMATION REPORTS</b>
<b>SECTION F</b>	<b>GENERAL BUSINESS</b>
<b>SECTION G</b>	<b>CONFIDENTIAL MATTERS (COMMITTEE-OF-THE-WHOLE)</b>
<b>SECTION H</b>	<b>GOVERNANCE REPORTS</b>

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## Quick Reference Guide

*Below is a legend that is common between the:*

- Inverell Shire Council Strategic Plan
- Inverell Shire Council Delivery Plan
- Inverell Shire Council Management Plan.

<b><i>Destinations</i></b>	<b><i>Icon</i></b>	<b><i>Code</i></b>
<p><b>1. A recognised leader in a broader context.</b></p> <p>Giving priority to the recognition of the Shire as a vital component of the New England North West Region through Regional Leadership.</p>		R
<p><b>2. A community that is healthy, educated and sustained.</b></p> <p>Giving priority to the Shire as a sustainable and equitable place that promotes health, well being, life long learning and lifestyle diversity.</p>		C
<p><b>3. An environment that is protected and sustained.</b></p> <p>Giving priority to sustainable agriculture, the protection and conservation of rivers, waterways bio diversity and the built environment.</p>		E
<p><b>4. A strong local economy.</b></p> <p>Giving priority to economic and employment growth and the attraction of visitors.</p>		B
<p><b>5. The Communities are served by sustainable services and infrastructure.</b></p> <p>Giving priority to the provision of community focused services and the maintenance, enhancement and upgrade of infrastructure.</p>		S

# ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING

Wednesday, 8 July, 2015

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MINUTES OF THE ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING HELD IN THE COMMITTEE ROOM, INVERELL SHIRE COUNCIL, 144 OTHO STREET, INVERELL ON WEDNESDAY, 10 JUNE, 2015, COMMENCING AT 10.37AM.

PRESENT: Cr J A Watts (Chairperson), Crs D F Baker, P J Girle, P J Harmon and A A Michael.

Also in attendance: Crs H N Castledine, B C Johnston and D C Jones.

Paul Henry (General Manager), Ken Beddie (Director Corporate and Economic Services), Brett McInnes (Director Civil and Environmental Services) and Stephen Golding (Executive Manager Corporate and Community Services).

APOLOGIES:

There were no apologies received.

SECTION A

1. CONFIRMATION OF MINUTES

*RESOLVED (Baker/Harmon) that the Minutes of the Economic and Community Sustainability Committee Meeting held on 13 May, 2015 as circulated to members, be confirmed as a true and correct record of that meeting.*

2. DISCLOSURE OF CONFLICT OF INTERESTS/PECUNIARY AND NON-PECUNIARY INTERESTS

There were no interests declared.

3. BUSINESS ARISING FROM PREVIOUS MINUTES

Nil.

SECTION D  
DESTINATION REPORTS

1. WRITE OFF SUNDRY DEBTOR (LISTING) S12.8.8

*RESOLVED (Harmon/Michael) that the matter be referred to Closed Committee for consideration as:*

- i) the matters and information are 'the personal hardship of any resident or ratepayer' (Section 10A(2)(b) of the Local Government Act, 1993);*
- ii) on balance the public interest in preserving the confidentiality of the information outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting; and*
- iii) all reports and correspondence relevant to the subject business be withheld from access to the media and public as required by section 11(2) of the Local Government Act, 1993.*

2. REQUEST FOR DONATION – LIONS CLUB OF INVERELL S12.22.1/08

CSOT-A *RESOLVED (Michael/Baker) that the Committee recommend to Council that:*

- i) *Permission be granted to Inverell Lions Club to paint/affix numbers to Council's kerb and guttering, provided the Club does not represent to the householder that this service is compulsory;*
- ii) *Council provide a donation of up to \$200 for advertising of the project; and*
- iii) *the Lions Club of Inverell indemnify Council of any potential legal action.*

3. AIR SERVICES (LISTING) S30.16.4

*RESOLVED (Harmon/Michael) that the matter be referred to Closed Council for consideration as:*

- i) *the matters and information are 'commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it.' (Section 10A(2)(d)(i) of the Local Government Act, 1993);*
- ii) *on balance the public interest in preserving the confidentiality of the information outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting; and*
- iii) *all reports and correspondence relevant to the subject business be withheld from access to the media and public as required by section 11(2) of the Local Government Act, 1993.*

4. OPERA NORTH WEST S26.3.14

GM-A *RESOLVED (Michael/Girle) that the Committee recommend to Council that:*

- i) *Council provide a donation of \$5K in cash and \$5K in in-kind contribution; and*
- ii) *the Town Hall costs are not included in the in-kind contribution should it be required.*

5. BLOOD COLLECTION SERVICES S24.20.5

GM-A *RESOLVED (Harmon/Baker) that the Committee recommend to Council that Council write to the Australian Red Cross requesting the provision of a mobile blood collection service for Northern NSW.*

## SECTION F QUESTIONS WITHOUT NOTICE

MLS-A Cr Baker Library Cafe S3.6.1

Cr Baker noted a proposal for a Café to be located in the Inverell Shire Library.

*RESOLVED (Baker/Michael) that the Committee recommend to Council that a report be submitted to the Economic & Community Sustainability Committee Meeting regarding the proposed Library Café.*

Cr Girle Excellence Award

Cr Girle advised the Committee that McLean Aged Care recently received an Excellence Award.

DCS-A      Director      Transport Museum      S5.9.9  
                  Corporate      &  
                  Economic      Director Corporate & Economic Services, Mr Ken Beddie provided a  
                  Services      financial review of the loan repayments, inclusive of current interest  
                       rates and repayment term.

*RESOLVED (Harmon/Girle) that the Committee recommend to Council that:*

- i) Council extend the loan repayment term from 10 years to 20 years;*
- ii) in line with current interest rates, the rate be 4%; and*
- iii) this matter be reviewed in two (2) years in respect of repayment term and interest rate.*

DCS-A      Director      Fit for the Future (FFF)      S13.1.2  
                  Corporate      &  
                  Economic      Director Corporate & Economic Services, Mr Ken Beddie discussed  
                  Services      the draft budget adjustments for 2015/2016 - 2024/2025 necessary to  
                       implement the FFF Roadmap.

*RESOLVED (Johnston/Baker) that the Committee recommend to Council that the required adjustments to the 2015/2016 - 2024/2025 draft budget necessary to implement the FFF Roadmap including the \$6M Shire Roads Backlog Program be adopted.*

#### SECTION H GOVERNANCE REPORTS

##### 1.      GOVERNANCE - MONTHLY INVESTMENT REPORT      S12.12.2/08

*RESOLVED (Baker/Harmon) that the Committee recommend to Council that:*

- i) the report indicating Council's Fund Management position be received and noted; and*
- ii) the Certification of the Responsible Accounting Officer be noted.*

##### 2.      QUARTERLY BUDGET AND OPERATIONAL PLAN REVIEW 2014/2015                  S12.5.1/08

DCS-A      *RESOLVED (Harmon/Michael) that the Committee recommend to Council that:*

- i) the proposed variations to budget votes for the 2014/2015 Financial Year be adopted providing an estimated Cash Surplus at 30 June, 2015 from operations of \$4,959; and*
- ii) the breakup of Council's invested funds be noted.*

##### 3.      STORES & MATERIALS STOCKTAKE      S23.16.5/08

EC-A      *RESOLVED (Michael/Harmon) that the Committee recommend to Council that:*

- i) the stores and materials Stocktake information be received and noted; and*
- ii) the adjustment of **\$90.74** be made in the Stores Ledger.*

SECTION G  
CONFIDENTIAL REPORTS IN CLOSED COMMITTEE  
(SECTION 10A(2) OF THE LOCAL GOVERNMENT ACT 1993)

At 11.10am, the Chairperson offered the opportunity to members of the public to make representations as to whether any part of the Committee Meeting should not be considered in Closed Committee. There was no response from the public.

CLOSED COMMITTEE REPORTS

*RESOLVED (Harmon/Girle) that the Committee proceed into Closed Committee to discuss the matters referred to it, for the reasons stated in the motions of referral.*

Upon resuming Open Committee, at 11.25am, the Chair verbally reported that the Committee, with the Press and Public excluded, having considered the matters referred to it, recommends as follows:

1. WRITE OFF SUNDRY DEBTOR S12.8.8

MFS-A *That the Committee recommend to Council that the outstanding amount of \$7,768.94 for Allpro Demolitions be written off Debtor account number 113095-4.*

2. AIR SERVICES S30.16.4

*That the information be received and noted.*

ADOPTION OF RECOMMENDATION

*RESOLVED (Johnston/Harmon) that the recommendation from Closed Committee be adopted.*

There being no further business, the meeting closed at 12.08pm.

CR J A WATTS

CHAIRPERSON

**TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 08/07/2015**

<b>ITEM NO:</b>	1.	<b>FILE NO:</b> S2.2.2
<b>DESTINATION 2:</b>	A community that is healthy, educated and sustainable	<b>C</b>
<b>SUBJECT:</b>	<b>CIVIC RECOGNITION AWARDS</b>	
<b>PREPARED BY:</b>	Paul Henry, General Manager	

**SUMMARY:**

At the request of the Committee, Council's Civic Recognition Awards Policy is being placed before the Committee for consideration.

**COMMENTARY:**

In August 2013, Council considered a report on various forms of recognition that have traditionally been utilised by Local Government to honour a contribution/achievement by individuals or groups. Consideration of the report resulted in Council adopting the procedures detailed in the report as the form of recognition offered by Council for significant achievements by community members.

At the March, 2015 Committee Meetings, Cr Jones requested that consideration be given to recognising a member of the Inverell community. The Committee in turn recommended that Council's existing policy on Forms of Civic Recognition be placed before the Committee for consideration.

A copy of the policy is attached as Appendix 1 (D5 – D7) for the consideration of the Committee.

**RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND OPERATIONAL PLAN:**

**Strategy:** C.01 Facilitate the provision of a broad range of services and opportunities which aid the long term sustainability of the community.

**Term Achievement:** C.01.01 Advocate on behalf of the community for the provision of services which meet community needs and expectations.

**Operational Objective:** C.01.01.01 To provide community leadership and advocacy to ensure the community is provided with a broad range of services and opportunities commensurate with other regional centres.

**POLICY IMPLICATIONS:**

Existing policy to be considered.

**CHIEF FINANCIAL OFFICERS COMMENT:**

Nil.

**LEGAL IMPLICATIONS:**

Nil.



**RECOMMENDATION:**

*A matter for the Committee.*

<b>ITEM NO:</b>	2.	<b>FILE NO:</b> S12.22.1/08
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure	<b>S</b>
<b>SUBJECT:</b>	<b>REQUEST FOR DONATION – KINDAMINDI PRESCHOOL</b>	
<b>PREPARED BY:</b>	Hayley Nichols, Corporate Support Officer-Publishing	

**SUMMARY:**

Council has received a letter of request from Kindamindi Preschool requesting a donation to towards the Preschool's Art Show at the Inverell Art Gallery.

**COMMENTARY:**

Council has received a letter of request from Kindamindi Preschool requesting a donation towards the Preschool's Art Show to be held at the Inverell Art Gallery from 21 August, to 3 September, 2015.

Kindamindi Preschool is a non-profit community based preschool that provides a valuable service to Inverell and surrounding areas.

The Art Show is the Preschool's main fundraiser with the childrens art works being sold at a silent auction and proceeds being redirected back into the Preschool.

Kindamindi Preschool are requesting a form of financial assistance towards the running of the show or alternatively donation of an item/voucher or service that could be used as part of a raffle or auction.

A full copy of the received correspondence is attached as Appendix 2 (D8) for the Committee's information.

**RECOMMENDATION:**

*A matter for the Committee.*

<b>ITEM NO:</b>	3.	<b>FILE NO:</b> S31.8.1
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure	<b>S</b>
<b>SUBJECT:</b>	<b>E-WASTE FACILITY AND 'BUY BACK' CENTRE (LISTING)</b>	
<b>PREPARED BY:</b>	Paul Henry, General Manager	

**SUMMARY:**

An approach has been received from an organisation seeking to establish a Regional E-Waste Recycling Facility and 'Buy Back' Centre. The Committee is requested to consider a confidential report in this matter.

**COMMENTARY:**

*Local Government Act 1993* (the Act), and the *Local Government (General) Regulation 2005* makes provision for the closure of meetings to the public and media in specified circumstances. In particular s.10A of the Act provides that Council may close to the public and media so much of a meeting as relates to the discussion and consideration of information identified in s.10A(2). The matters which may be closed to the public and media, as stated in the Act, must involve:

- (a) *Personnel matters concerning particular individuals (other than councillors.)*
- (b) *The personal hardship of any resident or ratepayer.*
- (c) *Information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.*
- (d) *Commercial information of a confidential nature that would, if disclosed:*
  - (i) *prejudice the commercial position of the person who supplied it, or*
  - (ii) *confer a commercial advantage on a competitor of the council, or*
  - (iii) *reveal a trade secret.*
- (e) *Information that would, if disclosed, prejudice the maintenance of law.*
- (f) *Matters affecting the security of the council, councillors, council staff or council property.*
- (g) *Advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the grounds of legal professional privilege.*
- (h) *Information concerning the nature and location of a place or an item of Aboriginal significance on community land.*

In considering whether to close a part of a meeting to the public and media, Councillors are also reminded of further provisions of s.10D of the Act which states:

**Grounds for closing part of meeting to be specified**

- (1) *The grounds on which part of a meeting is closed must be stated in the decision to close that part of the meeting and must be recorded in the minutes of the meeting.*
- (2) *The grounds must specify the following:*
  - (a) *the relevant provision of section 10A (2),*
  - (b) *the matter that is to be discussed during the closed part of the meeting,*
  - (c) *the reasons why the part of the meeting is being closed, including (if the matter concerned is a matter other than a personnel matter concerning particular individuals, the personal hardship of a resident or ratepayer or a trade secret) an explanation of the way in which discussion of the matter in an open meeting would be, on balance, contrary to the public interest.*

Having regard for the requirements stated in s.10D of the Act Councillors should note that the matter listed for discussion in Closed Committee includes information provided by the applicants which is considered to be commercially sensitive.

The recommendation that this item of business be considered in Closed Committee is specifically relied on section 10A(2)(d)(i) of the Act as consideration of the matter involves:

- a) Commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it, and
- b) On balance, the public interest in preserving the confidentiality of the matter outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting.

**RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND OPERATIONAL PLAN:**

**Strategy:** S.15 Promote the effective integration of waste management and recycling services.

**Term Achievement:** S.15.01 Council has an integrated waste management plan that not only meets statutory recycling levels but also meets environmental and community demands.

**Operational Objective:** S.15.01.01 To establish and maintain effective partnerships that deliver an innovative approach that takes advantage of the most practical and sustainable waste management solutions available.

**POLICY IMPLICATIONS:**

Nil.

**CHIEF FINANCIAL OFFICERS COMMENT:**

Nil.

**LEGAL IMPLICATIONS:**

Nil.

**RECOMMENDATION:**

*That the matter be referred to Closed Committee for consideration as:*

- i) the matters and information are 'commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it.' (Section 10A(2)(d)(i) of the Local Government Act, 1993);*
- ii) on balance the public interest in preserving the confidentiality of the information outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting; and*
- iii) all reports and correspondence relevant to the subject business be withheld from access to the media and public as required by section 11(2) of the Local Government Act, 1993.*

**APPENDIX 1**

COUNCIL POLICY:	Civic Recognition Awards
Ref:	S2.2.2 (RES: 111/13)

Contact Officer	Paul Henry, General Manager
Approval Date	20 August, 2013 (Res 111/13)
Approval Authority	Council
Reviewed	
Amended	
Date of Next Review	September 2016

**1 Policy statement**

The Civic Recognition Awards has been instituted by Council to honour individuals or groups that have made a meritorious contribution/achievement to the particular local government area.

**2 Application**

Various forms of recognition have traditionally been utilised by Local Government to honour a contribution/achievement by individuals or groups. Council has adopted a range of awards that are available for Council to honour individuals or groups that have made a meritorious contribution/achievement in this Shire.

**3 Awards**

The comments made under the heading Criteria, Approval Method along with Ceremony and Award are a generalisation of the procedure. These may be varied to reflect Council's intentions in respect of the award.

These various awards are listed in what may be regarded as descending order of prestige.

**HONOUR:****HONORARY FREEMAN OR FREEWOMAN**

The highest form of recognition for bestowing an area's acclamation on a distinguished person. It is an honour of distinction that carries no privileges. Some Local Authorities place a limit on the number of living person that hold this honorary title in order to reserve the distinction.

**Criteria:**

Open to people of any nationality that have made an outstanding and significant contribution to the area; or achieved national/international recognised service in a particular field e.g. social development, equality or justice.

**Approval Method:**

- Nominations by Councillors.
- Selection by resolution of Council. Some councils require a unanimous vote or a two-thirds majority to ensure that no politicisation of the Award can occur.

**Award and Ceremony:**

- Normally a scroll is used to record the Honour and reasons for the Award.
- A special Award Ceremony is held.

**HONOUR:****KEY TO THE CITY****Background:**

Award to acknowledge the contribution of an individual, group or organisation in furthering the "interests" of an area. Used to recognise achievement in sport, entertainment and humanitarian work at a national or international level. Has been used as a marketing and promotional tool to provide an opportunity to focus media attention on the area or for the community to recognise a member of their community.

**Criteria:**

- Open to all individuals of all nationalities, whose achievements have a strong linkage to or benefit to the area and/or the citizens of the area.
- Group/individual with a high national/international profile.
- Acts as an ambassador for the Area.

**Approval Method:**

- Nominations by Councillor or outside parties.
- Resolution of Council.

**Award and Ceremony:**

- A "key" in a presentation form.
- A public event, civic reception or Council Meeting depending on size of crowd expected

**HONOUR:****FREEDOM OF ENTRY****Background:**

This signifies a special relationship between an Australian Defence Force Unit and a local community. It signifies a special bond without the granting of rights or privileges. Highest honour that can be bestowed on a Regiment.

**Criteria:**

- Restricted to Australian Military Units that have a significant attachment to an area.
- Recognises their achievement while on active service or overseas duty.

**Approval Method:**

- Initial approval by resolution of Council.
- Military Unit determines if it wishes to exercise its Right of Entry.

**Award and Ceremony:**

- Certificate of Freedom of Entry.
- Parade of Unit and public presentation of Certificate.

**HONOUR:****Background:****CERTIFICATE OF COMMENDATION**

- Used to recognise significant contributions or outstanding achievements by individuals or groups.
- Not intended to be used as a marketing or promotional opportunity.

**Criteria:**

Any individual or group that has made a notable contribution in their chosen field.

**Approval Method:**

- Suggestions by Councillor, Staff or Community members.
- Determined at the discretion of the Mayor.

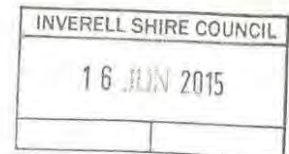
**Award and Ceremony:**

- A certificate.
- A small ceremony at Council or appropriate location determined by the Mayor

**Note:** A Certificate of Appreciation can be issued to recognise years of service (to the organisation or community) at the discretion of the Mayor. This certificate can be presented at an appropriate event.

The terms civic reception and mayoral reception are interchangeable for a function at which the civic honours can be presented. The function has no status in itself, as the status is conferred by the honour to be presented.



**APPENDIX 2**

# Kindamindi Preschool

30-34 Campbell St (P O Box 807) Inverell NSW 2360  
 Phone: (02) 6722 4038 Fax: (02) 6722 2065

29<sup>th</sup> May 2015

Dear Manager

Last year with your generous support you might remember Kindamindi Preschool children held a very successful art show at the Inverell Art Gallery. The children created amazing works that were displayed alongside some of our very talented local artists. It was a magnificent exhibition that was enjoyed by many children, families and community members. The art work was sold through a silent auction throughout the evening and in the weeks that followed. With funds raised last year we were able to have a cubby house built for our children.

This year we are doing it all again. Why do you ask? Kindamindi Preschool is a non-profit community based preschool. We operate not to make a profit but to provide a valuable service to the families and children of Inverell and the surrounding district. What this means is that we have to be inventive to find ways to raise money to keep our wonderful preschool operational and keep up with those ever-increasing costs.

Kindamindi Preschool also believes that being part of the community means supporting others. This year we are raising money to support fees for two children that may not otherwise be able to attend preschool; Westpac Helicopter and Make a Wish Foundation. We would appreciate your assistance in helping us reach these goals.

Our Art Show is our main fundraiser for the year and will be held on the 21<sup>st</sup> August and will run until the 3<sup>rd</sup> of September. This is where we need your help! You can support us in a variety of ways. We can always do with financial support; or support in the way of donating an item that we could use for our raffle or auction; you could choose to donate a voucher, items or a service. We would love to also take this opportunity to invite you to our opening evening on Friday the 21<sup>st</sup> August at 6.30pm at the Art Gallery.

We believe that these early years are the most important developmental years of a child's life and believe that the service we are providing is vital for children and the community.

We thank you for supporting this valuable community service. Please feel free to call Jan or Michele on 67224038 for more information or send us a letter to PO Box 807 Inverell. To say thank you to our sponsors we will be displaying their name on the evening, through our advertising and media promotion as well as through our program.

We look forward to your assistance in helping us make our art show a success and look forward to you joining us on the evening and celebrating our children and their creativity with us.

Yours sincerely

Jan Carr  
Kindamindi Preschool

It takes a community to raise a child

Inverell District Family Services Inc is a Community based not for profit Organisation auspicing:  
 Kindamindi Preschool, Jack and Jill Preschool, Tingha Preschool, Northern Roads Activity Vans, Inverell District Family Day Care, Catherine Campbell Long DayCare Centre, Inverell Toy Library, Inverell Vacation Care, Indigenous Education Strategic Initiatives Program, Warialda Outreach Playgroups, Kingstown Preschool, Ashford Preschool.

Acknowledging funding contributions by:  
 NSW Department of Community Service, NSW Department of Education, the Federal Department of Family & Community Services and the Federal Department of Education, Science and Training.

**TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 08/07/2015**

<b>ITEM NO:</b>	1.	<b>FILE NO:</b> S27.3.2
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure	<b>S</b>
<b>SUBJECT:</b>	<b>FOOTPATH RISK MANAGEMENT</b>	
<b>PREPARED BY:</b>	Stephen Golding, Executive Manager Corporate & Community Services	

**SUMMARY:**

The purpose of this report is to inform Council of the increasing trip incidents in the CBD and the Risk Management strategies that Inverell Shire Council is implementing for Footpath Risk Management.

**COMMENTARY:**

Council is working with its Public Liability Insurer, Statewide Mutual Risk Manager in a project to review and update Statewide Mutual's Best Practice Manual 'Footpaths'. When the project is finalised and the Best Practice Manual 'Footpaths' is approved and adopted by Statewide Mutual, Council will integrate this into its own footpath management strategies.

The review and update of Council's footpath management procedure will be undertaken over the next 12 months including consultation with key stakeholders within the organisation.

In the past 12 months, there has been a rise in customer requests for footpath maintenance, notifications of trips and falls and Public Liability claims being lodged seeking monetary compensation for injuries sustained due to these incidents. Council's Risk Coordinator deals with all Public Liabilities claims and has also experienced an increase in anonymous reports of trips and injuries in the CBD.

Investigations and assessment of these customers requests both formal and informal has identified that the primary cause of trip hazards within the CBD are the result of tree roots moving and lifting pavers and bitumen in parking areas.

With the current CBD environment, Council is challenged with managing these hazards to reduce the level of risk to public safety as well as reducing Council's exposure to Public Liability claims.

As such, Council's effective management of its footpath assets is crucial in identifying trip hazards and arranging remedial works within designated time frames and within Council's resource base. With trips and falls in the CBD being a rising trend, a review of Council's footpath management procedures is being undertaken as part of the 2015/2016 Statewide Mutual Risk Management Action Plan (RMAP). The preparation of the RMAP is a requirement of Council's Public Liability policy. The RMAP identifies risks that are trending and proposes a course of action that either eliminates the risk or mitigates the impacts of the risk.

Council's insurer for Public Liability, Statewide Mutual, has implemented the RMAP to promote targeted risk management strategies and enlist support from Senior Management within the organisation. It is through this process that Council will review our current footpath management procedure in seeking to reduce the number of incidents occurring and provide Council with a means of defence in the event a claim is lodged.



<b>ITEM NO:</b>	2.	<b>FILE NO:</b> S4.12.2
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure	<b>S</b>
<b>SUBJECT:</b>	<b>2013/2014 COMPARATIVE DATA REPORT</b>	
<b>PREPARED BY:</b>	Ken Beddie, Director Corporate and Economic Services	

**SUMMARY:**

The Office of Local Government (OLG) has released its 2013/2014 Comparative Data Report for NSW Councils. The information is provided for the Committee's information.

**COMMENTARY:**

The OLG has released its 2013/2014 Comparative Data Report for NSW Councils. While in previous years an individual report was provided for each Council, the 2013/2014 Report has been presented in Excel Spreadsheet Format. Council's data has been extracted from the report and placed in a table with other Group 11 Councils. The table also includes the NSW industry averages.

A review of the data will show that Council's performance is sound against the industry. The major standout, as in previous years, is Council's Governance and Administration Costs. A review of the data will clearly show that Council's Governance and Administration costs are 50% lower than the Group 11 Council average and also 52% lower than the NSW Councils average. This means that more funds are available for Service and Infrastructure delivery.

A review of the data also clearly shows, as previously advised to Council, that its Water, Sewerage and Waste Charges are significantly below the Group 11 and NSW Council averages.

A copy of the OLG Report and Council's Data is included at Appendix 1 (E3 – E53).

**RECOMMENDATION:**

*That the items contained in the Information Reports to the Economic & Community Sustainability Committee Meeting held on Wednesday, 8 July, 2015, be received and noted.*

## APPENDIX 1



**PROFILE & PERFORMANCE OF THE  
NSW LOCAL GOVERNMENT SECTOR**

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# Measuring Council Performance

## MINISTER'S FOREWORD

The NSW Government and the local government sector are working together to strengthen local government in NSW. To have a strong future, we need strong councils providing the services and infrastructure communities need.

This work includes building a stronger set of local government performance indicators to provide NSW communities with a clear and balanced picture of how effectively and efficiently councils meet local needs.

Building a robust performance measurement framework for the local government sector is a large and important task that is being undertaken in stages.

To date, councils have told us that they support this work and that there is real value in using a consistent set of meaningful performance indicators to promote good practice and drive improvement in key areas.

The NSW Government is pleased to make the information about performance of councils available to their local community.

Ultimately this will empower communities and councils to work together to make the best possible decisions for their future in providing services and infrastructure.



THE HON  
**PAUL TOOLE MP**  
MINISTER FOR LOCAL GOVERNMENT

## CHIEF EXECUTIVE'S MESSAGE

The Office of Local Government is pleased to present the Your Council performance report, as part of our continuing commitment to improve the quality and presentation of annual data collected from councils in NSW.

This Report provides community members with important information about how local government in NSW is currently performing and explains some of the drivers behind this performance.

The Office of Local Government has been working with the sector over the past year to help develop key performance indicators for local government, and this work will continue in 2015. These new performance measures will help councils across NSW to actively manage and improve their organisation's performance and be more accountable to their communities. I would like to thank those councils who have contributed their time and expertise to help to develop the new framework.

I would also like to thank those councils who have contributed to this publication. We will be making further improvements in the coming years and would welcome feedback from the community and councils on the usefulness of the performance measures and any improvements that could be made.



**MARCIA DOHENY**  
CHIEF EXECUTIVE  
OFFICE OF LOCAL GOVERNMENT



# Introduction

## WHY MEASURE AND REPORT ON LOCAL COUNCIL PERFORMANCE?

Councils provide a wide range of services and manage many assets that people in local communities rely upon.

Communities need to have a clear, concise and meaningful picture of their council's performance across key areas to understand how effectively their council is working to look after public assets and deliver local services.

This report provides information in one place about local councils across NSW to help local communities, the local government sector and government regulators understand how well local government in NSW is performing as a whole, and how well individual councils are performing over time and in comparison to similar councils.

In particular, it provides the basis for communities to ask their councils questions about important performance areas such as community leadership, financial sustainability, asset maintenance and service delivery.

## A REPORT IN TRANSITION

This first 'Your Council' Report, (formally The Comparatives Publication on NSW Local Government) is an important tool as we start to build a picture of local government in NSW. This is the 24th year of collecting performance data from councils.

Work is continuing to develop the best possible indicators of council performance across key areas. The data reported will continue to evolve in future editions.

## WHAT IS DRIVING CHANGES TO THIS PUBLICATION?

Changes are being driven by local government reform currently occurring to help make local councils more effective and sustainable in the long term.

This work was triggered through a collaborative NSW Local Government project, Destination 2036, through which councils and the NSW Government agreed on a number of key actions, including the development of a new Local Government Performance Measurement Framework.

Since that time, the Independent Local Government Review Panel and Local Government Acts Taskforce have consulted widely with councils and the community and have provided reports with recommendations for reform to the NSW Government. These reports are publicly available on the Office of Local Government (the Office) website at [www.olg.nsw.gov.au](http://www.olg.nsw.gov.au).

These reports, as well as an earlier NSW Auditor General's report of 2012, have highlighted the need for a core set of financial and non-financial indicators to provide a better picture of councils' overall performance to improve public accountability.



## WHAT PROGRESS HAS BEEN MADE TO DEVELOP NEW PERFORMANCE MEASUREMENT INDICATORS?

The Office is continuing to work with local government to develop key performance indicators under a new Local Government Performance Measurement Framework.

The indicators will help communities to measure important aspects of a council's performance in the four key areas of:



**FINANCIAL  
SUSTAINABILITY**



**COMMUNITY  
LEADERSHIP**



**ASSET  
MANAGEMENT**



**SERVICE  
DELIVERY**

Consultation feedback on a discussion paper, Strengthening Councils and Communities: Building a New Framework for Measuring Performance in Local Government, released between November 2013 and January 2014, has indicated strong support from the sector to develop a performance measurement system around these four key areas.

In particular, councils indicated support for a system that aligns with Integrated Planning and Reporting, provides trend data and meaningful comparison with like councils to help drive improvement, is flexible enough to take local differences and needs into account, and that minimises the overall reporting burden.

Four working groups of council and other experts have developed measures under the key areas of the framework. A fifth working group examined whether and how the NSW Government could coordinate a State-wide community satisfaction survey to feed into the Framework. A working paper will be released for feedback in relation to the performance management framework and indicators.

Consultation feedback is continuing to inform this work. A Strategic Steering Group, made up of senior local government and other representatives, is also providing input on the measures, including whether they provide a balanced picture of council performance that is meaningful and useful to local communities.

The end result will be a core, consistent set of key performance indicators to show a balanced picture of the financial and governance health of councils, how well they deliver functions and services and the management of assets across NSW.

The focus of this work is on using readily obtainable data. Future phases of work may need to occur to refine the Framework, fill data gaps and consider issues such as comparison groupings and benchmarking.



## HOW HAVE COUNCILS BEEN CLASSIFIED AND GROUPED FOR COMPARATIVE PURPOSES?

Councils have been compared, where relevant, with the 'group average'. Council groups (referred to as OLG Groups) are based on the Australian Classification of Local Governments (ACLG) and are determined according to their socio-economic characteristics and their capacity to deliver a range of services to the community. ^

It should be noted that the groupings are based on broad demographic variables. There are often large differences between councils in the same group, as a result this information should not be used as a basis for individual council policy changes.

The Office and the local government sector recognise that the current OLG groupings of councils may need to be revised as part of the performance measurement work being undertaken and the outcomes of the current local government reform process.

## DATA SOURCES

Data for this publication has been sourced from councils' financial statements and grants returns as well as a number of agencies including the Australian Bureau of Statistics (ABS), Department of Planning and Environment, State Libraries and NSW Office of Water.

From time to time, this data may be amended and updated, eg ABS population projections. These population projections are used in calculating the population change and the per capita results in a range of indicators. These figures may be subsequently amended by the ABS in future years. Where possible, the population results in our publications are amended.

The accuracy of this publication is largely dependent upon the accuracy and completeness of data returns lodged by councils. The Office does not separately audit the data but we do conduct extensive testing for validity and reasonableness and some data is from councils' audited financial statements.

^ NSW councils have been compiled into 11 groups instead of 22 categories, because several of the ACLG categories contain either none or only one or two NSW councils.

## IMPORTANT NOTE

The key performance measures in this report, when used on their own, do not give a full picture of a council's performance. Although they show differences between councils across the selected activity areas, they do not explain why these differences have arisen. Conclusions should not be drawn without further qualitative assessment.

When assessing or comparing the performance of councils, it is important to remember that local circumstances can influence how well a council provides its services. There are often good reasons why it is harder or more costly to provide certain services in some local government areas than in others, or why a different mix of services may be delivered. Each council makes its own decision about whether to provide a lower or higher level of services depending on local needs and priorities.

The figures are indicators only and conclusions should not be drawn without qualitative assessments being made. Members of the community are encouraged to contact their council if they would like any further details or explanations regarding individual results.

## DO YOU HAVE ANY FEEDBACK?

If you have any feedback on this report, the framework or suggestions for suitable key performance indicators for future inclusion, please email the Office at [yourcouncil@olg.nsw.gov.au](mailto:yourcouncil@olg.nsw.gov.au).



## The State of Local Government in NSW

A number of significant initiatives have recently been undertaken in relation to local government in NSW. These include:

The Independent Local Government Review Panel Final Report – Revitalising Local Government (October 2013)

Fit for the Future—A Road Map for Stronger, Smarter Councils—the Government’s response to the Independent Local Government Review Panel Final Report

Ongoing development of industry-wide performance indicators via the Local Government Performance Measurement Framework



Each of these initiatives has given the Office and the State Government a direction for the way forward and to assist councils to become financially sustainable and deliver efficient services to their communities.

The NSW Government has a vision to rebuild our State and deliver a strong future for the people of NSW by having strong councils providing the services and infrastructure that communities need.

This part of the report presents an overview of the current status of the NSW local government sector.

## NSW LOCAL GOVERNMENT AT A GLANCE

The local government sector comprises 152 general purpose councils and their physical size and population density characteristics vary, ranging from densely populated urban councils to remote, rural councils.

The largest council in area is Central Darling which covers **53,534km<sup>2</sup>**, with the smallest being Hunters Hill at **5.7km<sup>2</sup>**. Similarly, population size varies enormously with Urana Shire Council having **1,157 residents**, while Blacktown City Council has **325,185 residents**.

Local councils make a significant contribution to the NSW economy. As an industry, local government is custodian of over \$139 billion worth of assets, it contributed more than \$7.5 billion to the economy during 2013/14 and directly employs more than 45,000 people.

Table 1 outlines some of the changes that have occurred within the local government sector over the past 10 years, including changes in activities undertaken and services provided by councils.

There have been no amalgamations in the past 10 years, with the number of general purpose councils remaining at 152. The reduction in the total number of councillors during this time was due to some councils holding a referendum to reduce councillor numbers. Also in 2006 and 2011, legislation allowed councils to reduce councillor numbers without a referendum. Despite this, employment in the sector (as measured by full time equivalents) has increased by 6% over the same 10 year period.

The number of people receiving the pensioner rate rebate increased over the past 10 years. This reflects the overall increase in the proportion of the NSW population aged over 65, which increased from 962,800 (13.8%) to 1,123,967 (15%) over the same period.

The amount and scope of infrastructure provided by councils has also grown in the past ten years, with councils adding over 1,854km of roads to their networks, and providing an additional 289 community centres and halls. While the number of public swimming pools under council ownership has fallen marginally, this may reflect a 'consolidation' toward larger centralised aquatic centres.

Councils also undertake a large range of regulatory functions, including inspections of food and other premises, such as hairdressers and tattooists. These activities have grown significantly over the last 10 years, as reflected by the growth in the number of regulated establishments.

Another important role of councils relates to planning and development. In 2013/14, the total number of development applications determined was 42% lower than in 2005/06 (when data was first collected). This is partially due to the use of council planning instruments being replaced with the Codes SEPP (State Environmental Planning Policy) for exempt and complying developments. There has also been an increase in the number of private certifier determinations. Private Certifiers determined 24% of development in 2013/14.

It should be noted, however, that while the number of development applications determined has fallen since the collection of data in 2005/06, the total value of approved developments has increased by 28.4% to \$25.689 billion.



**TABLE 1**NSW LOCAL GOVERNMENT  
INDICATORS OF CHANGE

	2004/05	2009/10	2013/14	% of Change 2004/05 to 2013/14
<b>NSW Population</b>	6,650,735	7,053,753	7,410,399	11.42%
<b>Number of Councils</b>	152	152	152	0.00%
<b>Number of Councillors</b>	1,567*	1,525#	1,480**	-5.55%
<b>Equivalent Full Time Staff</b>	42,219	44,588	44,846	6.22%
<b>Number of Pensioner Rebates</b>	451,454	457,412	475,431	5.31%
<b>Open Space (ha)</b>	154,663	129,047	150,696	-2.57%
<b>Public Pools</b>	485	468	464	-4.33%
<b>Community Centres &amp; Public Halls</b>	1,498	1,606	1,787	19.29%
<b>Length of Roads (km)</b>	163,782	165,052	165,636	1.13%
<b>Number of DAs determined</b>	105,225##	71,550	60,791	-42.23%
<b>Value of DAs determined</b>	\$20 B##	\$17.03 B	\$25.69 B	28.44%
<b>Number of Food Premises requiring inspection</b>	39,503	42,566	45,103	14.18%
<b>Levee Banks Maintained (km)</b>	582	597	586	0.78%
<b>Average Council Revenue Per Capita (\$)</b>	951.61	1,338.72	1,518.18	59.54%
<b>Average Council Expenses Per Capita (\$)</b>	921.57	1,187.67	1,359.57	47.53%

\* Following 2004 election  
# Following 2008 election  
\*\* Following 2012 election  
## 2015/16



## How is the NSW Local Government Sector Performing Financially?

### OVERALL OPERATING RESULT

The Office monitors councils' financial performance against a range of indicators each year. These results had formed a large component of previous Comparative Information reports prepared by the Office.

Local Government entities are required by legislation to prepare annual audited financial statements. The financial statements must be independently audited and an audit opinion expressed on each report.

In 2012, the Office engaged NSW Treasury Corporation (TCorp) to undertake a financial sustainability review of all general purpose councils in NSW.

TCorp noted that, to address the expected continued deterioration in their financial position, councils will require extensive consultation processes with the community to consider a combination of revenue increases, expenditure reductions and service level reviews. Most councils have, during 2013/14, continued to actively address these issues by focusing on financial sustainability and improving their results.

The benchmarks adopted do not necessarily represent a pass or fail in respect of any particular area, and it is acknowledged that councils have significant differences in their size and population density.

Trends in results against the benchmarks are important, as well as the overall performance against all the benchmarks. It is also important to note that not one benchmark fits all. Detailed information regarding the benchmarks, quantitative measurement and definitions can be found on the Data Page of the website.

In response to the Independent Local Government Review Panel recommendations, the Office has developed criteria and certain benchmarks for a Fit for the Future council. These have been based on the work of TCorp and the Independent Panel and have been reviewed by the Independent Pricing and Regulatory Tribunal (IPART).

The Fit for the Future criteria and benchmarks align, in most instances, with the indicators presented in this report.



## OPERATING PERFORMANCE RATIO

The operating performance ratio measures a council's achievement in containing operating expenditure within operating income. Figure 1 shows the operating results for the 152 general purpose councils for the past 5 years.

An operating deficit before capital occurs when total expenses are greater than total revenue (excluding all capital amounts). This includes a council's day to day income and expenses. Total expenses include depreciation, amortisation and impairment. The ratio is calculated by the total continuing operating revenue (excluding capital grants and contributions) less operating expenses, divided by total continuing operating revenue (excluding capital grants and contributions).

The number of councils recording an operating deficit before capital increased in 2013/14. This is largely due to the decision of the Federal Government to roll back the advanced payments of the Financial Assistance Grants (FAGs). As indicated in Figure 1, 111 councils (73%) reported deficits for 2013/14 compared with 98 councils (64%) for 2012/13.

Table 2 shows that the operating performance ratio state average has deteriorated from -5.0% in 2012/13 to -8.76% in 2013/14. All regions reported a deterioration in this ratio, which may indicate the significance that FAGs contribute to local government.

Deficit amounts for individual councils ranged from \$328,000 to \$26 million and the total amount of deficits totalled \$535.4 million. 60% of those councils reporting a deficit reported amounts of greater than \$2.5 million. The gap between operating revenue and expenditure translated into a net operating deficit of \$359.4 million for the sector. This is a decline of \$106.3 million from the previous year's net operating deficit of \$253.1 million.

Councils are encouraged to budget for surplus results and to take into account the condition and maintenance requirements of assets in this process.



**FIGURE 1**  
NUMBER OF COUNCILS WITH OPERATING SURPLUS/DEFICIT RESULTS

**TABLE 2**  
AVERAGE FINANCIAL RESULTS 2013/14

	State Average	Metropolitan*	Metropolitan Fringe*	Regional Town/City*	Large Rural*	Rural*	Benchmark
<b>Operating Performance (%)</b>	-8.76	-0.88	-5.31	-7.85	-12.92	-15.19	>0%
<b>Cash Expenditure (months)</b>	9.79	8.24	9.30	10.10	10.91	10.63	>3.0
<b>Own Source Revenue (%)</b>	70	83	74	74	65	55	>60%
<b>Unrestricted Current Ratio</b>	3.61	3.35	3.53	2.75	4.16	4.47	>1.5:1
<b>Debt Service Ratio (%)</b>	4.29	2.04	5.37	8.46	3.69	1.96	>0 - <20%
<b>Debt Service Cover Ratio</b>	82.69	272.13	2.70	3.58	13.79	111.87	>2.0
<b>Rates &amp; Annual Charges Outstanding (%)</b>	6.25	3.40	4.67	5.49	7.27	10.28	<5% Metro <10% Rural

## UNRESTRICTED CURRENT RATIO (UCR)

The unrestricted current ratio measures the adequacy of working capital and the ability of a council to satisfy its obligations in the short term. It does not include externally restricted activities such as water, sewer or specific grants and contributions. UCR is calculated by current assets less all external restrictions divided by current liabilities less specific purpose liabilities.

An UCR of 4.45 means that council has \$4.45 in unrestricted current assets to meet each \$1.00 of unrestricted current liabilities. A ratio of less than 1.5 is considered unsatisfactory and could indicate, along with other financial indicators, that the council may face some financial risk.

The State average has decreased from 4.0 in 2012/13 to 3.6 in 2013/14, with only the metropolitan councils improving slightly in 2013/14. UCRs ranged from 0.05 to 15.79.

## OWN SOURCE REVENUE RATIO

Own source revenue ratio measures financial flexibility. It indicates the degree of reliance on external funding sources such as operating and capital grants and contributions received by councils. A council has improved financial flexibility with a higher level of own source revenue.

This ratio has seen an increase from 2013/14, with all regions improving. Own source revenue ranged from 29.8% to 92.9%, with 84% of councils reporting greater than 60% of own source revenue. This significant change can largely be attributed to the reduction in amount of FAGs received by councils in 2013/14, rather than an increase in own source revenue.

Own source revenue is calculated by total continuing operating revenue less all grants and contributions divided by total operating revenue including all grants and contributions.



## RATES & ANNUAL CHARGES OUTSTANDING RATIO

This ratio assesses the impact of uncollected rates and annual charges on liquidity and the efficiency of councils' debt recovery. Some councils may have agreements in place to assist ratepayers in an attempt to reduce the debt owed to council. The ratio measures rates and annual charges outstanding against the total amount of rates and charges levied by council.

Councils' outstanding rates and annual charges ratio ranged from 0.63% to 19.2%. The average for all outstanding rates and annual charges was 6.5%. The benchmark for outstanding rates is <5% for city and coastal councils and <10% for rural areas.

The actual amount of rates and charges outstanding in the state has increased by 15% since 2009/10, although the total amount outstanding in 2013/14 reduced to \$285 million compared \$296 million in 2012/13.

Possible reasons for the increase in rates outstanding in recent years could be due to the prevailing economic climate, as well as the effectiveness of councils' debt recovery procedures and policies. Severe drought conditions within NSW over the past 10 years may have influenced the results. Councils should have a debt recovery policy and a hardship policy in place and should ensure that any outstanding amounts are actively pursued, in the context of the policies.



## DEBT SERVICE COVER RATIO

The ratio measures the availability of operating cash to service debt including interest, principal and lease payments. Research commissioned by the Independent Local Government Review Panel found that generally NSW councils have comparatively low levels of debt. Councils have approximately twice as many financial assets as they do outstanding borrowings.

It appears that some councils may have a debt free policy, as well as significant capacity to repay additional debt, yet continue to report infrastructure backlogs. Nineteen councils reported they have no debt.

The ratio is calculated by operating results before capital, excluding interest, depreciation, impairment and amortisation divided by the principal repayments and interest costs.

The benchmark for this ratio is greater than 2.0. The higher the ratio, the greater the capacity for a council to take on and service additional debt. Metropolitan and Rural councils have the greatest capacity to repay additional debt, with the results for these councils well above the benchmark and the State average of 82.69.

## DEBT SERVICE RATIO

Debt service ratio indicates the amount of general income that is used to repay debt and interest charges. This ratio forms part of councils' Fit for the Future assessment. Prudent and active debt management is a key part of a council's approach to both funding and managing infrastructure and services over the long term. Debt usage can also assist in smoothing funding costs and promoting intergenerational equity.

The repayment of debt costs ranged from 0% to 25% of councils' income. The benchmark is greater than 0% and less than 20%. All groups of councils reported results at the lower end of the benchmark, which indicates that most councils may be using debt to address infrastructure backlog. Metropolitan, Large Rural and Rural councils are below the state average result of 4.29%.

The debt service ratio is calculated by cost of debt service (interest and principal repayment) divided by total continuing operating revenue (excluding capital grants and contributions).

## CASH EXPENSE RATIO

This ratio indicates the number of months a council can continue paying for immediate expenses without additional cash inflow.

The State average has improved in 2013/14 from 5.4 to 9.8 months. Metropolitan Fringe councils reported the greatest improvement from 3.1 in 2012/13 to 9.3 in 2013/14. The calculation of this ratio in 2013/14 included term deposits, which had been excluded previously and may be a contributing factor in the improvement.

The ratio is calculated by current year's cash and cash equivalent (including term deposits) divided by the cash flow payments of operating and financing activities.

## REVENUE AND EXPENDITURE

Councils' total revenue including capital grants and contributions for 2013/14 was \$11.250 billion (operating revenue was \$9.715 billion) and total expenditure was \$10.075 billion.

The major source of revenue for councils is rates and annual charges. This includes residential, business, farming and mining rates, along with any special rates charged by councils. Annual charges include domestic waste, other waste charges, water, sewer and stormwater management.

User charges and fees include activities such as water usage, drainage, parking fees, caravan parks, leisure centres, child and aged care services, building and regulatory services and private works.

Employee costs are the greatest expense to councils and include wages, salaries, leave entitlements, superannuation, workers compensation, fringe benefits and payroll tax.

Materials and contracts is also a large expense item for councils. Materials and contracts consist of raw materials, contractor and consultancy costs, audit services and legal fees.

Depreciation is a non cash expense that converts the capital cost of an asset

into an operational expense. It reduces the value of assets as a result of wear and tear, age or obsolescence. Assets must be replaced or renewed at the end of their useful life.

The 22% of expenditure on depreciation indicates the assumed amount of asset usage that has occurred during the year in the process of providing services.

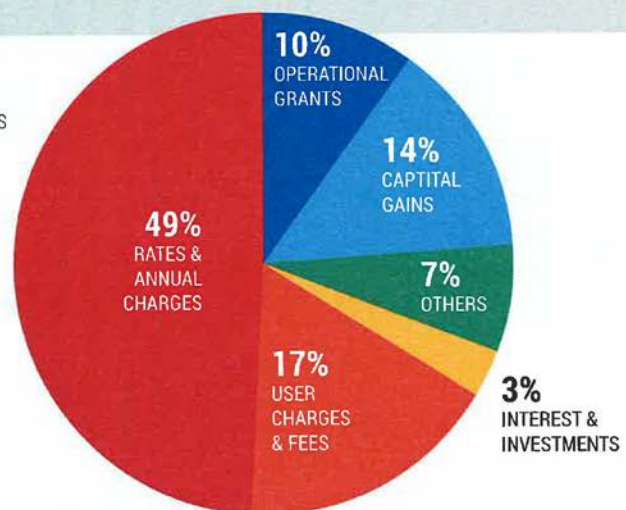
(\$M)	2010/11	2011/12	2012/13	2013/14
<b>Total Assets</b>	126,433	129,789	134,272	139,636
<b>Total Liabilities</b>	5,526	5,732	6,037	6,293
<b>Total Net Infrastructure Assets</b>	117,634	120,392	124,065	128,790
<b>Borrowings</b>	2,896	2,967	3,218	3,342
<b>Cash &amp; Investments</b>	6,270	6,777	7,425	7,726
<b>Total Revenue (excl capital grants and contributions)</b>	8,811	9,340	9,653	9,715
<b>Total Expenditure</b>	9,343	9,607	9,905	10,075
<b>Operating Results (before capital grants and contributions)</b>	-532	-267	-252	-359

**TABLE 3**

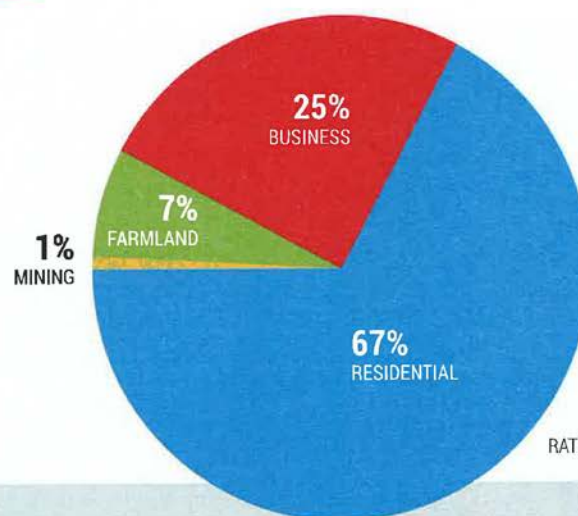
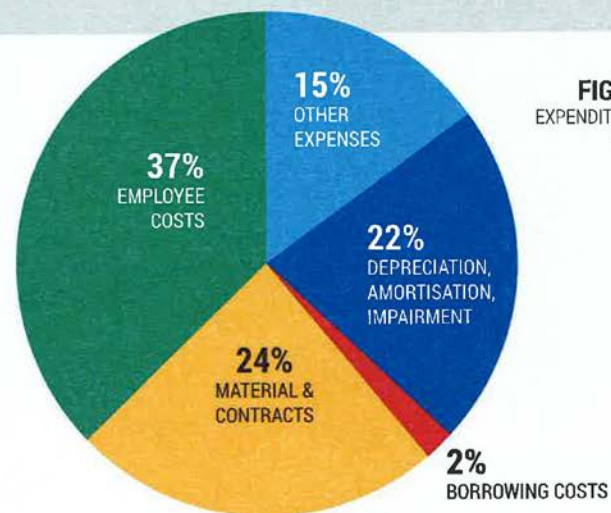
NSW LOCAL GOVERNMENT,  
KEY AGGREGATE FINANCIAL  
RESULTS 2010/11 – 2013/14



**FIGURE 2**  
REVENUE SOURCES  
FOR 2013-14



**FIGURE 3**  
EXPENDITURE FOR  
2013/14



**FIGURE 4**  
RATING REVENUE 2013/14

## RATING REVENUE

All rateable land within a council area is to be categorised into one of four categories - residential, farmland, business or mining. The Local Government Act 1993 sets out the criteria councils are to apply when determining the appropriate category for land. Councils may also subcategorise parcels of land.

Rates may be calculated in one of three ways:

- entirely on the land value of the property
- on a combination of the land value of the property and a fixed amount per property
- entirely on the land value, but subject to a minimum amount.

Figure 4 illustrates the proportion of rating income councils received from each rating category in 2013/14. Residential properties contributed the largest share (67%), followed by business (25%). This distribution has been constant for a number of years.

The relative contribution by rating category varies significantly between councils, and is influenced by factors such as location, economic activity, council policies and land valuation.

Councils may increase their general rates income each year by the rate-pegging limit, which is determined by the Independent Pricing and Regulatory Tribunal (IPART). For 2013/14, the limit was set at 3.4%. The rate peg applies to a council's total rating income, not to individual parcels of land. Rates for individual parcels will change depending on changes in the relative land value and the rating structure of a council. Councils may apply to IPART for a rate increase above the rate-pegging limit. In 2013/14, 23 councils were given approval to increase their rates by more than the rate peg limit. (See IPART's website for further details [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au))

Figure 5 shows the change in total income from residential, farmland, business and mining rates categories over the five years 2009/10 to 2013/14.

Over this period:

- total rates income from residential ratepayers increased by 18.5% (an average of 3.7% per year)
- income from farmland properties increased by 15.3% (an average of 3.1% per year)
- income from the mining category increased by 51.6% (an average of 10.3% per year)
- total business income from rates increased by 21% (an average of 4.1% per year)

**FIGURE 5**  
RATING REVENUE SOURCES  
2009/10–2013/14





## FINANCIAL PERFORMANCE

Table 4 shows an aggregate financial performance result for the NSW local government sector for 2013/14.

The table shows a reduction of \$375M from 2012/13 in the amount of operating grants and contributions paid, as well as a reduction of \$42M in interest revenue. These results have been influenced by the interest rates in the current economic climate, as well as the winding back of the FAGs payments.

Impairment expenses were also reduced by \$11M, possibly due to the reduction in the number of natural disasters occurring in 2013/14.

**TABLE 4**  
WHOLE OF SECTOR FINANCIAL  
PERFORMANCE 2013/14

Income from continuing operations	(\$M)	Diff from 2013/14 - 2012/13 (\$M)
<b>REVENUE</b>		
Rates and annual charges	5,466	284
User charges and fees	1,965	120
Interest and investment revenue	356	-42
Other revenues	648	46
Grants & contributions provided for operating purposes	1,183	-375
Grants & contributions provided for capital purposes	1,535	149
<b>OTHER INCOME</b>		
Net gain from the disposal of assets	91	30
Net share of interests in joint ventures & associates using the equity method	6	-1
<b>Total income from continuing operations</b>	<b>11,250</b>	<b>211</b>
<b>EXPENSES FROM CONTINUING OPERATIONS</b>		
Employee benefits and on-costs	3,724	129
Borrowing costs	225	9
Materials and contracts	2,473	6
Depreciation and amortisation	2,183	21
Impairment	2	-11
Interest and investment losses	0	0
Net loss from the disposal of assets	71	-30
Net share of interests in joint ventures & associates using the equity method	1	0
Other expenses	1,396	46
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>	<b>10,075</b>	<b>170</b>
<b>OPERATING RESULTS FROM CONTINUING OPERATIONS</b>	<b>1,175</b>	<b>41</b>
<b>NET OPERATING RESULT FOR THE YEAR BEFORE CAPITAL GRANTS AND CONTRIBUTIONS</b>	<b>-359</b>	<b>-107</b>

## Services Provided by Your Council

Councils provide a variety of services to residents, ratepayers and visitors to their area. Some of these services are provided on a user pays basis, while others are funded through a council's rating income and grants. Ultimately, the decision to provide a particular service and the level of this service is at the discretion of each council in consultation with the community.

## KEY SERVICE TYPES

Table 5 describes the key service types provided by councils. A number of factors affect the delivery and efficiency of each service, while local policies also determine the level of services provided. Some of the factors determining the cost and range of these services include:

- the population mix
- the availability of funding
- socio-economic factors
- the number and range of services provided
- council's cost allocation practices
- council policies
- short term programs

**TABLE 5**  
KEY SERVICES

SERVICE TYPE	DESCRIPTION OF SERVICE
<b>Governance &amp; Administration</b>	Council's role as a democratic government, including elections, members' fees and expenses, meetings of councils and policy making committees, area representation and public disclosure and compliance, corporate support and other support services, engineering works and any council policy compliance.
<b>Public Order, Safety &amp; Health</b>	Fire services, fire protection, emergency services, beach control, enforcement of local government regulations and animal control.
<b>Environment</b>	Noxious plants and insect/vermin control, environmental protection, solid waste management, street cleaning, drainage and stormwater management.
<b>Community Services, Education &amp; Housing</b>	Administration and education, social protection (welfare), aged, disabled and children's services, public cemeteries and conveniences, street lighting, town planning and other community amenities.
<b>Water &amp; Sewer</b>	The provision of water and sewer services.
<b>Recreation &amp; Culture</b>	Libraries, museums, art galleries, community centres, halls and performing arts, sporting grounds and venues, swimming pools, parks and gardens and other sporting and recreation facilities.
<b>Roads, Bridges &amp; Footpaths</b>	The provision of roads, bridges and footpaths.
<b>Other Services</b>	Services such as caravan parks, economic activities, agriculture, building control, aerodromes and communication.



## EXPENDITURE ON SERVICES

Figure 6 provides an indication of the average relative breakdown of expenditure for NSW councils by service type.

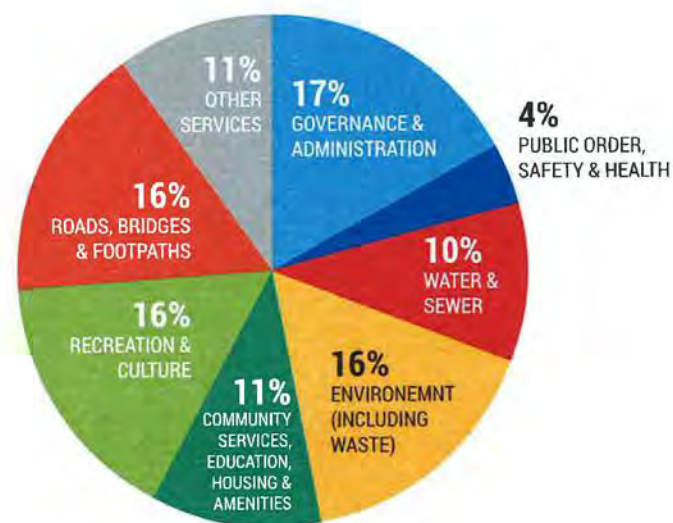
On average, governance and administration represents the largest component at 17%, followed by roads, bridges and footpaths 16%, the environment 16% and recreation and culture 16%.

Some care needs to be exercised when drawing conclusions about these results. While water and sewer represents 10% of average expenditure, only 65% of councils provide these services. No metropolitan councils provide water and sewer and in some regional and rural areas, the services are provided by county councils. In addition, depending on councils' costing methods, the governance and administration category includes a range of indirect costs, such as payroll associated with providing other services.

In some cases, councils have made deliberate decisions to provide lower or higher levels of services, according to local needs.

These limitations do not, however, invalidate comparisons. Communities have the right to see how their councils compare with others and how efficiency, economy and resource allocation varies from council to council. Such comparisons provide communities and councils with the opportunity to question why such differences exist.

Ultimately, councils should know, and should be able to demonstrate to their community, that they are providing services effectively, efficiently and that such services meet their community's needs.



**FIGURE 6**  
EXPENDITURE BY SERVICES 2013/14



Table 6 provides an overview of the average cost per capita of delivering core services, by the different council types.

Key observations are:

- Rural councils generally have far greater costs per capita due to their relatively smaller population.
- Road related expenditure is far greater in rural areas due to the significant larger road networks.

- Metropolitan and Metropolitan Fringe councils have lower per capita expenditure primarily due to economies of scale.
- Expenditure per capita can vary due to councils' decisions in relation to number and size of services provided.
- Metropolitan councils do not provide water and sewer services.
- Many rural councils provide 'Other Services' such as landing strips, aerodromes and agriculture services that are not provided by most other councils.

	Governance & Administration \$ per capita	Public Order, Safety, Health \$ per capita	Water & Sewer \$ per capita	Environment (including waste) \$ per capita	Community Services, Education, Housing & Amenities \$ per capita	Recreation & Cultural \$ per capita	Roads, Bridges & Footpaths \$ per capita	Other Services \$ per capita
<b>State Average</b>	227.24	61.49	140.42	218.71	145.87	216.14	219.16	131.65
<b>Metropolitan</b>	243.71	59.50	n/a	200.84	135.08	206.12	106.09	71.67
<b>Metropolitan Fringe</b>	129.30	45.34	120.34	194.32	140.06	172.72	154.02	74.63
<b>Regional Town/City</b>	223.24	60.75	299.41	260.87	139.88	248.21	293.72	182.96
<b>Rural</b>	714.91	184.80	454.25	231.84	384.32	340.26	1,336.61	742.27
<b>Large Rural</b>	362.14	110.93	424.95	227.78	230.68	258.62	711.76	407.77

**TABLE 6**  
PER CAPITA EXPENDITURE BY SERVICE TYPE 2013/14

## Managing Community Assets

NSW councils own and control assets with a total value of over \$139 billion. These assets include cash, investments, infrastructure, plant and equipment, receivables, inventory and intangible assets. As indicated in Figure 7, the largest component of councils' asset base is infrastructure, with a net value of over \$83 billion. Roads and related assets (eg bridges and footpaths) make up more than 50% of infrastructure assets.

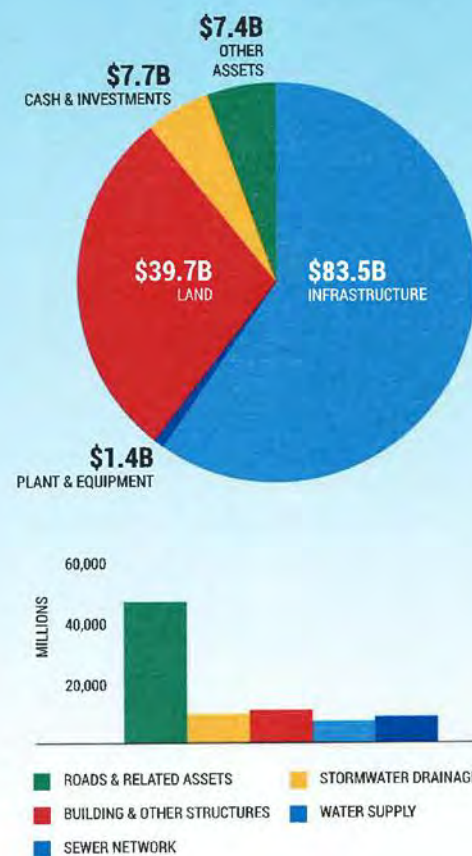
Strong and sustainable communities that optimise the use of public resources is what the residents and rate payers of NSW are looking for. As a result, the management of these assets, and in particular infrastructure assets is an extremely important component of a council's function.

During 2012/13, the Office undertook a detailed review of the infrastructure backlog of NSW councils, their infrastructure management processes, practices, future infrastructure requirements and funding strategies.

In terms of infrastructure management processes and practices, the audit found there has been an increased focus and commitment to infrastructure management by councils over recent years and as a result, there is improving confidence in the information being reported by councils.

The audit found that many councils across the State are managing their infrastructure well, with the remainder substantially on their way to implementing required asset management processes and practices in accordance with their community strategic plan, four year delivery plan and annual operational plan. Councils prepare and review the resourcing strategy which contains asset management plans, long term financial plan and the workforce management plan. It is anticipated that these documents will progressively be enhanced following each review.

The recent focus on councils' financial sustainability has meant that councils have better information upon which to manage their infrastructure backlog.



**FIGURE 7**  
COUNCIL ASSETS 2013/14



## ESTIMATED COST TO BRING ASSETS TO A SATISFACTORY STANDARD (BTS)

The improved information and greater focus on asset management has been reflected in a reduction in the estimated cost to bring assets to a satisfactory standard (referred to as the 'infrastructure backlog').

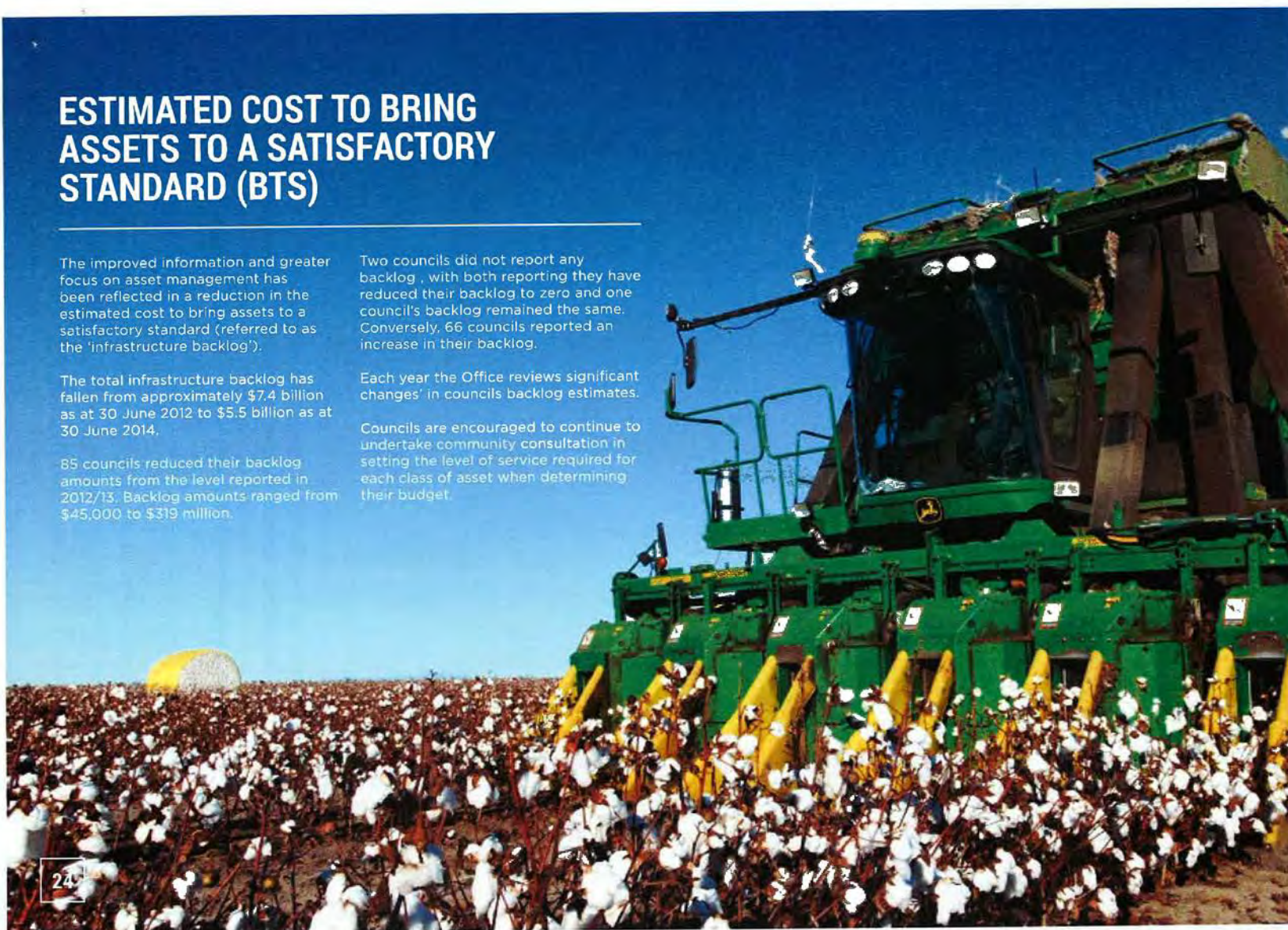
The total infrastructure backlog has fallen from approximately \$7.4 billion as at 30 June 2012 to \$5.5 billion as at 30 June 2014.

85 councils reduced their backlog amounts from the level reported in 2012/13. Backlog amounts ranged from \$45,000 to \$319 million.

Two councils did not report any backlog, with both reporting they have reduced their backlog to zero and one council's backlog remained the same. Conversely, 66 councils reported an increase in their backlog.

Each year the Office reviews significant changes in councils backlog estimates.

Councils are encouraged to continue to undertake community consultation in setting the level of service required for each class of asset when determining their budget.





## ASSET MAINTENANCE EXPENDITURE

Asset maintenance is essential to ensure assets continue to meet their service delivery requirements. Councils are required to have asset management plans that set out annual maintenance requirements to keep assets at their existing condition. If actual maintenance expenditure is less than the estimated required annual maintenance a council may not be investing enough funds within the year to stop its infrastructure backlog from growing.

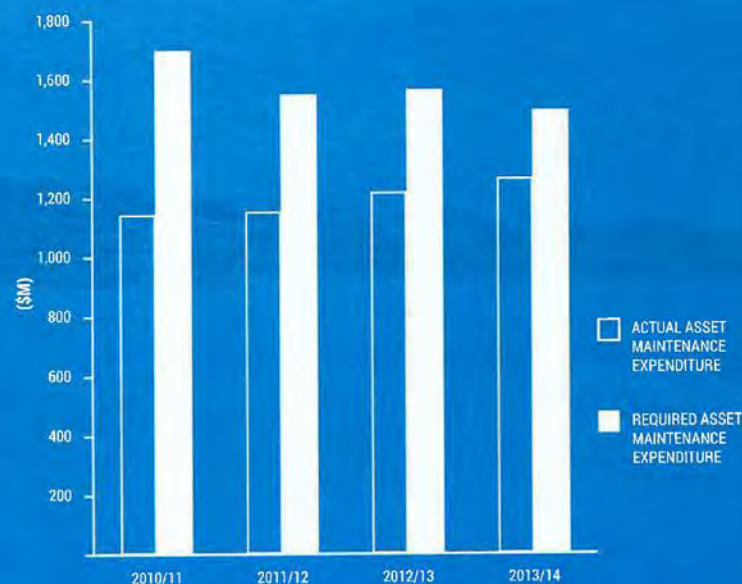
The average asset maintenance ratio has improved marginally from 91.1% in 2012/13 to 91.2% in 2013/14. A measure of 100% indicates council is investing sufficient funds to ensure the backlog does not increase.

The gap between actual maintenance and required maintenance indicates the difference between what individual councils' asset management plans project should be spent on infrastructure to keep it in its existing condition and what they actually spend. This data comes from Special Schedule 7 of the Annual Financial Statements. The Schedule is not required to be audited and some

councils do not include this data in their statements. In future years this information will be audited.

Shortfalls in maintenance expenditure for individual councils ranged from \$3.570 to \$24 million. 67% of councils reported a shortfall in asset maintenance expenditure with 10% of councils reporting an underspend of greater than \$5 million. The total net amount of this shortfall for all councils was \$234.2 million in 2013/14, compared to \$345.8 million in 2012/13. This reduction reflects both an increase in actual maintenance expenditure by councils (\$8.3 million) and a reduction in councils' estimated required annual maintenance (\$9.8 million).

Had the estimated required maintenance been fully implemented by all councils during the year, this would have had the effect of maintaining the infrastructure in the current condition. The cost of bringing councils' infrastructure to a satisfactory standard may increase as a result of any shortfall of actual maintenance to estimated maintenance. Figure 8 shows the difference between actual and required asset maintenance expenditure.



**FIGURE 8**  
ACTUAL ASSET MAINTENANCE EXPENDITURE COMPARED  
TO REQUIRED ASSET MAINTENANCE EXPENDITURE



## BUILDING AND INFRASTRUCTURE RENEWAL RATIO

The building and infrastructure renewal ratio assesses the rate at which assets are being renewed against the rate at which they are depreciating. Renewal is defined as the replacement of existing assets to equivalent capacity or performance capability, as opposed to the acquisition of new assets. A result of greater than 100 is considered satisfactory. It is calculated by the amount of asset renewal divided by the amount of depreciation.

The State average improved to 87% in 2013/14, with 47 (31%) councils reporting a result of 100% or greater.

While results below the benchmark generally indicate that councils need to increase funding on infrastructure renewal to maintain assets, renewal of assets depends on the types of services and level of services to be provided in the future, as well as the age and condition of the asset. Consequently the renewal expenditure may vary from year to year. This ratio needs to be considered in conjunction with other financial indicators in determining a council's financial position and sustainability.



## INFRASTRUCTURE BACKLOG RATIO

The infrastructure backlog ratio shows the infrastructure backlog as a total written down value of a council's infrastructure. The ratio is calculated by the estimated cost to bring assets to a satisfactory standard divided by the written down value of the assets.

116 councils reported a backlog ratio of greater than 2%, where less than 2% is considered the benchmark. The infrastructure backlog ratios ranged from 0% to 84%, with the State average being 8.7%. This is a reduction from 10% in 2012/13. All regions except Rural councils reported an improvement in 2013/14.

Table 7 provides a snapshot of the infrastructure results for 2013/14.

- Regional Town/City councils have the largest infrastructure backlogs in total dollar terms, with an average backlog of \$63.5 million, with Metropolitan Fringe councils having an average backlog of \$48.7 million
- While Rural councils have the lowest backlog in total dollar terms, on a per capita basis their average backlog of \$3,616 per capita is above the State average
- Large Rural councils have an average backlog per capita of \$2,675
- Metropolitan councils have considerably lower infrastructure backlogs (\$314 per capita), primarily due to their larger populations and small road networks
- In terms of annual maintenance, Regional Town/City councils are spending 83.6% of what they believe is required, compared with the State average of 91%
- Metropolitan Fringe councils are spending 101.6% of the required maintenance expenditure.

**TABLE 7**  
INFRASTRUCTURE RESULTS 2013/14

	NSW Average	Metropolitan	Metropolitan Fringe	Regional Town/City	Rural	Large Rural
<b>Total Cost to bring to satisfactory condition (backlog)</b>	\$36.04m	\$32.420m	\$48.676m	\$63.455m	\$10.886m	\$26.547m
<b>Backlog per capita</b>	\$739.61	\$314.24	\$357.60	\$1,137.13	\$3,616.08	\$2,675.28
<b>Total Required Annual Maintenance</b>	\$9.848m	\$11.894m	\$20.053m	\$15.489m	\$2.729m	\$5.193m
<b>Total Actual Annual Maintenance</b>	\$8.316m	\$10.325m	\$18.955m	\$12.001m	\$2.952m	\$4.441m
<b>Difference between required and actual maintenance</b>	\$1.532m	\$1.57m	\$1.098m	\$3.488m	\$136,917	\$751,942
<b>Infrastructure Backlog (%)</b>	8.7	6.5	5.4	7.6	7.8	12.4
<b>Asset Maintenance (%)</b>	91.2	91.8	101.5	83.6	97.2	91.4
<b>Building &amp; Infrastructure Renewal (%)</b>	87.0	93.9	83.7	69.9	113.4	82.8

Table 8 shows the aggregate financial position result for the NSW local government sector for 2013/14. There has been an increase in net assets of \$5M from 2012/13.

**TABLE 8**  
WHOLE OF SECTOR FINANCIAL  
POSITION 2013/14

Current Assets	(\$M)	Diff from 2013/14 - 2012/13 (\$M)
Cash and cash equivalents	1,796	-632
Investments	4,136	641
Receivables	1,037	104
Inventories	192	-11
Other	38	-25
Non-current assets classified as held for sale	408	244
<b>Total Current Assets</b>	<b>7,607</b>	<b>321</b>
<b>NON-CURRENT ASSETS</b>		
Investments	1,853	297
Receivables	98	-75
Inventories	70	-3
Infrastructure, property, plant and equipment	128,790	4,724
Investment property	1,109	95
Intangible assets	105	7
Other	4	-1
<b>Total Non-current Assets</b>	<b>131,970</b>	<b>4,985</b>
<b>Total Assets</b>	<b>139,576</b>	<b>5,305</b>
<b>CURRENT LIABILITIES</b>		
Payables	1,209	91
Borrowings	299	10
Provisions	1,248	3
<b>Total Current Liabilities</b>	<b>2,756</b>	<b>104</b>
<b>NON-CURRENT LIABILITIES</b>		
Payables	20	-9
Borrowings	3,044	115
Provisions	473	46
<b>Total Non-current Liabilities</b>	<b>3,537</b>	<b>152</b>
<b>Total Liabilities</b>	<b>6,293</b>	<b>256</b>
<b>Net Assets</b>	<b>133,283</b>	<b>5,049</b>



## LOCAL INFRASTRUCTURE RENEWAL SCHEME (LIRS)

**Investment in infrastructure has the capacity to stimulate and enhance the productivity of the economy in both the short and long term. It is an investment that has a multiplier effect throughout the economy, generating lasting economic, social and environmental benefits.**

Traditionally, the focus on infrastructure asset management was the provision of new assets such as roads, water and sewerage networks, airports, entertainment centres and the like. However, it is becoming more and more apparent that it is no longer sustainable to

focus on meeting infrastructure needs through investment in the creation of new assets alone, without recognising the long-term lifecycle costs associated with the ongoing operation, maintenance and renewal of existing assets. As indicated, councils are struggling to keep up with maintenance and renewal of their assets to a level that is satisfactory to their community.

The Local Infrastructure Renewal Scheme (LIRS) provides councils with a subsidy in interest costs to make it affordable to take out major bank loans to assist councils with legitimate infrastructure backlogs to help meet the cost of financing renewals. LIRS is an important program for encouraging councils to manage and maintain local infrastructure.

This investment in debt funding has been proven to be far less expensive than paying for the long-term recurring maintenance requirements of deteriorating assets. Borrowings under LIRS can be for a maximum term of ten years.

LIRS is a key part of the Government's commitment to address the infrastructure backlog faced by local governments, with the NSW Government committing \$120 million to the scheme. Local infrastructure is an important component of ensuring that NSW has strong and sustainable local communities.

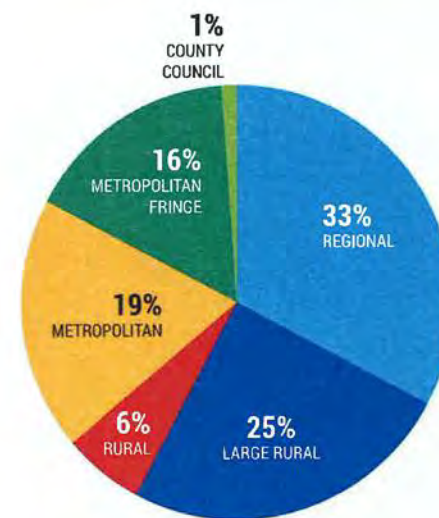
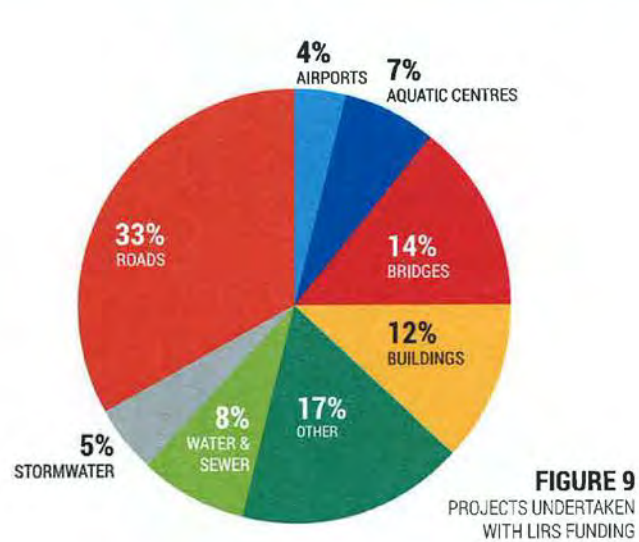
The funding for the 166 successful applications in Rounds 1, 2 and 3 will provide local communities with safer roads, bridges and footpaths, better

community halls and libraries, parks, sports fields and water and sewer facilities. This has unlocked more than \$800 million worth of investment.

The program has had a significant positive impact on regional and rural communities as it allows councils across the State to address their infrastructure backlog projects and provide much needed facilities to their communities.

Figure 10 shows the distribution of the 166 projects funded to date in terms of the percentage of projects in the different regions. 65% of the projects are within regional and rural council areas.





## Achieving Community Outcomes

Each year this report focuses on trends and developments in key areas of local service delivery. Previously we have focused on waste and library services. This year's report focusses on planning and development activities.

## PLANNING & DEVELOPMENT

The NSW Department of Planning & Environment compiled the 2013/14 Local Development Performance Monitoring Report (<http://www.datareporting.planning.nsw.gov.au>) providing comprehensive statistics about development in NSW, including annual information on the volume, value and type of development and council processing times. It is compiled using data supplied by local councils.

### Development Activity

According to the report, in 2013/14, both the total number of development activity including Development Applications (DAs)<sup>#</sup> and complying development certificates (CDCs)<sup>\*</sup> increased by 12% compared with 2012/13 and the total value of approved developments increased by 17% to \$28.69 billion worth of development.

The number of CDCs were the highest on record. CDCs now account for 29% of all development approvals (24,770 approvals).

The majority of developments approved were valued under \$1 million; 96% of DAs and 99% of CDCs. 56% of all approved development in NSW was in the Sydney region, with a total value of \$22 billion.



Overall residential development increased. Under the State Environmental Planning Policy (Affordable Rental Housing) 2009, approximately 2,000 new secondary dwellings (granny flats) DAs and CDCs were approved. Single new dwelling value increased by 18% to \$6.054 billion however new multi-unit development value decreased by 11% to \$3.804 billion.

Infrastructure development value decreased significantly by 40% to \$194m, as did tourism development.

<sup>\*</sup> Complying development is a form of planning approval that can be issued by an accredited certifier or a council in the form of a complying development certificate (CDC). This certificate combines approval for use of the land and building construction.

<sup>#</sup> Development Application is an application for consent from a consent authority, eg council, to undertake works /development as is required by the Environmental Planning and Assessment Act 1979.



### Determination Times

**The average gross times for determining DAs was 70 days. More than half of all NSW councils (59%) had a median gross processing time for DAs of 40 days or less and 78% of councils achieved median net determination times of 40 days or less. Average gross time taken by councils to process CDCs (based on 142 councils) was 18 days.**

Based on the type of development in NSW, the average gross determining days for DAs are as follows:

- Residential - 65 days
- Commercial / retail / office - 74 days
- Infrastructure - 94 days
- Community facility - 96 days
- Industrial - 105 days
- Subdivisions - 121 days
- Tourist development - 157 days
- Mixed use development - 159 days

The average gross time for all determinations varied as follows:

- Council staff - 62 days
- Councillors - 170 days
- Regional panels - 33 days
- Independent panels - 164 days

Council staff made 73% of all DA and CDC determinations. Private certifiers determined 24% of development and Councillors determined 2% of development. Joint regional planning panels and independent panels determined just 1% of developments.

Councils determined 18.5% of CDCs and private certifiers determined 81.5%. Private certifiers now issue the majority of construction certificates, CDCs and occupation certificates.

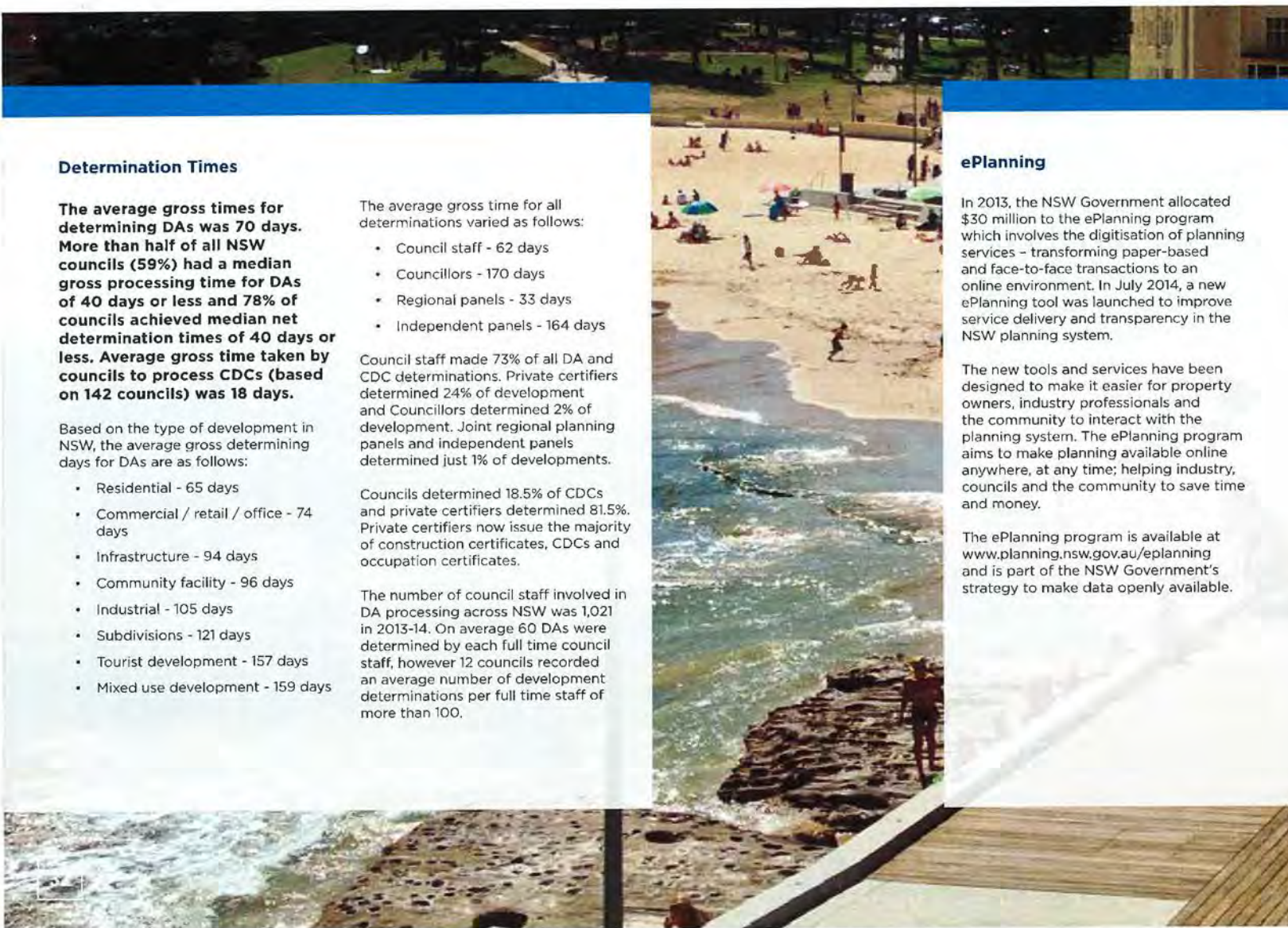
The number of council staff involved in DA processing across NSW was 1,021 in 2013-14. On average 60 DAs were determined by each full time council staff, however 12 councils recorded an average number of development determinations per full time staff of more than 100.

### ePlanning

In 2013, the NSW Government allocated \$30 million to the ePlanning program which involves the digitisation of planning services – transforming paper-based and face-to-face transactions to an online environment. In July 2014, a new ePlanning tool was launched to improve service delivery and transparency in the NSW planning system.

The new tools and services have been designed to make it easier for property owners, industry professionals and the community to interact with the planning system. The ePlanning program aims to make planning available online anywhere, at any time; helping industry, councils and the community to save time and money.

The ePlanning program is available at [www.planning.nsw.gov.au/eplanning](http://www.planning.nsw.gov.au/eplanning) and is part of the NSW Government's strategy to make data openly available.





## Stronger Community Leadership

This section of the report considers some key indicators in terms of how effectively councils' community leadership role is being performed.

## FINANCIAL REPORTING

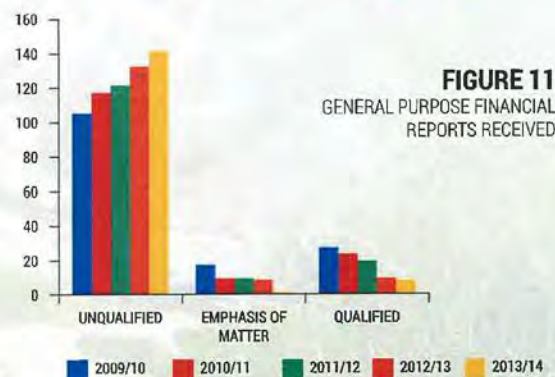
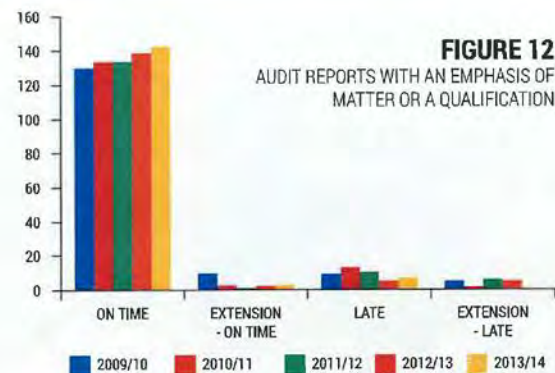
All councils and county councils must prepare financial reports each year. Councils must have these reports audited and submit them to the Office within 4 months of the end of the financial year. The preparation and submission of statements within the required timeframe is an important indication of good council governance.

Of the 152 general purpose councils, the 142 councils sent their reports on time for 2013/14.

\*[https://www.audit.nsw.gov.au/ArticleDocuments/346/01\\_Volume\\_Eleven\\_2014\\_Full\\_Report.pdf.aspx?Embed=Y](https://www.audit.nsw.gov.au/ArticleDocuments/346/01_Volume_Eleven_2014_Full_Report.pdf.aspx?Embed=Y)

Figure 11 shows the number of reports received on time and late from 2009/10 to 2013/14. The number of councils that submitted their reports on time is higher this year than the previous three years. Councils may apply for an extension to submit their financial statements (in extenuating circumstances).

In the NSW Auditor-General's Report—Financial Audit 2014, the Auditor General noted for 2013/14: *The timeliness of financial reporting improved across local councils, but further improvement is needed.\**



## AUDIT OPINION

A financial report audit provides reasonable assurance that in all material respect, the financial report has been prepared in accordance with the financial reporting framework. Following the audit, the Auditor provides an opinion on the audit.

This opinion can be unmodified, that is an unqualified report, which is also known as a clean opinion. The Auditor may however, provide a modified opinion. The modified opinion may be an emphasis of matter where a significant issue has been disclosed and needs to be drawn to the attention of the report user. A qualified opinion is when the auditor concludes that the financial report contains a material misstatement or the Auditor had been unable to obtain sufficient audit evidence.

The number of qualified audit reports has been reducing steadily since 2008/09. In 2013/14 there were 142

unqualified audit reports, 2 reports with an emphasis of matter and 8 that have been qualified. One of the qualified reports was recorded with a disclaimer of opinion. This was due to the auditor being unable to obtain sufficient appropriate audit evidence to base the opinion, and the possible effects on the financial report could be so material, misleading or incomplete. Table 9 lists the reasons that reports were qualified.

Table 10 lists the reasons that reports included an emphasis of matter. An emphasis of matter does not affect the auditor's opinion. It applies where future actions may resolve the matter or the matter is not under the direct control of the entity but may still affect the financial report.

Again, the Auditor General noted that the quality of reporting has improved over time, but further improvement is needed\*.

\*[https://www.audit.nsw.gov.au/ArticleDocuments/346/01\\_Volume\\_Eleven\\_2014\\_Full\\_Report.pdf.aspx?Embed=Y](https://www.audit.nsw.gov.au/ArticleDocuments/346/01_Volume_Eleven_2014_Full_Report.pdf.aspx?Embed=Y)

**TABLE 9**

TABLE 9 - REASONS FOR QUALIFICATIONS FOR 2013/14

REASON	DETAILS	NUMBER OF COUNCILS
Investments	Inability to obtain sufficient audit evidence as to value and recoverability of a portion of the investment portfolio	2
Assets	Recording of assets in the asset register system in the prior year resulted in numerous errors in infrastructure, property, plant and equipment, so the net value of assets was unable to be verified	1
	Inability to obtain sufficient audit evidence over the comparative figures presented	1
Timing	Financial statements submitted outside of the timeframe provided for in section 416 of the LGA	3
Going Concern	Deficit was reported, as well as current liabilities exceeding current assets. Also a breach of section 409(3) of the Act and cash shortages	1

**TABLE 10**

EMPHASIS OF MATTER REASONS FOR 2013/14

REASON	DETAILS	NUMBER OF COUNCILS
Infrastructure	Opening balance of infrastructure had not been determined in accordance with Local Government Code of Accounting Practice as a complete and comprehensive physical inspection of the infrastructure assets had not been conducted	1
Timing	Financial statements submitted outside of the timeframe provided for in section 416 of the LGA	1





### What is the code of conduct?

The Model Code of Conduct sets the minimum requirements of conduct for council officials in carrying out their functions and assists them to:

- understand the standards of conduct that are expected of them
- enable them to fulfill their statutory duty to act honestly and exercise a reasonable degree of care and diligence
- act in a way that enhances public confidence in the integrity of local government
- provide local communities with a valuable insight into the performance of the governing bodies of their councils
- drive organisational and individual improvement through community awareness and media reports

### What can code of conduct complaints tell us?

The numbers of code of conduct complaints received by a council about its councillors or the General Manager is often an indicator of the internal health of the organisation. Code of conduct complaints are often symptomatic of political infighting or interpersonal conflict.

The reporting of complaints statistics is an important accountability mechanism that provides local communities with a valuable insight into the performance of their councils. The reports also assists the Office to evaluate councils' implementation of the new Model Code framework and whether the framework has achieved its policy objectives.

### Key Points

- Over 50% of councils received at least one code of conduct complaint
- 66% of all complaints were made to 24 councils
- The 20 councils with the greatest costs contribute to 69% of the costs incurred by all councils
- Where an investigation identified a breach, most were found to be a breach of the general conduct provisions
- Most recommendations made by a conduct reviewer or conduct review committee required the subject person to apologise to any person or organisation affected by the breach or be counselled for their conduct
- The Code of Conduct reporting period was 1 September 2013 to 31 August 2014 and includes County Councils.

	2014	2013	Difference
Total number of complaints	322	296	9%
Number of councils that received a complaint	88	76	16%
Number of complaints finalised in reporting period	291	311	-6%
Total cost of dealing with complaints	\$1,177,702	\$745,988	58%

**TABLE 11**  
CODE OF CONDUCT STATISTICS 2012/13–2013/14



### Trends

There has been a 58% increase in costs attributed to dealing with code of conduct complaints from 2013. Possible contributing factors include:

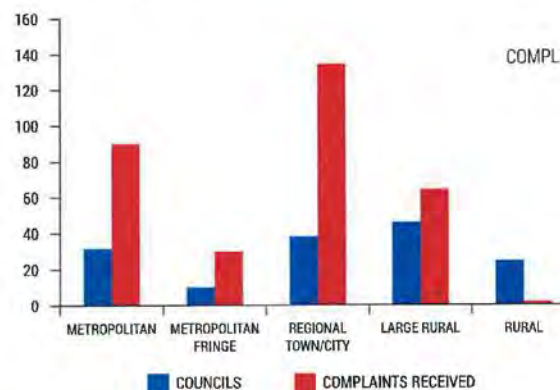
- 9% more complaints were received although 6% less were finalised
- more complaints were referred to a conduct reviewer
- being the second year of reporting, councils may now have a more reliable accounting system
- 15% of the total cost across the sector was incurred by one council
- The number of councils that have received complaints has increased

The General Manager and Mayor have resolved fewer complaints at the outset which may be due to:

- time constraints
- the complexity of the complaints
- efforts to maintain a good working relationship between councillors and the General Manager
- reluctance by Mayors and General Managers to directly involve themselves in the management of code of conduct complaints
- There is no significant change to the percentage of the number of complaints dealt with at the preliminary or investigation stages.

### Complaints by Locality

Figure 13 shows that while councils within the Regional Town/ City classification accounted for approximately 25% of councils, they received approximately 41% of complaints. Metropolitan councils also recorded a disproportionately high number of complaints. 2 county councils, which received complaints are not included in the chart below.



### Cost

The total estimated cost attributed to dealing with code of conduct complaints by all councils increased to \$1,177,702 in 2013/14.

**FIGURE 13**  
COMPLAINTS RECEIVED IN EACH CLASSIFICATION



## ACCESS TO SERVICES

### The Office of Local Government Locations

#### Nowra Office

Levels 1 & 2  
5 O'Keefe Avenue  
NOWRA NSW 2541

Locked Bag 3015  
NOWRA NSW 2541

Phone 02 4428 4100  
Fax 02 4428 4199

#### Sydney Office

Level 9,  
6 - 10 O'Connell Street  
SYDNEY NSW 2000

PO Box R1772  
ROYAL EXCHANGE NSW 1225

Phone 02 9289 4000  
Fax 02 9289 4099

### Office Hours

**Monday to Friday**  
**8.30am to 5.00pm**

(Special arrangements may be made if  
these hours are unsuitable)

All offices are wheelchair accessible.

### Alternate Media Publications

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<b>LOAN AMOUNT</b>	\$	325,000.00	<b>TERM OF LOAN</b>	YRS	10
<b>INTEREST RATE</b>		5.80%	<b>NO. OF REPAYS.</b>		10
<b>PAYMENTS PER YEAR</b>		1	<b>INSTALMENT</b>		43739.63

TERM OF LOAN	PERIOD PAYMENT	TOTAL PAID	TERM OF LOAN	PERIOD PAYMENT	TOTAL PAID
5	\$76,735	\$383,673	18	\$29,567	\$532,200
6	\$65,678	\$394,069	19	\$28,673	\$544,788
7	\$57,806	\$404,640	20	\$27,877	\$557,533
8	\$51,923	\$415,385	21	\$27,164	\$570,435
9	\$47,367	\$426,305	22	\$26,522	\$583,491
10	\$43,740	\$437,396	23	\$25,943	\$596,699
11	\$40,787	\$448,660	24	\$25,419	\$610,058
12	\$38,341	\$460,093	25	\$24,943	\$623,564
13	\$36,284	\$471,696	26	\$24,508	\$637,216
14	\$34,533	\$483,467	27	\$24,112	\$651,011
15	\$33,027	\$495,405	28	\$23,748	\$664,948
16	\$31,719	\$507,507	29	\$23,415	\$679,023
17	\$30,575	\$519,773	30	\$23,108	\$693,235



OLG Comparative Data 2013 2014

Council	OLG Group	Classification	Population	Number of Councillors	Number of Councillors /Population	Full Time Equivalent Staff	2013/14 Total Revenue from Continuing Operations (\$,000)	2013/14 Total Expenses from Continuing Operations (\$'000)	% Pensioner Residential rate	Population Density per capita/km2	Number of Public Swimming Pools	Number of Public Halls
Bellingen Shire Council	11	Large Rural	12,854	7	1,836	124	27,276	32,152	28	8.0	3	9
Cabonne Council	11	Large Rural	13,695	12	1,141	170	39,572	32,285	22	2.3	7	8
Cooma-Monaro Shire Council	11	Large Rural	10,073	9	1,119	160	25,195	30,115	21	1.9	1	9
Corowa Shire Council	11	Large Rural	11,410	9	1,268	112	31,832	27,529	27	4.9	3	4
Cowra Shire Council	11	Large Rural	12,551	9	1,395	167	28,569	29,850	28	4.5	1	1
Greater Hume Shire Council	11	Large Rural	10,176	9	1,131	122	29,808	31,584	25	1.8	5	15
Gunnedah Shire Council	11	Large Rural	12,688	9	1,410	166	35,894	30,825	21	2.5	1	16
Inverell Shire Council	11	Large Rural	16,727	9	1,859	212	35,738	32,303	29	1.9	2	15
Leeton Shire Council	11	Large Rural	11,539	9	1,282	135	23,122	23,271	22	9.9	2	6
Moree Plains Shire Council	11	Large Rural	14,250	9	1,583	220	65,085	60,916	13	0.8	2	9
Muswellbrook Shire Council	11	Large Rural	16,851	12	1,404	164	50,573	38,308	12	4.9	2	2
Nambucca Shire Council	11	Large Rural	19,529	9	2,170	119	41,286	35,480	37	13.1	1	15
Narrabri Shire Council	11	Large Rural	13,685	12	1,140	148	53,861	46,691	21	1.1	4	3
Palerang Council	11	Large Rural	15,306	9	1,701	119	33,492	32,869	11	3.0	3	8
Parkes Shire Council	11	Large Rural	15,087	10	1,509	158	41,204	33,722	23	2.5	4	14
Tumut Shire Council	11	Large Rural	11,316	7	1,617	141	35,594	29,291	27	2.5	3	4
Upper Hunter Shire Council	11	Large Rural	14,650	9	1,628	193	37,125	38,519	20	1.8	3	10
Yass Valley Council	11	Large Rural	16,270	9	1,808	136	28,505	29,962	14	4.1	2	4
Young Shire Council	11	Large Rural	12,699	9	1,411	111	25,276	22,733	25	4.7	1	8
Group 11 Average		Large Rural	13,756	9	1,495	151	36,264	33,600	0	4.0	3	8
Inverell Shire Council	11	Large Rural	16,727	9	1,859	212	35,738	32,303	0	1.9	2	15
						(Note 1)						
INDUSTRY AVERAGE			48,723	10	4,469	295	74,015	66,282	0	780.9	3	12

## NOTES:

- 1) Includes Connections and LTC
- 2) 1 equals lowest, 152 equals highest
- 3) 2011/2012 Calculation included Capital Items - Unaudited figure
- 4) Council's Governance and Administration Costs are 50% less than other Group 11 Councils and 52% less than the industry
- 5) As in previous years Council's Water and Sewerage Charges are significantly below Group 11 Council and NSW Councils averages

OLG Comparative Data 2013 2014

Council	Number of Public Libraries	Open Public Space (ha)	Total Road Length (including local, regional & state) (km)	% Residential assessments connect to the internet	Population Change over 5 years (%)	Population aged 19 and less (%)	Population aged between 20 & 60 (%)	Population aged over 60 (%)	Aboriginal & Torres Strait Islanders Pop'n %	Language other than English Pop'n %	Male Population	% Male Population
Bellingen Shire Council	2	69.3	567.5	70.8	1	26	46	28	3.0	3.1	6,235	49%
Cabonne Council	3	29.0	2,052.5	69.1	7	28	47	25	3.1	1.8	6,913	50%
Cooma-Monaro Shire Council	1	401.2	1,005.7	69.3	1	25	49	26	2.7	6.2	5,114	51%
Corowa Shire Council	2	223.7	1,357.8	63.5	2	24	43	33	1.3	1.7	5,700	50%
Cowra Shire Council	1	48.0	1,271.6	57.8	0	25	45	30	6.5	2.2	6,360	51%
Greater Hume Shire Council	3	117.5	2,071.7	67.5	2	28	46	26	2.0	1.7	5,137	50%
Gunnedah Shire Council	3	518.0	1,469.0	60.7	6	28	49	23	11.3	1.4	6,360	50%
Inverell Shire Council	1	260.0	2,154.1	60.6	4	28	46	26	6.5	2.2	8,241	49%
Leeton Shire Council	1	185.8	901.0	62.8	1	34	46	20	5.9	5.9	5,725	50%
Moree Plains Shire Council	2	238.0	2,899.4	58.5	1	29	53	18	20.8	2.5	7,290	51%
Muswellbrook Shire Council	2	350.0	628.2	68.1	7	29	55	16	5.4	2.8	8,834	52%
Nambucca Shire Council	2	515.0	704.0	63.3	4	23	43	34	7.3	2.3	9,567	49%
Narrabri Shire Council	3	349.4	2,323.3	60.9	3	28	50	22	10.8	1.5	6,960	51%
Palerang Council	2	53.1	1,301.3	79.5	11	28	53	19	1.6	4.0	7,691	50%
Parkes Shire Council	4	208.3	2,053.0	60.9	2	29	47	24	8.3	2.2	7,494	50%
Tumut Shire Council	4	236.8	635.3	62.1	2	26	48	26	4.5	3.2	5,744	51%
Upper Hunter Shire Council	5	175.1	1,768.1	65.6	8	27	51	22	3.9	1.9	7,449	51%
Yass Valley Council	2	256.0	1,229.8	77.1	14	29	51	20	1.9	3.7	8,163	50%
Young Shire Council	1	152.0	1,171.5	61.9	3	29	45	26	3.1	2.8	6,270	49%
Group 11 Average	2	230.8	1,450.8	65.3	4	28	48	24	5.8	2.8	6,908	50%
Inverell Shire Council	1	260.0	2,154.1	60.6	4	28	46	26	6.5	2.2	8,241	49%
INDUSTRY AVERAGE	3	991.4	1,089.7	67.8	4	26	51	24	5.3	11.0	24,202	50%

NOTES:

OLG Comparative Data 2013 2014

Council	Female Population	% Female Population	Socio-Economic Index Rating	% Unemployment Rate at 30 June 2013	Average taxable income (taxable and non-taxable individuals) (\$) 2010	Census 2011 - Average Household Size (Number)	Value of Development Applications Determined (\$'000)	Number of Active Businesses in LGA	Largest Industry Employer	Residential Rating Income 2011/12 (\$)
Bellingen Shire Council	6,619	51%	55	6.7	34,585	2.4	10,127	1,210	Health care/social assistance	3,935,000
Cabonne Council	6,782	50%	111	3.9	44,080	2.6	20,669	1,675	Agriculture, forestry & Fishing	2,374,000
Cooma-Monaro Shire Council	4,959	49%	95	6.0	44,975	2.3	16,672	1,167	Retail Trade	2,992,000
Corowa Shire Council	5,710	50%	57	7.2	41,558	2.3	16,401	1,166	Manufacturing	2,254,000
Cowra Shire Council	6,191	49%	24	9.4	39,621	2.4	21,114	1,169	Agriculture, forestry & fishing	1,992,000
Greater Hume Shire Council	5,039	50%	96	5.9	43,097	2.5	17,994	1,420	Agriculture, forestry & fishing	1,685,000
Gunnedah Shire Council	6,328	50%	43	6.9	44,502	2.5	41,992	1,280	Agriculture, forestry & fishing	2,514,000
Inverell Shire Council	8,486	51%	18	8.7	35,598	2.5	25,099	1,665	Retail Trade	4,074,000
Leeton Shire Council	5,814	50%	50	6.7	39,796	2.6	27,994	1,058	Manufacturing	2,846,000
Moree Plains Shire Council	6,960	49%	23	7.6	48,990	2.5	21,629	1,643	Agriculture, forestry & fishing	3,647,000
Muswellbrook Shire Council	8,017	48%	78	5.7	57,889	2.6	57,037	1,047	Mining	3,895,000
Nambucca Shire Council	9,962	51%	9	10.1	34,014	2.3	43,060	1,470	Health care/social assistance	5,968,000
Narrabri Shire Council	6,725	49%	54	6.0	43,389	2.5	24,307	1,503	Agriculture, forestry & fishing	3,396,000
Palerang Council	7,615	50%	139	2.4	54,806	2.7	37,430	1,719	Public administration & safety	4,916,000
Parkes Shire Council	7,593	50%	36	7.4	44,797	2.5	24,960	1,364	Retail Trade	3,028,000
Tumut Shire Council	5,572	49%	41	6.1	45,409	2.4	14,831	1,125	Manufacturing	2,796,000
Upper Hunter Shire Council	7,201	49%	86	3.9	50,561	2.4	41,666	1,763	Agriculture, forestry & fishing	2,873,000
Yass Valley Council	8,107	50%	135	2.3	55,718	2.7	39,557	1,899	Public administration & safety	3,291,000
Young Shire Council	6,429	51%	42	8.9	40,523	2.5	20,572	1,442	Agriculture, forestry & fishing	2,504,000
Group 11 Average	6,848	50%		6.4	44,416	2.5	27,532	1,410		3,209,474
Inverell Shire Council	8,486	51%	18	8.7	35,598	2.5	25,099	1,665	Retail Trade	4,074,000
			(Note 2)							
INDUSTRY AVERAGE	24,543	50%	Range 0 to 152	6.1	49,070	2.5	169,013	4,590		14,913,826

NOTES:



OLG Comparative Data 2013 2014

Council	Number of Residential Rating Assessments 2011/12	Average Residential Rate 2011/12 (\$)	Residential Rating Income 2012/13 (\$)	Number of Residential Rating Assessments 2012/13	Average Residential Rate 2012/13 (\$)	Residential Rating Income 2013/14 (\$)	Number of Residential Rating Assessments 2013/14	Average Residential Rate 2013/14 (\$)	Total Number Farmland Assessments 2013/14	Total Farmland Rates Revenue (\$) 2013/14	Average Ordinary Farmland Rate (\$) 2013/14	Total Number Business Assessments 2013/14
Bellingen Shire Council	5,050	779.21	4,106,000	5,043	814.20	4,284,000	5,060	846.64	535	995,000	1,859.81	392
Cabonne Council	4,432	535.65	2,749,000	4,475	614.30	2,489,000	4,512	551.64	1963	4,573,000	2,329.60	425
Cooma-Monaro Shire Council	4,253	703.50	3,167,000	4,264	742.73	3,302,000	4,263	774.57	1329	1,559,000	1,173.06	415
Corowa Shire Council	5,140	438.52	2,351,000	5,206	451.59	2,281,000	5,287	478.15	699	1,403,000	2,007.15	507
Cowra Shire Council	4,895	406.95	1,879,000	4,907	382.92	1,949,000	5,062	385.03	1655	2,627,000	1,587.31	415
Greater Hume Shire Council	3,532	477.07	1,765,000	3,533	499.58	1,813,000	3,560	509.27	2322	4,146,000	1,785.53	500
Gunnedah Shire Council	4,359	576.74	2,669,000	4,350	613.56	2,947,000	4,508	653.73	1107	3,832,000	3,461.61	497
Inverell Shire Council	5,871	693.92	4,256,000	5,906	720.62	4,430,000	5,935	746.42	1337	3,216,000	2,405.39	551
Leeton Shire Council	3,854	738.45	2,949,000	3,854	765.18	3,090,000	3,936	785.06	791	2,613,000	3,303.41	495
Moree Plains Shire Council	4,325	843.24	3,981,000	4,332	918.98	4,064,000	4,332	938.13	1623	13,885,000	8,555.14	651
Muswellbrook Shire Council	6,187	629.55	4,165,000	6,404	650.37	4,450,000	6,504	684.19	455	1,245,000	2,736.26	611
Nambucca Shire Council	8,149	732.36	6,209,000	8,152	761.65	6,484,000	8,157	794.90	483	789,000	1,633.54	620
Narrabri Shire Council	4,494	755.67	3,468,000	4,564	759.86	3,721,000	4,524	822.50	1740	5,758,000	3,309.20	586
Palerang Council	6,384	770.05	5,200,000	6,384	814.54	5,688,000	6,456	881.04	1002	2,087,000	2,082.83	245
Parkes Shire Council	5,748	526.79	2,982,000	5,763	517.44	3,572,000	5,796	616.29	1412	2,564,000	1,815.86	636
Tumut Shire Council	4,668	598.97	2,802,000	4,626	605.71	2,891,000	4,145	697.47	1799	1,878,000	1,043.91	433
Upper Hunter Shire Council	4,983	576.56	3,050,000	5,000	610.00	3,262,000	5,134	635.37	1680	4,825,000	2,872.02	582
Yass Valley Council	5,107	644.41	3,493,000	5,250	665.33	3,637,000	5,327	682.75	1440	2,863,000	1,988.19	280
Young Shire Council	4,883	512.80	2,615,000	4,950	528.28	2,683,000	4,999	536.71	1119	2,209,000	1,974.08	465
Group 11 Average	5,069	628.44	3,360,842	5,103	654.57	3,791,421	5,131	685.26	1,289	3,319,316	2,522.31	490
Inverell Shire Council	5,871	693.92	4,256,000	5,906	720.62	4,430,000	5,935	746.42	1337	3,216,000	2,405.39	551
INDUSTRY AVERAGE	17,557	688.74	15,685,939	17,723	719.12	16,863,129	17,855	760.93	764	1,667,756	1,874.04	1,264

NOTES:

OLG Comparative Data 2013 2014

Council	Total Business Rates Revenue (\$ 2013/14	Average Ordinary Business Assessment (\$) 2013/14	Total Number Mining Assessments 2013/14	Total Mining Rates Revenue (\$) 2013/14	Average Ordinary Mining Rates (\$) 2013/14	Total Rate Income /Total Land Value (\$)	Typical Water & Sewer Bill (\$) 2013/14	Average Domestic Waste Annual Charge (\$) 2013/14	% Own Source Revenue	% Grants Revenue	Operating Performance Ratio
Bellingen Shire Council	378,000	964.29	-	-	n/a	261.45	1,142	430.43	72	28	39.07
Cabonne Council	211,000	496.47	13	1,843,000	141,769	181.09	953	205.90	62	37	0.85
Cooma-Monaro Shire Council	1,410,000	3,397.59	-	-	n/a	126.81	1,449	246.31	71	29	24.72
Corowa Shire Council	492,000	970.41	-	-	n/a	107.88	1,115	360.92	63	37	1.80
Cowra Shire Council	1,143,000	2,754.22	1	79,000	79,000	161.75	1,605	360.92	81	19	8.04
Greater Hume Shire Council	236,000	472.00	-	-	n/a	247.22	1,081	147.75	57	43	15.52
Gunnedah Shire Council	1,679,000	3,378.27	5	1,036,000	207,200	160.70	1,026	395.08	73	27	10.31
Inverell Shire Council	1,769,000	3,210.53	-	-	n/a	114.08	988	262.51	69	31	1.30
Leeton Shire Council	378,000	763.64	-	-	n/a	75.90	1,143	228.66	80	20	6.93
Moree Plains Shire Council	2,266,000	3,480.80	-	-	n/a	163.69	1,631	431.21	68	31	1.20
Muswellbrook Shire Council	1,159,000	1,896.89	58	3,777,000	65,121	121.29	1,165	258.61	65	34	0.71
Nambucca Shire Council	989,000	1,595.16	-	349,000	n/a	168.42	1,078	416.57	61	39	14.23
Narrabri Shire Council	1,075,000	1,834.47	6	662,000	110,333	140.89	1,222	421.75	60	40	6.81
Palerang Council	175,000	714.29	2	9,000	4,500	304.56	1,654	103.62	77	23	9.40
Parkes Shire Council	1,714,000	2,694.97	2	922,000	461,000	99.82	1,020	244.13	64	35	1.02
Tumut Shire Council	806,000	1,861.43	-	-	n/a	143.15	1,107	344.75	59	41	1.58
Upper Hunter Shire Council	561,000	963.92	23	79,000	3,435	209.29	1,459	356.84	78	22	10.94
Yass Valley Council	577,000	2,060.71	-	-	n/a	328.55	1,514	226.39	72	27	29.68
Young Shire Council	1,222,000	2,627.96	1	19,000	19,000	152.31	1,343	157.83	70	30	0.95
Group 11 Average	960,000	1,902.00	6	461,842	121,262	172.04	1,247	294.75	69	31	8.44
Inverell Shire Council	1,769,000	3,210.53	-	-	n/a	114.08	988	262.51	69	31	1.30
							(Note 5)				
INDUSTRY AVERAGE	6,114,122	2,833.40	3	306,572	37,208	217.63	1,196	316.16	70	30	8.94

NOTES:

OLG Comparative Data 2013 2014

Council	Unrestricted Current Ratio	Outstanding Rates and Annual Charges (%)	Debt Service Cover ratio	Debt Service Ratio	Cash Expense Cover Ratio	Elected Female Councillors	Elected Male Councillors	Councillors ATSI	Councillors NESB	Elected Age < 30 years	Elected Age between 30 and 59
Bellingen Shire Council	2.76	8.14	0.8	2.5	14.3	14%	86%	0%	0%	0%	71%
Cabonne Council	8.98	4.81	23.7	1.1	18.6	25%	75%	0%	0%	0%	67%
Cooma-Monaro Shire Council	8.21	7.02	18.7	0.6	5.9	22%	78%	0%	11%	0%	44%
Corowa Shire Council	3.07	6.96	10.2	2.6	12.4	33%	67%	0%	11%	0%	22%
Cowra Shire Council	3.02	6.99	2.4	9.3	7.6	33%	67%	0%	0%	0%	33%
Greater Hume Shire Council	7.49	7.52	4.3	3.6	10.2	56%	44%	0%	0%	0%	33%
Gunnedah Shire Council	4.95	7.96	22.5	1.4	20.0	44%	56%	11%	11%	0%	44%
Inverell Shire Council	2.04	5.60	14.0	1.7	20.1	22%	78%	0%	0%	0%	33%
Leeton Shire Council	4.54	4.41	34.4	0.7	17.1	13%	88%	0%	0%	13%	63%
Moree Plains Shire Council	1.70	7.31	3.9	5.6	4.2	33%	67%	0%	11%	0%	56%
Muswellbrook Shire Council	1.94	10.90	6.9	3.5	12.7	33%	67%	8%	0%	0%	67%
Nambucca Shire Council	2.70	4.42	1.6	15.9	10.9	56%	44%	11%	0%	0%	44%
Narrabri Shire Council	2.02	7.15	2.9	5.9	12.0	33%	67%	8%	8%	0%	50%
Palerang Council	2.60	5.94	3.7	6.2	17.9	11%	89%	0%	0%	0%	78%
Parkes Shire Council	2.99	5.21	12.4	2.6	28.7	40%	60%	0%	0%	0%	50%
Tumut Shire Council	5.05	5.09	3.0	8.7	8.8	43%	57%	14%	0%	0%	57%
Upper Hunter Shire Council	4.02	6.90	3.9	5.1	11.1	33%	67%	11%	0%	0%	56%
Yass Valley Council	3.35	8.95	0.9	9.7	5.7	33%	67%	0%	0%	0%	67%
Young Shire Council	2.93	3.99	2.8	9.9	10.4	11%	89%	0%	0%	0%	44%
Group 11 Average	3.91	6.59	9.1	5.1	13.1	31%	69%	3%	3%	1%	52%
Inverell Shire Council	2.04	5.60	14.0	1.7	20.1	22%	78%	0%	0%	0%	33%
INDUSTRY AVERAGE	3.64	6.32	81.0	4.4	10.0	27%	73%	2%	7%	3%	56%

NOTES:



OLG Comparative Data 2013 2014

Council	Elected Age 60+ years	Number of Development Applications Determined by Councillors	Audited Financial Statements Submitted on Time	Number of Code of Conduct Complaints	Cost of dealing with Code of Conduct Complaints (\$)	Complaints Investigated for Breach (No.)	Equivalent Full Time Staff / Population	Actual Asset Maintenance Expenditure 2011/12 (\$)	Required Asset Maintenance Expenditure 2011/12 (\$)	Total Expenses from Continuing Operations 2011/12 (\$)	Actual Asset Maintenance Expenditure 2012/13 (\$)
Bellingen Shire Council	29%	6.0	No	-	-	-	104	6,717,000	3,718,000	33,147,000	3,656,000
Cabonne Council	33%	6.0	Yes	1	400	-	81	3,614,000	7,390,000	33,005,000	5,499,000
Cooma-Monaro Shire Council	56%	8.0	Yes	1	1,000	1	63	3,499,000	2,714,000	29,234,000	2,364,000
Corowa Shire Council	78%	4.0	Yes	-	300	-	102	2,157,000	1,880,000	27,363,000	3,573,000
Cowra Shire Council	67%	17.0	Yes	-	-	-	75	5,525,000	7,487,000	30,456,000	6,709,000
Greater Hume Shire Council	67%	10.0	Yes	-	-	-	83	5,090,000	7,892,000	32,984,000	4,794,000
Gunnedah Shire Council	56%	16.0	Yes	-	-	-	76	6,045,000	5,966,000	32,010,000	5,969,000
Inverell Shire Council	67%	-	Yes	-	-	-	79	7,268,000	7,957,000	31,547,000	6,863,000
Leeton Shire Council	25%	-	Yes	-	-	-	85	3,081,000	3,081,000	23,885,000	3,522,000
Moree Plains Shire Council	44%	9.0	Yes	3	35,629	2	65	15,197,000	28,536,000	54,579,000	19,837,000
Muswellbrook Shire Council	33%	24.0	Yes	2	2,000	-	103	3,253,000	4,645,000	35,453,000	4,621,000
Nambucca Shire Council	56%	9.0	Yes	3	600	-	164	4,758,800	8,675,000	32,937,000	5,378,000
Narrabri Shire Council	50%	1.0	Yes	3	17,951	-	92	4,014,000	8,413,000	40,268,000	11,415,000
Palerang Council	22%	13.0	Yes	1	2,200	-	129	3,860,000	6,911,000	27,412,000	4,140,000
Parkes Shire Council	50%	5.0	Yes	1	-	-	95	6,035,000	8,952,000	31,373,000	6,914,000
Tumut Shire Council	43%	2.0	Yes	1	1,936	-	80	2,479,000	2,968,000	28,730,000	4,603,000
Upper Hunter Shire Council	44%	21.0	Yes	1	1,320	-	76	7,374,000	5,985,000	36,475,000	8,026,000
Yass Valley Council	33%	19.0	Yes	8	15,924	-	120	4,082,000	7,742,000	28,896,000	5,060,000
Young Shire Council	56%	15.0	Yes	-	-	-	114	3,546,000	3,484,000	20,871,000	2,547,000
Group 11 Average	48%	9.7	-	1	4,172	0	94	5,136,568	7,073,474	32,138,158	6,078,421
Inverell Shire Council	67%	-	Yes	-	-	-	79	7,268,000	7,957,000 (Note 3)	31,547,000	6,863,000
INDUSTRY AVERAGE	38%	13.0	142 Councils	2	7,722	0	128	7,588,626	10,243,159	63,203,641	8,095,224

NOTES:

OLG Comparative Data 2013 2014

Council	Required Asset Maintenance Expenditure 2012/13 (\$)	Total Expenses from Continuing Operations 2012/13 (\$)	Actual Asset Maintenance Expenditure 2013/14 (\$)	Required Asset Maintenance Expenditure 2013/14 (\$)	Total Expenses from Continuing Operations 2013/14 (\$)	Roads, Bridges & Footpaths Expenditure per capita (\$)	Metre Road Length per '000 capita	Building & Infrastructure Renewal Ratio	Infrastructure Backlog Ratio	Asset Maintenance Ratio	Total Governance & Administration Expenditure (\$)
Bellingen Shire Council	3,304,000	32,126,000	2,093,000	3,291,000	32,152,000	645	44	27	8	64	4,957,000
Cabonne Council	6,614,000	32,303,000	4,983,000	3,181,000	32,285,000	572	150	102	3	157	5,134,000
Cooma-Monaro Shire Council	4,362,000	29,286,000	5,046,000	5,286,000	30,115,000	731	100	53	17	95	6,111,000
Corowa Shire Council	3,958,000	27,345,000	3,357,000	3,823,000	27,529,000	426	119	118	18	88	4,694,000
Cowra Shire Council	8,847,000	31,325,000	4,624,000	5,907,000	29,850,000	313	101	73	4	78	3,630,000
Greater Hume Shire Council	8,003,000	32,836,000	5,003,000	5,217,000	31,584,000	872	204	96	42	96	4,352,000
Gunnedah Shire Council	5,773,000	30,927,000	5,058,600	5,310,000	30,825,000	427	116	122	4	95	6,110,000
Inverell Shire Council	6,749,000	31,551,000	6,748,000	6,554,000	32,303,000	541	129	106	6	103	2,900,000
Leeton Shire Council	3,252,000	25,586,000	3,890,000	3,949,000	23,271,000	392	78	70	16	99	1,195,000
Moree Plains Shire Council	29,959,000	74,093,000	7,428,000	9,415,000	60,916,000	1,557	203	224	3	79	6,733,000
Muswellbrook Shire Council	5,655,000	36,546,000	5,874,000	6,909,000	38,308,000	216	37	120	4	85	4,918,000
Nambucca Shire Council	7,848,000	42,328,000	5,827,000	6,278,000	35,480,000	597	36	50	22	93	1,033,000
Narrabri Shire Council	14,590,000	42,804,000	9,069,000	7,952,000	46,691,000	727	170	26	3	114	4,549,000
Palerang Council	5,505,000	29,623,000	4,626,500	7,799,000	32,869,000	633	85	66	27	59	3,977,000
Parkes Shire Council	6,238,000	32,924,000	6,832,000	6,740,435	33,722,000	150	136	82	4	101	7,711,000
Tumut Shire Council	2,076,000	32,249,000	2,372,000	2,372,000	29,291,000	122	56	96	1	100	4,000,000
Upper Hunter Shire Council	7,437,000	36,023,000	8,201,000	6,833,000	38,519,000	667	121	120	1	120	1,693,000
Yass Valley Council	14,254,000	30,143,000	5,770,000	9,462,000	29,962,000	158	76	38	9	61	10,807,000
Young Shire Council	3,707,000	20,539,000	4,032,000	4,032,000	22,733,000	364	92	77	8	100	2,862,000
Group 11 Average	7,796,368	34,239,842	5,307,058	5,805,812	33,600,263	532	108	88	11	94	4,598,211
Inverell Shire Council	6,749,000	31,551,000	6,748,000	6,554,000	32,303,000	541	129	106	6	103	2,900,000
INDUSTRY AVERAGE	10,298,796	65,167,437	8,290,399	9,831,571	66,282,453	610	144	87	9	91	11,076,323

NOTES:

OLG Comparative Data 2013 2014

Council	% of Total Expenditure on Governance & Administration	Total Public Order, Safety, Health, Water & Sewer Expenditure (\$)	% of Total Expenditure on Public Order, Safety, Health, Water & Sewer	Total Environmental Expenditure (\$)	% of Total Expenditure on Environmental	Total Community Services, Education & Housing Expenditure (\$)	% of Total Expenditure on Community Services, Education & Housing	Total Recreational & Cultural Expenditure (\$)	% of Total Expenditure on Recreational & Cultural	Total Roads, Bridges & Footpaths Expenditure (\$)	% of Total Expenditure on Roads, Bridges & Footpaths
Bellingen Shire Council	15	6,625,000	21	4,736,000	15	1,810,000	6	2,072,000	6	8,286,000	26
Cabonne Council	16	4,154,000	13	3,117,000	10	2,639,000	8	2,092,000	6	7,829,000	24
Cooma-Monaro Shire Council	20	6,736,000	22	1,716,000	7	3,386,000	11	2,553,000	8	7,359,000	24
Corowa Shire Council	17	7,668,000	28	3,154,000	11	933,000	4	3,149,000	11	4,855,000	18
Cowra Shire Council	12	9,682,000	32	3,464,000	12	1,976,000	7	3,169,000	11	3,926,000	13
Greater Hume Shire Council	14	4,639,000	14	1,751,000	6	4,338,000	14	2,724,000	9	8,873,000	28
Gunnedah Shire Council	20	4,113,000	13	2,679,000	9	4,131,000	13	3,045,000	10	5,424,000	18
Inverell Shire Council	9	7,087,000	22	3,411,000	10	3,096,000	10	2,762,000	9	9,047,000	28
Leeton Shire Council	5	6,908,000	30	2,347,000	10	2,981,000	13	3,798,000	16	4,525,000	19
Moree Plains Shire Council	11	9,913,000	16	3,997,000	7	3,115,000	5	5,084,000	8	22,189,000	37
Muswellbrook Shire Council	13	9,098,000	24	6,024,000	16	2,392,000	6	4,668,000	12	3,634,000	9
Nambucca Shire Council	3	10,724,000	30	5,324,000	15	2,049,000	6	3,187,000	9	11,667,000	33
Narrabri Shire Council	10	6,956,000	15	2,984,000	6	1,071,000	3	8,129,000	17	9,946,000	21
Palerang Council	12	5,449,000	17	3,410,000	10	1,668,000	5	1,341,000	4	9,693,000	30
Parkes Shire Council	23	10,516,000	31	2,344,000	7	2,276,000	6	4,638,000	14	2,261,000	7
Tumut Shire Council	14	11,177,000	37	1,689,000	6	1,132,000	4	2,601,000	9	1,377,000	5
Upper Hunter Shire Council	5	8,560,000	22	3,676,000	10	4,569,000	12	3,564,000	9	9,767,000	25
Yass Valley Council	36	6,239,000	21	3,102,000	10	2,360,000	8	2,172,000	7	2,569,000	9
Young Shire Council	13	6,996,000	31	1,900,000	8	1,187,000	5	2,215,000	10	4,617,000	20
Group 11 Average	14	7,538,947	23	3,201,316	10	2,479,421	8	3,313,842	10	7,254,947	21
Inverell Shire Council	9	7,087,000	22	3,411,000	10	3,096,000	10	2,762,000	9	9,047,000	28
INDUSTRY AVERAGE	16	9,837,478	16	10,656,262	13	7,105,306	10	10,531,232	13	10,675,167	21

NOTES:



OLG Comparative Data 2013 2014

Council	Total Other Services Expenditure (\$)	% of Total Expenditure on Other Services	Governance & Administration Expenditure per capita (\$)	Environmental Expenditure per capita (\$)	Total Water & Sewer Expenditure per capita (\$)	Community Services & Education, Housing & Community Amenities Expenditure per capita per capita (\$)	Recreational & Cultural Expenditure per capita (\$)	Public Order, Safety & Health Expenditure per capita (\$)	Other Services Expenditure per capita (\$)	Library Services Expenditure per Capita (\$)	Library Circular per capita
Bellingen Shire Council	3,666,000	11	385.64	368.45	405.32	140.81	115.14	110.08	285.20	46.06	6.5
Cabonne Council	7,320,000	23	374.88	227.60	217.16	192.70	130.92	86.16	534.50	21.83	2.4
Cooma-Monaro Shire Council	2,254,000	8	606.67	170.36	566.76	336.15	219.60	101.96	223.77	33.85	9.7
Corowa Shire Council	3,076,000	11	411.39	276.42	606.13	81.77	240.75	65.91	269.59	35.23	4.5
Cowra Shire Council	4,003,000	13	289.22	275.99	736.12	157.44	230.26	35.30	318.94	22.23	3.5
Greater Hume Shire Council	4,907,000	15	427.67	172.07	289.31	426.30	211.58	166.57	482.21	56.11	3.4
Gunnedah Shire Council	5,323,000	17	481.56	211.14	281.53	325.58	216.42	42.64	419.53	23.57	2.7
Inverell Shire Council	4,000,000	12	173.37	203.92	361.63	185.09	105.40	62.06	239.13	59.72	8.1
Leeton Shire Council	1,517,000	7	103.56	203.40	529.68	258.34	281.57	68.98	131.47	47.58	4.0
Moree Plains Shire Council	9,885,000	16	472.49	280.49	556.07	218.60	310.67	139.58	693.68	46.11	2.5
Muswellbrook Shire Council	7,574,000	20	291.85	357.49	478.31	141.95	226.99	61.60	449.47	50.03	3.2
Nambucca Shire Council	1,496,000	4	52.90	272.62	476.37	104.92	130.83	72.76	76.60	32.36	5.0
Narrabri Shire Council	13,056,000	28	332.41	218.05	456.19	78.26	545.20	52.10	954.04	48.81	4.2
Palerang Council	7,331,000	22	259.83	222.79	300.67	108.98	67.16	55.34	478.96	20.45	4.1
Parkes Shire Council	3,976,000	12	511.10	155.37	594.49	150.86	253.33	102.54	263.54	54.09	5.4
Tumut Shire Council	7,315,000	25	353.48	149.26	669.58	100.04	182.75	318.13	646.43	47.10	5.0
Upper Hunter Shire Council	6,690,000	17	115.56	250.92	493.38	311.88	200.27	90.92	456.66	43.00	3.1
Yass Valley Council	2,713,000	9	664.23	190.66	308.85	145.05	106.21	74.62	166.75	27.29	4.9
Young Shire Council	2,956,000	13	225.37	149.62	489.41	93.47	149.22	61.50	232.77	25.20	4.3
Group 11 Average	5,213,579	15	343.85	229.30	464.05	187.27	206.54	93.09	385.43	38.98	4.6
Inverell Shire Council	4,000,000	12	173.37	203.92	361.63	185.09	105.40	62.06	239.13	59.72	8.1
			(Note 4)								
INDUSTRY AVERAGE	6,412,532	12	364.52	228.38	476.53	221.77	215.01	102.40	325.05	46.23	5.8

NOTES:

OLG Comparative Data 2013 2014

Council	% Recycling Rate	Mean gross days for Development Applications	Number of Development Applications Determined	Companion Animals micro chipped and registered (%)	Companion Animals micro chipped (No.)	% Dry Recycling of Total Waste	% Organics of Total Waste	% Residual Waste of Total Waste
Bellingen Shire Council	79.4	65	187	64	4,995	46	34	21
Cabonne Council	31.1	51	160	27	5,824	28	3	69
Cooma-Monaro Shire Council	15.9	97	124	60	5,572	12	4	84
Corowa Shire Council	12.2	47	212	53	5,207	12	-	88
Cowra Shire Council	16.2	50	115	45	6,053	16	-	84
Greater Hume Shire Council	23.0	61	119	61	5,539	23	-	77
Gunnedah Shire Council	44.1	52	137	48	7,376	19	25	56
Inverell Shire Council	45.1	21	146	51	8,295	45	-	55
Leeton Shire Council	32.0	20	190	62	4,926	31	1	68
Moree Plains Shire Council	45.5	29	127	17	5,960	17	28	55
Muswellbrook Shire Council	46.1	49	231	50	8,924	29	17	54
Nambucca Shire Council	71.6	51	217	64	6,924	43	29	28
Narrabri Shire Council	11.7	46	144	37	5,942	12	-	88
Palerang Council	26.3	75	269	43	6,902	22	4	74
Parkes Shire Council	6.3	55	131	39	6,338	6	-	94
Tumut Shire Council	58.3	28	132	59	6,148	20	38	42
Upper Hunter Shire Council	29.1	53	240	54	8,397	22	7	71
Yass Valley Council	40.2	80	259	48	7,993	28	12	60
Young Shire Council	57.1	46	249	43	5,546	49	8	43
Group 11 Average	36.4	51	178	49	6,466	25	11	64
Inverell Shire Council	45.1	21	146	51	8,295	45	-	55
INDUSTRY AVERAGE	37.6	61	400	56	15,433	24	14	63

NOTES:

TO ECONOMIC & COMMUNITY SUSTAINABILITY COMMITTEE MEETING 08/07/2015

<b>ITEM NO:</b>	1.	<b>FILE NO:</b> S12.12.2/08
<b>DESTINATION 5:</b>	The communities are served by sustainable services and infrastructure	<b>S</b>
<b>SUBJECT:</b>	<b>GOVERNANCE - MONTHLY INVESTMENT REPORT</b>	
<b>PREPARED BY:</b>	Paul Pay, Manager Financial Services	

**SUMMARY:**

To report the balance of investments held as at 31 May, 2015.

**COMMENTARY:**

Contained within this report are the following items that highlight Council's Investment Portfolio performance for the month to 29 June, 2015 and an update of the investment environment:

- (a) Council's Investments as at 29 June, 2015.
- (b) Council's Investments by Fund as at 29 June, 2015.
- (c) Interest – Budgeted vs Actual.
- (d) Investment Portfolio Performance.
- (e) Investment Commentary.
- (f) Certification – Responsible Accounting Officer.



**A) Council Investments as at 29 June, 2015.**

<b>Term Deposits</b>							
<b>Maturity Date</b>	<b>Current Yield</b>	<b>Borrower</b>	<b>FUND</b>	<b>Rating</b>	<b>Risk Rating</b>	<b>Principal Value</b>	<b>Current value</b>
15-Jul-15	3.75%	National Australia Bank	General	A1+	1	2,000,000.00	2,000,000.00
27-Jul-15	3.07%	St George Bank	Water	A1+	1	1,000,000.00	1,000,000.00
13-Aug-15	3.75%	National Australia Bank	Water	A1+	1	1,000,000.00	1,000,000.00
18-Aug-15	3.60%	AMP BANK	General	A1	2	1,000,000.00	1,000,000.00
24-Aug-15	3.11%	ING	General	A1	2	1,000,000.00	1,000,000.00
02-Sep-15	3.70%	St George Bank	Water	A1+	1	1,000,000.00	1,000,000.00
04-Sep-15	4.00%	NECU (community mutual)	General	NR	3	1,000,000.00	1,000,000.00
11-Sep-15	4.00%	NECU (community mutual)	General	NR	3	1,000,000.00	1,000,000.00
14-Sep-15	3.03%	ING	General	A1	2	1,000,000.00	1,000,000.00
16-Sep-15	4.00%	CBA	General	A1	2	1,000,000.00	1,000,000.00
16-Sep-15	4.11%	National Australia Bank	General	A1+	1	1,000,000.00	1,000,000.00
17-Sep-15	3.61%	National Australia Bank	Sewer	A1+	1	2,000,000.00	2,000,000.00
23-Sep-15	4.00%	NECU (community mutual)	General	NR	3	1,000,000.00	1,000,000.00
08-Oct-15	2.80%	St George Bank	General	A1+	1	2,000,000.00	2,000,000.00
15-Oct-15	3.60%	National Australia Bank	General	A1+	1	1,000,000.00	1,000,000.00
16-Oct-15	2.77%	St George Bank	General	A1+	1	1,000,000.00	1,000,000.00
28-Oct-15	3.59%	Westpac	General	A1+	1	3,000,000.00	3,000,000.00
28-Oct-15	3.00%	Bank West	Sewer	A1+	1	2,000,000.00	2,000,000.00
11-Dec-15	3.55%	CBA	Sewer	A1+	1	1,500,000.00	1,500,000.00
14-Dec-15	3.00%	National Australia Bank	General	A1+	1	2,000,000.00	2,000,000.00
04-Jan-16	3.00%	National Australia Bank	General	A1+	1	2,000,000.00	2,000,000.00
11-Jan-16	3.00%	National Australia Bank	General	A1+	1	1,000,000.00	1,000,000.00
18-Jan-16	3.05%	St George Bank	General	A1+	1	2,000,000.00	2,000,000.00
18-Jan-16	3.00%	Suncorp	General	A1+	1	1,000,000.00	1,000,000.00
28-Jan-16	3.05%	CBA	General	A1	2	1,000,000.00	1,000,000.00
23-Mar-16	3.05%	National Australia Bank	Water	A1+	1	1,000,000.00	1,000,000.00
12-Dec-16	3.80%	CBA	General	A1+	1	1,000,000.00	1,000,000.00
16-Dec-16	4.31%	Westpac	General	A1+	1	2,000,000.00	2,000,000.00
15-Jul-17	4.05%	CBA	General	A1+	1	1,000,000.00	1,000,000.00
15-Jul-17	4.05%	CBA	General	A1+	1	1,000,000.00	1,000,000.00
15-Jul-17	4.05%	CBA	General	A1+	1	1,000,000.00	1,000,000.00
01-Sep-17	3.90%	CBA	General	A1	2	1,000,000.00	1,000,000.00
03-Sep-18	4.10%	Bank of Queensland	General	A1	2	1,000,000.00	1,000,000.00
<b>Sub Total - Term Deposit Investment Group</b>						<b>43,500,000.00</b>	<b>43,500,000.00</b>
<b>Cash Deposit Accounts</b>							
<b>As at Date</b>	<b>Current Yield</b>	<b>Borrower</b>	<b>FUND</b>	<b>Rating</b>	<b>Risk Rating</b>	<b>Principal Value</b>	<b>Current value</b>
31/05/2015	2.80%	National Australia Bank (Cash Maximiser)	General	A1+	1	2,000,000.00	1,000,000.00
31/05/2015	2.25%	UBS Cash Manmagement Account	General	A1+	1	2,768.92	43,353.22
<b>Sub Total - Cash Deposit accounts Investment Group</b>						<b>2,002,768.92</b>	<b>1,043,353.22</b>

Structured Product Investments Group				Maturity Date					
As at Date	Current Yield	Borrower		FUND	Rating	Risk Rating	Principal Value	Written Down Value 30-6-14	Current value
31/05/2015	0.000%	Lehman Brothers Treasury Co. B.v (CPPI - 7457)	9/05/2010*	Water	AA-	5	300,000	48,000.00	18,000.00
							300,000	48,000.00	18,000.00

The written down value of the Structured Product Investment Group as at 30 June, 2014 was \$48,000 now decreasing to \$30,000. As previously advised, the write down in the value of Structured Products has been funded from previous years above benchmark investment returns (\$6.8M) which had been held in Internal Restricted Assets. These investments were all rated AA- and up to AAA (strong investment grade) when they were entered into and were permissible under the Ministers Investment Order. As Noted by the Auditor in their 2011/2012 Audit Report, the Sewer Fund maintains a sound financial position to meet its operational requirements and the Water Fund maintains a strong financial position.

RISK MATRIX		
Investment Type		Risk Rating
At Call Deposits		1
Bonds	Commonwealth	1
	State	2
	Territory	2
Interest Bearing Deposits (Fixed)		
	Major Bank	1
	Other Banks	2
	Large Credit Union	2
	Small Credit Union	3
Interest Bearing Deposit (Floating)		
	Major Bank	2
	Other Banks	3
	Large Credit Union	3
	Small Credit Union	4
T-Corp Hour Glass Facility		1
Deposits with LGFS		3
Grandfathered Investments		
	Managed Funds	5
	Strcutured Products	5
Large Credit Union - Assets over 1 Billion		
Small Credit Union - Assets under 1 Billion		

**B) Council Investments by Fund 29 June, 2015**

Portfolio by Fund	as at 31-5-15	as at 29-6-2015
General Fund	32,002,768.92	35,043,353.22
Water Fund	4,030,000.00	4,018,000.00
Sewer Fund	5,500,000.00	5,500,000.00
<b>TOTAL</b>	<b>41,532,768.92</b>	<b>44,561,353.22</b>

Council's investment portfolio has increased by \$3,028,584.30. This increase was in respect of normal cash flow movements for receipts collected and payments made during June, 2015 plus payments made for works completed on the Water Treatment Plant.

While the level of investments has been largely maintained over recent years, these will decrease during 2014/2015 as a number of major projects are completed. These include:

- Ashford Water Treatment Plant \$ 1.7 M
- Inverell Sewerage Treatment Works \$ 3.0 M

In addition to these amounts, Council also holds substantial unexpended Grant Funds in the General Fund which can only be utilised for the purpose for which they were granted.

**C) Interest – Budgeted verses Actual Result to Date**

	Ledger	2014/2015 Budget	Actuals to Date
General Fund	128820	1,050,000.00	761,563.77
Water Fund	812350	50,000.00	100,219.15
Sewer Fund	906320	10,000.00	60,928.78
<b>TOTAL</b>		<b>1,110,000.00</b>	<b>922,711.70</b>

The interest received to date (cash basis) is in accordance with Budget and does not include accruals. It is anticipated that Council will meet budgeted interest targets when allowing for end of year accruals. End of year accrual journals will be completed during July, 2015.

**D) Investment Portfolio Performance**

Investment Portfolio Return		Benchmarks	
	% pa	UBSA Bank Bill	11am Cash Rate
Benchmark as at 29-6-2015		2.67%	2.00%
Term Deposits	3.53%		
Cash Deposit Accounts	2.53%		
Floating Rate Notes			
Structured Products*	0.00%		

\*Structured Products exclude 1 CDO's currently in default and returning zero coupon

**E) Investment Commentary**

Council's investment portfolio returns exceeded the 11am Cash Rate benchmark in all investment categories except for Structured Products and Term Deposits exceed the UBSA Bank Bill Index benchmark. Money is held in cash deposits accounts for liquidity purposes.



Council's investment portfolio of \$44.5M is almost entirely invested in fixed term deposits. Overall, the portfolio is highly liquid, highly rated and short-dated from a counterparty perspective.

As widely anticipated, the RBA decided to keep the official cash rate unchanged at 2.00% in its meeting in June. After cutting interest rates for a second time this year in May, the Board judged it was "appropriate" to leave rates unchanged.

The RBA appears to have tilted towards a neutral bias but is monitoring the economy's outlook for growth ("below its longer-term average") to judge if further easing is warranted. It continued to mention the strong residential property market in Sydney, while at the same time, indicated it was continuing to work with APRA to contain the inflated market.

The Board also continued to jawbone the Australian dollar saying that a "further depreciation seems both likely and necessary".

Money markets are now pricing in a small chance of another rate cut by the end of March, 2016.

Council staff will continue to monitor interest movements to ensure the best possible returns on investments.

#### **F) Certification – Responsible Accounting Officer**

I Ken Beddie, hereby certify that the investments listed in this report have been made in accordance with Section 625 of the *Local Government Act 1993*, Clause 212 of the Local Government (General) Regulations 2005 and Council's Investment Policy.

#### **RELATIONSHIP TO STRATEGIC PLAN, DELIVERY PLAN AND MANAGEMENT PLAN:**

**Strategy:** S.01 Sound Local Government Administration, Governance and Financial Management are provided.

**Term Achievement:** S.01.02 A sound long term financial position is maintained.

**Operational Objective:** S.01.02.01 To manage Council Finances with the view to ensuring Council's ongoing financial health and stability, the discharge of statutory and fiduciary responsibilities, proper accounting systems and standards and an efficient and equitable revenue base.

#### **POLICY IMPLICATIONS:**

Nil.

#### **CHIEF FINANCIAL OFFICERS COMMENT:**

It is noted that the volatility of current financial markets and pending legal actions will not impact on Council's Rates and Charges, its ability to deliver its existing Services across the funds, or its medium or long term sustainability. Council's overall Investment Portfolio remains sounds.

#### **LEGAL IMPLICATIONS:**

Nil.

#### **RECOMMENDATION:**

*That the Committee recommend to Council that:*

- i) the report indicating Council's Fund Management position be received and noted; and*
- ii) the Certification of the Responsible Accounting Officer be noted.*