



BUSINESS PAPER

**Economic and Community
Sustainability Committee Meeting
Wednesday, 12 July 2023**

INVERELL SHIRE COUNCIL**NOTICE OF ECONOMIC AND COMMUNITY SUSTAINABILITY COMMITTEE MEETING**

7 July, 2023

An Economic and Community Sustainability Committee Meeting will be held in the Committee Room, Administrative Centre, 144 Otho Street, Inverell on Wednesday, 12 July, 2023, commencing at **10.30am**.

Your attendance at this Economic and Community Sustainability Committee Meeting 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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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 *Local Government Act 1993* and Office of Local Government
- **Non-pecuniary** – regulated by Codes 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?

Local Government Act 1993 and Model Code of Conduct

For more detailed definitions refer to Sections 442, 448 and 459 or the *Local Government Act 1993* and Model Code of Conduct, Part 4 – conflicts of interest.

Disclosure of pecuniary interests / non-pecuniary interests

Under the provisions of Section 451(1) of the *Local Government Act 1993* (pecuniary interests) and 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 Forms 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.

OUR DESTINATIONS



01 LEADERSHIP



We will be an accountable and responsible Council that will be involved with the community and responsibly manage public resources.

02 PROSPERITY



The Shire has a diverse, strong local economy that provides opportunities that contribute to the quality of life for the community.

03 LIVEABILITY



Our community is healthy, safe, educated and offers opportunities for people of all ages and abilities. We value our natural and built environment.

04 SERVICES & INFRASTRUCTURE



Our community is enhanced by the provision of civic services and infrastructure. These services are planned and financially sustainable.

1 APOLOGIES

2 CONFIRMATION OF MINUTES

RECOMMENDATION:

That the Minutes of the Economic and Community Sustainability Committee Meeting held on 14 June, 2023, as circulated to members, be confirmed as a true and correct record of that meeting.

**MINUTES OF INVERELL SHIRE COUNCIL
ECONOMIC AND COMMUNITY SUSTAINABILITY COMMITTEE MEETING
HELD AT THE COMMITTEE ROOM, ADMINISTRATIVE CENTRE, 144 OTHO STREET,
INVERELL
ON WEDNESDAY, 14 JUNE 2023 AT 10.25AM**

PRESENT: Cr Paul King OAM (Chair), Cr Kate Dight, Cr Nicky Lavender and Cr Jo Williams.

IN ATTENDANCE: Cr Stewart Berryman, Cr Jacko Ross and Cr Wendy Wilks.
Brett McInnes (Acting General Manager) and Paul Pay (Director Corporate and Economic Services).

1 APOLOGIES

COMMITTEE RESOLUTION

Moved: Cr Kate Dight
Seconded: Cr Nicky Lavender

That the apology received from Cr Paul Harmon for Council business reasons be accepted and leave of absence granted.

CARRIED

2 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Cr Kate Dight
Seconded: Cr Jo Williams

That the Minutes of the Economic and Community Sustainability Committee Meeting held on 10 May, 2023, as circulated to members, be confirmed as a true and correct record of that meeting.

CARRIED

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

Cr Jo Williams declared a pecuniary interest in Item #5.1 "Expiring Occupancy Permit - Transgrid - Mandoe Radio Site - Lot 22 DP 721168, Mount Hallam Road, Atholwood S5.10.6". The nature of the interest is that Cr Williams' husband is an employee of Transgrid.

Cr Jacko Ross declared a non-pecuniary conflict of interest in Item #8.1 "Delungra Memorial Bowling & Recreation Club Ltd - Request to Reduce or Waive Rates S25.9.3/16". The nature of the interest is that Cr Ross is the Chairperson of the Inverell RSM Board.

Mr Paul Pay declared a non-pecuniary conflict of interest in Item #8.1 "Delungra Memorial Bowling & Recreation Club Ltd - Request to Reduce or Waive Rates S25.9.3/16". The nature of the interest is that Mr Pay is a Director of the Inverell RSM Board.

4 ADVOCACY REPORTS

Nil

4.1 BROOC MEETING MINUTES - 19 MAY 2023 S14.10.1

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Jo Williams

That the Committee recommend to Council that:

- i) *The minutes of the BROOC Meeting held in St George (Balonne Shire) on Friday 19 May, 2023 be received and noted, and*
 - a) *Council prepare a draft Memorandum of Understanding for Cross Border Collaborative Working Arrangements; and*
 - b) *The draft Memorandum of Understanding be forwarded to Member Councils and used as a template by neighbouring QLD/NSW Councils as they explore and investigate Cross Border working arrangements.*

CARRIED

5 DESTINATION REPORTS

At 10.29 am, Cr Jo Williams left the meeting having previously declared a pecuniary interest in Item #5.1 "Expiring Occupancy Permit - Transgrid - Mandoe Radio Site - Lot 22 DP 721168, Mount Hallam Road, Atholwood S5.10.6". The nature of the interest is that Cr Williams' husband is an employee of Transgrid.

5.1 EXPIRING OCCUPANCY PERMIT - TRANSGRID - MANDOE RADIO SITE - LOT 22 DP 721168, MOUNT HALLAM ROAD, ATHOLWOOD S5.10.61

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Nicky Lavender

The Committee recommends to Council that:

- i) *Council renew the Occupancy Permit with TransGrid for Mandoe Radio Site, Lot 22 DP 721168, Mount Hallam Road, Atholwood for a three (3) year period with a further three (3) year option;*
- ii) *the Licence fee be \$1,500 per annum (GST Inclusive); for the first year of occupancy and be increased by the CPI for the second and subsequent years of occupancy; and*
- iii) *the Licence Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.*

CARRIED

At 10.30 am, Cr Jo Williams returned to the meeting.

5.2 EXPIRED LEASE AGREEMENT - NORTH WEST DISTRICT FLYING SCHOOL S5.10.3**COMMITTEE RESOLUTION**

Moved: Cr Jo Williams

Seconded: Cr Kate Dight

The Committee recommends to Council that:

- i) Council renew the agreement with North West District Flying School for the Hangar Building, located at the Aerodrome, Gilgai for a five (5) year period with a five (5) year option;*
- ii) the licence fee be \$665.23 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.*

CARRIED

5.3 REQUEST TO TRANSFER EXPIRING LICENCE AGREEMENT - LEWIS TO GAFFANEY S5.10.31**COMMITTEE RESOLUTION**

Moved: Cr Kate Dight

Seconded: Cr Jo Williams

The Committee recommends to Council that:

- i) Council renew the Licence Agreement for Lots 1, 2, 3, 4 & 5, Section 58, DP 979847, Cameron Park, Inverell in the name of Sarah Gaffaney;*
- ii) The licence agreement be for a three (3) year period with a further three (3) year option;*
- iii) The Licence fee be \$82.34 per annum (GST Inclusive) with a 3% increase per annum; and*
- iv) The Licence Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.*

CARRIED

5.4 REQUEST FOR SPONSORSHIP - GUM FLAT SCHOOL ANNUAL FUNDRAISER - GUM FLAT SCHOOL P AND C ASSOCIATION S12.22.1/16**COMMITTEE RESOLUTION**

Moved: Cr Paul King OAM

Seconded: Cr Kate Dight

That the Committee recommends to Council that Council provide sponsorship in the amount of \$200.00 for the Gum Flat School Annual Fundraiser from the Gum Flat Village Vote.

CARRIED

5.5 IPART REVIEW OF COUNCIL RATE PEG METHODOLOGY S25.11.3**COMMITTEE RESOLUTION**

Moved: Cr Kate Dight

Seconded: Cr Nicky Lavender

That the information be received and noted.

CARRIED**5.6 STANBOROUGH RFS SHED S9.18.1****COMMITTEE RESOLUTION**

Moved: Cr Nicky Lavender

Seconded: Cr Kate Dight

The Committee recommends to Council that Council approve the demolition of the Stanborough RFS Shed and the site be rehabilitated to natural bushland.

CARRIED**5.1 REFERRAL OF CONFIDENTIAL MATTERS S4.11.17/15****COMMITTEE RESOLUTION**

Moved: Cr Kate Dight

Seconded: Cr Jo Williams

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

Item: 8.1 Delungra Memorial Bowling & Recreation Club Ltd - Request to Reduce or Waive Rates.

Authority: Section 10A (2) (b) discussion in relation to the personal hardship of a resident or ratepayer.

CARRIED**6 INFORMATION REPORTS****6.1 INVERELL LIBRARY USER/NON-USER SURVEY S3.6.1/17****COMMITTEE RESOLUTION**

Moved: Cr Nicky Lavender

Seconded: Cr Kate Dight

That the information be received and noted.

CARRIED

7 GOVERNANCE REPORTS

7.1 LOCAL GOVERNMENT REMUNERATION TRIBUNAL DETERMINATION S13.6.4/16

COMMITTEE RESOLUTION

Moved: Cr Nicky Lavender

Seconded: Cr Kate Dight

That the Committee recommends to Council that Council fix the annual fee to be paid to Councillors at the maximum allowed for the Rural Council Category as determined by the Local Government Remuneration Tribunal; that being an annual fee paid to Councillors of \$17,680 with the Mayor receiving an additional annual fee of \$37,925 for the financial year commencing 1 July, 2023.

CARRIED

7.2 AASB 124 RELATED PARTY TRANSACTIONS S12.2.2

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Nicky Lavender

The Committee recommend to Council that:

- a) *The report be received and noted; and*
- b) *In accordance with AASB 124, Key Management Personnel (KMP) complete section 1 and 2 of Council's KMP – Related Party Transactions Questionnaire and return completed forms to Council by 28 June, 2023.*

CARRIED

7.3 WORK HEALTH & SAFETY POLICY S22.17.12

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Nicky Lavender

The Committee recommends to Council that:

- i) *The Work Health and Safety Policy be adopted; and*
- ii) *The General Manager be authorised to sign the Work Health & Safety Policy on behalf of Council.*

CARRIED

7.4 LEGISLATIVE COMPLIANCE POLICY S3.6.1/17

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Jo Williams

That the Committee recommends to Council that the Legislative Compliance Policy be adopted.

CARRIED

7.5 GOVERNANCE - MONTHLY INVESTMENT REPORT S12.12.2

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Nicky Lavender

The Committee recommends to Council that:

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

CARRIED

8 CONFIDENTIAL MATTERS (COMMITTEE-OF-THE-WHOLE)

At 10.55 am, the Chairperson noted that no members of the public or press were in attendance at the meeting therefore Council proceeded to consider the motion to close the meeting to the press and public.

At 10.55 am, Cr Jacko Ross left the meeting having previously declared a non pecuniary conflict of interest in Item #8.1 "Delungra Memorial Bowling & Recreation Club Ltd - Request to Reduce or Waive Rates S25.9.3/16". The nature of the interest is that Cr Ross is the Chairperson of the Inverell RSM Board.

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Jo Williams

That the Committee proceeds into Closed Committee to discuss the matters referred to it, for the reasons stated in the motions of referral.

CARRIED

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Nicky Lavender

That the Committee proceeds out of Closed Committee into Open Committee.

CARRIED

Upon resuming Open Committee at 11.02 am, the Chairperson verbally reported that the Committee had met in Closed Committee, with the Press and Public excluded, and had resolved to recommend to Council the following:

8.1 DELUNGRA MEMORIAL BOWLING & RECREATION CLUB LTD - REQUEST TO REDUCE OR WAIVE RATES S25.9.3/16**RECOMMENDATION:**

That the Committee recommends to Council that Council not accede to the request made by the Delungra Memorial Bowling & Recreation Club Ltd to reduce or waive future rate charges.

ADOPTION OF RECOMMENDATIONS**COMMITTEE RESOLUTION**

Moved: Cr Nicky Lavender

Seconded: Cr Kate Dight

That the recommendations of Closed Committee be adopted.

CARRIED

At 11.02 am, Cr Jacko Ross returned to the meeting.

The Meeting closed at 11.03 am.

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

4 DESTINATION REPORTS

4.1 REQUEST FOR DONATION - INVERELL YOUTH CENTRE

File Number: S12.22.1/16 / 23/19484

Author: Kristy Paton, Corporate Support Officer - Publishing

SUMMARY:

Council is in receipt of a letter and a request for donation application from Rhonda Mason, ICYOUth Coordinator, requesting a donation towards the cost of the purchase of a security camera system.

RECOMMENDATION:

A matter for the Committee.

COMMENTARY:

Rhonda Mason, ICYOUth Coordinator has written to Council requesting financial support for the purchase of a security camera system to be installed at the Inverell Community Youth Centre located at 16-18 Vivian Street, Inverell.

"ICYOUth (Inverell Community Youth Centre) provides a safe inclusive meeting place that strives to support the youth of our community. We offer a variety of support, from; mentoring and chats, agencies & NGO referrals for specific assistance (i.e. for needs such as homelessness, conflicts, substance abuse, mental health, etc), advocacy, social events and life skill development. All aspects of support endeavour to empower and encourage the well-being of our youth community."

In her letter, Ms Mason cites the need for a security camera system as a deterrent to break-ins and as a way of providing protection for the volunteers and the young people who access the service.

Ms Mason has included a quote with her letter for a security camera system that she thinks best meets their needs. The total amount of the quote is \$3,704. This includes a Google Nest Cam Outdoor 3 pack, a Google Nest Doorbell and a Google Nest Hub Pack. The system quoted will allow for high quality video recordings, storage, easy retrieval and phone alerts. Ms Mason is requesting a donation from Council for the amount of \$2,000 or preferably the full quote amount.

A number of letters of support for the programs offered at the youth centre also accompanied the application including letters from The Hon. Adam Marshall MP and Joblink Plus.

It should be noted by the Committee that the building in which the Community Youth Centre operates is owned by the applicant. The security camera system that has been quoted does not require hard wiring and can easily be relocated or removed if required.

The Committee is requested to determine if it wishes to provide a donation to the ICYOUth Centre and if so, in what capacity.

RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

ICYOUth (Inverell Community Youth Centre) applied for a Sapphire Wind Farm grant in Round 1 2023. Their application was unsuccessful based on the building being privately owned.

Council's 2023-2024 donation budget has funding available of \$22,900.

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

Nil

4.2 DOLLY PARTON'S IMAGINATION LIBRARY**File Number:** S3.6.1/17 / 23/21806**Author:** Sonya Lange, Manager Library Services**SUMMARY:**

The Inverell Library has been asked by community members to investigate participation in the Dolly Parton's Imagination Library program. This report outlines the program and its financial implications and administrative requirements.

RECOMMENDATION:

The Committee recommends to Council that Council not participate in the Dolly Parton's Imagination Library program.

COMMENTARY:

Dolly Parton's Imagination Library of Australia (DPIL) is a free book gifting program designed to inspire a love of reading and improving early literacy attainment of children. Each month, enrolled children receive a high-quality, age-appropriate book in the mail, free of charge. Children receive books from birth to age five (5). When the child reaches age five (5) they automatically 'graduate' from the program, and receive a 'graduation certificate'.

The program was developed in America, and is now operating in five countries. The program gifted 24,700,000 books in 2022, 204,000 of those in Australia. The program is designed to support early literacy attainment by creating access to books in the home, and by providing parents and caregivers with "tip sheets" to support their sharing of books with their child.

There is abundant academic research to show that early literacy attainment has positive consequences for children's long term educational and employment outcomes. Research specific to DPIL Australia shows that the program boosts positive attitudes about reading among both caregivers and children, resulting in more frequent, enjoyable and interactive shared reading sessions. Further research suggests that children who are read to 6-7 times a week have significantly higher results at Year 3 NAPLAN literacy and numeracy scores. Improved NAPLAN scores are shown to have positive economic impacts, through financial benefits to Government, of around \$2,000 per student.

The Manager Library Services has gathered information about Dolly Parton's Imagination Library through discussion with the Australian co-ordinating agency, United Way, the program's website, and through personal communication with Librarians in the region who have implemented or considered the program.

In Australia, the program is delivered through "Local Partners / Affiliates" who are responsible for enrolling participants, promoting the program, and, in most cases, securing the funds for the program. In some cases, affiliates are Councils, but also include service providers like the Benevolent Society, childcare services and community organisations. There are approximately 50 programs, serving over 13,000 children, in operation in NSW, with 25 of those funded by the NSW Government Better Beginnings program. Those programs are funded for the first 5 years of operation, with the understanding that the community / Council would take over funding from that time. At least one nearby Council who received this funding in January 2022 has been notified that funding for new enrolments will cease in June 2024, leaving the Council to source funding to continue the program 2.5 years earlier than anticipated.

Where State Government funding has not been provided, the Affiliate is responsible for sourcing the funds, either through seeking sponsorship, fundraising from the community, or funding from their own resources. Affiliates also carry a significant administrative load, promoting the program

in the community, liaising with local child health services to identify and enrol every newborn, confirming the details of online enrolments, processing changes of address, and dealing with undelivered books. The purchase, packing and postal delivery of the books is managed by United Way.

United Way had indicated that there is some flexibility within the program delivery. The time frame could be limited to two (2) years, if the enrolled cohort was of reasonable size, however the affiliate would need to manually remove participants from the program database after two years, as the system operates automatically until the age of five. Affiliates are not contractually bound to continue the program for a set period, and could opt to end early if financial constraints arose, but doing so would result in negative reputational outcomes for the affiliate.

In the Inverell LGA, the birth rate sits between 200-300 each year (Inverell Community Health staff state they see 300 per year, 2021 Census data for the Inverell LGA is between 200 – 230 for the preceding 5 years). United Way state that in rural and regional areas, it is common to achieve a 95-100% enrolment of eligible children. United Way have provided a costing of \$9.00 per child per month / \$108 per child per year, a figure they believe to be reasonably stable. The total annual cost will increase each year for the first five years as new children are enrolled, before stabilising.

The anticipated direct costs (based on approximately 250 babies per year) are:

Year 1:	\$27,000
Year 2:	\$54,000
Year 3:	\$81,000
Year 4:	\$108,000
Year 5:	\$135,000
Year 6 Onwards:	\$135,000

Options for funding the program could include:

- Totally funded by Council from own resources
- Funded by both Council and donations, with Council undertaking fundraising
- Funded by both Council and donations, with an external agency undertaking fundraising
- Funded by a consortium of local agencies, co-ordinated by Council
- Funded by donations, with an external agency undertaking fundraising and co-ordination

The Inverell Library does not have capacity within its current budget to undertake the program. Aside from funding provided by Council, the Library also receives some Local Priority funding each year from the State Library of NSW. This funding is utilised by the library for various projects each year, within the parameters allowed by the SLNSW funding guidelines (Collections, Buildings, Technology, Research, Promotion). In recent years the Library has utilised this funding for digitisation of local history resources, replacement of public PCs and iPads, digital resource subscriptions, a library survey and our existing Baby Book Bags program. Whilst a portion of this funding could be directed to funding DPIL, dependent on the SLNSW's approval, doing so would reduce the library's ability to undertake other programs and improvements it identifies as priorities. If the administrative load of managing the program also fell to the Library, this would require 1-2 hours of staff time per week.

The Library does not have the capacity to undertake the level of fundraising that would be required to fund the program from community sponsorship, and Council may see such fundraising activity as outside the purview of Library / Council staff, unless it is with a Council staff member with a designated fundraising role.

The Inverell Library currently operates a Baby Book Bag program, whereby each newborn child in the region is gifted a donated handmade library bag, with several board books, information for parents about the importance of reading to their child, and information about the Library and its

programs. These bags are distributed by Community Health nurses on the first visit, with the program costing around \$3,000 p/a.

In addition to the Baby Book Bag program the Inverell Library also offers a range of literacy programs for the under 5s. The Babybounce program is a weekly session for birth to two years, which builds familiarity with books, and help parents develop skills in shared reading. Storytime is a thrice weekly program for two to five years old, and continues the development of those skills. Our Little Gems program incentivises families to share books, with the aim of reading 1000 books before school. Participants receive recognition for reading, and receive an end-of-year book prize. The library collection contains over 5000 picture and board books suitable for under 5s, which are freely accessible to all library members. Over 18,000 loans were made from those areas of the collection in 2022/23.

Feedback from library colleagues regarding the DPIL program indicates that it is well received by their communities, and that there are positive outcomes both for participants, and the affiliate responsible for administering the program. All note that the financial considerations are significant and ongoing. A large neighbouring Council was one of the first locations to adopt the program, and in its early years, was able to access a high level of funding through donations and sponsorship, secured by a Council employee with fundraising duties. However, over subsequent years, after the loss of the Council member conducting the fundraising, community funding has decreased, leaving the Council to fund approximately \$200,000 p/a of the nearly \$350,000 p/a cost.

Dolly Parton's Imagination Library delivers reliable, measurable and significant benefits to participants, with the benefits extending to the whole family unit, and to the wider community. It is well received, and garners positive feedback and exposure with the community. Whilst the program represents the opportunity to actively support early literacy attainment within the community, and would provide positive exposure for Council, there are significant financial risks, as there is no guaranteed source of funding, nor a reasonable expectation that such funding could be readily raised from the community. Adoption of a fully Council funded program is not recommended.

RISK ASSESSMENT:

Financial risk to Council if the inability to raise funding requires the Council to bear the full cost of delivering the program over a span of years.

Reputational risk to Council if Council commences the program and then discontinues it before participants have completed the full 5 years.

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Council's 2023/24 Operational Plan and Budget, and Long-Term Financial Plan does not allocate any funding towards this program. To fund this program Council would need to re-allocate budgets from other service delivery programs (that is, cut other programs to deliver this project) or seek community sponsorship via donations or fundraising.

Council would need a Special Rates Variance (SRV) of approximately 1% to fund this program without cutting funding to existing programs. SRV involves significant community consultation with the process taking at least 12 months.

Given there is no guaranteed source of funding, nor a reasonable expectation that such funding could be readily raised from the community, it is recommended that Council not participate in the program at this time.

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

Nil

5 INFORMATION REPORTS

5.1 EMERGENCY SERVICES LEVY (ESL)

File Number: S12.13.1 / 23/21353

Author: Paul Henry, General Manager

SUMMARY:

Council recently made representations to the Minister for Local Government regarding the Emergency Services Levy. A response has now been received. Details are provided for the information of Council.

RECOMMENDATION:

That the report be received and noted.

COMMENTARY:

Following representations to the Minister for Local Government regarding the impact of the State Government's decision to withdraw the subsidy for the ESL, a reply has been received from the Hon Ron Hoenig. The Minister advises:

'I acknowledge Council's concerns about its financial sustainability and I appreciate you sharing your views on this matter.

While I note Council's position, tough budgetary decisions are being taken across the NSW government sector to ensure the financial sustainability of NSW and to provide priority services and infrastructure to communities and councils.

Council emergency services contributions have not risen since 2019-20 because of the annual ad-hoc subsidy by the former Government. However, at the same time the costs of emergency services has risen significantly. This situation is unsustainable in the current fiscal climate. Due to pressures on the NSW Budget and the lack of funding made available in the forward estimates, the NSW Government is not able to apply a subsidy to council contributions this financial year.

NSW emergency services agencies including Fire and Rescue NSW, NSW Rural Fire Service and the NSW State Emergency Service have long been funded through a three-way cost-sharing arrangement. Local government contributions to the cost of emergency services date back to the 1800s. These costs are a shared responsibility, and we all need to do our part to ensure communities get the services they deserve.

Please be assured that the newly elected NSW Government and the Office of Local Government are committed to supporting the financial capabilities of all local councils across NSW. We have a commitment to implement a review of financial modelling for councils to address concerns about resources and the increasing cost burdens on councils and their residents. The NSW Government is committed to working with the sector to address the financial sustainability of councils into the future'.

ATTACHMENTS:

Nil

5.2 ADVANCE PAYMENT OF 2022-2023 FINANCIAL ASSISTANCE GRANT

File Number: S15.8.13/14 / 23/21801

Author: Paul Pay, Director Corporate and Economic Services

SUMMARY:

Council has received a 100% advance payment of the 2023-2024 Financial Assistance Grant.

COMMENTARY:

The Australian Government will have provided approximately \$67B under the Financial Assistance Grant (FAG) program to local government since 1974–75 (including 2023–24). The grant is provided under the *Local Government (Financial Assistance) Act 1995*.

The Financial Assistance Grant program consists of two components:

- a general purpose component which is distributed between the states and territories according to population (i.e. on a per capita basis), and
- an identified local road component which is distributed between the states and territories according to road length and number of bridges.

Both components of the grant are un-tied in the hands of local government, allowing councils to spend the grants according to local priorities. While the grants are un-tied, Council has traditionally allocated the local road component exclusively for expenditure on Rural and Urban Roads within the Shire.

The Federal Budget for 2023-24 released on 9 May, 2023 again provided for an advance payment of the estimated 2023-2024 FAGs. The advance payment will represent approximately 100% of the amount council is entitled to during 2023-2024. On 27 June, 2023, Council received \$7,835,183 in advanced payments. Under the current accounting standards this advance payment will be recorded as grant revenue for operating purposes in Council's 2022-2023 financial statements. Over recent years the "in advance" component has been 50%-75% and has historically been paid in late June.

Council has invested \$5M of the advance payment in short term, term deposits to mature throughout next financial year. This will ensure that Council has sufficient funds (cashflow) to meet budgeted operating expenditure that are normally offset by the FAGs grant during next financial year.

The Federal Government has stated that the prepayment of FAGs means the Government is backing local councils when they need it most. The prepayment will provide critical cashflow to Councils during these difficult financial times.

The advance payment will impact on Council's Operating Result (before capital income) and will negatively impact two of Council's key financial indicators, Operating Performance Ratio and Own Source Revenue.

1. Operating Result (before capital income) and Operating Performance Ratio

The advance payment means that in June Council received 100% of next year's FAG grant allocation, plus Council has also recorded income for 25% of the 2022/2023 allocation, which equals total revenue of 125% of FAGs.

So, the jump to 100% means that Council's Operating results (before capital income) will be overstated for no good reason. If the Federal Government does not continue with the 100% advance payment in 2023-2024 then Operating results (before capital income) will decrease for no good reason in the 2023-2024 Financial Statements.

Therefore, Council's Operating result will be "all over the shop" comparison wise for no reason to do with Council's actual financial performance.

It is worth noting that the last time the Federal Government altered the FAG grant timing and in fact stopped the "in advance" component was in 2013-2014 which just happened to be the financial year that the NSW State Government concluded that NSW Councils were financially unsustainable. No wonder when \$400M in general FAG grants was not recorded in the 2013-2014 financial statements.

2. Own Source Operating Revenue

The 'own source operating revenue ratio' measures a 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 for the ratio is greater than 60%.

This ratio is impacted by the amount of grant funding Council receives in a particular year. A year where Council receives significantly above average grant funding, something typically to be welcomed, the Own Source Revenue Ratio will dip below the benchmark of 60%. The advance payment of 2023-2024 FAGs will result in Council's ratio falling below the required 60% benchmark.

RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Nil

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

Nil

6 GOVERNANCE REPORTS**6.1 GOVERNANCE - MONTHLY INVESTMENT REPORT****File Number:** S12.12.2 / 23/21776**Author:** Robert Kimmince, Manager Financial Services**SUMMARY:**

To report the balance of investments held as at 30 June, 2023.

RECOMMENDATION:

The Committee recommends to Council that:

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

COMMENTARY:

Contained within this report are the following items that highlight Council's Investment Portfolio performance for the month to 30 June, 2023 and an update of the investment environment:

- (a) Council's Investments as at 30 June, 2023;
- (b) Council Investments by Fund as at 30 June, 2023;
- (c) Interest – Budgeted vs. Actual;
- (d) Investment Portfolio Performance;
- (e) Investment Commentary; and
- (f) Certification – Responsible Accounting Officer.

A) Council Investments as at 30 June, 2023

Term Deposit Investment Group									
Investment	Borrower	FUND	Rating	Purchase Date	Maturity Date	Current Yield	Principal Value	Current value	Term (days)
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
23/26	Macquarie Bank	General	A	29-Mar-23	31-Jul-23	4.50%	1,000,000	1,000,000	124
23/16	Police Credit Union	General	Unrated	08-Nov-22	08-Aug-23	4.50%	1,000,000	1,000,000	273
23/34	Australian Military Bank	General		29-May-23	29-Aug-23	4.81%	1,500,000	1,500,000	92
23/19	AMP BANK	General	BBB+	07-Dec-22	07-Sep-23	4.35%	2,000,000	2,000,000	274
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
23/44	Hume Bank	General		28-Jun-23	28-Sep-23	5.30%	1,000,000	1,000,000	92
23/27	Bank of Queensland	General	BBB+	29-Mar-23	29-Sep-23	4.60%	2,000,000	2,000,000	184
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	27-Nov-23	1.28%	1,000,000	1,000,000	732
22/28	AMP BANK	General	BBB+	27-May-22	27-Nov-23	3.30%	2,000,000	2,000,000	549
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
23/33	Bank of Queensland	General		29-May-23	29-Nov-23	5.01%	1,500,000	1,500,000	184
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
22/18	Bank of Sydney	General	NR	07-Dec-22	07-Dec-23	4.60%	2,000,000	2,000,000	365
23/42	Hume Bank	General		28-Jun-23	28-Dec-23	5.65%	2,000,000	2,000,000	183
23/35	Australian Military Bank	General		29-May-23	29-Dec-23	5.05%	2,000,000	2,000,000	214
23/20	ING Bank	General	A	23-Jan-23	23-Jan-24	4.50%	1,500,000	1,500,000	365
23/25	Bank of Sydney	General	Unrated	24-Mar-23	24-Jan-24	4.70%	2,000,000	2,000,000	306
23/28	BoQ	General	BBB	19-Apr-23	19-Jan-24	4.70%	2,000,000	2,000,000	275
23/21	Commonwealth Bank	Sewer	AA	27-Feb-23	27-Feb-24	5.06%	2,000,000	2,000,000	365
23/36	Bendigo & Adelaide	General	BBB	31-May-23	29-Feb-24	5.00%	1,500,000	1,500,000	274
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
23/22	AMP BANK	General	BBB+	20-Mar-23	19-Mar-24	4.80%	1,000,000	1,000,000	365
23/23	Bank of Sydney	Water	BBB+	20-Mar-23	20-Mar-24	4.85%	1,500,000	1,500,000	366
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
23/43	MyState Bank	General		28-Jun-23	28-Mar-24	5.60%	2,000,000	2,000,000	274
23/37	Suncorp	General	A+	31-May-23	30-Apr-24	4.96%	2,000,000	2,000,000	335
23/31	AMP BANK	General	BBB+	25-May-23	27-May-24	5.15%	1,000,000	1,000,000	368
23/38	ING Bank	General	A	31-May-23	30-May-24	5.10%	1,500,000	1,500,000	365
23/32	AMP BANK	General	BBB+	25-May-23	27-May-24	5.15%	1,000,000	1,000,000	368
23/39	Suncorp	Sewer	A	07-Jun-23	07-Jun-24	5.26%	1,000,000	1,000,000	366
23/40	Australian Unity Bank	General	BBB+	20-Jun-23	20-Jun-24	5.60%	1,500,000	1,500,000	366
23/45	National Australia Bank	Water	AA-	29-Jun-23	28-Jun-24	5.47%	2,000,000	2,000,000	365
23/41	National Australia Bank	Water	AA-	28-Jun-23	28-Jun-24	5.55%	1,000,000	1,000,000	366
22/03	National Australia Bank	General	AA-	27-Aug-21	27-Aug-24	0.85%	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
23/26	Auswide Bank	General	BBB	24-Mar-23	24-Mar-25	4.80%	1,000,000	1,000,000	731
23/24	Auswide Bank	Water	BBB	24-Mar-23	24-Mar-25	4.80%	1,000,000	1,000,000	731
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
23/29	Police Credit Union	Water	Unrated	08-May-23	08-May-24	4.85%	1,000,000	1,000,000	366
23/30	Police Credit Union	General	Unrated	08-May-23	08-May-24	4.85%	1,000,000	1,000,000	366
						TOTALS	86,000,000	86,000,000	

Cash Deposit Accounts									
As at Date	Borrower	FUND	Rating	Purchase Date	Maturity Date	Current Yield	Value at beg year	Current value	Term
30/06/2023	Commonwealth Bank	General	A	9/11/2020		0.00%		1,194.89	
30/06/2023	Macquarie Bank	General	AA-	9/11/2020		3.90%	2,028,504	2,086,371.43	
30/06/2023	Macquarie Bank	Water	AA-	9/11/2020		3.90%	2,516,481	2,588,269.33	
30/06/2023	Macquarie Bank	Sewer	AA-	9/11/2020		3.90%	1,508,674	1,551,712.33	
Sub Total - Cash Deposit Accounts						-	6,053,659	6,227,548	-

B) Council Investments by Fund 30 June, 2023

Portfolio by Fund	30/05/2023	30/06/2023
General Fund	\$65,081,074	\$69,087,566
Water Fund	\$15,080,215	\$15,088,269
Sewer Fund	\$8,046,884	\$8,051,712
TOTAL	\$88,208,173	\$92,227,548

Council's investment portfolio has increased by \$4,019,375 during June 2023. This was in respect of normal cash flow movements for receipts collected and payments made during June 2023 and investing a portion of the advance payment of the Financial Assistance Grant.

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	879,830.65	866,196.56	1,746,027.21
Water Fund	812350	84,000.00	232,540.98	92,564.35	325,105.33
Sewer Fund	906320	60,000.00	205,105.93	100,771.46	305,877.39
TOTAL		654,000.00	1,317,477.56	1,059,532.37	2,377,009.93

Term deposit interest rates have improved recently with a 12-month term deposit now yielding 5 – 5.40%. 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 30/06/2023		4.10%	4.35%	4.10%
Term Deposits	3.92%			
Cash Deposit Accounts	3.90%			
180 Day Call Account	0.00%			
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 \$92.2M 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 3.93% p.a. at month-end, with a weighted average duration of around 214 days or 7.16 months. Council is well positioned to take advantage of increasing term deposit rates as investments mature.

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

Nil