



INVERELL  
SHIRE COUNCIL



*The Christmas season is once again upon us and the CBD's collection of beautiful Christmas decorations has grown with the addition of Santa Claus and Gingerbread people.*

*Photo credit: Peter Caddey*

## Business Paper

### Ordinary Meeting of Council

### Wednesday, 14 December 2022

**INVERELL SHIRE COUNCIL****NOTICE OF ORDINARY MEETING OF COUNCIL**

9 December, 2022

An Ordinary Meeting of Council will be held in the Council Chambers, Administrative Centre, 144 Otho Street, Inverell on Wednesday, 14 December, 2022, commencing at **3.00pm**.

Your attendance at this Ordinary Meeting of Council would be appreciated.

Please Note: Under the provisions of the Code of Meeting Practice the proceedings of this meeting (including presentations, deputations and debate) will be recorded. The audio recording of the meeting will be uploaded on the Council's website at a later time. Your attendance at this meeting is taken as consent to the possibility that your voice may be recorded and broadcast to the public.

**I would like to remind those present that an audio recording of the meeting will be uploaded on the Council's website at a later time and participants should be mindful not to make any defamatory or offensive statements.**

**P J HENRY PSM**

**GENERAL MANAGER**

**Agenda**

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3.30pm - Cathryn McFarland, Forsyths, representing the NSW Audit Office – Presentation - 2021/2022 Audit Report.

Mr Phil Schwenke, Chairperson – Audit, Risk and Improvement Committee – Presentation - Annual Report

## Recording of Council Meetings

Council meetings are recorded. By entering the Chambers during an open session of Council, you consent to your attendance and participation being recorded.

The recording will be archived. All care is taken to maintain your privacy; however as a visitor of the public gallery, your presence may be recorded.

## Ethical Decision Making and Conflicts of Interest

A guiding checklist for Councillors, officers and community committees

### Ethical decision making

- Is the decision or conduct legal?
- Is it consistent with Government policy, Council's objectives and Code of Conduct?
- What will the outcome be for you, your colleagues, the Council, anyone else?
- Does it raise a conflict of interest?
- Do you stand to gain personally at public expense?
- Can the decision be justified in terms of public interest?
- Would it withstand public scrutiny?

### Conflict of interest

A conflict of interest is a clash between private interest and public duty. There are two types of conflict:

- **Pecuniary** – regulated by the Code of Conduct and Office of Local Government
- **Non-pecuniary** – regulated by Code of Conduct and policy. ICAC, Ombudsman, Office of Local Government (advice only). If declaring a Non-Pecuniary Conflict of Interest, Councillors can choose to either disclose and vote, disclose and not vote or leave the Chamber.

### The test for conflict of interest

- Is it likely I could be influenced by personal interest in carrying out my public duty?
- Would a fair and reasonable person believe I could be so influenced?
- Conflict of interest is closely tied to the layperson's definition of 'corruption' – using public office for private gain.
- Important to consider public perceptions of whether you have a conflict of interest.

### Identifying problems

**1st** Do I have private interests affected by a matter I am officially involved in?

**2nd** Is my official role one of influence or perceived influence over the matter?

**3rd** Do my private interests conflict with my official role?

### Code of Conduct

For more detailed definitions refer to Council's and Model Code of Conduct, Part 4 – Pecuniary Interests and Part 5 – Non – Pecuniary Conflicts of Interest.

### Disclosure of pecuniary interests / non-pecuniary interests

Under the provisions of Part 4 of the Model Code of Conduct prescribed by the Local Government (Discipline) Regulation (conflict of interests) it is necessary for you to disclose the nature of the interest when making a disclosure of a pecuniary interest or a non-pecuniary conflict of interest at a meeting.

**A Declaration form should be completed and handed to the General Manager** as soon as practicable once the interest is identified. Declarations are made at Item 3 of the Agenda: Declarations - Pecuniary, Non-Pecuniary and Political Donation Disclosures, and prior to each Item being discussed: The Declaration Form can be downloaded at [Disclosure of Pecuniary Interests form](#) or [Non-Pecuniary Interests form](#)



## Quick Reference Guide

Below is a legend that is common between the:

- Inverell Shire Council Strategic Plan;
- Inverell Shire Council Delivery Plan; and
- Inverell Shire Council Operational Plan.





## MEETING CALENDAR

January 2023 – December 2023

### Ordinary Meetings:

Time: 3.00 pm

Venue: Council Chambers

JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
Wed	Wed	Wed	Wed	Wed	Wed	Wed	Wed	Wed	Wed	Wed	Wed
25	22	22	26	24	<sup>^</sup> 28	26	23	27	25	22	20

### Major Committee Meetings:

Civil and Environmental Services - 9.00 am

Economic and Community Sustainability - 10.30 am

Venue: Committee Room

JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
Wed	Wed	Wed	Wed	Wed	Wed	Wed	Wed	Wed	Wed	Wed	Wed
No Meeting	8	8	12	10	14	12	9	13	11	8	No Meeting

Members of the public are invited to observe meetings of the Council.

Should you wish to address Council, please contact the Office of the General Manager on 6728 8206.

<sup>^</sup> Meeting at which the Management Plan for 2023/2024 is adopted.



# INTERNAL CALENDAR

## JANUARY 2023

SUN	MON	TUE	WED	THU	FRI	SAT
New Year's Day  1.	New Year's Day (public holiday in lieu)  2.	  3.	  4.	  5.	  6.	  7.
  8.	  9.	  10.	  11.	  12.	  13.	9:00am Free Skate Workshop – Inverell Skate Park  14.
  15.	Outback Lifesavers Program – Copeton Dam  16.	Outback Lifesavers Program – Copeton Dam  17.	Outback Lifesavers Program – Copeton Dam  18.	  19.	  20.	  21.
  22.	  23.	  24.	11:00am Free Skate Workshop – Inverell Skate Park  3.00pm Special Meeting of Council  25.	Australia Day  Australia Day celebrations in Victoria Park  26.	  27.	  28.
  29.	Public interest disclosure report due to NSW Ombudsman  30.	Third quarter rates instalments to be sent  Last day for Council's ledgers to be balanced and prepared for auditor  31.				

 Council office closed

**1 APOLOGIES**

**2 CONFIRMATION OF MINUTES**

**RECOMMENDATION:**

*That the Minutes of the Ordinary Meeting of Council held on 30 November, 2022, as circulated to members, be confirmed as a true and correct record of that meeting.*

**MINUTES OF INVERELL SHIRE COUNCIL  
ORDINARY COUNCIL MEETING  
HELD AT THE COUNCIL CHAMBERS, ADMINISTRATIVE CENTRE, 144 OTHO STREET,  
INVERELL  
ON WEDNESDAY, 30 NOVEMBER 2022 AT 3.00PM**

**PRESENT:** Cr Paul Harmon (Mayor), Cr Jo Williams, Cr Di Baker, Cr Stewart Berryman, Cr Kate Dight, Cr Jacko Ross, Cr Wendy Wilks, Cr Nicky Lavender

**IN ATTENDANCE:** Paul Henry (General Manager) and Paul Pay (Director Corporate and Economic Services).

A minute silence was held in memory of Laurel McInnes.

**1 APOLOGIES**

**RESOLUTION 2022/148**

Moved: Cr Wendy Wilks

Seconded: Cr Jo Williams

*That the apology received from Cr Paul King OAM for personal reasons be accepted and leave of absence granted.*

**CARRIED**

**2 CONFIRMATION OF MINUTES**

**RESOLUTION 2022/149**

Moved: Cr Kate Dight

Seconded: Cr Di Baker

*That the Minutes of the Ordinary Meeting of Council held on 26 October, 2022, as circulated to members, be confirmed as a true and correct record of that meeting.*

**CARRIED**

**3 DISCLOSURE OF INTERESTS / PECUNIARY AND NON-PECUNIARY INTERESTS**

Cr Wilks declared a pecuniary interest in Item #13.1 'Land Sale S5.2.0/15'. The nature of the interest is that she related to a Director of the proposed purchaser.

**4 PUBLIC FORUM**

Nil

**5 MAYORAL MINUTE**

Nil

**6 ADVOCACY REPORTS**

Nil

**7 NOTICES OF BUSINESS**

Nil

**8 QUESTIONS WITH NOTICE**

Nil

**9 COMMITTEE REPORTS****9.1 CIVIL AND ENVIRONMENTAL SERVICES COMMITTEE MINUTES - 9 NOVEMBER 2022****RESOLUTION 2022/150**

Moved: Cr Stewart Berryman

Seconded: Cr Di Baker

- i. *That the Minutes of the Civil and Environmental Services Committee held on Wednesday, 9 November, 2022, be received and noted; and*
- ii. *The following recommendations of the Civil and Environmental Services Committee be adopted by Council.*

**CARRIED****9.1.1 Road Closure - Venetian Carnival****RECOMMENDATION:**

*That the Sapphire City Festival Committee meet the costs of the road closure as this event is to be used as a substitute for the Festival Finale.*

**9.1.2 Agritourism Changes to the NSW Planning System****RECOMMENDATION:**

*That:*

1. *The land use "Agritourism" not be permitted in any additional zones of the Inverell Local Environmental Plan 2012 or Guyra Local Environmental Plan 2012;*
2. *The optional Clause 5.24 "Farm Stay Accommodation" and optional Clause 5.25 "Farm Gate" Premises of Standard Instrument (Local Environmental Plans) Amendment (Agritourism) Order 2022 not be adopted for the Inverell Local Environmental Plan 2012 or Guyra Local Environmental Plan 2012; and*
3. *The mandated agritourism changes to the NSW Planning System be noted.*



**9.1.3 Conflict of Interest Policy - Council-related Development Applications****RECOMMENDATION:**

*That:*

1. *the Draft Conflict of Interest Policy be endorsed for public exhibition in conjunction with the necessary administrative changes to the Inverell Shire Community Participation Plan and placed on public exhibition for a minimum of 28 days; and*
2. *A further report be prepared for consideration at the conclusion of the public exhibition.*

**9.1.4 North Star Road****RECOMMENDATION:**

*That:*

1. *The information be received and noted,*
2. *The current classification of North Star Road as Rural Arterial road be retained,*
3. *Council continues to maintain the road in accordance with the Roads Asset Management Plan, and*
4. *Council monitor the situation and any forth coming data pertaining to upgrading the road be considered in accordance with Council's Restricted Access Vehicle Policy.*

**9.1.5 Information Reports****RECOMMENDATION**

*That the information reports be received and noted.*

**9.2 ECONOMIC AND COMMUNITY SUSTAINABILITY COMMITTEE MINUTES - 9 NOVEMBER 2022****RESOLUTION 2022/151**

Moved: Cr Jo Williams

Seconded: Cr Nicky Lavender

- i. *That the Minutes of the Economic and Community Sustainability Committee held on Wednesday, 9 November, 2022, be received and noted; and*
- ii. *The following recommendations of the Economic and Community Sustainability Committee be adopted by Council.*

**CARRIED**

**9.2.1 Request for Sponsorship - Ashford Show Society****RECOMMENDATION:**

*That:*

- a) *Council provide sponsorship to the Ashford Show Society for the amount of \$3000 to cover the cost of the fireworks display; and*
- b) *The sponsorship be funded from the Ashford village grant.*

### **9.2.2 Complaints Management Policy and Unreasonable Conduct by Complainants Policy**

#### **RECOMMENDATION:**

*That the 'Complaints Management Policy' and the 'Unreasonable Conduct by Complainants Policy' be adopted.*

### **9.2.3 Governance - Monthly Investment Report**

#### **RECOMMENDATION:**

*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.*

### **9.2.4 Quarterly Budget and Operational Plan 2022/2023**

#### **RECOMMENDATION:**

*That:*

- i) *Council's Quarterly Operational Plan and Budget Review for 30 September, 2022 be adopted; and*
- ii) *The proposed variations to budget votes for the 2022/2023 Financial Year be adopted providing an estimated Cash Surplus at 30 September, 2022 from operations of \$3,603.*

### **9.2.5 Request for a Reduction in a Water Usage Account**

#### **RECOMMENDATION:**

*That:*

- i. *the report be received; and*
- ii. *Council issue an amended account for the property known as 5 Park Street, Gilgai for the total of \$84.72, which is based on the average consumption prior to the leak and write off \$3,003.72.*

**9.3 AUDIT RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES - 20 SEPTEMBER 2022 S4.11.21****RESOLUTION 2022/152**

Moved: Cr Nicky Lavender

Seconded: Cr Kate Dight

*That the minutes from the Audit Risk and Improvement Committee meeting held on Tuesday, 20 September, 2022 be received and noted.*

**CARRIED****10 DESTINATION REPORTS****10.1 DRAFT DELIVERY PLAN 2022 - 2024 S4.13.2****RESOLUTION 2022/153**

Moved: Cr Kate Dight

Seconded: Cr Jacko Ross

*That the draft delivery plan be adopted as exhibited excluding the following items:*

- *Assist with the establishment of an Aboriginal Keeping Place*

**CARRIED****10.2 DONATIONS POLICY S4.14.4/02****RESOLUTION 2022/154**

Moved: Cr Di Baker

Seconded: Cr Kate Dight

*That:*

- Part 2 of the existing 'Donations Policy' be rescinded and replaced with the 'Donation/Financial Assistance' Policy detailed in the report,*
- Part 3 'Annual Donations' be amended as set out in the body of the report; and*
- No maximum amount for any Donation/Financial Assistance be set for each donation category.*

**CARRIED****10.3 NSW GOVERNMENT 2022-23 HOUSING PACKAGE AND UNBLOCKING HOMES PROGRAM S18.6.71****RESOLUTION 2022/155**

Moved: Cr Stewart Berryman

Seconded: Cr Kate Dight

*That:*

1. *The information presented in regard to the “2022-23 Housing Package”, the “Unblocking Homes Program” and the actions being undertaken by Council staff be noted; and*
2. *A future report be presented to the Civil and Environmental Services Committee once the Regional Housing Delivery Plan for the Upper North West has been released.*

**CARRIED**

#### **10.4 REFERRAL OF CONFIDENTIAL REPORTS**

##### **RECOMMENDATION:**

*That Council move into Closed (Public excluded) meeting of the Council and that the press members of the public be asked to leave the chambers whilst Council considers the following items:*

**Item:** #13.1 Land Sale

**Authority:** Section 10A (2)(c) “Information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business,” Local Government Act 1993.

**Item:** #13.2 Expression of Interest in the Function Centre at the Inverell Tourist Centre Complex

**Authority:** Section 10A (2)(d)(i) “Commercial information of a confidential nature that would, if disclosed: prejudice the commercial position of the person who supplied it”, Local Government Act 1993.

#### **11 INFORMATION REPORTS**

##### **11.1 STRATEGIC TASKS - 'SIGN OFF' - OCTOBER 2022 S4.13.2**

##### **RESOLUTION 2022/156**

Moved: Cr Wendy Wilks  
Seconded: Cr Nicky Lavender

*That the information report be received and noted.*

**CARRIED**

##### **11.2 SUMMARY OF DEVELOPMENT APPLICATIONS, CONSTRUCTION CERTIFICATES AND COMPLYING DEVELOPMENT CERTIFICATES DURING OCTOBER 2022 S18.10.2/15**

##### **RESOLUTION 2022/157**

Moved: Cr Stewart Berryman  
Seconded: Cr Di Baker

*That the information report be received and noted.*

**CARRIED**

**11.3 ORDINANCE ACTIVITIES REPORT FOR OCTOBER 2022 S18.10.1****RESOLUTION 2022/158**

Moved: Cr Kate Dight

Seconded: Cr Di Baker

*That the information report be received and noted.***CARRIED****12 GOVERNANCE REPORTS**

Nil

**13 CONFIDENTIAL MATTERS (COMMITTEE-OF-THE-WHOLE)**

At 4.10pm, the Chairperson offered the opportunity to members of the public to make representations as to whether any part of the Council Meeting should not be considered in Closed Council. There was no response.

At 4.11pm, Cr Wilks left the meeting having previously declared a pecuniary interest in Item #13.1 'Land Sale S5.2.0/15'. The nature of the interest is she is related to a Director of the proposed purchaser.

**RESOLUTION 2022/159**

Moved: Cr Di Baker

Seconded: Cr Kate Dight

*That Council proceeds into Closed Council to discuss the matters referred to it, for the reasons stated in the motions of referral.***CARRIED****RESOLUTION 2022/160**

Moved: Cr Kate Dight

Seconded: Cr Jo Williams

*That Council proceeds out of Closed Council into Open Council.***CARRIED**

Upon resuming Open Council at 4.30pm, the Chairperson verbally reported that the Council had met in Closed Council, with the Press and Public excluded, and had resolved to recommend to Council the following:

**13.1 LAND SALE S5.2.0/15****RECOMMENDATION:***That Council:*

- a) *authorise the General Manager to make a counter offer to BOSS Engineering as per the terms discussed during the closed meeting.*

*b) The General Manager report back to Council on the result of the counter offer.*

At 4.31pm, Cr Wilks returned to the meeting.

### **13.2 EXPRESSION OF INTEREST IN THE FUNCTION CENTRE AT THE INVERELL TOURIST CENTRE COMPLEX S5.10.93**

#### **RESOLUTION 2022/161**

Moved: Cr Kate Dight

Seconded: Cr Jo Williams

*That Council:*

- 1. enter into a 2-year lease agreement with RBL GROUP Pty Ltd for the tenancy of the Riverside Function Centre with the general terms being in accordance with the Expression of Interest document, with an option for a further 3-year lease at the discretion of Council;*
- 2. provide a rent-free period of three (3) months;*
- 3. the General Manager be authorised to negotiate additional terms of the lease agreement;*
- 4. the General Manager be authorised to execute the lease agreement; and*
- 5. the General Manager be authorised to approve renovations to the bar area.*

**CARRIED**

### **ADOPTION OF RECOMMENDATIONS**

#### **RESOLUTION 2022/162**

Moved: Cr Di Baker

Seconded: Cr Kate Dight

*That the recommendations of Closed Council be adopted.*

**CARRIED**

**The Meeting closed at 4.33pm.**



**3 DISCLOSURE OF INTERESTS / PECUNIARY AND NON-PECUNIARY INTERESTS**

**4 PUBLIC FORUM**

**5 MAYORAL MINUTE**

Nil

**6 ADVOCACY REPORTS**

Nil

**7 NOTICES OF BUSINESS**

Nil

**8 QUESTIONS WITH NOTICE**

Nil

**9 COMMITTEE REPORTS**

Nil

**10 DESTINATION REPORTS****10.1 EXPIRING LICENCE AGREEMENT****File Number:** S5.10.113 / 22/42383**Author:** Kristy Paton, Corporate Support Officer - Publishing**SUMMARY:**

The Licence Agreement between Council and Mr Ian Farnsworth and Mrs Delma Farnsworth is due to expire on 31 December, 2022. Council is requested to consider offering Mr and Mrs Farnsworth a new Agreement.

**RECOMMENDATION:***That:*

- i. Council renew the agreement with Mr I Farnsworth and Mrs D Farnsworth for Lot 2, DP 1040205, Taylor Avenue, Inverell for a further three (3) year term with a further three (3) year option under the same terms and conditions;*
- ii. The Licence fee be \$35.81 per annum (GST inclusive) with a 3% increase per annum; and*
- iii. The Licence Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.*

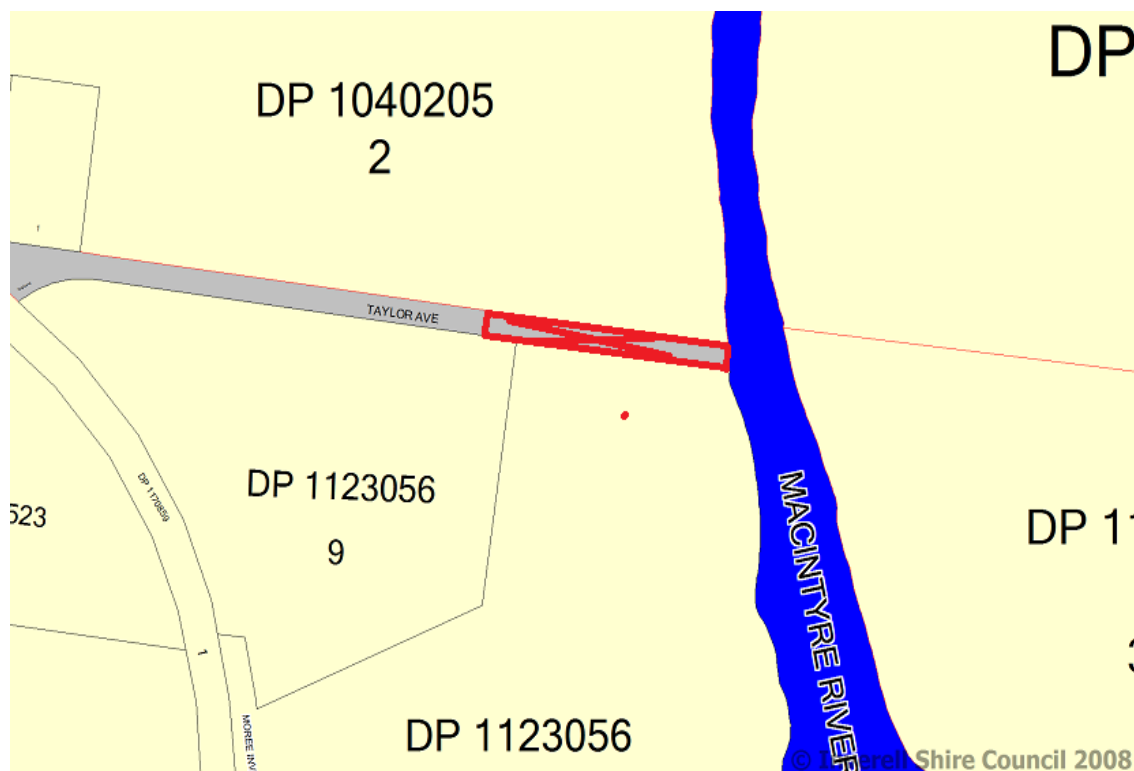
**COMMENTARY:**

The Licence Agreement between Council and Mr I Farnsworth and Mrs D Farnsworth for Lot 2, DP 1040205, Taylor Avenue, Inverell expires on 31 December, 2022. The authorised use of the land is for the purpose of grazing stock. Land Area is 3729 square metres.

An inspection of the area confirms use is in accordance with the Licence Agreement.

It is noted that the licences are issued subject to the licensee providing Public Liability Insurance for \$10M.

Council is asked to consider offering Mr I Farnsworth and Mrs D Farnsworth a new Agreement under the same terms and conditions for a three (3) year period with a three (3) year option and the licence fee be \$35.81 per annum with a 3% increase per annum. Last billed amount was \$34.77.



**RISK ASSESSMENT:**

Nil

**POLICY IMPLICATIONS:**

Nil

**CHIEF FINANCIAL OFFICERS COMMENT:**

Nil

**LEGAL IMPLICATIONS:**

Nil

**ATTACHMENTS:**

Nil

**10.2 COUNCIL'S PERFORMANCE REPORT - STATECOVER MUTUAL**

**File Number:** S27.1.12 / 22/42451

**Author:** Paul Henry, General Manager

**SUMMARY:**

Statecover Mutual has provided a summary report of the Mutual's performance and Inverell Shire Council's individual performance.

**RECOMMENDATION:**

*That the information be noted.*

**COMMENTARY:**

Inverell Shire Council is a member of Statecover Mutual. The Mutual provides cover for Council's workers compensation responsibilities.

A total of 129 Councils or Council entities form the membership of the mutual.

Each year, Statecover provides a report on the performance of the Mutual and Inverell Shire Council's performance in the key metrics for the scheme.

A copy of the 2021/2022 performance report is attached for Council's information.

The key points are:

A. Mutual

- Significant financial benefits for members of the Mutual (p. 5)
- The Mutual has outperformed other workers compensation schemes (p. 6)
- Strong performance in the claim frequency, liability timeframes and member retention (p. 11)

B. Inverell Shire Council

- 8 claims lodged in 2021/2022 (p.19)
- No psychological injuries during period. These types of claims represent 8% of all claims made against the Mutual but more significantly 31% of all expenses for the scheme
- All claims reported within 48 hours of injury
- 100% of all injured workers returned to work within 4 weeks. Exceeds all other comparative data (p. 22)
- Claims frequency is also better than all comparative data (p. 24)
- Average cost of a claim is below all other comparative data (p. 26)
- The premium paid by Council, as a percentage of wages is well below all other comparative data (p. 28)

Statecover has also provided details of the calculation of Council's Workcover premium for 2022/2023. The base tariff is determined using the rates charged by iCare. This tariff is then adjusted to reflect Council's 'performance' – the claims performance. The tariff is further adjusted to take into account 'scheme discounts'. The result of ISC being a member of Statecover is that it pays \$32,184.60 less than if ISC was covered by the iCare scheme.

Also, Council expects to receive \$46,610.98 (Safety and Wellbeing incentive) to help fund workplace activities that are aimed at continuing our strong performance in the Workcover area during 2022/2023.

**RISK ASSESSMENT:**

Nil

**POLICY IMPLICATIONS:**

Nil

**CHIEF FINANCIAL OFFICERS COMMENT:**

Nil

**LEGAL IMPLICATIONS:**

Nil

**ATTACHMENTS:**

1. General Manager's Report [↓](#)
2. 2022/2023 Renewal Premium [↓](#)
3. Claims Data as at 22.11.2022 [↓](#)



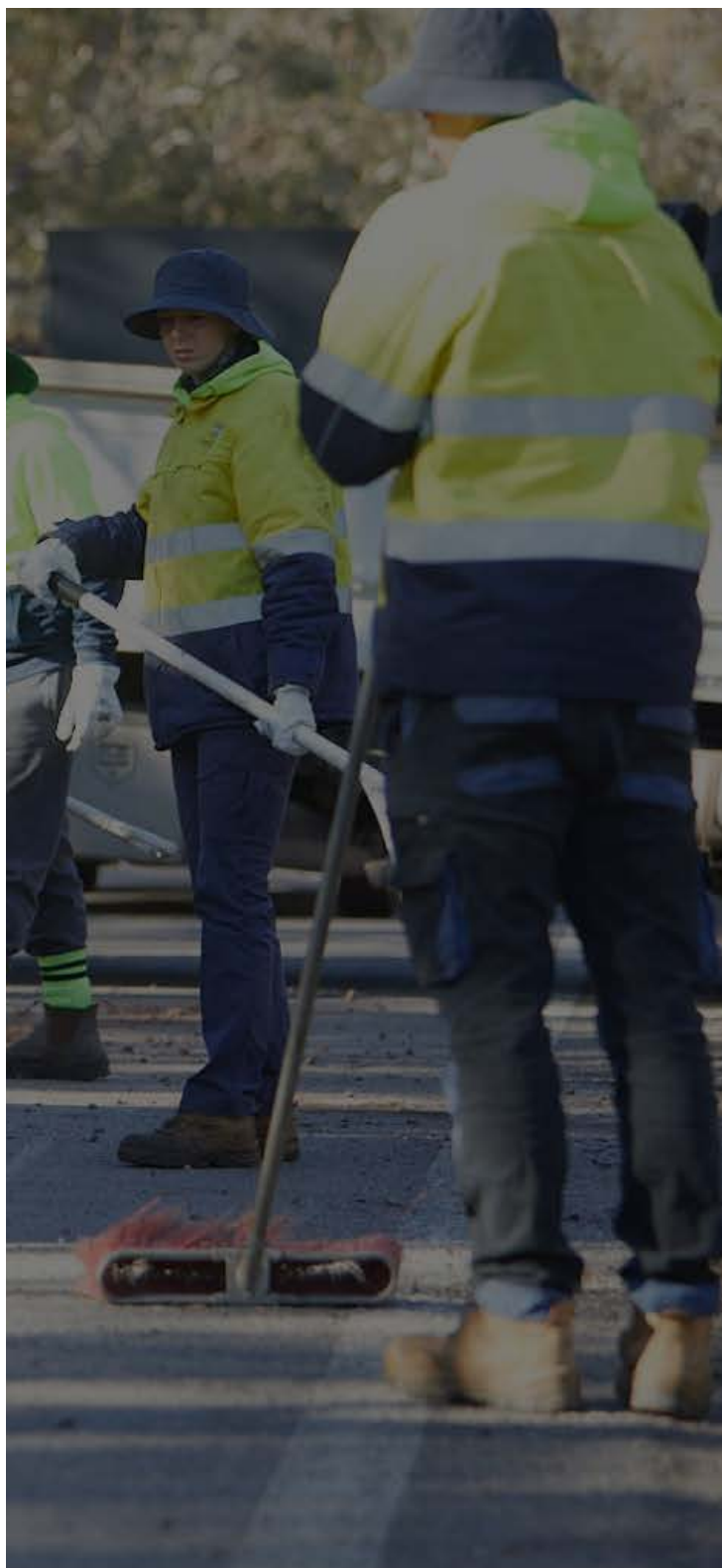
2021 - 2022

# General Manager's Report

INVERELL SHIRE COUNCIL







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## Forward

I am delighted to introduce your 2021/2022 Report. We have provided you with an update on the progress of our partnership, our service delivery, and achievements - sharing some exciting developments you can also look forward to in the year ahead.

Since taking the helm in March, I've had the opportunity to develop an understanding of the business and to visit many Members – to date travelling across metropolitan Sydney to northern NSW and the Centroc region.

Our Mutual partnerships remains strong, with 100% Member retention, this includes the addition of Penrith City Council, who we welcomed onboard in June 2022.

In our 21st year as StateCover we have:

- Maintained measures that reduce premium volatility
- Continued to deliver our Member Safety Incentive (MSI) (15% base tariff premium reduction)
- Maintained our commitment to the safety and wellbeing incentive and our annual WHS Self-Audit
- Designed and delivered bespoke safety and wellbeing initiatives tailored to the unique needs of local government
- Delivered diverse learning and knowledge sharing forums, including the 2022 Regional Workshops, face-to-face training, online sessions, webinars, and our industry leading communities of practice
- Continued to deliver personalised service

Looking ahead we are ourselves undertaking an operational transformation. Continuing our focus on claims service excellence, we are investing in technology to implement a document management system and to modernise our phone system. This follows our hybrid working project which now allows our team to operate effectively and efficiently from home, in the office and out on the road.

I will be continuing my travels and am looking forward to visiting you and your people face-to-face in the coming months. It is so important to understand how we can continue to partner, collaborate, and most importantly support you to keep your people safe, well and working.

All the best and speak soon,

*Sam*





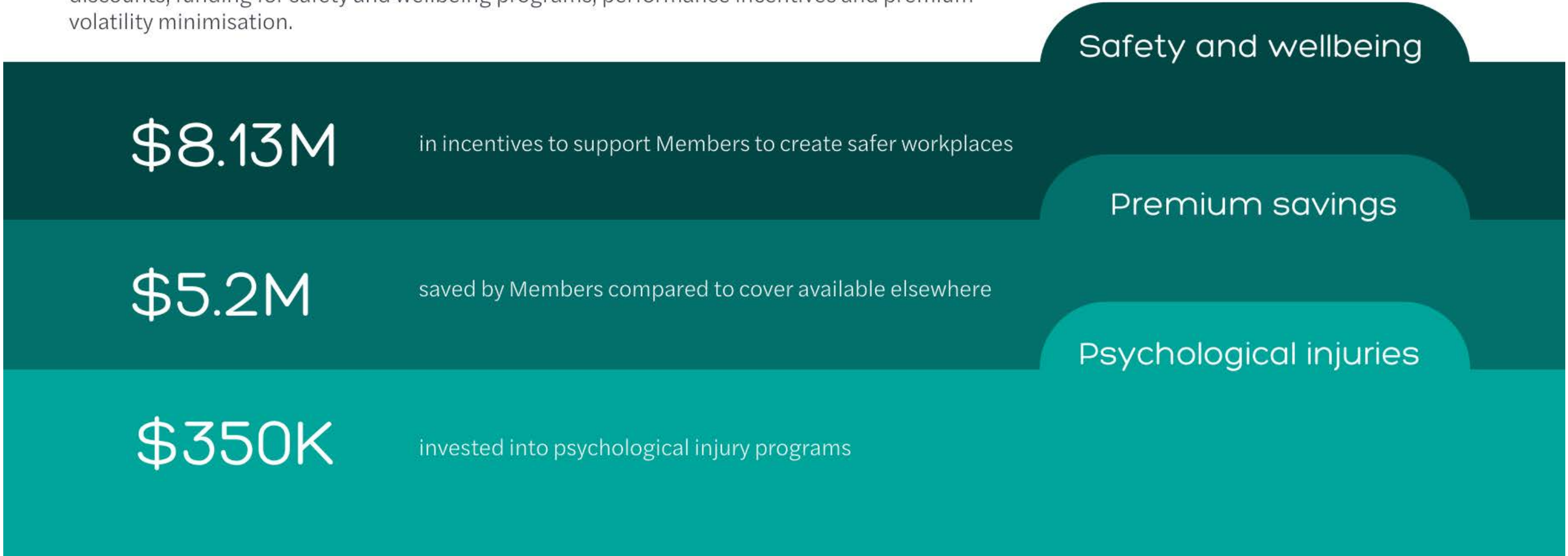
# Mutual Value Creation



# Financial benefits

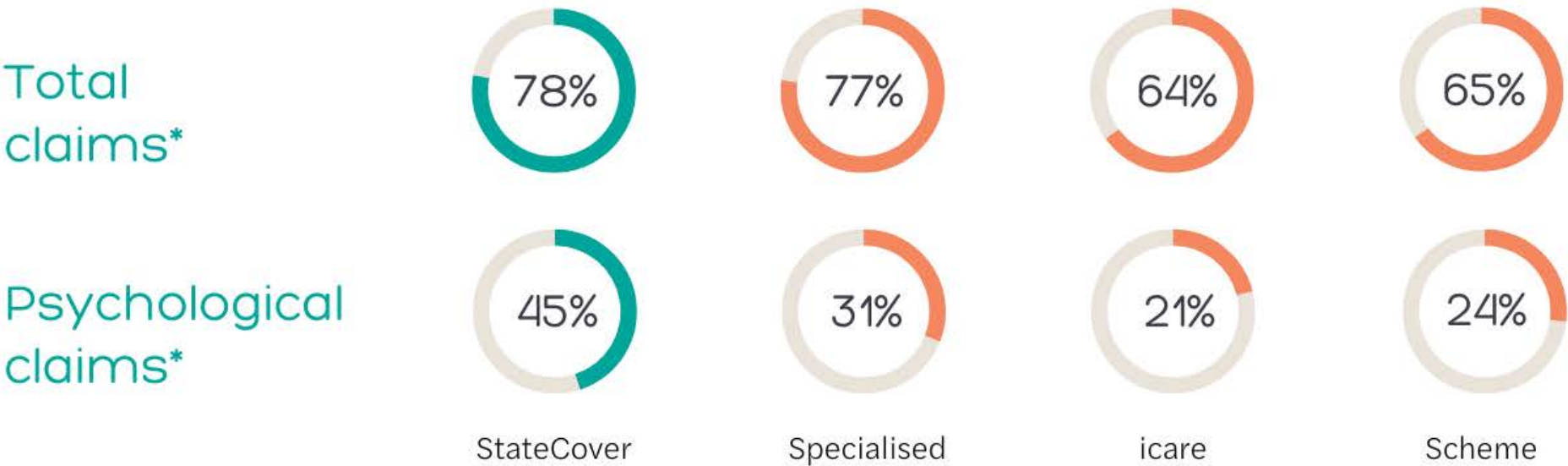
As a mutual, StateCover reinvests surpluses to help you keep your people safe, well and working.

Our Member financial benefits are one of the ways StateCover delivers mutual value to our Members. We go beyond premiums and claims to provide benefits including premium discounts, funding for safety and wellbeing programs, performance incentives and premium volatility minimisation.



Return to work

Our return to work (RTW) results consistently outperform average industry rates.



93%

of injured workers were satisfied and felt supported by StateCover during their recovery, RTW and claims process.

\*returned to work at 4 weeks







# 2022 Regional Workshops

StateCover took to the road from March to July 2022 rolling out our biennial Regional Workshops.



**10 workshops**

were held across regional and metropolitan NSW



**114 Members**

attended, representing 98 Councils



**Fitness for work**

was the theme, these educational events focused on the employee lifecycle and associated safety and wellbeing strategies

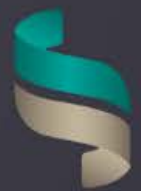


**99% satisfaction**

indicating that the workshops met Member expectations



# Mutual Performance





# Mutual performance



## New claims

- 1,979 total new claims.
- 157 were psychological claims.
- There were 14.5% fewer claims overall compared to 2020/21.
- Including 21% fewer psychological claims during the same period.
- This reduction is due to WHS measures and the impact of COVID-19 lockdowns in 2021/22.



## Finalised claims

- 2,162 claims were finalised during this 12 month period.
- Of these 51% of claims were finalised within the first 12 months.
- These high finalisation rates and lower number of new claims shows a 3% reduction in open claims at year end compared to 2020/21.



## Injuries reported in 48 hours

- 88% of injuries were reported to StateCover within the required 48-hour timeframe.
- This is up from 83% last year, supporting improved RTW rates.



# Mutual performance



## Claim frequency

- 0.61 claims per \$1M Council wages
- Claim frequency has reduced from 0.76 in 2020/21
- These results are due to fewer new claims lodged and higher wages



## Liability decision timeframes

- 99% of liability decisions, where provisional liability or reasonable excuse were initially applied, were made within 7 days
- 96% of initial complete liability decisions were made within 7 days



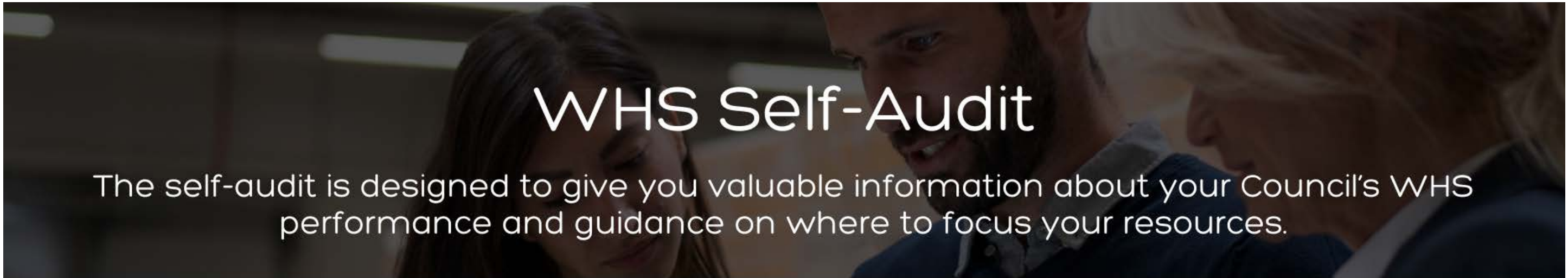
## Member retention

- 100% Member retention
- 1 new Member
- Totalling 39,117 workers in NSW protected by StateCover



# Safety and Wellbeing



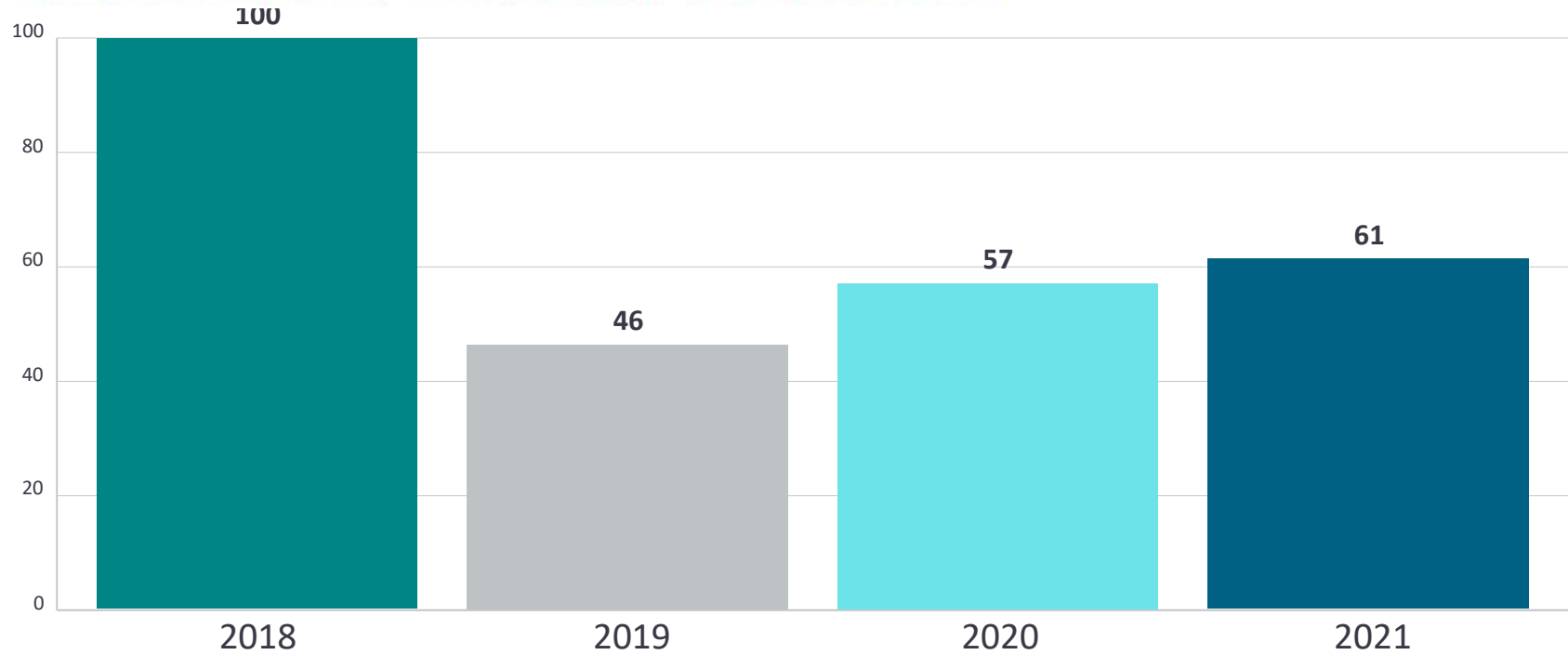


Identified priorities

The 2021 WHS Self-Audit identified the following priorities for Council:

- WHS planning
- Management review of WHS systems
- Musculoskeletal risks
- Electrical test and tag
- Hazardous noise
- Construction safety
- Quarries
- Contractor management
- Volunteer management

Your Council's WHS Self-Audit score\*



\*Compared to previous years





# Collaboration

During the last financial year, StateCover has provided Council with advice and guidance on safety system development/management and document review, and provided a draft ,anaging WHS risks document template.

## Partnering in the future

StateCover welcomes the opportunity to collaborate further with Council to improve health, safety, and wellbeing outcomes. Our Safety Team can assist your WHS Team improve all aspects of safety and wellbeing management processes by utilising StateCover’s resource library, the BeSafe platform and our team's shared knowledge and experience. We can provide Due Diligence training for officers and WHS Responsibilities training for managers and supervisors, together with a range of other training, including Incident Investigation and Contractor Management. Our Wellbeing Team will continue to assist Council to identify health and wellbeing priorities and implement best fit, cost-effective programs and initiatives.





# Workplace Injuries



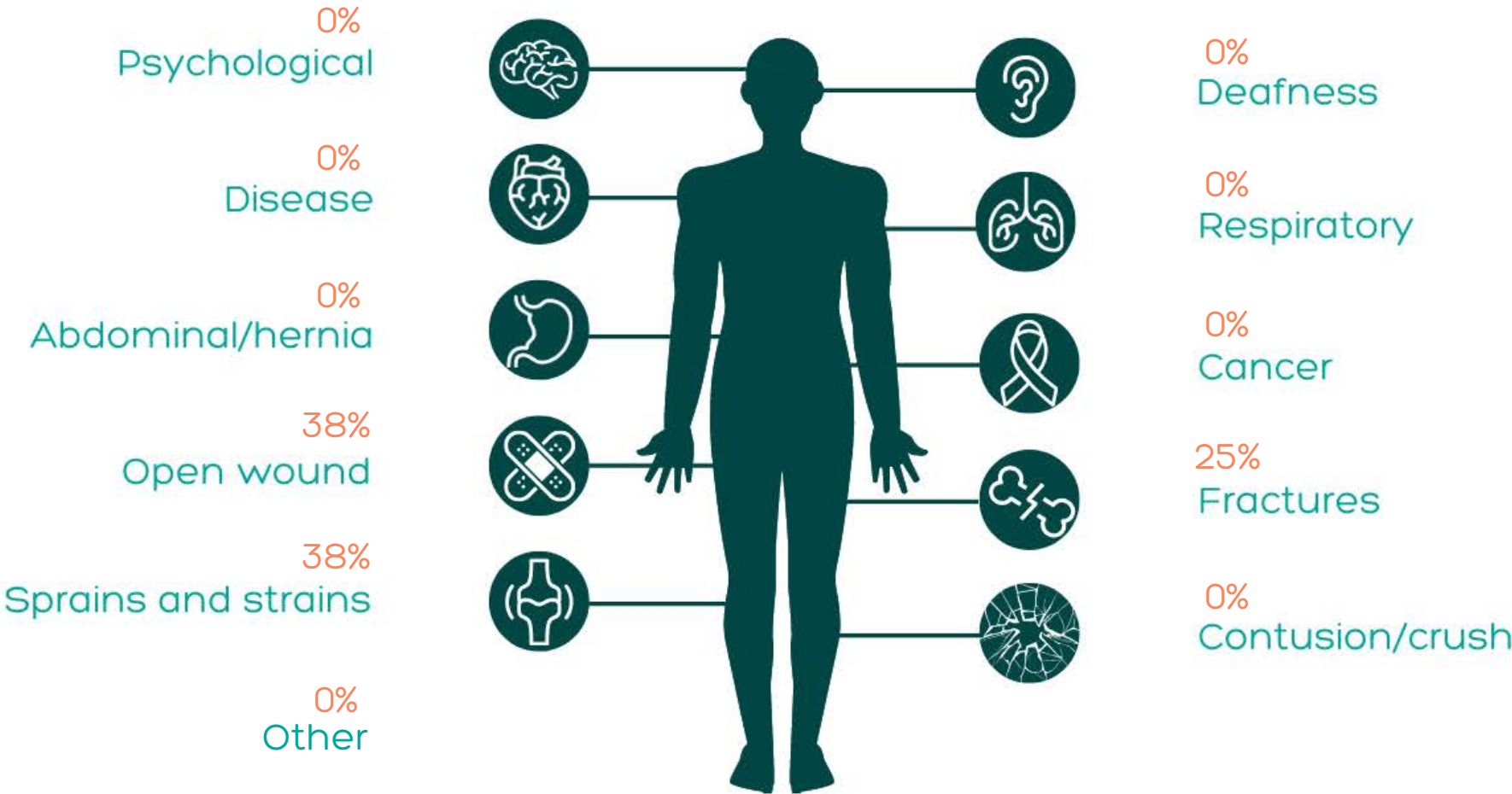
Injury types

Physical injuries accounted for 8 claims during 2021/2022. This accounts for 100% of your total claims.

Understanding the types of injuries occurring will assist you to target your WHS efforts.

Typically, sprains and strains represent the highest proportion of claims for most councils.

Furthermore, psychological injuries are the fastest growing cohort of claims across the mutual.





# Psychological injuries

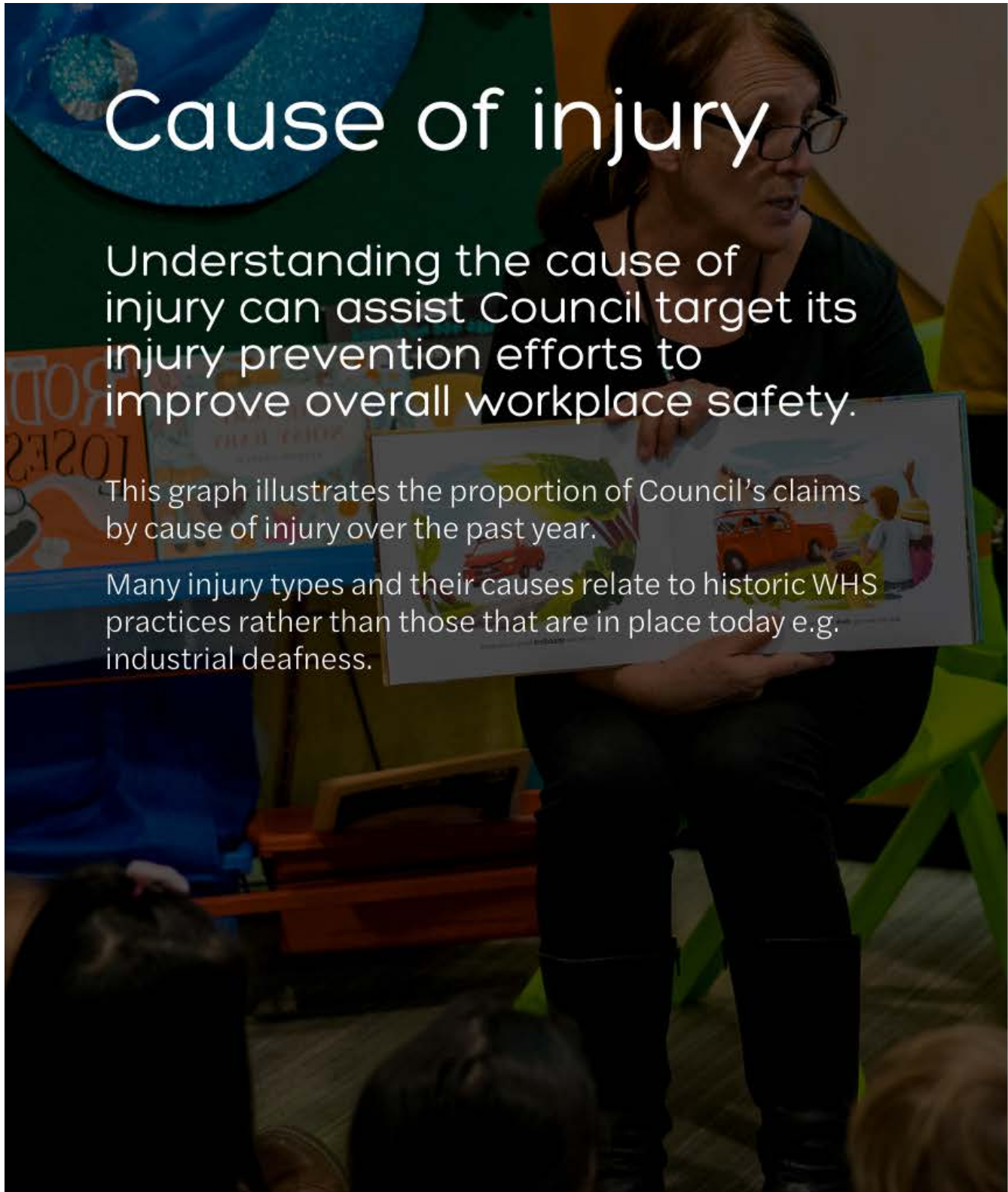
Psychological injuries accounted for 8% of total claims representing 31% of all claims expenses across the last financial year.

During this period you had no psychological claims. The top three reasons for mental stress claims include:

- 01 Work related harassment and/or workplace bullying
- 02 Work pressure
- 03 Exposure to a traumatic event







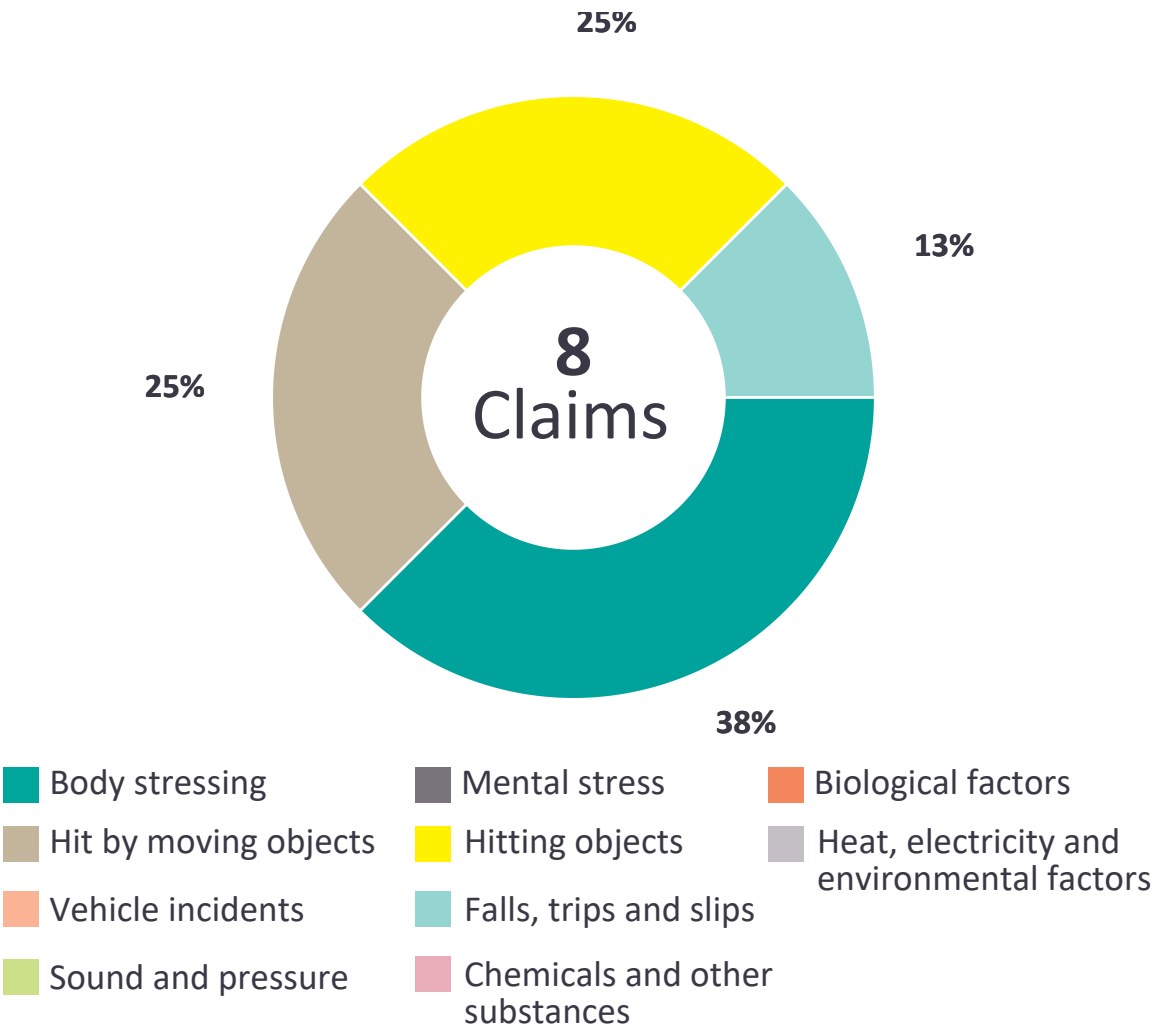
# Cause of injury

Understanding the cause of injury can assist Council target its injury prevention efforts to improve overall workplace safety.

This graph illustrates the proportion of Council’s claims by cause of injury over the past year.

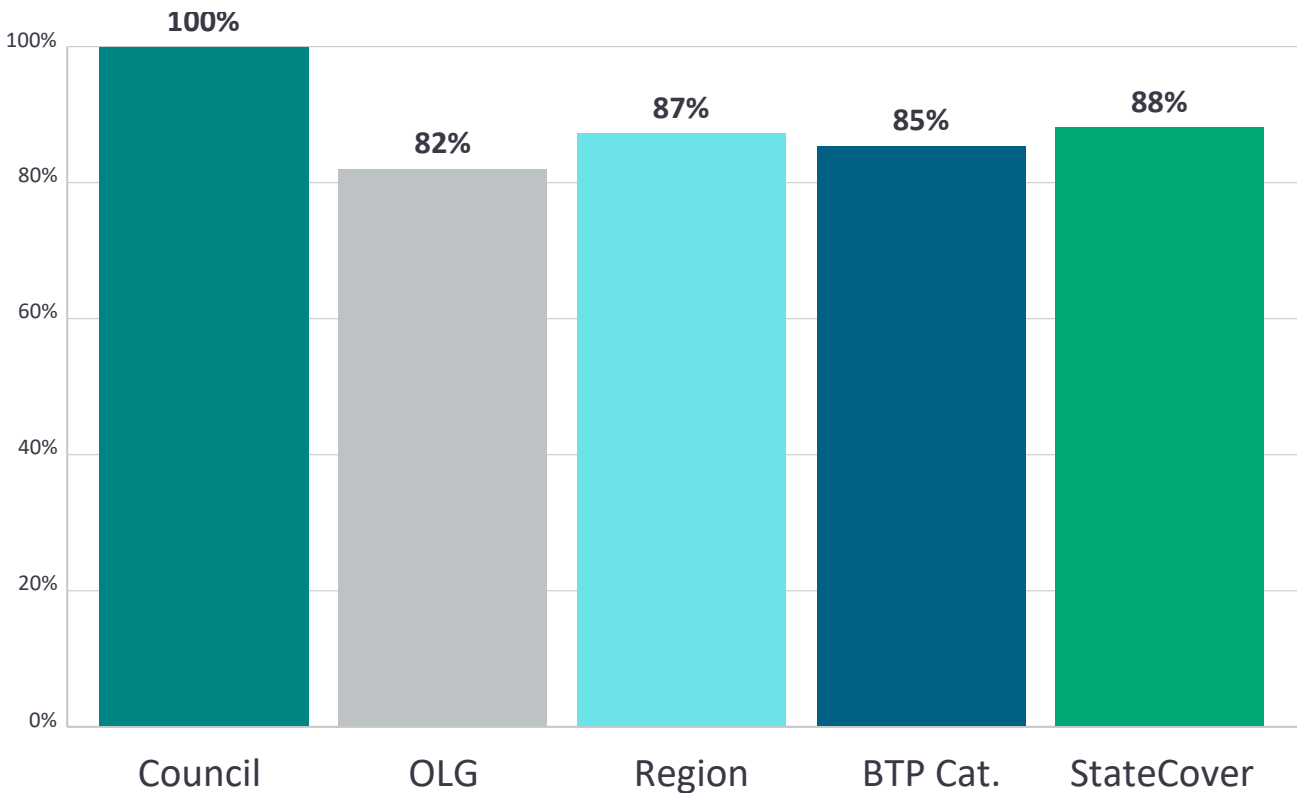
Many injury types and their causes relate to historic WHS practices rather than those that are in place today e.g. industrial deafness.

Councils claims by cause of injury: 2021/2022



Injury reporting timeframe


Percentage of claims reported by Council to StateCover within the 48 hours\*



- 

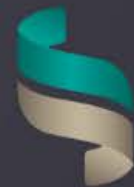
Reporting injuries to StateCover within 48 hours of Council becoming aware of the injury is a legislative requirement.
- 

Prompt reporting also allows for early intervention and assists with swift recovery and return to work.



\*Compared to various council cohorts.

# Return to Work



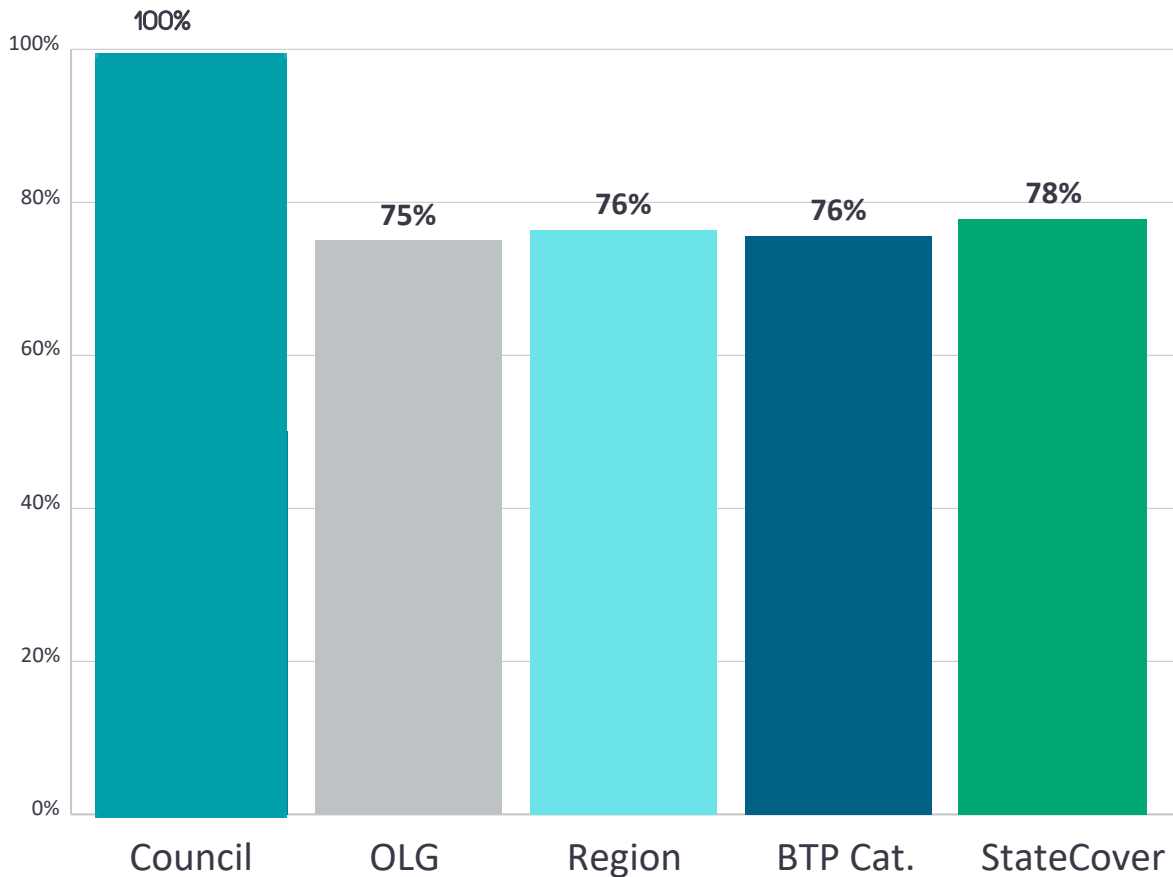
# Return to work performance

The return to work rate measures the proportion of injured workers who have experienced time lost due to their injury, and have resumed work in any capacity within 4, 13, or 26 weeks since the date the claim was reported.

While injury severity should be taken into account, the measure aims to show overall injury management effectiveness. For those councils wishing to improve their performance in this area, StateCover provides an Injury Management Systems Audit service that can assist to identify opportunities for improvement and recommend appropriate remedial actions.

StateCover adopts a collaborative approach to RTW and understands the mutual benefits that early intervention and returning to work have on a worker's recovery and Council's efficiency.

Your Council's average RTW performance: 2021/2022





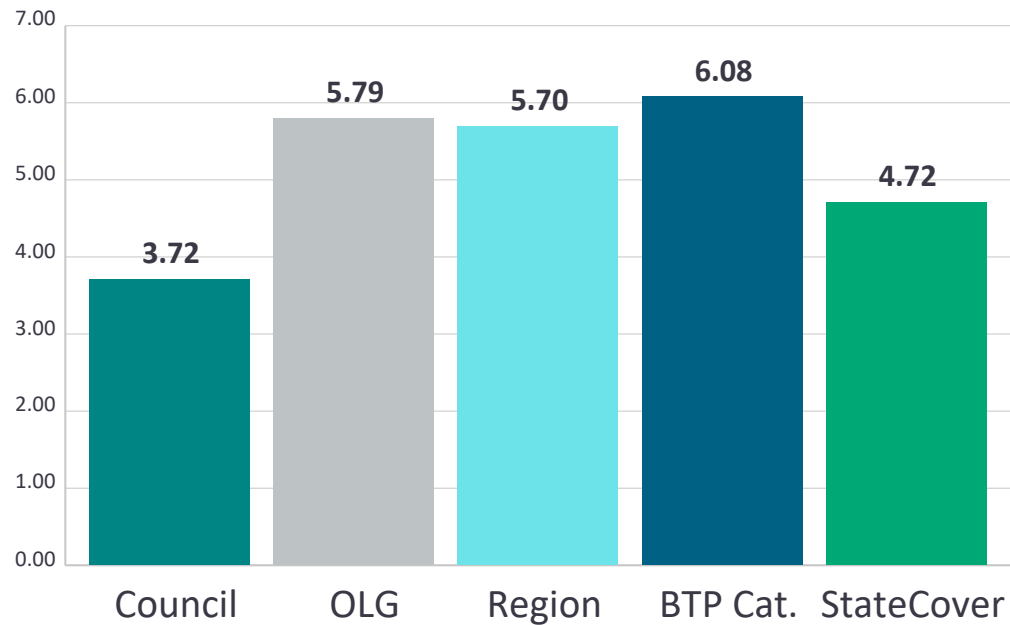
# Claims Frequency and Cost



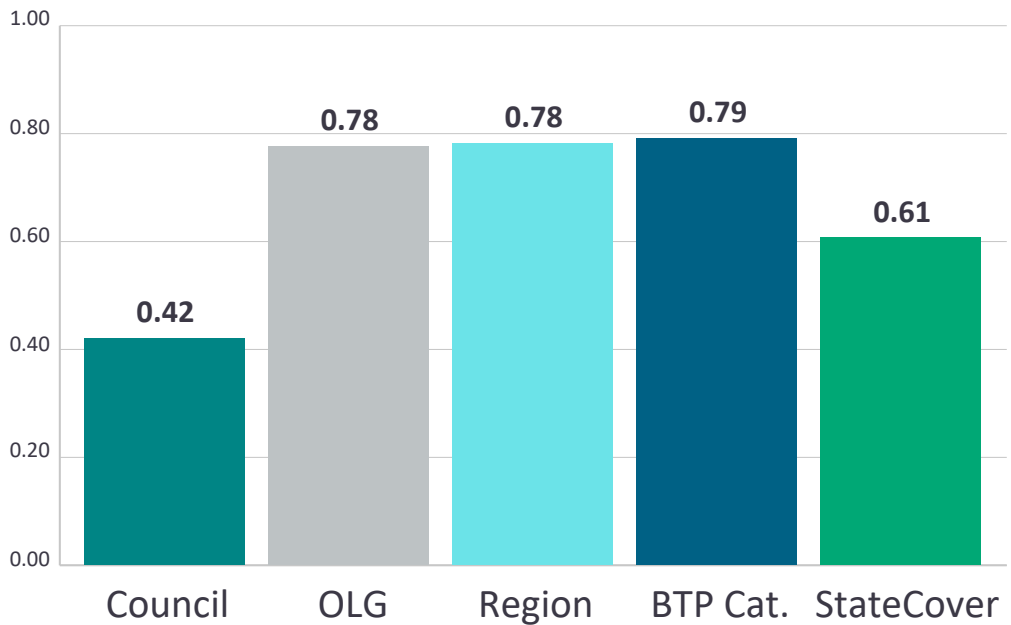


# Claim frequency comparision

Monitoring claims frequency using employee numbers



Monitoring claims frequency using Council wages\*



Claim frequency is a measure of Council's WHS performance and should be considered in conjunction with injury severity and claim cost.

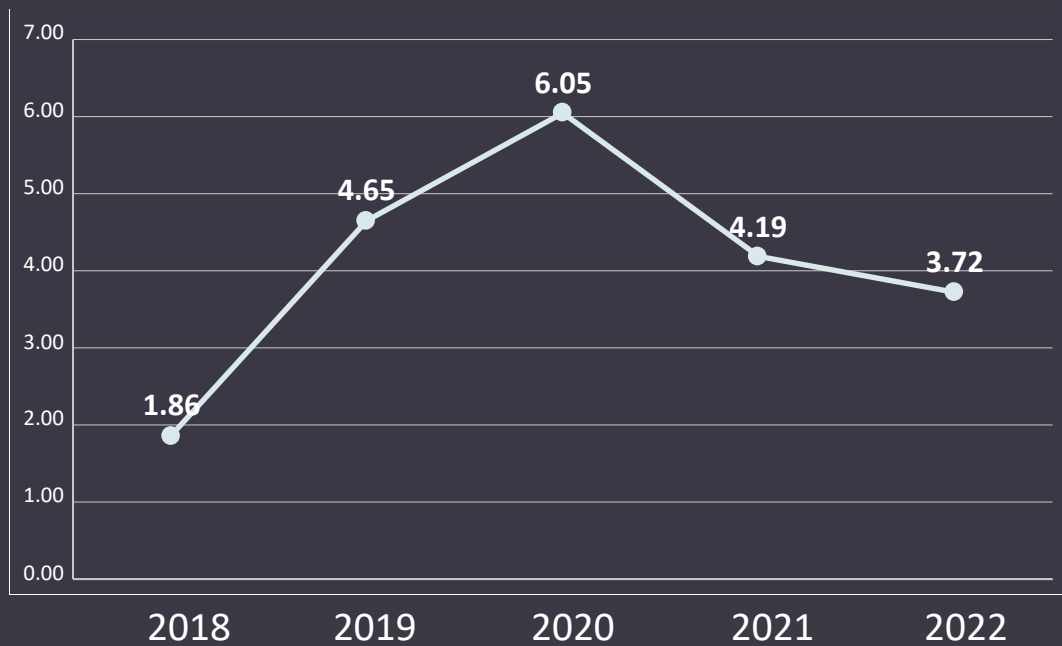
NOTE: It is highlighted that not all claims will directly impact Council's premium – those that do not incur any time lost from work are excluded from the experience-rated element of the premium.



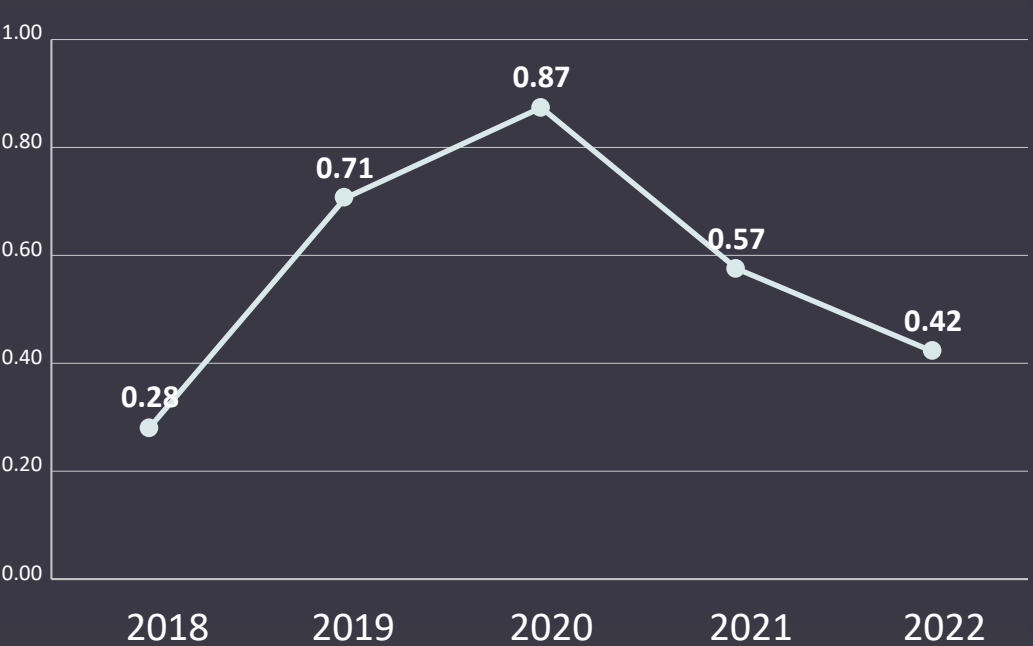
# Claim frequency trend

Effect of WHS efforts over time: 2018 - 2022

Monitoring claims frequency using employee numbers



Monitoring claims frequency using Council wages\*

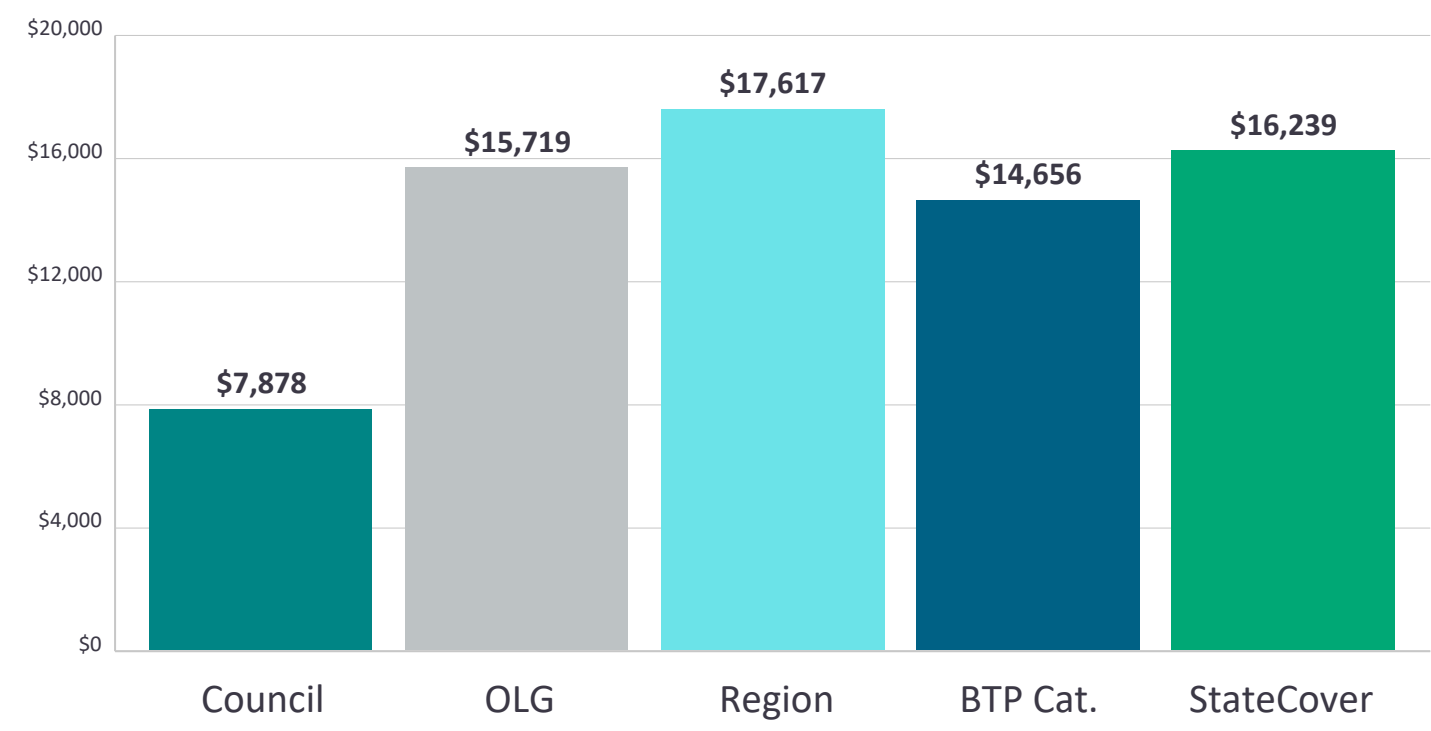



NOTE: after an extended period of year on year reduction in the injury frequency rate across StateCover’s portfolio, this now seems to have stabilised.  
\* As declared by Council on the annual wages declaration





# Average claims cost

## Comparison of your average incurred claims costs in 2021/22




- 

Claims costs may increase over time as further entitlements are paid, e.g. whole person impairment lump sums or common law damages.
- 

The amount paid on a claim will either directly or indirectly impact Council's premium.
- 

The most effective way to minimise either type of impact is to return the injured worker to work in suitable employment.



NOTE: these costs are on an “incurred” basis i.e. actual paid plus future estimated cost. The incurred cost is as at 30 June 2022 and does not represent the ultimate expected cost.





Your premium

The premium rate is a blended measure of the risk profile of the Local Government industry, the broader scheme, Council's WHS and return to work performance.

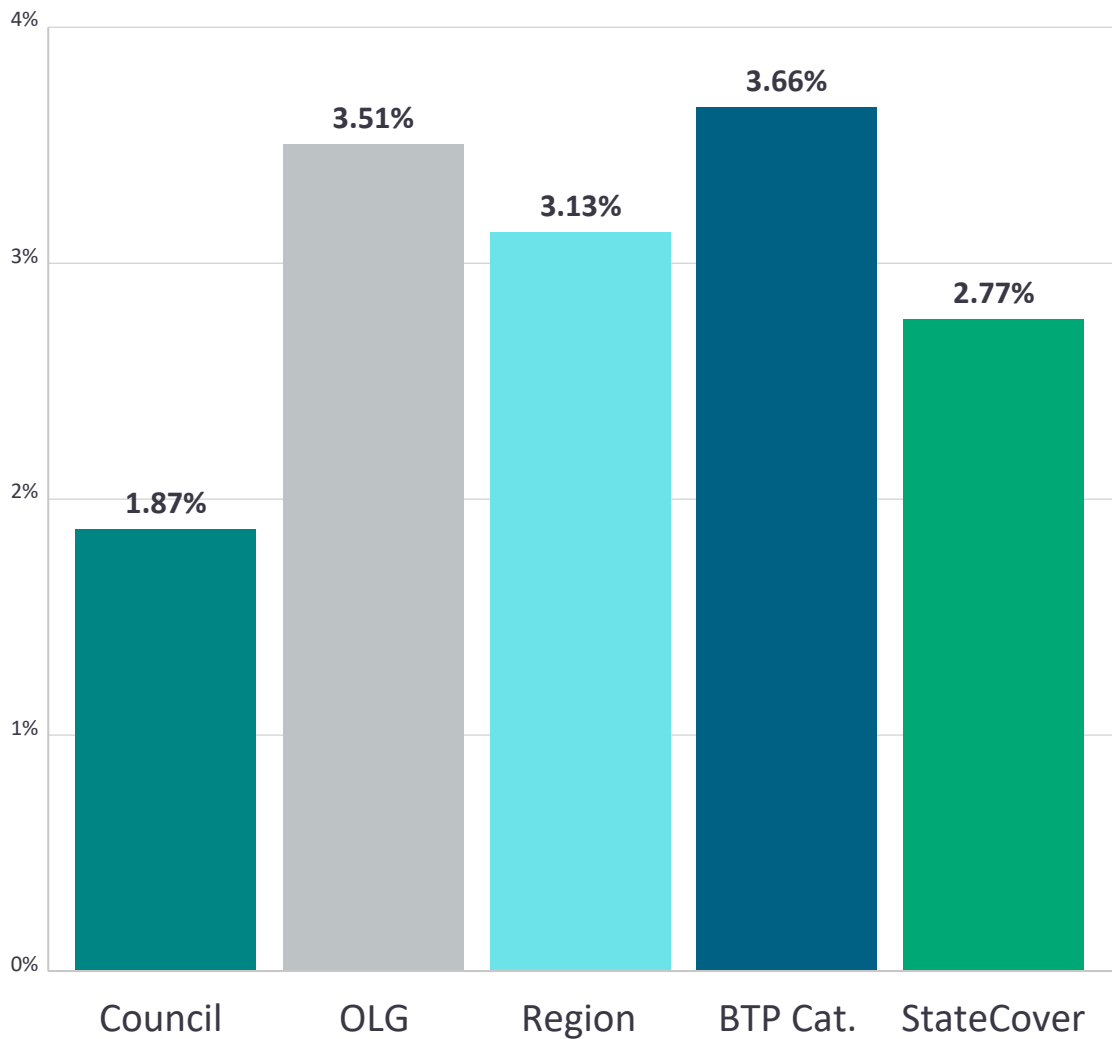
Council's premium is "experience rated" with the cost of claims for the past 3 years directly impacting the premium payable – the better the experience the lower the premium. Councils can control their premium through providing a safe workplace and, when a worker is injured, proactively assisting them to recover at work.

To minimise premium volatility, driven by an individual council claims experience, 21/22 premium increases were capped at 22%.

StateCover actively supports councils to manage the costs of workplace risk through reinvesting surplus funds in:

- Injury prevention programs
- Safety and wellbeing incentives and funding
- Risk management software
- Performance improvement programs

Members are strongly encouraged to fully utilise these resources, to let us know how we can assist further and to provide feedback.



# Looking Ahead





# 2022/2023



## 2023 Seminar

Our next Seminar will be held in May 2023. The multi-day event provides Members with information and resources on the unique challenges councils face every day and the current issues affecting the industry.



## StateCover Connect

StateCover Connect is a Member-only telephone service, providing expertise and support to address challenging employee situations, confidently and proactively. Focused on prevention, early intervention and recovery StateCover is currently piloting this service with a view to launching to all Members in 2023.



## Training and education

StateCover are committed to supporting Member networking and training opportunities. Our regular RTW Co-ordinator and Safety & Wellbeing communities of practice will continue, we have webinars under development, along with an ever growing suite of industry specific training.



## BeSafe enhancements

We continue to implement enhancements to our risk platform to assist with the management of your return to work and work health and safety.



# Member Services

Jennifer Lynch

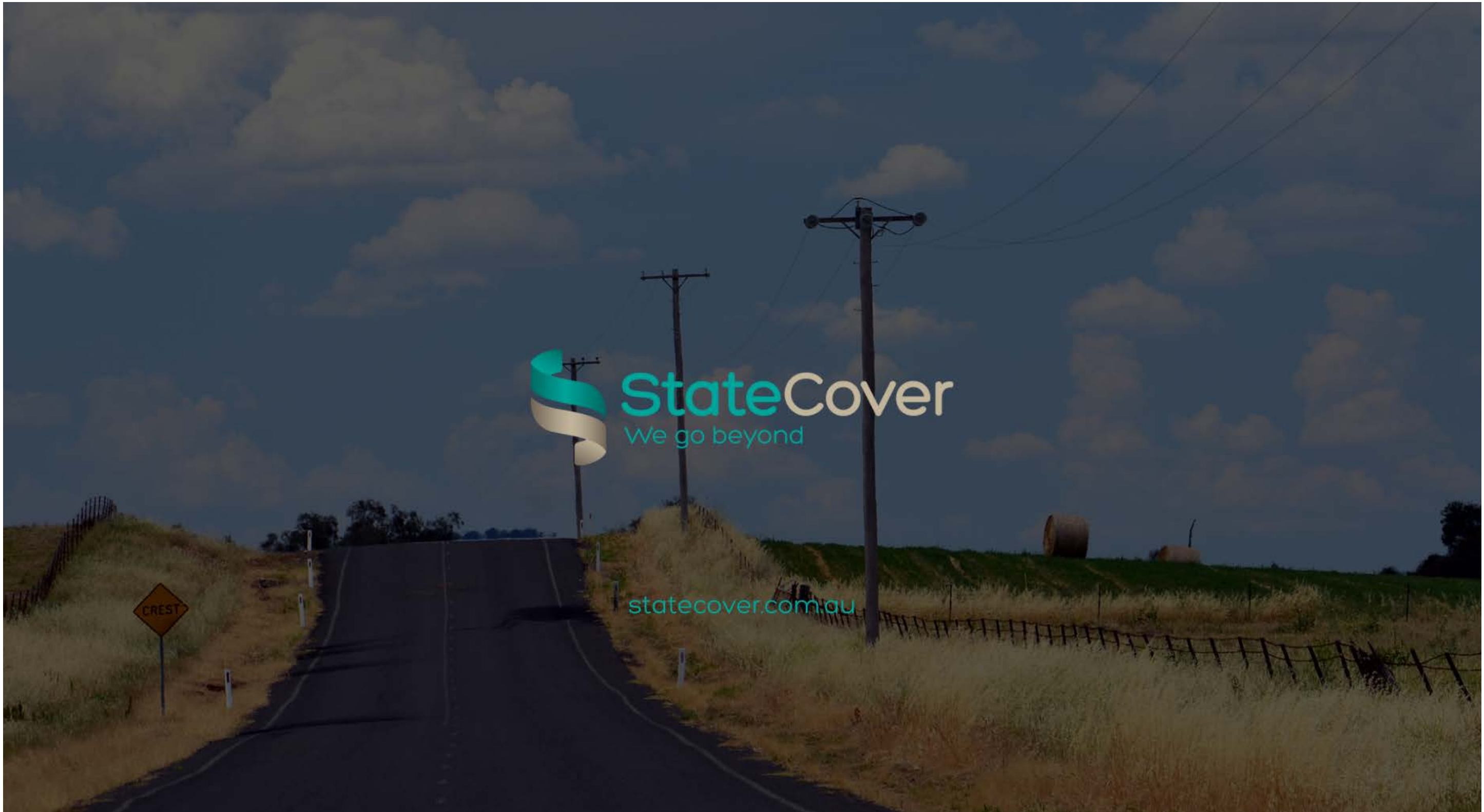
Member Services Manager

0456 872 323

[jennifer.lynch@statecover.net.au](mailto:jennifer.lynch@statecover.net.au)







7 September 2022

Inverell Shire Council  
WC01066

P = (BTP x CPA) - MSI + D - A



30/6/2022 to 30/06/2023

Renewal Premium

## Basic Tariff Premium (BTP)

Industry Classification	WIC Rate	DDL	Wages	Apprentice Wages
811300 Local Government Administration	2.370%	0.0070%	\$19,400,000	\$190,000

BTP is calculated using your WIC x your total wages

**BTP \$459,780.00**

## Claims Performance Adjustment (CPA)

## Claims Performance Measure (CPM)

Year	BTP	Included Costs
2021/22	368,227	4,132
2020/21	406,079	28,445
2019/20	385,926	12,111
<b>Total</b>	<b>1,160,232</b>	<b>44,688</b>

**Your CPM** Included Costs / BTP **3.85%**

Included costs are paid weeklies and lump sums, not total claim cost

## Claims Performance Rate (CPR)

**CPR = CPM / Scheme Performance Measure (SPM)**

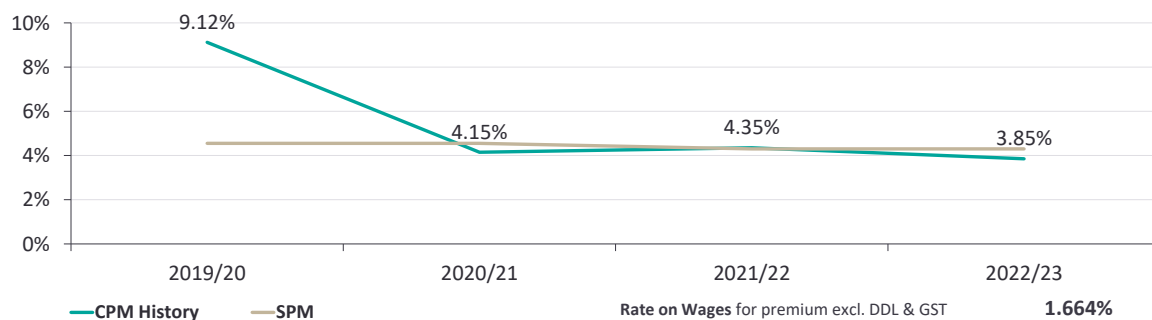
Your CPM	3.85%
SPM	4.30%
<b>Your CPR</b>	<b>89.57%</b>
<b>CPA</b>	<b>0.930</b>

**Claims Adjusted  
Premium (BTP x CPA)****\$427,595.40**

## Discounts and Levies

Member Safety Incentive (MSI)	15%	-\$68,967.00
Dust Disease Levy (D)	Wages x Dust Disease Rate	\$1,358.00
Apprentice Incentive (A)	A Wages x Perf. Adj. BTP / Total Wages	-\$3,513.10
<b>Gross Premium</b>		<b>\$356,473.30</b>
GST		-\$32,406.66
<b>Net Premium</b>		<b>\$324,066.64</b>

## Claims Performance History



## Member Benefits

**Safety and Wellbeing Incentive****up to \$46,610.98\***

For more information, please contact your Member Services Manager at [memberservices@statecover.net.au](mailto:memberservices@statecover.net.au) or Jane Hunt, Senior Underwriter at [jane.hunt@statecover.net.au](mailto:jane.hunt@statecover.net.au)  
 \*To fully qualify we must receive your: WHS Self-Audit, Action plan, and wage declaration

\*Your Claims Adjusted Maximum or Minimum Premium is capped at 22% above or 32% below your 2021/22 Premium Rate

Row Labels	Sum of Final PI Cost	Sum of Net Incurred
2020	\$ 12,977	\$ 175,793
2021	\$ 32,635	\$ 176,367
2022	\$ 7,441	\$ 34,755
<b>Grand Total</b>	<b>\$ 53,053</b>	<b>\$ 386,915</b>

Row Labels	Sum of Final PI Cost	Sum of Net Incurred
2021	\$ 32,635	\$ 176,367
2022	\$ 7,441	\$ 34,755
2023	\$ -	\$ 17,684
<b>Grand Total</b>	<b>\$ 40,076</b>	<b>\$ 228,806</b>

**10.3 INVERELL SHOW - 24, 25 AND 26 FEBRUARY 2023****File Number:** S12.22.1/16 / 22/42755**Author:** Paul Henry, General Manager**SUMMARY:**

The Show Society have requested assistance with the conduct of the 2023 Inverell Show.

**RECOMMENDATION:**

*A matter for Council.*

**COMMENTARY:**

The Show Society has approached Council for assistance with the cost of staging the 2023 Show.

While, the 'normal approach' is to utilise funds generated from the previous year's Show, sponsorship and exhibitor entry fees to fund the expenses of the Show, the 2021 event coming out of Covid -19 did not generate the 'normal' level of income. This has reduced the amount of funding available from internal sources and increased the need for a higher level of sponsorship for the 2023 Show.

The Society has also stated that in order to enliven the 2023 event, a greater array of 'free events' will be offered – after patrons pay the entry charge. The extra costs for these additional events increased the need for a greater level of sponsorship for this year's event. To date sponsorship has been difficult to obtain – only \$14K pledged against a budget of \$36K.

The entertainment schedule for the 2023 Show is:

i)	<u>New Events</u>	<u>Budget</u>
	• Circus	\$8,000
	• Band	\$6,000
	• Baby Animal Petting Zoo	\$3,000
	• Bucking Bull	\$2,000
ii)	<u>Returning Events</u>	
	• Fireworks	\$5,000
	• Rodeo	\$12,000
	• Demolition Derby	Fully sponsored

Last meeting, Council established a policy covering requests for financial assistance. Amongst other things, the policy sets out the criteria to be applied to any requests for financial assistance. The responses from the Society to these criteria are:

Amount Sought: \$10K

1. Must be a 'not for profit' and incorporated body or a service club.

Response: The Inverell Show Society is an incorporated body under the *Associations Incorporations Act 2009*.

2. Will the project or program be completed during the current financial year?

Response: Yes, any funds provided will be expended on entertainment events held at the 2023 Show.

3. How will the request increase access, equity and participation in community activities by all members of the community?

Response: We aim to cater for a wide range of interests and provide children and adults with a snapshot of rural life. Some of the activities include shearing, horse events, dog trials, cattle competitions, harness classes, campdraft and the woodchop.

The pavilion provides locals with the opportunity to display their produce and handicrafts. Our Kids Corner colouring competition engages children from all our local schools to participate in the Show. The pavilion also acts as a venue for health providers to have displays relating to physical and mental health and to interact and provide a service to the public who support our show. If the information is there, someone may access it.

4. How will the event celebrate our community's social and cultural diversity?

Response: We consider our Show a meeting place. A place to enjoy the company of friends, be entertained and experience something. The Show is a social and cultural event, an institution. We wish to preserve this tradition. Activities at the Show provide something for all members of the community.

5. How will the event increase community safety?

Response: No response.

6. What are the economic benefits of this request?

Response: No one knows the real hidden expenses of our show. Ground rental for the week, electricity, water, security, cleaning, insurance, first aid, ribbons, prizemoney, catering, judges' expenses, entertainment and more which amounts to approximately \$80,000.

We endeavour to use locals where possible to provide some of these services so that the money stays in the town. Service clubs are paid to man the gates along with the Salvation Army. Delungra CWA are recruited for catering. Local cleaners and security are employed. We purchase as much as we can in Inverell.

Competitors are drawn from Queensland, Tamworth, the coast and areas in between. They get to experience Inverell and spend money in the town while they are here. Some come back to visit.

The Showman's Guild spend a week in Inverell where they shop locally, repair their machinery using the local engineering companies and mechanics and fill up using local fuel stations.

The production of the Inverell Show is massive, undertaken by a small band of volunteers who are just hoping for a successful Show in 2023 where the community goes home feeling satisfied that they have received value for money.

## **RISK ASSESSMENT:**

Nil

**POLICY IMPLICATIONS:**

Request for assistance assessed against Donations Policy criteria.

**CHIEF FINANCIAL OFFICERS COMMENT:**

The available funds in the community donations / financial assistance vote is \$30,000.

**LEGAL IMPLICATIONS:**

Nil

**ATTACHMENTS:**

Nil

**10.4 ANNUAL REPORT FROM THE CHAIR OF AUDIT, RISK AND IMPROVEMENT COMMITTEE**

**File Number:** S4.11.21 / 22/42834

**Author:** Paul Pay, Director Corporate and Economic Services

**SUMMARY:**

Mr Phil Schwenke will present his Annual Report on the activities of the Audit, Risk and Improvement Committee (ARIC).

**RECOMMENDATION:**

*That Standing Orders are suspended to allow Mr Phil Schwenke, Chair of the Audit Risk and Improvement Committee to present his Annual Report on the activities of the Committee.*

*On Resuming the meeting:*

1. *That Mr Phil Schwenke, Chair of the Audit Risk and Improvement Committee be thanked for his Annual Report on the activities of the Committee; and*
2. *The report as tabled be received and noted.*

**COMMENTARY:**

It is recommended that Standing Orders be suspended to allow Mr Phil Schwenke to present a synopsis of his Report as Chair of the Audit Risk and Improvement Committee (ARIC).

A copy of Mr Schwenke's report is attached for the information of Council.

**RISK ASSESSMENT:**

One of the ARIC principle roles is to facilitate effective Enterprise Risk Management.

**CHIEF FINANCIAL OFFICERS COMMENT:**

Nil

**LEGAL IMPLICATIONS:**

An ARIC is part of the Governance structure of the organisation. It is not an Advisory Committee under S355 LGA 1993, however; its role is advisory, having no other authority or delegation to make decisions or incur expenditure. It can not make nor ratify management decisions and cannot absolve either Council or Management of their responsibilities. Council can not delegate its responsibilities to an ARIC.

**ATTACHMENTS:**

1. Annual Report from the Chair of ARIC [↓](#)



Report by the Chair of the Inverell Shire Council Audit, Risk and Improvement Committee  
(ARIC) to Inverell Shire Council - December 2022

This report is submitted by the Chair of the Inverell ARIC to the Mayor and Councillors of Inverell Shire Council.

## Role and Membership of the Committee

The ARIC's responsibilities and activities are governed by its Charter.

The ARIC and its associated internal audit function form part of a three lines of defence model providing 'combined assurance' alongside efforts by management, the external auditor and the Office of Local Government. To fulfil its role effectively the ARIC sets its own work plan and maintains an independent view.

The *Model Code of Conduct for Local Councils in NSW* 2020 (7 August 2020) classifies the ARIC as a Committee of Council. This means that members of an ARIC must act within the Code.

However, the ARIC's role is advisory, having no other authority, no delegation to make decisions nor incur expenditure, it cannot make or ratify management decisions and cannot absolve either Council or Management of their responsibilities. Importantly, Council cannot delegate its responsibilities to an ARIC.

### Membership.

Current Committee Members appointed by Council are:

Mr Phil Schwenke	Independent Member (Chair)
Mr Les Hullick	Independent Member
Cr Nicky Lavender	Councillor Representative

The current ARIC was appointed following Council elections in late 2021, however its members including the Chair have experience with the ARIC in its previous (inaugural) term. Cr Lavender was formerly an independent member of the previous ARIC but retired from the role as an independent member prior to running for election as a Councillor.

The following non-voting attendees are invited to attend meetings on an ex-officio basis:

- The General Manager
- The Director Corporate and Economic Services (who acts as Head of Internal Audit)
- The Manager Financial Services
- Representatives from the NSW Audit Office as external auditor.

Other staff and stakeholders are invited to attend on an 'as required' basis, this includes internal auditors who are engaged on a contract basis.

### Meetings

The ARIC aims to meet at least four times a year and summary minutes of each meeting are reported to the next Council meeting. One meeting is timed to work in with the external auditor to provide Council with ARIC recommendations on the Annual Financial Statements. Since the 2021 reporting year, the external auditors no longer require a recommendation from the ARIC before they finalise their audit.

Report by the Chair of the Inverell Shire Council Audit, Risk and Improvement Committee  
(ARIC) to Inverell Shire Council - December 2022

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ARIC meetings for the 2022 calendar year were:

Meeting Dates
8 March 2022
7 June 2022
20 September 2022
13 December 2022 (Scheduled)

All Committee Members attended every meeting.

### State of Play

The ARIC's modes of operation are via three mechanisms:

- Formal committee processes with the ability to ask questions of management and others (e.g. the external auditor and in certain circumstances Council employees)
- The ability to request specific internal reports from management on any aspect of Council operations/policy (e.g. Policy renewal and possible updates needed)
- The ability to commission targeted internal audit work within budget, currently performed by external contractors on a quoted bases.

An internal audit work plan is developed by the ARIC and progressively implemented over its term (see details later in this report).

The ARIC's Charter and work to date has been based on the Office of Local Government (OLG) 2010 guidelines.

This year, new (but still draft) ARIC guidelines were released by the OLG with at least partial implementation required by 30 June 2022 and full adoption by 2027. Two key matters that have been resolved with the new guidelines are:

- Independent ARIC members are no longer required to be selected from a list of candidates under the NSW Government's audit and risk committee pre-qualification scheme. This is seen to be a particular benefit to rural/regional Councils that may otherwise struggle to find local people pre-qualified under this scheme
- While a Councillor representative can attend the ARIC, from June 2024 Councillors cannot be voting members on an ARIC. The Inverell ARIC has found that the presence of a Councillor in ARIC meetings has been a definite positive because it provides a direct link between Governance (Council) and the ARIC; so while a Councillor in future ARICs may not be able to vote, the direct link to Governance is nonetheless retained.

Report by the Chair of the Inverell Shire Council Audit, Risk and Improvement Committee  
(ARIC) to Inverell Shire Council - December 2022

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## Work and Achievements of the Committee 2022

The work of the ARIC this year has continued to experience some disruption, delaying some plans. To some extent these are 'ripple effects' from earlier changes with key staff and trailing public health order (COVID) matters as well as some emerging issues in 2022 (see more under 'Internal Audit & System Improvement' later in this report).

The ARIC's work continued across the six key areas of its Charter:

- Enterprise Risk Management;
- Control Framework;
- External Reporting;
- Legislative Compliance;
- Internal Audit; and
- System Improvements (stemming from the above).

Commentary on the above six key areas for 2022 is summarised below:

### Enterprise Risk Management (ERM)

The ARIC continues to build on the previous committee's review of Council's overall approach to Risk Management. In 2022 the ARIC continued this work by:

- Suggesting improvements to Council's Risk Register. While Council's current register is a good generic register it needs updating and better tailoring to current risks. For example, cyber-attack risks and related controls
- Reviewing internal reports from Council's Risk Coordinator and others
- Receiving regular progress updates from management on flagged system issues and improvements
- Participating in Council's revamp of its risk appetite, noting that this Council may have a different risk tolerance profile compared with the previous group of Councillors who contributed to the last risk appetite exercise.

### Control Framework and Legislative Compliance

In overview, through regular updates from management, the ARIC is monitoring a full policy review schedule implemented by Management (including policies requiring Council re-endorsement).

More broadly the ARIC's work in this area covers:

- The adequacy (and currency) of Council policies. The policy review schedule (mentioned above) represents a major update of all policies to improve their currency
- The adequacy of procedures associated with each policy and the extent to which policies and procedures are actually deployed as they should be (This overlaps with commissioned Internal Audit work)
- High level compliance and reporting matters flagged in the Calendar of Compliance and Reporting Requirements from the Office of Local Government.

Report by the Chair of the Inverell Shire Council Audit, Risk and Improvement Committee (ARIC) to Inverell Shire Council - December 2022

### External Reporting

A key function of the ARIC is to decide if it can express reasonable confidence (or not) in support of a recommendation to Council on the annual Financial Statements.

Typically, the ARIC considers the Auditors interim findings, the Audit Opinion and the matters arising highlighted in the Auditor's letters to Management as well as input from the Head of Internal Audit and the External Auditor directly. This is supplemented by the ARIC's own work by way of questions and experience in these matters.

From time to time, ARIC members, either individually or as a committee also review NSW Audit Office Performance Audits on Local Government to assess their relevance to Inverell Shire.

### Internal Audit and System Improvement

By definition, internal audit is a program of investigations aimed at evaluating and improving the effectiveness of risk management, control and governance processes in an organisation.

As an economy measure, Council has no in-house internal audit capacity or ongoing arrangements with contracted internal auditors. Instead, the ARIC relies primarily on a panel of State Government, prequalified suppliers for contracted, Internal Audit services as required.

Based on ARIC developed criteria, copies of Internal Audits completed are made available on a confidential basis to Councillors who request them.

The ARIC has a draft, three-year internal audit plan through to the end of 2024. This is essentially a default plan based on earlier work and audit history, but this is yet to be finalised subject to some final 'tweaks', particularly related to Council's new risk appetite profile (targeted for update in December 2022).

The draft, three-year internal audit plan is set out in Table 1 below:

**Table 1: 3 Year Internal Audit Plan - Draft**

Audit Area	2022	2023	2024
Records Management			
DA Assessment Process			
Public Health Function			
Waste Management			
IT Control environments – IT/Cyber Security			
Store Processing & Physical Control			
WHS (State Cover)			
Rates Review			
Asset Management			

Audit areas/topics for later years are more subject to change if emerging priorities suggest a different focus. Cyber Security is one such possible example of this although management

Report by the Chair of the Inverell Shire Council Audit, Risk and Improvement Committee  
(ARIC) to Inverell Shire Council - December 2022

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has already taken other initiatives in this area which may negate the need for a detailed internal audit on this topic.

For the 2022 calendar year, only the first internal audit - Records Management was completed and considered by the ARIC as planned. It is apparent to the ARIC (as suggested earlier) that there remain some 'ripple effects' from earlier circumstances, coupled with more recent challenges for staff. Management has advised that delays in instigating the other two 2022 internal audits stem particularly from:

1. Increased workload on staff due to the need to fulfil the requirements of several significant grant funded projects
2. Difficulties in implementing new State Government, online Planning Portal and associated DA portal processes
3. Increased complexities associated with assessing DA's, so processing times have increased placing more strain on resources.

In response to the delays, management has made changes to bring the internal audit plan back on track, viz:

- Two new staff positions to manage the increased workload associated with the DA process have been created - a new Administrative Officer has already been employed and appointment of a new town planner is currently in progress.
- Funding for the two audits not completed has been 'revoted' to the 2022/2023 budget along with any unexpended ARIC funds from this year to next year.

Management believes that with the above in place, the Public Health Function and DA Assessment Process audits will be complete by May 2023. Further, once Council's new Risk Appetite profile is resolved then the schedule for future audits can be finalised and accelerated with a view to complete 4 or 5 audits in 2023/2024 and 2024/2025. This would enable us to catch up substantially on the internal audit program.

Attachment A is a summary report (table form) from Council's Head of Internal audit. This provides an overview of work plan tasks tracked across the year progressively through the ARIC business papers.

### **Significant Matters**

Among other things, the ARIC tracks recommendations from all internal audits and follows up with management across time on implementation.

Significant matters that emerged this year are:

1. The carrying amount of Rural Fire Service assets on Council's Balance Sheet at 30 June 2022. This is a contentious issue across the local government sector in NSW. There is also an accounting policy issue in that there is a potential tension between the need for financial statements to follow the letter of an accounting standard or pronouncement and the need for financial statements to also present a 'true and fair' view. Sometimes, both these requirements do not always align well. Council has resolved this in a pragmatic way through disclosure (and needed re-statement for past years) which in the circumstances seems appropriate



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2. Cyber security was mentioned as a key matter by the external auditor for urgent attention. As mentioned earlier, management has already taken initiatives in this regard. If need be there is also a planned internal audit on this topic along with suggested improvements to Council's risk register
3. Building on an earlier WHS audit by StateCover, the former ARIC commissioned an internal audit on Workplace Culture and Wellbeing. This year the ARIC queried management on whether a step change improvement was observable in workplace culture and wellbeing at ISC (flowing from the earlier work). In essence, it seems that determining progress with workplace wellbeing in an objective sense remains quite illusive (and complex), especially given the workload pressures that staff still face. The ARIC will continue discussions with management in this regard.

Phil Schwenke  
Chair  
Inverell Shire Council ARIC

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**Attachment A**

**Summary of ARIC Activities 2022**

**November 2021**

- Review of new guidelines released on the use and management of credit cards.
- Review of Council's credit card use policy in line with new guidelines.
- Review 2020/2021 Audited Financial Statements.
- Consideration of External Audit report on the conduct of the Audit.
- Presentation from NSW Audit Office on the 2020/2021 Engagement Closing Report.
- Appoint Contractor for Records Management Internal Audit.
- Compliance Reporting – Strategic Tasks sign off.
- Review of ARIC Outstanding Actions progression.
- Update on WHS Management Systems progression.
- Review of Internal Audit Outstanding Actions progression.

**March 2022**

- Review 2022/2023 IPART Rate Peg of 0.7%.
- Update on OLG draft Internal Audit and Risk Management Guidelines.
- External Audit 2020-21 Management Letter.
  - Excessive Annual Leave Management (repeat issue).
  - Externally Restricted Cash.
- Compliance Reporting – Strategic Tasks sign off
- Council Policies Review.
- Set Internal Audit Program.
  - 2021/22: Records Management Review.  
DA Assessment Process.  
Public Health Function.
  - 2022/23: Waste Management.  
Asset Management.
  - General Future: WHS Systems.  
Rates Review.  
Stock Control.
- Set ARIC Meeting Dates.
- Review December 2021 Quarterly Budget Review.
- Review of ARIC Outstanding Actions progression.
- Update on WHS Management Systems progression.
- Review of Internal Audit Outstanding Actions progression.

**June 2022**

- Discuss Advance Payment of 2022/2023 Financial Assistance Grants.
- 2022 Audit Engagement Plan presented for Committee's information.
- Review March 2022 Quarterly Budget Review.
- Review Risk Management Framework
- Compliance Reporting – Strategic Tasks sign off
- Council Policies Review.
- Internal Audit of Records Management presented for the Committee's consideration.
- Reviewed draft terms of reference for internal audits on DA Assessment Process and Public Health Function.
- Review of ARIC Outstanding Actions progression.
- Update on WHS Management Systems progression.
- Review of Internal Audit Outstanding Actions progression.

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**September 2022**

- Interim Management Letter 2021-22 provided for information.
  - Information Technology (IT) Governance.
  - Policies and Procedures.
  - Outdated Asset Management Policy and Plans.
- Accounting treatment of Rural Fire Service (Red Fleet) assets provide for information.
- Update on OLG draft Internal Audit and Risk Management Guidelines.
- Review Risk Management Framework.
- External Audit – Review of draft 2021-2022 Financial Statements.
- Compliance Reporting – Strategic Tasks sign off.
- Council Policies Review.
- Review of ARIC Outstanding Actions progression.
- Review of Internal Audit Outstanding Actions progression.

In addition, the following activities are scheduled for **December 2022**:

- ARIC member participation in Council's risk appetite workshop
- Final ARIC meeting and discussion with the external auditor re the 21-22 financial statements and external audit
- Presentation by the ARIC Chair of the ARIC's annual report to Council

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**10.5 REFERRAL OF CONFIDENTIAL REPORT****File Number:** S5.2.0/15 / 22/42856**Author:** Kristy Paton, Corporate Support Officer - Publishing**SUMMARY:**

Referral of Confidential Report

**RECOMMENDATION:**

*That Council move into Closed (Public excluded) meeting of the Council and that the press members of the public be asked to leave the chambers whilst Council considers the following items:*

**Item:** #13.1 Land Sale

**Authority:** Section 10A (2)(c) *“Information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.”* Local Government Act 1993.

**COMMENTARY:**

The *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:

*“Personnel matters concerning particular individuals (other than councillors.)”* (s.10A(2)(a) *Local Government Act 1993*)

*“The personal hardship of any resident or ratepayer.”* (s.10A(2)(b) *Local Government Act 1993*)

*“Information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.”* (s.10A(2)(c) *Local Government Act 1993*)

*“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.”* (s.10A(2)(d) *Local Government Act 1993*)

*“Information that would, if disclosed, prejudice the maintenance of law.”* (s.10A(2)(e) *Local Government Act 1993*)

*“Matters affecting the security of the council, councillors, council staff or council property.”* (s.10A(2)(f) *Local Government Act 1993*)

*“Advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the grounds of legal professional privilege.”* (s.10A(2)(f) *Local Government Act 1993*)

*“Information concerning the nature and location of a place or an item of Aboriginal significance on community land.”* (s.10A(2)(h) *Local Government Act 1993*) .

It is recommended that, pursuant to Section 10A(2) of the *Local Government Act 1993* the matter be referred to Closed Committee for consideration as the matters and information are:

- c information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

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 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*.

In accordance with the provisions of Section 9 (2A) Local Government Act 1993, the General Manager is of the opinion that consideration of the following item(s) is likely to take place when the meeting is closed to the public.

**COMMENTARY:**

**Item:** #13.1 – Land Sale – Taylor Avenue

**Description:** A further offer has been received for the purchase of Lot 10 DP 1123056 and Lot 10 DP 1123056. Council is requested to determine this offer.

**Reason:** Section 10A (2)(c) "Information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business." *Local Government Act 1993*.



**11 INFORMATION REPORTS****11.1 PUBLIC LIBRARIES NEW SOUTH WALES ANNUAL CONFERENCE AND AGM****File Number:** S3.6.4 / 22/42316**Author:** Sonya Lange, Manager Library Services**SUMMARY:**

Cr Dight and Sonya Lange, Manager Library Services, attended the 2022 New South Wales Public Libraries Association "Switch" annual conference and AGM in Albury, 8<sup>th</sup>- 11<sup>th</sup> November 2022.

**COMMENTARY:**

The 2022 Switch conference focused on the themes of "Collaborate, Connect & Community". Highlights included presentations on the impact of unwritten ground rules on team performance and capacity to change, the use of (formal and informal) video as a communication tool for libraries, the impact of literacy frameworks on community wellbeing, and the impacts of Covid19 on library programming and services. State Librarian Dr John Vallance provided a funding update from the NSW Government, reporting a commitment to continue the current levels of Library funding, with annual adjustments for population growth. This announcement is welcome news, as it provides certainty for Council regarding ongoing Library funding. The conference also provided the opportunity to view new services and products from a range of library industry vendors.

The Annual General Meeting of the New South Wales Public Library Association was held on 11<sup>th</sup> November. A key issue the NSWPLA is addressing is the significant impacts on public libraries arising from funding cuts to Trove, a federally funded service provided by the National Library of Australia. Trove provides the only national database of library catalogue records, and is used extensively by libraries to ensure their catalogue records meet international standards, and to identify library items for Interlibrary Loan. Recent funding cuts have seen significant cost increases to public libraries for access to the service, and many are ceasing to use it. This will have a cumulative negative effect on the quality and completeness of library records, and reduce the capacity for resource sharing. The Association resolved to continue to work with a range of stakeholders to ensure ongoing equitable access to Trove, and will advise member Councils of any requested assistance in this endeavour.

The Executive of the Association was installed at the AGM being:

President: Cr Romola Hollywood, Blue Mountains City Council

Vice-President: Cr Dallas Tout, Wagga Wagga City Council

Secretary / Treasurer: Sarah Taylor, Shoalhaven Library

Executive Officer: Adele Casey

**RISK ASSESSMENT:****POLICY IMPLICATIONS:**

Council may be asked to lend their support to the NSWPLA campaign for equitable access to Trove, by writing to the local Federal Member, or participating in campaign activities.

**CHIEF FINANCIAL OFFICERS COMMENT:****LEGAL IMPLICATIONS:****ATTACHMENTS:**

Provided below is the link to the Media Release regarding funding for Public Libraries.

<https://www.nsw.gov.au/media-releases/record-funding-for-public-libraries-continues>

**11.2 STRATEGIC TASKS - 'SIGN OFF' - NOVEMBER 2022****File Number:** S4.13.2 / 22/41698**Author:** Kristy Paton, Corporate Support Officer - Publishing**SUMMARY:**

A part of a successful governance program is a need for administration to indicate to the policy makers that the requirements of the legislation, under which the organisation operates, has been provided. as a result, this information report provides Councillors with a statement of assurance from the General Manager that in accordance with the *Local Government Act, 1993*; the tasks have been complied with.

**COMMENTARY:**

The November 2022 tasks required to be undertaken are detailed below. Any of these tasks may be added to as Council becomes familiar with this new initiative.

Date	Compliance Requirement	Achieved/Not Achieved	Comments
1 November 2022	Low Cost Loan Initiative Interim Progress Report due	N/A	
4 November 2022	Local Infrastructure Renewals Scheme (LIRS) portal opens for claims for the month	Achieved	
16 November 2022	Expected second instalment of 2022-23 Financial Assistance Grants	Achieved	Received 17/11/22
30 November 2022	Second quarterly rates instalments due [LGA s562(3)(b)]	Achieved	
30 November 2022	Last day for Responsible Accounting Officer to submit quarterly budget review statement to council [LGReg cl 203(1)]	Achieved	
30 November 2022	Annual report is to be prepared and placed on council's website and notify the Minister (electronically to OLG with an emailed link). [LGA s 428] (see Annual Report Checklist on OLG website for inclusions)	Achieved	
30 November 2022	'Local Infrastructure Renewal Scheme (LIRS)	Achieved	Lodged 10/11/22

	- Progress/Final Report Due		
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I confirm that the performance criteria as set out in the criteria for scheduled tasks have been met for the month of November, 2022. I confirm the accuracy and completeness of the information provided above, in that to the best of my knowledge and understanding, all material information has been herein disclosed.

P J HENRY PSM  
GENERAL MANAGER

**ATTACHMENTS:**

Nil

**11.3 WORKS UPDATE**

**File Number:** S28.21.1/15 / 22/42138

**Author:** Justin Pay, Manager Civil Engineering

**SUMMARY:**

This report is intended to keep Council updated on the capital works and maintenance programs.

**COMMENTARY:**

**Fixing Country Roads Funding Grant**

Council has been successful in obtaining \$3.685M from the Fixing Country Roads Funding Grant to complete works on Yetman Road between Palaroo Lane and Oakwood.

An additional private contribution of \$20K from an industry beneficiary brings the total funding to \$3.705M. This grant will allow Council to upgrade this section of road to allow road train access. This will result in improved freight access and efficiency. Currently, road train access on Yetman Road terminates at the Inverell Regional Livestock Exchange however, once this project is complete, a further 12km along Yetman Road will have road train access.

This project includes the following works:

- Construction of a new two-lane bridge on a new and improved alignment crossing at Rob Roy Creek to replace the old narrow bridge at Moseley Dene.
- Construction of 400m of approaches for the new bridge alignment.
- Full reconstruction and widening of 2km of road from Hunts Gully to approx. 300m past Stewarts Grain Trading.
- Widening and drainage works to 3.6km of road to bring the existing road up to standard for road train access.
- Drainage works for 1.2km to clean out and restore table drains.
- Replacement of 9 pipe sets between Palaroo Lane and Stewart's Grain Trading.

The new bridge at Moseley Dene has been designed and the review of the Environmental Factors and Aboriginal Cultural Heritage Study has been completed. A Fisheries Permit has also been obtained.

Works commenced in January 2022, which included the opening up of the existing table drains for the full reconstruction section from Hunts Gully to Stewart's Grain Trading. The pavement works for Hunts Gully to Stewart's Grain Trading full reconstruction have now been completed with the bitumen seal applied at the end of May as planned. The issues identified with the bitumen seal were rectified by the bitumen seal supplier and the line marking has been installed which completes this section of the project.

The six (6) bored piles for the replacement bridge at Moseley Dene, crossing Rob Roy Creek, have now been installed up to the abutment level ready for the construction of the abutments and wingwalls.

Council has been negotiating with concrete contractors to construct the abutments and wingwalls due to receiving no responses in the initial request for quote process. A contractor has now been engaged and will commence construction in January 2023.

Delays in procurement of contractors and their availability, the constant wet weather not allowing works to progress and the current grant funding completion milestone deadline of December 2022 prompted an application for an extension to the completion milestone. An extension of 6 months was sought to allow Council to complete the works prior to the end of the 2022/2023 financial year. Council is still waiting on a decision for seeking an extension for the completion milestone of the grant funding.

The prestressed precast concrete bridge planks have been constructed and delivered to site.



Yetman Road – Moseley Dene Bridge Replacement Project – Prestressed Precast Bridge Planks being delivered to site

### **Yetman Road – Taylor Avenue Intersection Upgrade**

Council secured funding from the Local Roads and Community Infrastructure Program for the upgrade of Yetman Road-Taylor Avenue Intersection.

The works included pavement widening to accommodate a turning lane into Taylor Avenue and a drainage upgrade at the location. Kerb and gutter have been constructed as well as a significant extension to underground drainage at the site.

The road has now been bitumen sealed and open to the public with line marking to occur in January 2023 due to line marking contractors being booked out for the rest of 2022. Turf has also been laid along Yetman Road verge.

The secondary pipe across Fernhill Road is being installed at the time of writing this report. This pipe was an addition to the original scope due to the flooding that occurs along Fernhill Road in heavy rain. This pipe will allow a more direct flow into the new drainage system that was installed along Yetman Road and relieve the pressure on the existing system that crosses Fernhill Road.

Once this pipe is installed the only remaining works for this project is the line marking as discussed above and the top coat bitumen seal which will occur during the 2023 reseal program.

This project will be finished by the end of January 2023.





Taylor Avenue – Yetman Road Intersection Upgrade – Installation of relief pipe across Fernhill Road

**Roundabout Construction – Intersection of Gwydir Highway, Bundarra Road and Chester Street**

Project work is continuing on the construction of a roundabout at the intersection of Gwydir Highway, Bundarra Road and Chester Street. A construction budget of \$5,882,000 has been provided which includes contributions from the State Government of \$2.2M and the Federal Government of \$1.5M. The key budget components include:

- Design & Legal - \$660,000
- Works Authority Deed (TfNSW) - \$172,446
- Demolition/Rehabilitation - \$203,062
- Roundabout Construction - \$4,156,302
- Contingency - \$690,190

The project includes the following:

- Earthworks
- Vegetation clearing and grubbing
- Significant storm water drainage works
- Realignment of underground services including power, Telstra, NBN, water and sewer
- Realignment of the intersection
- Construction of a concrete pavement and roundabout
- Flexible pavement construction on roundabout approaches
- Kerb and gutter construction
- Footpath works
- Traffic management at multiple intersections in Inverell township

Asphalt pavement construction on the northern half of the project was completed during the first week of December 2022. Construction of the kerb and gutter on the southern approaches of the roundabout is underway. Pavement works on the southern half of the roundabout will continue prior to Christmas. The site will be open and functioning as a roundabout over the Christmas/New year period, without traffic lights (with half of the roundabout paved with concrete and the other half temporary bitumen sealed).

Contractors will finalise relocating telecommunication services and street lighting in January 2023.

Concreting contractors will return to the site in January to complete the concrete pavement on the southern half of the roundabout. The project will reach practical completion by the end of February 2023.



Asphalt paving works underway at the Roundabout project

### **Moore Street Upgrade – Hospital Entrance**

Council has secured funding to complete upgrade works on Moore Street at the Inverell Hospital entrance. The project cost is \$1,349,000 funded by the State Government's Fixing Local Roads Program (\$911,654), contribution from NSW Health Infrastructure (\$337,250) and Council contribution (\$100,096).

The recent redevelopment of the Inverell Hospital resulted in the 'main entrance' for this facility being moved to Moore Street. Council has received grant funding from the State Government to undertake upgrade works to Moore Street to meet subsequent demand.

The project includes works along a 1000 metre section of Moore Street and includes pavement rehabilitation, widening, a turning lane into the hospital and drainage upgrades including construction of kerb and gutter. The key aim of the project is to improve sight distance impacting safe access to the new hospital.

In order to meet the milestones of the funding deed for the project, Council commenced construction during April and must have construction completed and open to the traffic no later than 30 June, 2023.

Site preparation works have been undertaken to meet the project commencement milestone. The main body of works will be undertaken later in the calendar year and construction is expected to be completed and open to the traffic in accordance with the completion milestone.

Council is currently liaising with the hospital, Ambulance Service and Bus Service to determine a satisfactory solution for traffic control during the project to make sure there is continual access for these services.

**Ashford Road Rehabilitation and Widening – Wandera South**

Council has allocated \$1,742,253 (\$1,089,986 from the Repair Program and \$652,267 from the Bitumen, Heavy Patching Stabilisation Fund) to complete rehabilitation and widening works on a section of Ashford Road 11.47km to 13.90km north of Inverell. This section of road, south of the village of Wandera is undulating with narrow travel lanes and substandard horizontal curves.

Earthworks, select and subbase layers have been completed on the remaining section of this project. Base material has been imported and crews are currently working on preparing and compacting the final layer in preparation for a primer seal on 13 December, 2022. This will complete this project. A final seal on both segments will be undertaken with the 2023-2024 bitumen resealing program.





Preparation of the base layer – Ashford Road Wandera South – Northern end of project site

**Bitumen Resealing Program 2022-2023**

Council has allocated \$1.73M from various funding programs to undertake the annual bitumen resealing program on Regional Rural Roads, Local Rural Roads, Inverell Urban Streets and Ashford Village Streets with TfNSW allocating \$800K to undertake bitumen resealing works on the Gwydir Highway.

Council at its August meeting resolved to accept the quotation from NSW Spray Seal Pty Ltd (NSWSS) under a full service contract for the 2022-2023 Bitumen Resealing Program.

The program commenced on 4 October, 2022 on the Gwydir Highway with 12 segments including final seals on the Swanvale Project and Elsmore Safety Project completed to date. Wet weather has since impacted the continuation of the reseal program on Council's rural roads, urban and village streets. Weather permitting works will recommence the first week in November and continue for approximately 4 weeks until early December 2022. The order of roads in the program will be Gwydir Highway, Regional and Rural Local Roads North, Ashford Village Streets, Inverell Urban Streets and Regional and Rural Local Roads South.

The bitumen resealing program has gone to plan during the month of November 2022 with favourable weather conditions experienced. All urban streets and village streets have been completed along with all rural local roads in both the northern and southern areas. The northern regional road reseals have been completed with the contractor currently working on Bundarra Road. The Bundarra Road will be completed the week ending 9 December, 2022 and this will conclude the 2022-2023 bitumen resealing program.

A further report based on program outcomes and costings will be presented to a future Civil and Environmental Services Committee meeting.

**Maintenance Grading**

The following maintenance grading works were undertaken during November 2022.

Road Number	Road Name	Length Graded (km)
SR226	McInerneys Lane	3.20km
SR231	Poolbrook Road	5.90km
SR225	Goomerah Lane	8.10km
SR222	Halls Lane	3.95km
SR223	Byron Station Lane	3.30km
SR231	Pineleigh Lane (Partially Complete, too wet)	2.95km
SR059	Graman Road	23.00km
	<b>TOTAL</b>	<b>50.40km</b>

**Reactive Spot Grading / Reactive Flood Repair Works**

The following reactive spot grading works and flood repair works were undertaken during November 2022.

Road Number	Road Name	Length Graded (km)
SR054	Emmaville	2.00km
SR058	Rocky Creek	1.00km



SR068	Amaroo Causeway and Drainage Repairs	2.00km
	<b>TOTAL</b>	<b>5.00km</b>

**Gravel Patching**

The following gravel patching works were undertaken during November 2022.

Road Number	Road Name	Area Patched (m2)
SR260	Paradise Road	200m2 (Spring Repair)
SR246	Elsmore Road	250m2 (Spring Repair)
SR246	Elsmore Road	200m2 (Spring Repair)
SR255	Silvermines Road	300m2 (Flood Damage)
SR109	Cherry Tree Hill Road	250m2 (Flood Damage)
	<b>TOTAL</b>	<b>1,200 m<sup>2</sup></b>

**Gravel Re-sheeting**

Due to the regular wet weather, Council was unable to gain access to gravel pits with machinery which resulted in no gravel re-sheeting works being completed during November 2022.

**Heavy Patching**

The following heavy patching works were undertaken during November 2022.

Road Number	Road Name	Area Patched (m2)
MR063	Warialda Road	3,000m2
	<b>TOTAL</b>	<b>3,000 m<sup>2</sup></b>

**Other Maintenance Activities**

Council's State, Regional and Local Roads, Urban and Village Street maintenance activities, such as bitumen patching, drainage and shoulder repairs as well as vegetation control, are continuing as required. Town maintenance will continue as programmed.

**ATTACHMENTS:**

Nil

<b>11.4 SUMMARY OF DEVELOPMENT APPLICATIONS, CONSTRUCTION CERTIFICATES AND COMPLYING DEVELOPMENT CERTIFICATES DURING NOVEMBER 2022</b>
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**File Number:** S18.10.2/15 / 22/42276

**Author:** Robyn Waters, Temporary Administration Officer

**SUMMARY:**

This report is intended to keep Council updated on the Development Applications, Construction Certificates and Complying Development Certificates determined during the month of November, 2022.

**DEVELOPMENT APPROVALS, REFUSALS AND VARIATIONS DURING NOVEMBER 2022**

**Development Approvals**

<b><u>Development Application Number</u></b>	<b><u>Applicant</u></b>	<b><u>Property</u></b>	<b><u>Development</u></b>	<b><u>\$ Amount</u></b>
DA-60/2022	QSR Pty Ltd	220-222 Byron Street, INVERELL 2360	Alterations and additions to existing Inverell KFC Restaurant	650,000
DA-104/2022	Mr Timothy James Russell	23 Brissett Street, INVERELL 2360	Boundary Adjustment and Construction of Bus Storage Shed	500,000
DA-126/2022	Denori Pty Ltd	1 Swan Street, INVERELL 2360	Single Dwelling, Earthworks & Retaining Wall	450,000
DA-131/2022	Local Government Engineering Services	449 Hoskins Road, ATHOLWOOD 2361	New Dwelling	366,840
DA-135/2022	Abode Building Design	89 Gordon Street, INVERELL 2360	1) demolition of an existing covered outdoor area  2) construction of a 2-bedroom extension with bathroom and kitchenette, connect to existing dwelling via a veranda roof & breezeway	202,400
DA-136/2022	Mr Adam Dale Ward	4 Max Place, INVERELL 2360	Shed and concrete driveway from street	19,800
DA-137/2022	Mr Johnathon Bourne	89 King Street, INVERELL 2360	New Shed and Retaining walls	2,500

DA-139/2022	Abode Building Design	172 Ashford Road, INVERELL 2360	Construction of a 12m x 12m extension to the existing truck shelter	55,000
DA-140/2022	The Trustee for McGavin Family Trust	Lots 18,19 and 20 of DA-17/2019 Sierra Drive, INVERELL 2360	Warehouse and Offices	1,212,716
DA-142/2022	Ms Robyn Maree Kam	21 Terry Drive, INVERELL 2360	Dwelling and Shed	395,000
DA-143/2022	Mrs Maureen Rolfe	74 Gordon Street, INVERELL 2360	New Shed	9,000
DA-148/2022	Ms Leanne Wendy Johnston	14 Hindmarsh Street, INVERELL 2360	Carport	8,000
DA-149/2022	Mr Johnathon Bourne	69 Mather Street, INVERELL 2360	Fencing and retaining wall	3,300
DA-153/2022	Mrs Samantha Marie Muddle	3181 Bonshaw Road, BONSHAW 2361	Dwelling with attached garage and onsite septic system	290,400
DA-158/2022	Wyelba Pty Ltd	2929 Elsmore Road, PARADISE 2360	Demolition	NIL
<b>Monthly estimated value of Approvals: November 2022</b>			<b>15</b>	<b>4,164,956</b>

**Development Amendments**

DA-111/2016/C	Mr Mark Rodney Croft and Mrs Lisa Maree Croft	56 Granville Street, INVERELL 2360	Alterations and additions to dwelling, new shed, install pool - Modification to shed and size of pool	NIL
<b>Monthly estimated value of Approvals: November 2022</b>			<b>1</b>	<b>NIL</b>

**Development Refusals**

Nil

**Variation to Development Standards Approved**

As part of the monitoring and reporting requirements established by the NSW Department of Planning, a report of all variations approved under delegation in accordance with Clause 4.6 of *the Inverell Local Environmental Plan 2012* must be provided to a full council meeting.

The following details the variations to development standards approved during November 2022.

**INFORMATION:**

Nil

**CONSTRUCTION CERTIFICATES APPROVED AND AMENDED DURING NOVEMBER 2022**

**Construction Certificates approved by Council**

<b><u>Construction Certificate Number</u></b>	<b><u>Applicant</u></b>	<b><u>Property</u></b>	<b><u>Construction</u></b>	<b><u>\$ Amount</u></b>
CC-98/2022	Mr Jeandre Van Der Merwe and Mrs Jessica Maree Van Der Merwe	15128 Guyra Road, GILGAI 2360	Alterations and Additions to Dwelling	242,000
CC-100/2022	Ruralplan Consultants	Minnamrra Road, AUBURN VALE 2360	Shed	100,000
CC-102/2022	Local Government Engineering Services	27 Brae Street, INVERELL 2360	New Plunge Pool	20,000
CC-110/2022	Mr Jonathon Bourne	118 Roscrae Lane, INVERELL 2360	New Shed	55,000
CC-111/2022	Mr Graham William Pagden	15 Daley Close, INVERELL 2360	New Dwelling and Shed	500,000
CC-112/2022	Mr Adam Dale Ward	4 Max Place, INVERELL 2360	Shed with concrete driveway from street	19,800
CC-113/2022	Ruralplan Consultants	33 Daley Close, INVERELL 2360	New Dwelling and Shed	633,000
CC-116/2022	Mrs Heather Pritchard	10 Daley Close, INVERELL 2360	New Dwelling	495,000
CC-119/2022	Mr Thomas Barry Nelson	30 Rosslyn Street, INVERELL 2360	Addition to Existing Dwelling and Carport.	66,000
CC-121/2022	Ms Leanne Wendy Johnston	14 Hindmarsh Street, INVERELL 2360	Carport	8,000
CC-122/2022	Mr Marcus James	111 Henderson	Shed	15,000

	Muggleton	Street, INVERELL 2360		
CC-123/2022	Mr Jonathon Bourne	69 Mather Street, INVERELL 2360	Fencing and retaining wall	3,300
CC-24/2021/1	MB & CM Jorgensen Pty Ltd	135 Roscrae Lane, INVERELL	Dwelling	900,000
<b>Monthly estimated value of Approvals: November 2022</b>			<b>13</b>	<b>3,057,100</b>

**Amended Construction Certificates approved by Council**

CC-89//2016/C	Mr Mark Rodney Croft and Mrs Lisa Maree Croft	56 Granville Street, INVERELL 2360	Alterations and additions to dwelling, new shed, install pool  - Modification to shed and size of pool	NIL
<b>Monthly estimated value of Approvals: November 2022</b>			<b>1</b>	<b>NIL</b>

**Construction Certificates approved by Private Certifier**

Nil

**Amended Construction Certificates approved by Private Certifier**

Nil

**COMPLYING DEVELOPMENT CERTIFICATES APPROVED AND AMENDED DURING November 2022****Complying Development Certificates Approved by Council**

CD-19/2022	Ms Dalene Kay White	49 Granville Street, INVERELL 2360	Addition to Existing Dwelling	36,000
<b>Monthly estimated value of Approvals: November 2022</b>			<b>1</b>	<b>36,000</b>

**Amended Complying Development Certificates approved by Council**

Nil

**Complying Development Certificates approved by Private Certifier**

Nil

**Amended Complying Development Certificates approved by Private Certifier**

Nil

**TOTAL BUILDING CONSTRUCTION FOR INVERELL SHIRE DURING November 2022:**

<b>Type of Consent</b>	<b>Number</b>	<b>\$ Amount</b>
Construction Certificates – Council Approved	<b>13</b>	<b>3,057,100</b>
Construction Certificates – Private Certifier	<b>Nil</b>	<b>NIL</b>
Complying Development – Council Approved	<b>1</b>	<b>36,000</b>
Complying Development – Private Certifier	<b>Nil</b>	<b>NIL</b>
<b>Totals</b>	<b>14</b>	<b>3,093,100</b>

Estimated Value of Approvals issued in the financial ytd in: **2022/2023**      **(66)**      **\$12,102,607**  
**2021/2022**      **(89)**      **\$14,136,993**

Attachments:

**Nil**



**11.5 MATHERS BRIDGE - EXTENSION TO FUNDING****File Number:** S28.7.18/91 / 22/42296**Author:** Matthew Mephram, Works Engineer**SUMMARY:**

Council was successful in receiving funding under the Fixing Country Bridges Program for the replacement of Mathers Bridge, Nullamanna. This report is intended to give Council an update on the progress and changes to the grant funding.

**COMMENTARY:**

Council was successful in receiving \$1,837,350 under the Fixing Country Bridges program in 2021 for the replacement of Mathers Bridge, Nullamanna with a co-contribution from Council of \$250,000, bringing the total funds to \$2,087,350. The funding deed was executed on 4 May, 2021 and Council had 12 months to complete the works from this date with the bridge to be opened to traffic in January 2023. As part of the original funding deed, Council was required to enter into a Memorandum of Understanding (MOU) with Glen Innes Severn Council and Armidale Regional Council. A MOU was entered into on 7 June, 2021 for the purpose of joint procurement of design and investigation. This MOU was fulfilled with all Councils receiving their bridge designs and investigation reports.

A tender was advertised for the supply of bridge components with only one (1) response received. Following this submission, the contractor notified all Councils that they may not be able to deliver on the contract due to unforeseen circumstances. Transport for NSW (TfNSW) was notified of this setback which led to the investigation for an extension of time to the original funding deed.

TfNSW granted Council an extension of time to the original funding deed with a new deed executed on 4 May, 2022. The new deed gave Council an extension to start works prior to 30 April, 2023 and complete construction by 30 April, 2024. This was in light of Council having issues with contractor availability and material supply shortages.

Furthermore, Council had received an updated detailed estimate for the project from a quantity surveyor as part of the design contract. This detailed estimate was significantly more than the original estimate being an increase of \$2,272,066. This was due to the shortage of materials and the exponential increase in cost of materials over the 12 months between estimates. Again, TfNSW was notified of this significant increase and this was the same for the majority of Councils.

After an extensive investigation conducted by TfNSW, Council received an increase of funding from the Fixing Country Roads Program being the shortfall of \$2,272,066. A new deed was executed on 22 November, 2022 for the increase in funding, bringing the total grant funds to \$4,109,416 with Council to co-contribute the original \$250,000. Total project cost of \$4,359,416.

Council will be commencing works early in 2023, starting with the rehabilitation and reinstatement of the existing side track to allow traffic to continue to use Nullamanna Road during the construction of the new bridge.

**RISK ASSESSMENT:**

Nil

**POLICY IMPLICATIONS:**

Nil

**CHIEF FINANCIAL OFFICERS COMMENT:**

Nil

**LEGAL IMPLICATIONS:**

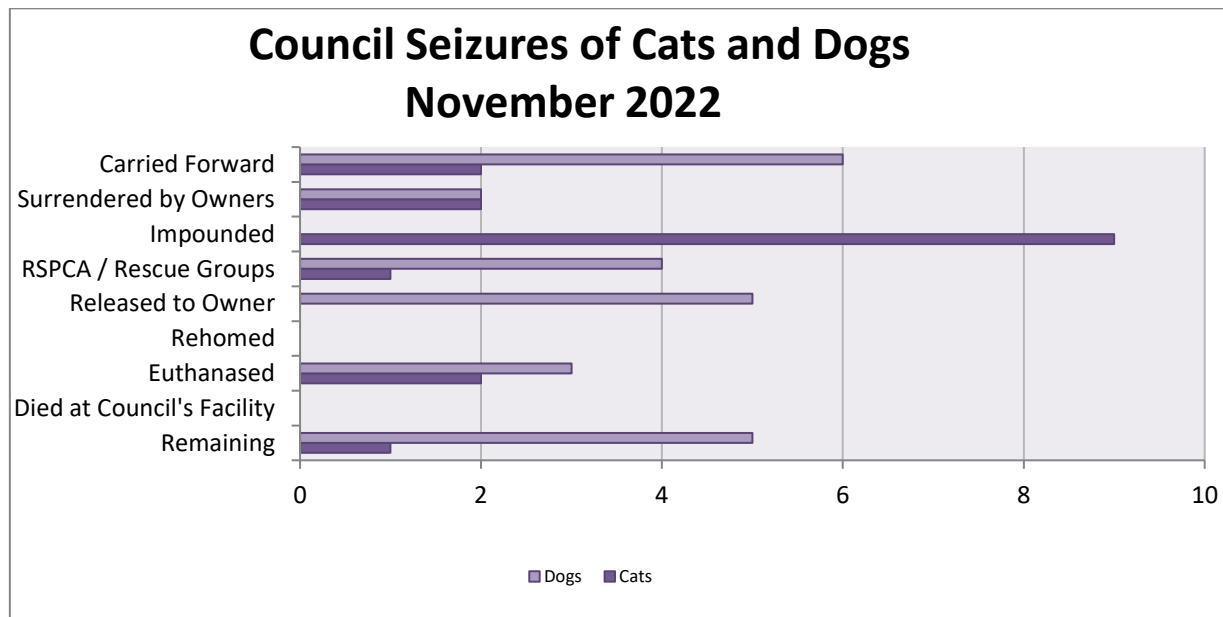
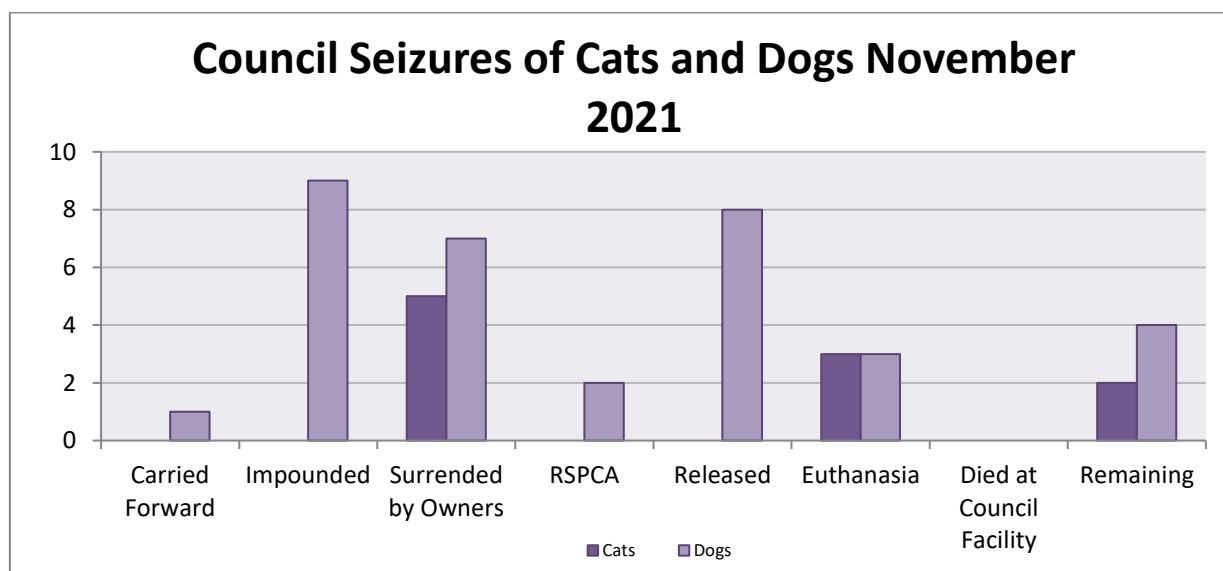
Nil

**ATTACHMENTS:**

Nil

**11.6 ORDINANCE ACTIVITIES REPORT FOR NOVEMBER 2022****File Number:** S18.10.1 / 22/42297**Author:** Robyn Waters, Temporary Administration Officer**SUMMARY:**

The following details the number of various Ordinance activities carried out during November 2022, in comparison to the same month in 2021.

**INFORMATION:****COMPLIANCE****Inverell Shire Council Pound Monthly Report November 2022****Inverell Shire Council Pound Monthly Report November 2021****ATTACHMENTS:****Nil**

## 12 GOVERNANCE REPORTS

### 12.1 PRESENTATION OF COUNCIL'S 2021/2022 AUDITED FINANCIAL REPORTS

**File Number:** S13.5.2/15 / 22/41490

**Author:** Robert Kimmince, Manager Financial Services

#### SUMMARY:

Council statutory financial reports for the financial year ending 30 June, 2022, have been completed and audited in accordance with Section 413 of the *Local Government Act 1993* (LGA).

Council's financial reports have been submitted to the Office of Local Government in accordance with legislative requirements.

Council is now required to consider the audit report. The Auditor will be in attendance at today's Council meeting to speak in relation to the reports.

#### RECOMMENDATION:

- i) *That Standing Orders are suspended to allow the NSW Audit Office to present their 2022 audit report.*

On resuming the meeting:

- ii) *the information be received and noted; and*
- iii) *the Audit Report for the 2021/2022 Financial Year be adopted.*

#### COMMENTARY:

In accordance with Section 418 of the *Local Government Act 1993* (LGA), Council is required to present its audited consolidated Annual Financial Statements to the public. Section 418(2) requires public notice of at least seven (7) days be given of the Council meeting date fixed for presentation of the audited financial statements. In accordance with this provision an advertisement was placed in the Inverell Times on Thursday, 1 December, 2022, advertising Council's financial result for the year ended 30 June, 2022, and calling for submissions on the General Purpose Financial Reports.

Section 420 of the LGA, allows any person to make a submission to Council with respect to the audited financial statements or auditor's report within seven (7) days of the reports being presented to the public. At the time this report was prepared no submissions had been received. Any submissions received will be provided to Council.

Council's Auditors, NSW Audit Office, have completed the audit of Council's financial statements for the year ending 30 June, 2022 under Section 417 of the LGA. In accordance with Section 417, Council's auditors must prepare the following reports to Council:

1. An Independent Audit Report for the General Purpose Financial Statements;
2. An Independent Audit Report for the Special Purpose Financial Statements;
3. An Independent Audit Report for Special Schedule - Permissible Rates Income; and
4. A report on the conduct of the audit.

The above mentioned audit reports have been attached for your reference.

It is a requirement of the Office of Local Government (OLG) that lodgement of the Audited Financial Statements and the Auditors Reports is submitted to the OLG by 31 October, 2022.

Following a request from the NSW Audit Office an extension was requested and granted to 30 November, 2022 for the lodgement of Council's Annual Statements for 2022.

This requirement has been met with Council submitting the Statements on 30 November, 2022.

Cathryn McFarland, Forsyths, will be representing the NSW Audit Office and will be in attendance at this meeting to deliver and speak in relation to their Audit Report.

A copy of Council's Audited Financial Statements including the Audit Reports has been provided with this Business Paper.

**RISK ASSESSMENT:**

Nil

**POLICY IMPLICATIONS:**

Nil

**CHIEF FINANCIAL OFFICERS COMMENT:**

There are no financial implications resulting from the adoption of the recommendations. The Audited Financial Reports provide a "snapshot" of Council's financial position as at 30 June, 2022.

**LEGAL IMPLICATIONS:**

Section 413 of the *Local Government Act, 1993*, requires that Council prepare financial reports for each year. Sections 414 and 415 of the Act require that the reports must be audited and the nature of the audit, with Section 416 specifying the nature of the Audit Report.

Section 418 of the Act requires that, Council give public notice of its intention to present the reports at a meeting, Council provide a summary of the reports in the public notice, and that Council make available copies of the reports to the public.

Section 419 of the Act requires that the audited reports be presented at a meeting in accordance with the public notice and that the Auditor may attend the meeting.

Section 420 provides that any person may make a submission to Council in respect of the audited financial reports or the audit report.

Council has complied with all legislative guidelines in this matter.

**ATTACHMENTS:**

1. Independent Audit Report for the General Purpose Financial Statements [↓](#)
2. Independent Audit Report for the Special Purpose Financial Statements [↓](#)
3. Independent Audit Report for Special Schedule - Permissible Rates Income [↓](#)
4. Report on the Conduct of the Audit [↓](#)



**INDEPENDENT AUDITOR'S REPORT**  
**Report on the general purpose financial statements**  
**Inverell Shire Council**

To the Councillors of Inverell Shire Council

**Opinion**

I have audited the accompanying financial statements of Inverell Shire Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been prepared, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

**Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.



Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Other Information**

The Council's annual report for the year ended 30 June 2022 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule - Permissible income for general rates.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

### **The Councillors' Responsibilities for the Financial Statements**

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Chris Harper  
Director, Financial Audit

Delegate of the Auditor General for New South Wales

30 November 2022  
SYDNEY



**INDEPENDENT AUDITOR'S REPORT**  
**Report on the special purpose financial statements**  
**Inverell Shire Council**

To the Councillors of Inverell Shire Council

**Opinion**

I have audited the accompanying special purpose financial statements (the financial statements) of Inverell Shire Council's (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2022, the Statement of Financial Position of each Declared Business Activity as at 30 June 2022 and the Significant accounting policies note.

The Declared Business Activities of the Council are:

- Water Supply
- Sewerage.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's Declared Business Activities as at 30 June 2022, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Significant accounting policies note and the Local Government Code of Accounting Practice and Financial Reporting 2021–22 (LG Code).

My opinion should be read in conjunction with the rest of this report.

**Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as the auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to the Significant accounting policies note to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

**Other Information**

The Council's annual report for the year ended 30 June 2022 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 'Permissible income for general rates'.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

**The Councillors' Responsibilities for the Financial Statements**

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in the Significant accounting policies note to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

**Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, appearing to read 'CHarper', with a long horizontal stroke extending to the right.

Chris Harper  
Director, Financial Audit

Delegate of the Auditor General for New South Wales

30 November 2022  
SYDNEY



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule – Permissible income for general rates

#### Inverell Shire Council

To the Councillors of Inverell Shire Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Inverell Shire Council (the Council) for the year ending 30 June 2023.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2021–22 (LG Code) and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Schedule' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.



### Other Information

The Council's annual report for the year ended 30 June 2022 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2022'.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and the special purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

### The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

### Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.

A handwritten signature in black ink, appearing to read 'CHarper', with a long, sweeping horizontal stroke extending to the right.

Chris Harper  
Director, Financial Audit

Delegate of the Auditor General for New South Wales

30 November 2022  
SYDNEY



Cr Paul Harmon  
Mayor  
Inverell Shire Council  
PO Box 138  
INVERELL NSW 2360

Contact: Chris Harper  
Phone no: 02 9275 7374  
Our ref: D2225002/1744

30 November 2022

Dear Mayor

**Report on the Conduct of the Audit  
for the year ended 30 June 2022  
Inverell Shire Council**

I have audited the general purpose financial statements (GPFS) of the Inverell Shire Council (the Council) for the year ended 30 June 2022 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2022 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

## INCOME STATEMENT

### Operating result

	2022	2021 *	Variance
	\$m	\$m	%
Rates and annual charges revenue	22.9	22.2	↑ 3.2
Grants and contributions revenue	28.2	24.1	↑ 17
Operating result from continuing operations	9.7	12.4	↓ 21.8
Net operating result before capital grants and contributions	2.9	5.6	↓ 48.2

\* The 2021 comparatives have been restated to correct a prior period error. Note G4-1 of the financial statements provides details of the prior period error.

Rates and annual charges revenue (\$22.9 million) increased by \$730,000 (3.2 per cent) in 2021–22 mainly due to the 2 per cent rate peg allowance increase.

Grants and contributions revenue (\$28.2 million) increased by \$4.1 million (17 per cent) in 2021–22 due to the net effect of:

- changes in the funding related to the Financial Assistance Grant future year allocation, with the Council receiving 75 per cent of the allocation upfront, resulting in an increase of revenue recognised in the current year
- a \$2.1 million increase in funding received for repair of roads impacted by the natural disaster events occurring during the year
- new grants received through the Drought Communities Program (\$1.9 million) and the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (\$1.5 million) for the construction of a roundabout on State Highway 12. This work is being conducted on behalf of Transport for NSW
- additional funding received through the Restart NSW program of \$1.7 million for the Yetman Road upgrade
- a reduction in Roads to Recovery Program income of \$1.1 million and the Fixing Local Roads program of \$1.0 million due to timing of works conducted in the programs year on year
- a reduction in grants and contributions received for capital purposes (\$2.4 million) and operating purposes (\$700,000) relating to the Copeton Northern Foreshores upgrade as the project was finalised 2020-21.

The Council's operating result from continuing operations (\$9.7 million including depreciation and amortisation expense of \$12.7 million) was \$2.7 million lower than the 2020–21 result. This can be attributed to increased repairs and maintenance as a result of natural disasters and operational grant expenditure, particularly the construction of the roundabout on State Highway 12 for Transport for NSW.

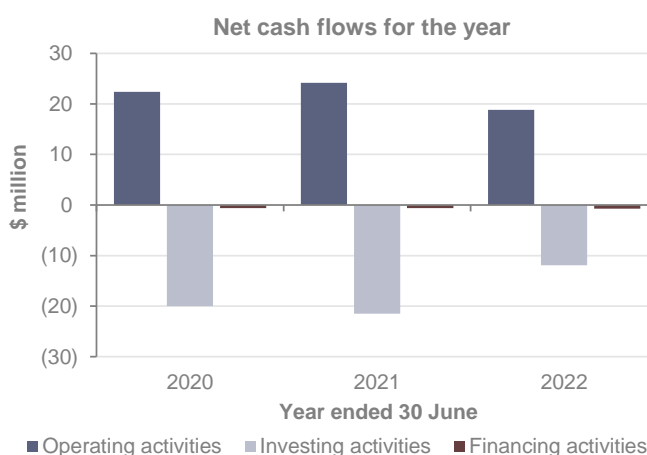
The net operating result before capital grants and contributions (\$2.9 million) was \$2.7 million lower than the 2020–21 result. This is due to the changes in grants and contributions revenue as explained above.

## STATEMENT OF CASH FLOWS

Cash inflows from operating activities decreased by \$5.4 million. This was predominantly due to a \$4.0 million decrease in user charges and fees and increased material and services expenditure, due to flood repairs and the construction of the roundabout on State Highway 12, offset by an increase in grants and contributions of \$2.5 million.

Cash outflows from investing activities decreased by \$9.6 million mainly due to a reduction in asset additions (\$5.5 million) and a reduction in investment outflows (\$3.6 million).

Cash outflows from financing activities related to the repayment of borrowings and remains consistent with prior years.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2022	2021	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>74.8</b>	<b>69.6</b>	The increase in total cash, cash equivalents and investments is due to an increase in externally restricted specific purpose unexpended grants and an additional 25% of the Financial Assistance Grant received in 2021-22, relating to the future year allocation.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	30.0	26.7	Major external restrictions include water and sewer and unexpended grants for specific purposes.
• Internal allocations	38.4	32.8	Major internal restrictions include Financial Assistance Grants, Community Infrastructure Reserve and Transport Infrastructure Reserve. The main increase in internal restrictions relates to the Financial Assistance Grant and community infrastructure for to the planned future upgrades to community pools.

## PERFORMANCE

### Performance measures

The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning and Environment.

#### Operating performance ratio

The Council exceeded the OLG benchmark for the current reporting period.

The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.

The Council's operating performance ratio decreased by 7.5 percent due to increases in operating expenditure relating to flood repairs and the Gwydir Highway roundabout construction.

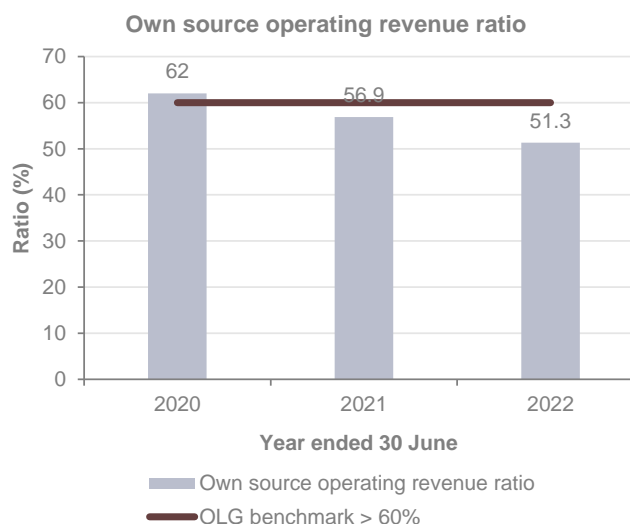


### Own source operating revenue ratio

The Council did not meet the OLG benchmark for the current reporting period.

The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.

The decrease in the 2021-22 ratio is due to an increase in grants and contributions received during the year.



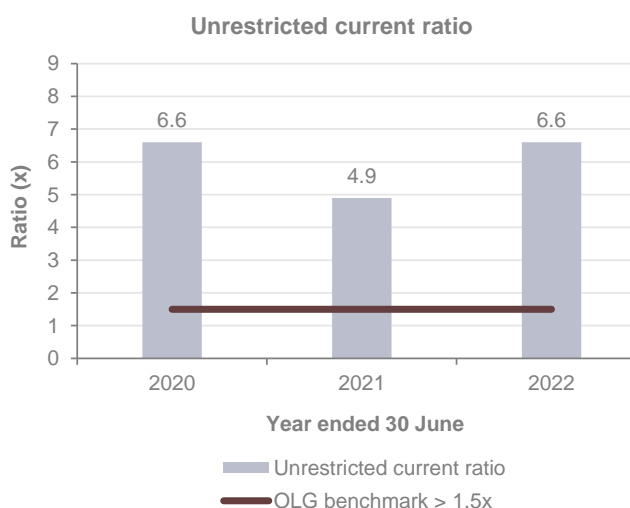
### Unrestricted current ratio

The Council exceeded the OLG benchmark for the current reporting period.

The 2020-21 ratio has been restated due to changes in the disclosure of unrestricted cash for waste management.

The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.

The increase in the ratio is due to a change in Council's investment strategy, with investments held to maturity being held for shorter terms and classified as current assets.



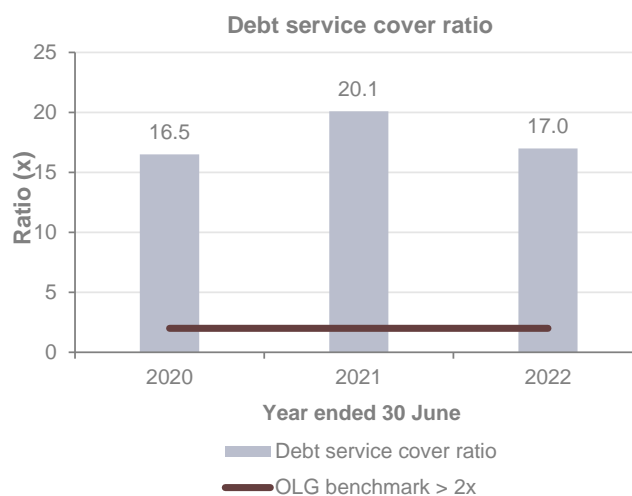


### Debt service cover ratio

The Council exceeded the OLG benchmark for the current reporting period.

The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.

The rate is lower than the prior period due to a decrease in user charges and fees.

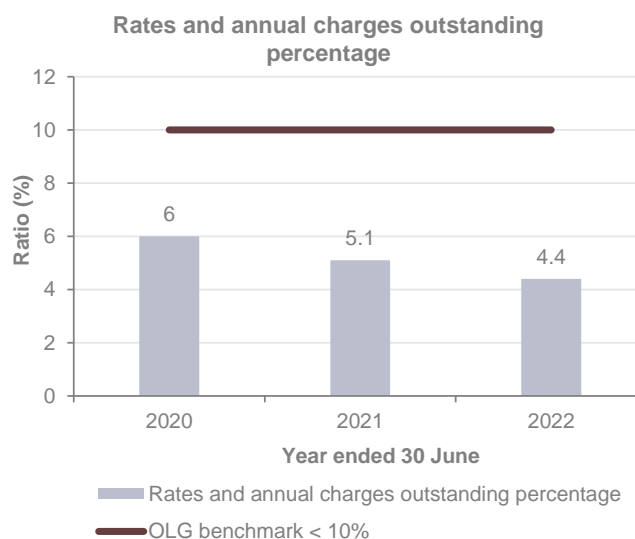


### Rates and annual charges outstanding percentage

The Council exceeded the OLG benchmark for the current reporting period.

The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.

The decrease in the 2021-22 ratio is due to ongoing debt recovery efforts.

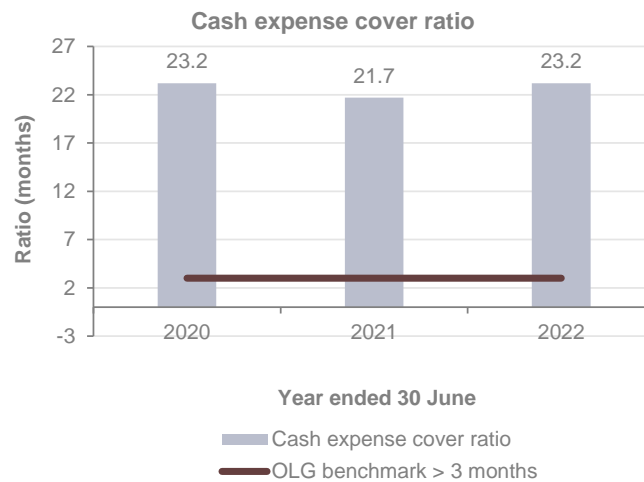


### Cash expense cover ratio

The Council exceeded the OLG benchmark for the current reporting period.

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.

The 2021-22 ratio remains consistent with prior years.



### Infrastructure, property, plant and equipment renewals

Infrastructure, property, plant and equipment (IPPE) renewal expenditure during the year was \$13.9 million. This was an increase of \$1.5 million compared to financial year 2020-21. The Council decreased its renewal works on infrastructure assets due to repair works on assets affected by natural disaster events occurring in the year.

## OTHER MATTERS

### Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial statements. The Council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.

Chris Harper  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

cc: Mr Paul Henry, General Manager  
 Mr Phil Schwenke, Chair of the Audit, Risk and Improvement Committee  
 Mr Paul Pay, Director Corporate and Economic Resources  
 Mr Jacob Sauer, Principal, Forsyths  
 Mr Michael Cassel, Secretary of the Department of Planning and Environment

**12.2 GOVERNANCE - MONTHLY INVESTMENT REPORT****File Number:** S12.12.2 / 22/42832**Author:** Robert Kimmince, Manager Financial Services**SUMMARY:**

To report the balance of investments held as at 30 November, 2022.

**RECOMMENDATION:**

*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.*

**COMMENTARY:**

Contained within this report are the following items that highlight Council's Investment Portfolio performance for the month to 30 November, 2022 and an update of the investment environment:

- (a) Council's Investments as at 30 November, 2022;
- (b) Council Investments by Fund as at 30 November, 2022;
- (c) Interest – Budgeted vs. Actual;
- (d) Investment Portfolio Performance;
- (e) Investment Commentary; and
- (f) Certification – Responsible Accounting Officer.

**A) Council Investments as at 30 November, 2022**

Term Deposit Investment Group									
Investment	Borrower	FUND	Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	Term (days)
22/18	AMP BANK	General	BBB+	07-Dec-21	07-Dec-22	1.00%	2,000,000	2,000,000	365
21/10	Warwick Credit Union	General	NR	22-Jan-21	23-Jan-23	1.00%	1,500,000	1,500,000	731
22/29	Bank of Queensland	Sewer	BBB+	27-May-22	27-Feb-23	2.80%	2,000,000	2,000,000	276
23/07	Bank of Queensland	Water	BBB+	20-Sep-22	20-Mar-23	4.00%	1,500,000	1,500,000	181
22/05	AMP BANK	General	BBB+	20-Sep-21	20-Mar-23	0.80%	1,000,000	1,000,000	546
22/14	AMP BANK	General	BBB+	25-Nov-21	25-Mar-23	1.00%	1,000,000	1,000,000	485
20/32	Auswide Bank	General	BBB	24-Mar-20	24-Mar-23	1.88%	1,000,000	1,000,000	1095
22/22	Westpac Bank	General	AA-	29-Mar-22	29-Mar-23	1.56%	1,950,000	1,950,000	365
23/14	Police Credit Union	Water	Unrated	08-Nov-22	08-May-23	4.42%	1,000,000	1,000,000	181
23/15	Police Credit Union	General	Unrated	08-Nov-22	08-May-23	4.42%	1,000,000	1,000,000	181
22/26	Bank of Sydney	General	NR	16-May-22	16-May-23	3.10%	2,000,000	2,000,000	365
22/12	AMP BANK	General	BBB+	25-Nov-21	25-May-23	1.00%	1,000,000	1,000,000	546
23/16	Police Credit Union	General	Unrated	08-Nov-22	08-Aug-23	4.50%	1,000,000	1,000,000	273
22/28	AMP BANK	General	BBB+	27-May-22	27-Nov-23	3.30%	2,000,000	2,000,000	549
22/23	ING Bank	General	A	19-Apr-22	19-Apr-23	2.21%	2,000,000	2,000,000	365
22/30	Commonwealth Bank	Sewer	A	07-Jun-22	07-Jun-23	3.42%	1,000,000	1,000,000	365
23/09	MyState Bank	General	BBB+	20-Sep-22	20-Jun-23	4.15%	1,500,000	1,500,000	273
21/16	National Australia Bank	Water	AA-	28-Jun-21	28-Jun-23	0.60%	1,000,000	1,000,000	730
21/17	ICBC - Industrial and Commercial Bank of China	General	A	29-Jun-21	29-Jun-23	0.70%	1,000,000	1,000,000	730
21/18	National Australia Bank	Water	AA-	29-Jun-21	29-Jun-23	0.65%	2,000,000	2,000,000	730
23/01	Commonwealth Bank	General	AA-	27-Jul-22	27-Jul-23	4.06%	2,000,000	2,000,000	365
23/02	Commonwealth Bank	General	AA-	27-Jul-22	27-Jul-23	4.06%	2,000,000	2,000,000	365
23/03	Bank of Queensland	General	BBB+	13-Sep-22	13-Sep-23	4.09%	1,000,000	1,000,000	365
23/04	National Australia Bank	General	AA-	13-Sep-22	13-Sep-23	4.10%	2,000,000	2,000,000	365
23/05	National Australia Bank	General	AA-	13-Sep-22	13-Sep-23	4.10%	2,000,000	2,000,000	365
23/06	Westpac Bank	Water	AA-	19-Sep-22	19-Sep-23	4.33%	1,000,000	1,000,000	365
23/08	Westpac Bank	Sewer	AA-	20-Sep-22	20-Sep-23	4.32%	1,000,000	1,000,000	365
23/12	Suncorp	Sewer	A	05-Oct-22	05-Oct-23	4.33%	1,500,000	1,500,000	365
23/10	AMP BANK	General	BBB+	05-Oct-22	05-Oct-23	4.30%	2,000,000	2,000,000	365
22/09	National Australia Bank	General	AA-	06-Oct-21	06-Oct-23	0.64%	1,000,000	1,000,000	730
23/13	Westpac Bank	General	AA-	19-Oct-22	19-Oct-23	4.43%	2,000,000	2,000,000	365
22/10	Westpac Bank	General	AA-	25-Oct-21	25-Oct-23	0.91%	2,000,000	2,000,000	730
22/11	Westpac Bank	General	AA-	25-Nov-21	25-Nov-23	1.28%	1,000,000	1,000,000	730
23/17	AMP Bank	Water	BBB	25-Nov-22	27-Nov-23	4.60%	1,000,000	1,000,000	367
22/27	Australian Unity Bank	General	BBB	26-May-22	27-Nov-23	3.50%	1,000,000	1,000,000	550
22/15	ICBC - Industrial and Commercial Bank of China	General	A	02-Dec-21	04-Dec-23	1.36%	2,000,000	2,000,000	732
22/16	ICBC - Industrial and Commercial Bank of China	General	A	02-Dec-21	04-Dec-23	1.36%	2,000,000	2,000,000	732
22/17	ICBC - Industrial and Commercial Bank of China	Water	A	02-Dec-21	04-Dec-23	1.36%	1,000,000	1,000,000	732
22/03	National Australia Bank	General	AA-	27-Aug-21	27-Aug-24	0.85%	2,000,000	2,000,000	1096
22/20	MyState Bank	General	BBB	02-Mar-22	04-Mar-24	1.70%	2,000,000	2,000,000	733
22/21	Bank of Queensland	General	BBB+	02-Mar-22	04-Mar-24	1.70%	1,000,000	1,000,000	733
21/11	ICBC - Industrial and Commercial Bank of China	Water	A	26-Mar-21	26-Mar-24	0.82%	2,000,000	2,000,000	1096
23/11	ING Bank	General	A	05-Oct-22	08-Oct-24	4.75%	2,000,000	2,000,000	734
21/13	ICBC - Industrial and Commercial Bank of China	Water	A	27-May-21	27-May-26	1.40%	1,000,000	1,000,000	1826
21/14	ICBC - Industrial and Commercial Bank of China	Sewer	A	27-May-21	27-May-26	1.40%	1,000,000	1,000,000	1826
21/15	ICBC - Industrial and Commercial Bank of China	General	A	27-May-21	27-May-26	1.40%	1,000,000	1,000,000	1826
						<b>TOTALS</b>	<b>67,950,000</b>	<b>67,950,000</b>	

180 Day Deposit Accounts									
As at Date	Borrower	FUND	Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	Term
30/11/22	AMP Bank	General	BBB+	28/6/2021	1/12/2022	1.80%	2,500,000	18,514	
<b>Sub Total - Cash Deposits Accounts Investment Group</b>							<b>2,500,000</b>	<b>18,514</b>	
Cash Deposit Accounts									
As at Date	Borrower	FUND	Rating	Purchase Date	Maturity Date	Current Yield	Value at beg year	Current value	Term
30/11/22	Commonwealth Bank	General	A	9/11/2020		0.00%		1,194.89	
30/11/22	Macquarie Bank	General	AA-	9/11/2020		2.80%	2,028,504	2,046,113.37	
30/11/22	Macquarie Bank	Water	AA-	9/11/2020		2.80%	2,516,481	2,538,326.79	
30/11/22	Macquarie Bank	Sewer	AA-	9/11/2020		2.80%	1,508,674	1,521,770.91	
<b>Sub Total - Cash Deposit Accounts</b>							<b>-</b>	<b>6,107,406</b>	<b>-</b>

**B) Council Investments by Fund 30 November, 2022**

Portfolio by Fund	31/10/2022	30/11/2022
General Fund	\$52,511,140	\$52,015,822
Water Fund	\$13,032,518	\$14,038,327
Sewer Fund	\$8,018,288	\$8,021,771
<b>TOTAL</b>	<b>\$73,561,946</b>	<b>\$74,075,920</b>

Council's investment portfolio has increased during November 2022 by \$514K. This was in respect of normal cash flow movements for receipts collected and payments made during November 2022.

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

	Ledger	2022/2023 Budget \$	Actuals to Date \$	Accrued Interest to Date \$	TOTAL \$
General Fund	128820	510,000.00	283,717.26	385,455.63	669,172.89
Water Fund	812350	84,000.00	22,284.93	58,303.13	80,588.06
Sewer Fund	906320	60,000.00	16,665.76	57,658.50	74,324.26
<b>TOTAL</b>		<b>654,000.00</b>	<b>322,667.95</b>	<b>501,417.26</b>	<b>824,085.21</b>

Term deposit interest rates have improved recently with a 12-month term deposit now yielding 4.3 - 4.6%. Given our strong investment balances, Council is expected to exceed interest revenue targets in 2022/2023. This additional interest received during 2022/2023 will be allocated to special projects during 2023/2024.

**C) Investment Portfolio Performance**

Investment Portfolio Return		Benchmarks		
	% pa	RBA Cash Rate	Aus Bond Bank Bill	11am Cash Rate
Benchmark as at 30/09/2022		2.85%	3.09%	2.85%
Term Deposits	2.56%			
Cash Deposit Accounts	2.80%			
180 Day Call Account	1.80%			
Floating Rate Notes	0.00%			

**D) Investment Commentary**

Council's investment portfolio is currently underperforming when compared to the above benchmarking indexes. The portfolio's underperformance is expected to be temporary given the relatively high level of turnover (approximately one-quarter of the deposit portfolio is maturing within the next 6 months).

Council's investment portfolio of \$74M is almost entirely invested in fixed term deposits. Overall, the portfolio is highly liquid, highly rated and short-dated from a counterparty perspective.

**Certification – Responsible Accounting Officer**

I Paul Pay, 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.

**RISK ASSESSMENT:**

Nil

**POLICY IMPLICATIONS:**

Nil

**CHIEF FINANCIAL OFFICERS COMMENT:**

Council's term deposit portfolio was yielding 2.59% p.a. at month-end, with a weighted average duration of around 322 days or 10.7 months. Council is well positioned to take advantage of increasing term deposit rates as investments mature.

**LEGAL IMPLICATIONS:**

Nil

**ATTACHMENTS:**

Nil



### **13 CONFIDENTIAL MATTERS (COMMITTEE-OF-THE-WHOLE)**

**RECOMMENDATION:**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with the reasons stated in the referral reports:

**13.1 Land Sale - Taylor Avenue**