



Minutes of the Council Meeting held in the Council Chambers on Wednesday, 12th October, 2016 commencing at 9:15am.

Min. No. Present: Cr. Matthew Hannan (Mayor)
Crs: Ross Bodey, John Bruce, Bernard Curtin, Denis Glanville, Colin Jones, Daryll Morris, John Taylor, Director of Corporate Services (Matthew Hansen), Director Technical Services (Fred Exton), Development Manager (Laurie Stevens) and General Manager (Rowan Perkins).

Apology
Nil

Declaration of Items of Pecuniary and other Interests
Cr John Bruce declared a non-Pecuniary Interest in Item 5.11 as he is the Treasurer of the Club.

4. CONFIRMATION OF MINUTES

266 RESOLVED Crs: Glanville and Morris that the Minutes of the Extraordinary meeting held in the Council Chambers on Wednesday 21st September, 2016 and Ordinary meeting held in the Council Chambers on Wednesday 21st September, 2016 be confirmed.

5.1 FINANCE – ACCOUNTS

AUTHOR: Finance Manager
STRATEGIC OUTCOME: Good government
STRATEGIC OBJECTIVE: 2.2 Ensure effective governance by Council of Council operations and reporting

267 RESOLVED Crs: Taylor and Bruce that the Financial Statement, Bank Reconciliation Certificate and Petty Cash Book made up to 30 September 2016, be received and that the accounts paid as per Warrant No. 09/16 totalling \$4,794,794.48 be confirmed.

5.2 PECUNIARY INTEREST RETURNS

AUTHOR: General Manager
STRATEGIC OUTCOME: Good government
STRATEGIC OBJECTIVE: 2.2 Ensure effective governance by Council of Council operations and reporting

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FILE NO: 13.045.2

- 268** **RESOLVED** Crs: Jones and Bruce that the Council note the tabling of Pecuniary Interest Returns received from Councillors and designated officers for the period 1st July, 2015 to 30th June, 2016.

**5.3 TOCUMWAL FORESHORE COMMITTEE OF
MANAGEMENT**

AUTHOR: General Manager

STRATEGIC OUTCOME: Good government

**STRATEGIC OBJECTIVE: 2.2 Ensure effective governance
by Council of Council operations
and reporting**

FILE NO: 05.101.7

- 269** **RESOLVED** Crs: Glanville and Jones that the Council:

- A) Revoke existing members of the Tocumwal Foreshore Committee of Management.
- B) pursuant to Section 355 of the Local Government Act, 1993, appoint the following persons to the Tocumwal Foreshore Committee of Management:

President	Ross Bodey
Secretary/ Treasurer	Judy Carlon
Committee	Bob Bowman, A Way, W. Greig, I. Bowman.

**5.4 TOCUMWAL WAR MEMORIAL HALL COMMITTEE OF
MANAGEMENT**

AUTHOR: General Manager

STRATEGIC OUTCOME: Good government

**STRATEGIC OBJECTIVE: 2.2 Ensure effective governance
by Council of Council operations
and reporting**

FILE NO: 05.101.8

- 270** **RESOLVED** Crs: Jones and Morris that the Council:

- A) Revoke existing members of the Tocumwal War Memorial Hall Committee of Management.

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- C) pursuant to Section 355 of the Local Government Act, 1993, appoint the following persons to the Tocumwal War Memorial Hall Committee of Management:

President	Sergio Redegalli
Secretary/ Treasurer	Leanne Mark
Committee	Laurie McQueen, Anne Jones, Kerry Davies, Betsy Bird, Kevin McCumstie

5.5 MAYORS WEEKEND

AUTHOR: General Manager

STRATEGIC OUTCOME: Good government

**STRATEGIC OBJECTIVE: 2.2 Ensure effective governance
by Council of Council operations
and reporting**

FILE NO: 22.178.6

- 271** **RESOLVED** Crs: Glanville and Bruce that the Council authorise the Mayor to attend the LGNSW Mayors weekend Saturday 5th and Sunday 6th November 2016 at Sydney.

**5.6 JOINT ORGANISATIONS – GETTING THE
BOUNDARIES RIGHT**

AUTHOR: General Manager

STRATEGIC OUTCOME: Good government

**STRATEGIC OBJECTIVE: 2.2 Ensure effective governance
by Council of Council operations
and reporting**

FILE NO:

- 272** **RESOLVED** Crs: Curtin and Morris that the Council support the boundary of the proposed Murray Murrumbidgee Joint Organisation subject to the inclusion of Albury City Council in the Joint Organisation and if that proposal is not accepted then the Council support the formation of a Joint Organisation comprising Albury City Council, Federation Council, Berrigan Shire Council, Edward River Council and Murray River Council.

5.7 DRAFT ANNUAL REPORT

AUTHOR: Strategic & Social Planning Coordinator

STRATEGIC OUTCOME: Good government

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STRATEGIC OBJECTIVE: 2.2 Ensure effective governance by Council of Council operations and reporting

FILE NO: 04.145.1

273 RESOLVED Crs: Morris and Bodey that the Council

1. Adopt the Draft Annual Report 2015- 2016 attached as Appendix "B"
2. Adopt the Draft State of the Environment Report 2012 – 2017 attached as Appendix "C"
3. Note the Berrigan Shire Council End of Term Report 2012 – 2016 attached as Appendix "D".

5.8 EXTRAORDINARY COUNCIL MEETING

AUTHOR: General Manager

STRATEGIC OUTCOME: Diverse and resilient business

STRATEGIC OBJECTIVE: 4.2 Strengthen and diversify the local economy

FILE NO:

274 RESOLVED Crs: Glanville and Jones that the Council delegate to the General Manager the authority to convene an extraordinary meeting of the Council to consider and order upon any Development Application received in relation to an alternative site for the 2016 Strawberry Fields Festival.

5.9 FINANCIAL STRATEGY

AUTHOR: Director Corporate Services

STRATEGIC OUTCOME: Good government

STRATEGIC OBJECTIVE: 2.2 Ensure effective governance by Council of Council operations and reporting

FILE NO: 04.121.4

275 RESOLVED Crs: Morris and Bodey that the Council adopt the revised Financial Strategy below:

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Financial Strategy 2016

DRAFT – OCT 2016



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Version	Adoption date
v01	February 2012
v02	May 2016
v03	October 2016

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Executive Summary

The Financial Strategy has been prepared as part of Berrigan Shire Council's overall Integrated Planning and Reporting model. Along with the Asset Management Strategy, the Financial Strategy is designed to inform the preparation of the Council's Long Term Financial Plan (LTFP), itself a part of the Council's Resourcing Strategy.

The financial strategy provides guidance on the financial 'assumptions' or objectives that will guide the development of the LTFP. By establishing a financial strategy, the Council can demonstrate where it wishes to progress and the goals it wishes to achieve.

The Financial Strategy can be broken down into the following components:

- A brief review of the Council's current position – demographically, economically and financially
- A brief analysis of the Council's activities and future plans – especially the Community Strategic Plans and the Asset Management Plans.
- A set of financial objectives that the Council aims to achieve while delivering on its future plans
- Actions that will assist in meeting financial objectives
- A set of indicators and targets to measure progress against the objectives.

Objectives

The Financial Strategy identifies three key objectives:

1. Financial sustainability
2. Cost effective maintenance of infrastructure service levels
3. Financial capacity and freedom

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Actions

To achieve these objectives, the Council has identified 17 core actions.

Table 1 - Core actions

1.1	Prepare and review annually a Long Term Financial Plan with the aim of achieving the financial objectives identified in this strategy.
1.2	Prepare Capital Expenditure Reviews, including an assessment of lifecycle costs, for all new and/or upgraded infrastructure assets – with the exception of upgrades of roads, water mains and sewer mains.
1.3	Resist the pressure to fund services that are the responsibility of other levels of government.
1.4	Retain control of urban water supply and sewer services.
1.5	Recognise that funding for renewal and upgrading of sport, recreation and cultural infrastructure requires a combination of Council funding, community support and preferably some contribution from other levels of government.
1.6	Seek methods of achieving a return (or at least minimise ratepayer subsidy) on business activities such as the Finley Saleyards, Tocumwal Caravan Park and Tocumwal Aerodrome. Subsidies to programs such as the private operation of the Tocumwal Visitor Information Centre should also be reviewed regularly.
1.7	Encourage and support the existing model of community provision and operation of sport, recreation and cultural infrastructure.
1.8	Actively lobby the State and Federal Governments to retain existing grant funding levels for road maintenance and upgrades.
2.1	Prepare and review its Asset Management Strategy and its Asset Management Plans for the Council's major infrastructure assets annually as part of annual budget preparation.
2.2	Prioritise the renewal of existing assets over the development and delivery of new services.
2.3	Regularly review the suitability and/or usage of community services and facilities and consider alternate delivery methods.
2.4	Implement a Borrowing Policy that allows the Council to borrow only for the development of infrastructure where <ul style="list-style-type: none"> o There is an urgent need for the asset in the short term, or o It is most cost-effective to construct the asset in the short term (as opposed to waiting until sufficient on-hand funds are available), and o The Council has access to a funding stream to meet its debt obligations without compromising its other activities.
3.1	Formalise the Council's existing preference to put money aside for future capital works, rather than borrow.
3.2	Maintain the existing Investment Policy settings prioritising preservation of capital over investment return.
3.3	Retire existing debt in line with existing loan repayment schedules. Once paid, quarantine the repayment stream freed up to fund future capital renewal projects or specifically identified programs.
3.4	Continue to actively recover outstanding rates debt as identified in the Council's Revenue Policy.
3.5	Set utility charges for water supply, sewer and waste management services at a level that delivers a return on those assets sufficient to ensure long term sustainability.
3.6	Consider seeking a Special Rates Variation where there is a clearly identified demand for new or significantly improved service levels.

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Performance Measures

Berrigan Shire Council will measure whether or not this strategy achieves its objectives using following indicators and performance measures

These measures have been selected as ones common across local government and able to be derived simply from the Council's existing financing reporting systems.

Table 2 - Performance measures

Financial Objectives	Strategy	Possible Indicators	Performance Measures/Target
1. Financial sustainability		Operating Performance Ratio	Greater than 0% across any five year period
		Unrestricted Current Ratio	At least 2x
		Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage	To remain under 8% as at 30 June each year
2. Cost effective maintenance of infrastructure service levels		Building, Infrastructure & Other Structures Renewals Ratio	To remain over 100% on average over life of the LTFP.
		Infrastructure Backlog Ratio	To remain at less than 2% at all times
		Capital Expenditure Ratio	On average should be at least 100%
3. Financial capacity and freedom		Debt Service Cover Ratio	Greater than 2.00 x
		Cash Expense Cover Ratio	No less than three months cover

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General Principles

This financial strategy has been prepared to assist in the development of the Council's Community Strategic Plan (CSP), Long Term Financial Plan (LTFP) and other plans and strategies required under the Council's Integrated Planning and Reporting (IP&R) framework.

Legislative requirements

The recent amendments to the *Local Government Act 1993* make it clear that Councils must apply the principles of sound financial management to its activities and operations. These principles have been incorporated into the Council's financial strategy

Sect 8A of the *Local Government Act 1993* states:

The following principles of sound financial management apply to councils:

- (a) Council spending should be responsible and sustainable, aligning general revenue and expenses.*
- (b) Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.*
- (c) Councils should have effective financial and asset management, including sound policies and processes for the following:
 - (i) performance management and reporting,*
 - (ii) asset maintenance and enhancement,*
 - (iii) funding decisions,*
 - (iv) risk management practices.**
- (d) Councils should have regard to achieving intergenerational equity, including ensuring the following:
 - (i) policy decisions are made after considering their financial effects on future generations,*
 - (ii) the current generation funds the cost of its services.**

General assumptions

This strategy is necessarily based on the actions implicit in the Council's existing CSP and Workforce Development Plan – i.e. its current operating environment. These plans are due for review by the incoming Council however this strategy anticipates no significant change to either plan.

Any significant change to the Council's CSP or Workforce Development Plan, and therefore the aims and operations of the Council, will require a review of this strategy and/or the incorporation of appropriate scenario and/or sensitivity analysis.

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Where are we now?

Berrigan Shire is a rural community on the New South Wales and Victorian border with an economy based largely around irrigated agriculture and to a lesser extent, tourism. The Shire has an estimated population of 8,501, growing at just under 1% per annum.¹

Berrigan Shire has four towns. The Murray River border towns of Tocumwal and Barooga support a range of tourism, leisure and lifestyle services while the "inland" towns of Berrigan and Finley service the surrounding dry land and irrigated farming districts.

Recent population growth has been in the Murray River border townships of Barooga and Tocumwal attracting families to lifestyle blocks and retirees from metropolitan Melbourne.

NSW Treasury Corporation assessment

In 2013, the NSW Treasury Corporation (TCorp) prepared an independent Financial Assessment, Sustainability and Benchmarking Report on Berrigan Shire Council.²

The report made the following observation on the financial management of the Council.

The Council has been well managed over the review period based on the following observations:

1. Council has recorded near breakeven operating positions in most of the review years
2. Most of its financial indicators were above benchmark indicating it had sufficient liquidity and able to service its debt

When considering the Council's long term financial sustainability, TCorp made the following comments:

TCorp believes Council is currently in a moderately Sustainable position. Council's operating position was in small surpluses or close to breakeven positions in the review period. It is forecast to report operating surpluses in the next 10 years with an adequate but declining level of liquidity.

In considering the longer term financial Sustainability of the Council we make the following comments:

1. Council's current LTFP for its General Fund forecasts operating surpluses in most years of their forecast but this is expected to gradually decline. Operating revenue is forecast to increase at a lesser rate than operating expenses, but this may be at least partly due to conservative forecasting of revenue increases.
2. Council will need to continue to improve its AMP so the community's view on the desired level of service can be collected and reflected in the AMP. This will then need

¹ <http://forecast.id.com.au/berrigan/home>. Retrieved 27 September 2016

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to be integrated with the LTFP. Council's first version of the Road, Streets and Bridges AMP was completed in October 2009 and it is now due for review.

- 3. Council is reliant on external sources of funding. Its long term Sustainability is dependent on continuing support from other levels of government. While significant changes in grants and contributions are not expected, a decrease in external sources of funding will impact Council as it has limited own revenue sources.*

These observations and comments have been incorporated into the Council's Financial Strategy and other long term plans.

Funding

The following figures provide a summary of the source of Council's funds. Approximately 78% of Council's income is subject to rate pegging and external regulation or control. As a result, the Council does not have much discretion over the revenue it raises.

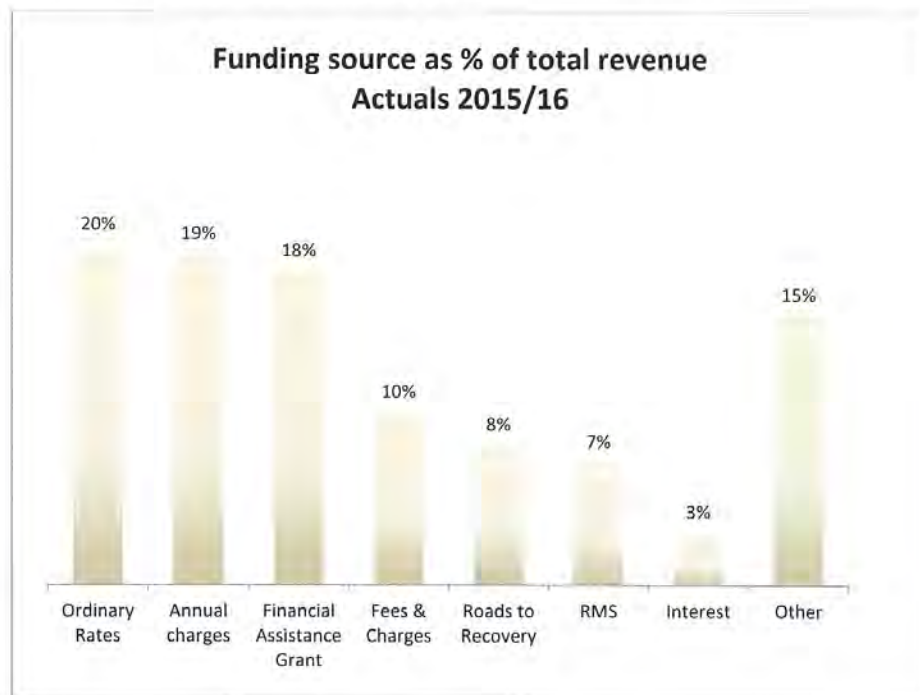


Figure 1 - Funding Source as a percentage of total revenue

Council does not anticipate significant growth in rateable properties. Growth in the Council's Ordinary Rate Revenue will need to come from Rate Peg increases set by the Independent Pricing and Regulatory Tribunal (IPART).

As seen in Figure 2, since 2002/03 Rate Peg allowances have ranged between permissible increases of 1.8% and 3.6%. The Council does not expect the Rate Peg to move much outside the lower end of this range.

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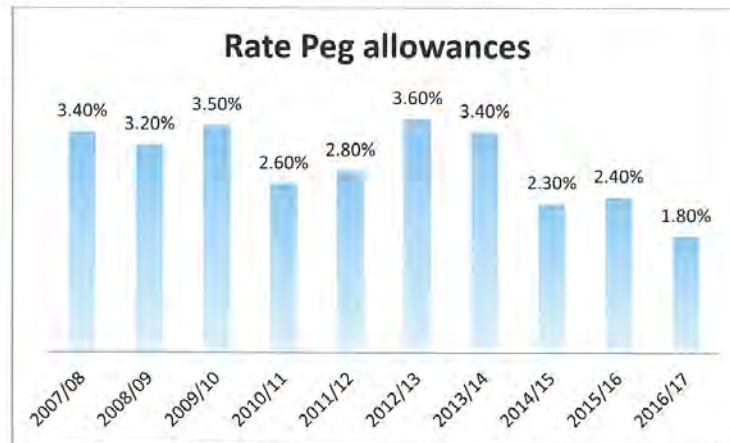


Figure 2 - Rate Peg allowances

The Office of Local Government (OLG) and the Independent Pricing and Regulatory Tribunal (IPART) have proposed some changes to the rating system in place across NSW local government. This includes a move to a Capital Improved Valuation (CIV) rating method and other changes to concessions and collection methods.

These proposed changes are unlikely to change the amount of revenue raised by the Council or offer the Council more discretion in setting its own rates and charges and as such this strategy assumes that the current rating system in place will continue until 2016/27.

Berrigan Shire Council has little control over the amount of Financial Assistance Grant (FAG) it receives, with a complex formula distributing the state-wide amount set by the Federal Government across NSW Councils. In 2014/15, the Federal Government announced a three-year "pause" in FAG indexation, which has had the effect of reducing the Council's untied revenue available for discretionary expenditure. The effect of the "pause" can be seen clearly in Figure 3 below.

While the "pause" expires in 2017/18, it is unlikely that growth in FAG will be as consistent as it was in the 2000s and early 2010s.

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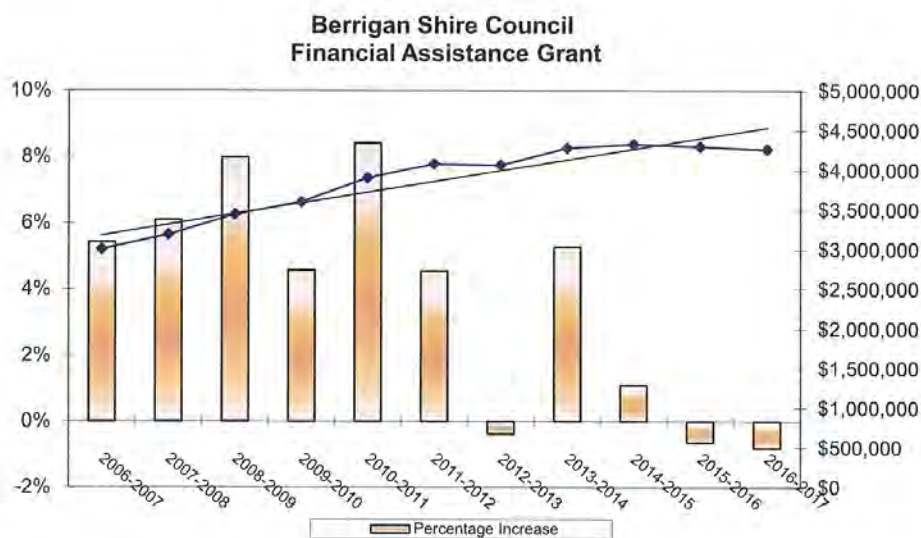


Figure 3 - Financial Assistance Grant payments to Berrigan Shire Council. Source: NSW Grants Commission

Berrigan Shire Council uses Roads to Recovery (R2R) (7%) and Roads and Maritime Services (RMS) funding (8%) to maintain its extensive rural and urban road network. Any reduction in the amount of these grants will significantly impact the Council's ability to maintain its existing road infrastructure service levels.

The Federal Government in particular has increased funding for programs such as R2R in recent years as part of the general trend to reduce general purpose unpaid grants and increase tied funds for projects such as road construction. The Council expects this trend to continue – meaning capital works on roads will continue to increase while other projects such as upgrades of community facilities may be left behind unless specific grant funding can be found.

Approximately 19% of Council's is derived from its utility services and investments. Utility charges for water supply, sewer and waste management services are set at a level that delivers a return on those assets.

Interest and investment income makes up around 3% of the Council's total revenue. The Council traditionally takes a conservative approach to investment income. Berrigan Shire Council's *Investment Policy 2015* makes the following statement.

Preservation of capital is the principal objective of the investment portfolio. Investments are to be placed in a manner that seeks to ensure security and safeguarding the investment portfolio. [...] Investments are expected to achieve a market average rate of return in line with the Council's risk tolerance.

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The Council is a “price-taker” with regard to its investment returns with interest rates determined by the market. At present, the vast majority of the Council’s investments are in Term Deposits with institutions under the oversight of the Australian Prudential Regulation Authority. The Council also has some of its short term funds in New South Wales Treasury Corporation (TCorp) investment products. The Council plans to take advantage of other TCorp products, especially with some of its longer term investments – in order to take advantage of better returns.

Interest rates and investment returns are at historic lows and the Council expects this will continue in the short to medium term, depressing investment income from historic highs seen between 2010 and 2012. On the other hand, the amount of cash reserves available to the Council to invest continues to increase, especially in the Council’s water and sewer funds.

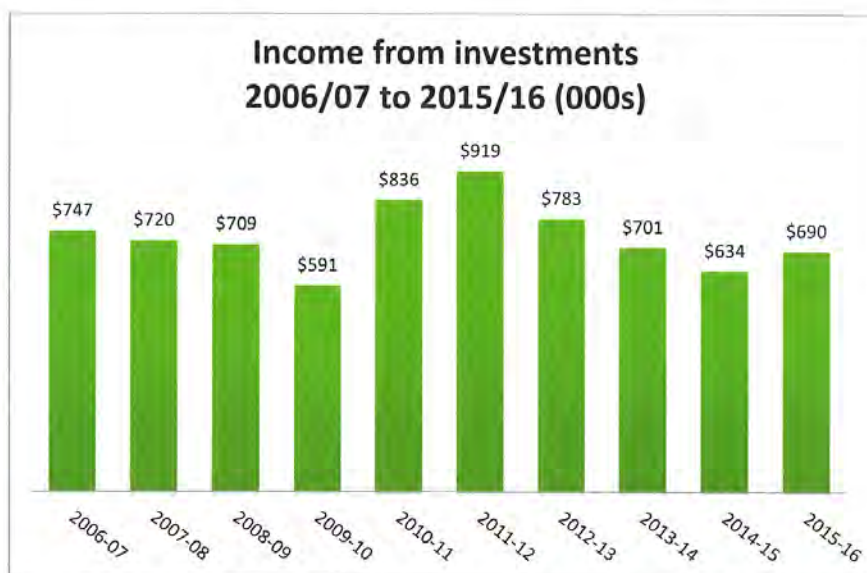


Figure 4 - Investment income 2006/07 to 2015/16. Source: Note 3, Annual Financial Statements

Operating results

Since 2007/08 – when the Council started to bring its previously acquired infrastructure assets and subsequent depreciation to account – the Council has gradually improved its operating position to move from small operating deficits to moderate operating surpluses as can be seen by the trend line in Figure 5 below. The exception to this rule was between 2011/12 and 2013/14 when the accounting treatment for advance payments of FAG artificially distorted the operating results – firstly positively and later negatively.

The improvement to the Council’s operating result has been the result of the Council

1. Recovering costs where possible for services.
2. Minimising exposure to losses from commercial activities
3. Minimising duplication of facilities where possible.

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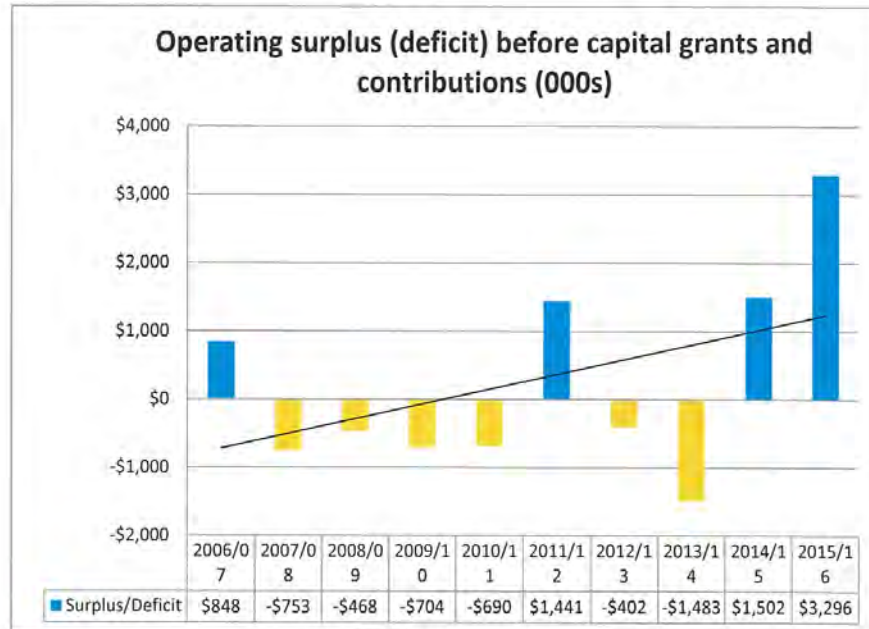


Figure 5 - Operating surplus/deficit 2006/07 to 2015/16. Source: Annual financial statements

Working capital

At 30 June 2015, the Council had \$6.0 million in unrestricted working capital. The Council's unrestricted working capital are those funds available to meet its future spending requirements after making allowance for any restrictions in place over the use of such working capital.

Unrestricted working capital is required not just for future infrastructure works but also to meet items such as staff leave entitlements and to allow a buffer for day-to-day Council operations.

Since 2007/08 the Council has steadily increased and then maintained its unrestricted working capital.

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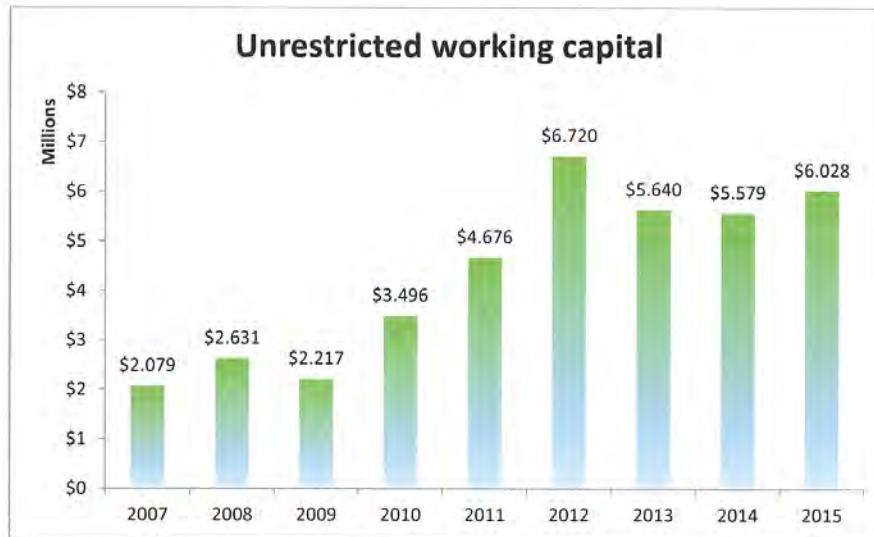


Figure 6 - Working Capital. Source: Auditors reports – Annual Financial Statements

Expenses

The chart below provides a summary of the Council’s operating expenses by type. Employee costs, Materials and Contracts, and Depreciation make up the majority of the Council’s operating costs.

As can be seen, the largest expenditure item for the Council is employee costs – overwhelmingly consisting of wages and salaries.

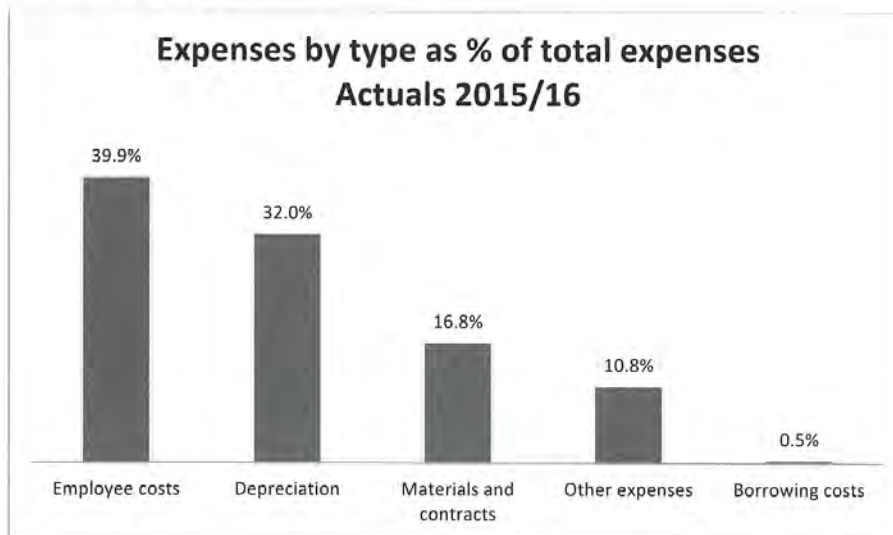


Figure 7 - Expenditure by type. Source: 2015/16 Income Statement

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The Council's wages and salaries expense is influenced by two major factors:

- The number of staff employed
- The wage and salary rates payable

The Council's Workforce Development Plan does not identify any significant increase in staff numbers and the Council's Community Strategic Plan does not identify any new services likely to require additional staff. As such, this strategy assumes that staff numbers will remain static

Berrigan Shire Council operates under the *NSW Local Government Award 2014*. The Award sets out the annual increase in wage rates and salaries that the Council is obliged to pay its workforce. The annual increase has been agreed for 2016/17 and negotiations for the 2018 Local Government Award are underway.

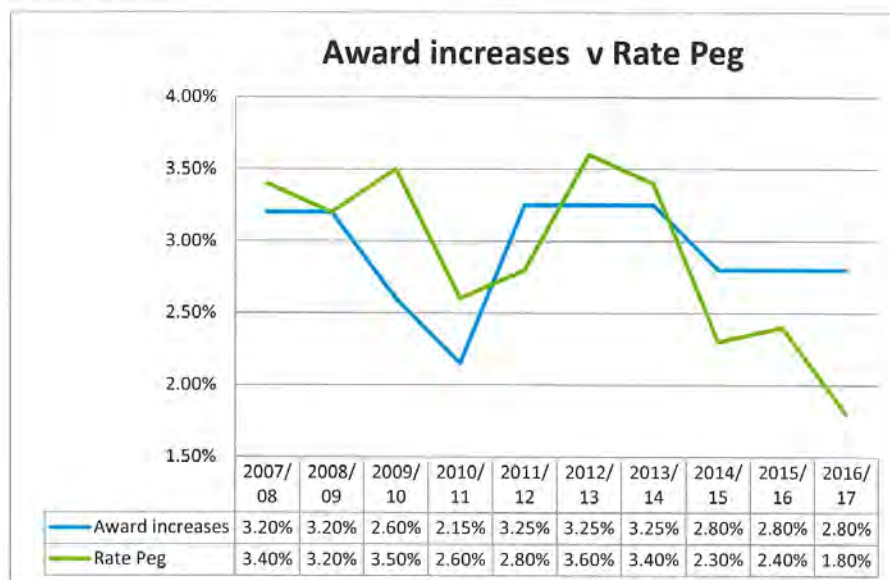


Figure 8 - Award Increases. Source: Independent Pricing and Regulatory Tribunal and Local Government (State) Awards

Note that in general, the net amount received from the Council general rate peg allowance is not sufficient to meet its additional wages and salary expense. The Council expects wages and salaries to increase by around 2.5% per annum in the medium term.

Materials and contracts will increase as a result of inflation. The Reserve Bank has indicated that its medium-term target for inflation is between 2-3% on average, as measured by the Consumer Price Index.³ Given the unique cost pressures on local government, for the Council's purposes the Local

³ <http://www.rba.gov.au/inflation/> Retrieved 27 September 2016

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Government Cost Index prepared by IPART provides a more specific measure of inflation as it affects this Council.⁴ The Council estimates that its costs will increase by around 1% more than CPI.

On the revenue side, the Council makes the assumption that the rate peg will continue to be set in reference to the Local Government Cost Index (i.e. a measure of inflation). It also makes the assumption that – post-“pause” – FAG will be increased more-or-less in line with inflation.

Depreciation expense is simply a method of allocating the cost of assets across multiple accounting periods (i.e. financial years) and as such is discussed in detail in the Asset Management section below.

Asset condition

One method of assessing the condition of the Council's assets is to measure how much the Council asset has been depreciated down from its “as new” condition. This gives a rough guide as to how much of the original service potential or productive capacity remains in the asset.

This measurement is done by dividing the written down value of the asset (the fair value of the asset less accumulated depreciation) by the fair value of the asset. This is called the Asset Consumption Ratio.

The Asset Consumption ratios of Council's assets at 30 June 2016 are shown below. The Asset Consumption Ratio shows the average proportion of “as new condition” left in assets by comparing the “written down” value of the Council's assets – replacement cost less the depreciation charged to the asset over time – against the replacement of the Council's assets. An asset with a 100% ratio is in “brand new” condition while one at 0% has been fully depreciated over time.

As Figure 10 shows, asset classes where the Council has recently spent much effort renewing and/or expanding (such as stormwater drainage) perform better on this ratio than asset classes where much of the class have been in place for some time (such as the sewer system, parts of which were installed in the 1940s).

⁴ <https://www.ipart.nsw.gov.au/files/sharedassets/website/shared-files/local-government-cost-index-lgci-council-cost-survey-2015/fact-sheet-reweighting-of-local-government-cost-index-19-september-2016.pdf>
Retrieved 27 September 2016

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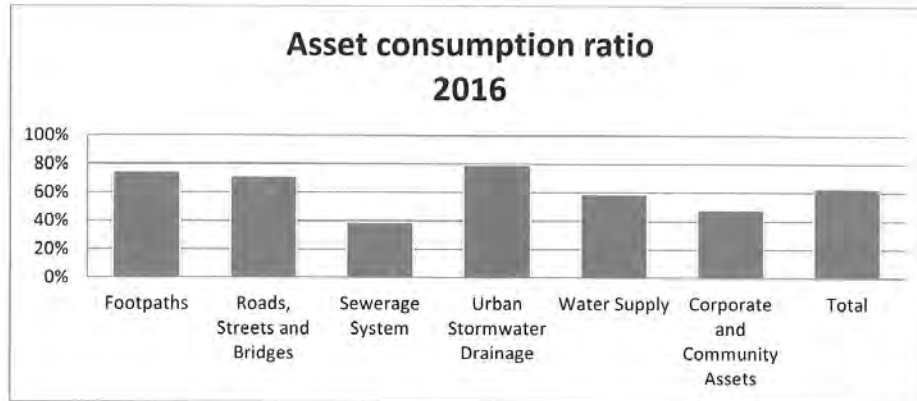


Figure 9 - Asset Consumption Ratio by asset type. Source: 2015/16 Annual Financial Statements Note 9

Another method of measuring the condition of the Council's assets is to make a technical assessment of their condition using measures such as number of faults or breaks along with some professional judgement.

A technical assessment of the condition of the Council's infrastructure assets is shown in the chart below. These condition ratings have been derived from the ratings shown in Special Schedule 7 of the 2015/16 Financial Statements. Special Schedule 7 is based on a self-assessment of the condition of the Council's asset base by Council's Technical Services team.

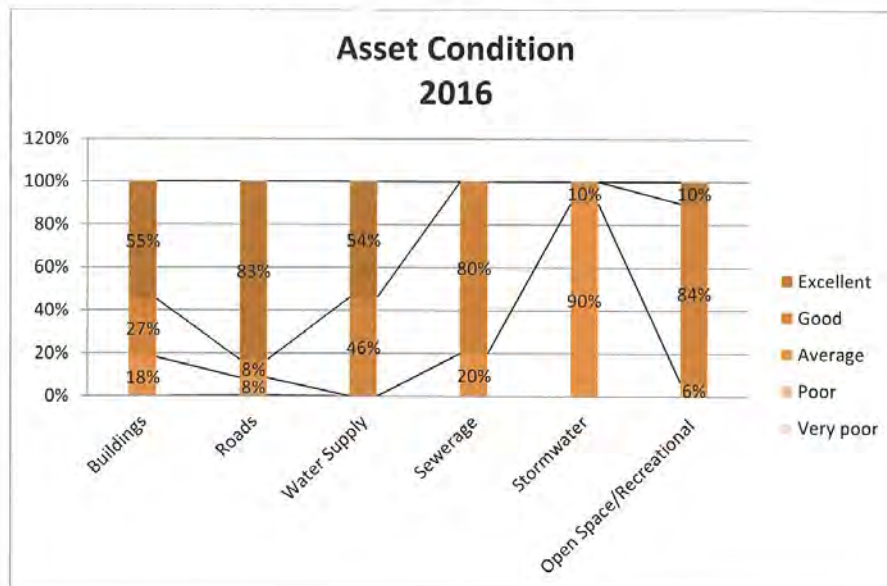


Figure 10 - Asset condition by type

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Where are we going?

Population growth

Berrigan Shire is expected to continue growing at a modest rate with the Shire population in 2026 expected to be around 9,224.⁵ Population growth will be mainly in the south of the Shire, along the Murray River in Tocumwal and Barooga. Population growth in the northern towns of Berrigan and Finley will be minor.

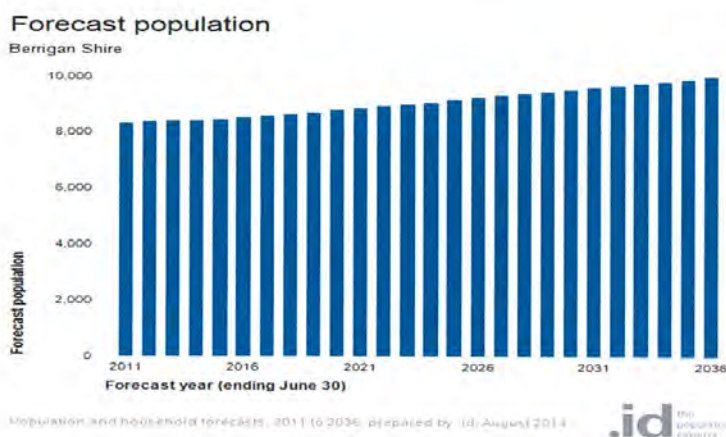


Figure 11 - Forecast population - .id

The population profile of the Shire will be an ageing one with 31.0% of the population aged over 65 in 2026. Consequently, consideration is being given by Council to how the delivery of its current activities and services will be influenced by the needs of an ageing population.

The Council developed a Liveability and Healthy Ageing Strategy in 2013 to assist the Council in managing this transition to an older community. Items from this strategy have been incorporated into the Council’s suite of integrated plans and hence into this strategy.

Liveability and Healthy Ageing Framework ... contributes to Berrigan Shire 2023 outcomes Themes & Outcomes	
Moving: Safe paths, parks, and travel, in and between our towns	Sustainable natural and built landscapes
Living: A place where all ages have options for healthy living	Good Government
Ageing: Older residents and their carers get the services they need	Supported and engaged communities
Growing: A vibrant business community that makes Berrigan Shire a great place to live, work, play and grow old	Diverse and resilient business

Figure 12 - Liveability and Healthy Ageing Strategy themes and outcomes. Source: Berrigan Shire Liveability and Healthy Ageing Strategy 2013

⁵ <http://forecast.id.com.au/berrigan/population-households-dwellings> Retrieved 27 September 2016

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Forecast change in age structure - 5 year age groups



Figure 13 - Forecast age structure - .id

A Land Demand Plan developed in 2006 identified significant spare infrastructure capacity in the two towns that will see considerable population growth between now and 2026 – Tocumwal and Barooga. As a result, there is not expected to be great demand for new “greenfield” infrastructure. Rather, the focus is expected to be on maintaining existing infrastructure, identification of surplus community infrastructure, and improvement on the margins. Similarly, there is not expected to be huge demand pressure on most Council-funded services.

On the other hand, there is also unlikely to be a significant increase in the Council’s rating and revenue base. The Council has the option to raise additional rates via a special rate variation but should be cognisant of the ability of the community to meet a larger rating burden.

Community Strategic Plan

Berrigan Shire Council has facilitated the development of a Community Strategic Plan – *Berrigan Shire 2023*. The plan adopts the following vision for the shire.

In 2023 we will be recognised as a Shire that builds on and promotes our natural assets and advantages to create employment and economic activity to attract residents, families and tourists.

The aim of this Financial Strategy is to ensure the Council has the financial resources it needs to progress the implementation of Berrigan Shire 2023 objectives and associated Council activities and services.

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Council Activities / Services and Berrigan Shire 2023

Table 3 - CSP outcomes and objectives

CSP Strategic Outcome	CSP Strategic Objective	Council Activities and Services
1.Sustainable Natural and Built Landscapes	1.1 Support sustainable use of our natural resources and built landscapes 1.2 Retain the diversity and preserve the health of our natural landscapes and wildlife 1.3 Connect and protect our communities	Water, sewerage and drainage Local roads and paths Land use planning and development
2. Good Government	2.1 Berrigan Shire 2022 objectives and strategies inform Council planning and community led projects 2.2 Ensure effective governance by Council of Council operations and reporting 2.3 Strengthen strategic relationships and partnerships with community, business and government	Council governance, enterprise risk management and business operations Community Planning
3. Supported and Engaged Communities	3.1 Create safe, friendly and accessible communities 3.2 Support community engagement through life-long learning, culture and recreation	Libraries and community services Parks and reserves Environmental health Animal Control
4. Diverse and Resilient Business	4.1 Invest in local job creation, retention and innovation 4.2 Strong and diverse local economy 4.3 Diversify and promote local tourism 4.4 Connect local, regional and national road, rail and aviation infrastructure	Business and economic development

These activities and services all require the Council:

- To be financially sustainable
- To cost effectively maintain existing infrastructure service levels and increase them when opportunities arise
- To retain sufficient financial flexibility to undertake new projects and/or activities as desired.

Berrigan Shire 2023 does not indicate any major change in direction or significant new activity for the Council.

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Asset planning

The development of this Financial Strategy is also informed by the Council's *Asset Management Strategy*. The *Asset Management Strategy* was first adopted by the Council in January 2012 is reviewed annually.

The *Asset Management Strategy* has the following aim:

To ensure adequate provision is made for the long-term management and replacement of major technical and physical assets, (including land and property).

In line with this aim, the objectives of the Council's *Asset Management Strategy* include:

- *Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.*
- *Establishing processes that integrate asset management and community strategic planning with Council corporate and long-term financial planning.*
- *Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the Council.*
- *Meeting legislative requirements for asset management.*
- *Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.*
- *Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.*

The *Asset Management Strategy* review in April 2016 was based on the outlook that:

1. **Council is able to maintain current service levels for the next ten years at current funding levels.**
2. **Council is able to fund current infrastructure life cycle cost at current levels of service and available revenue.**

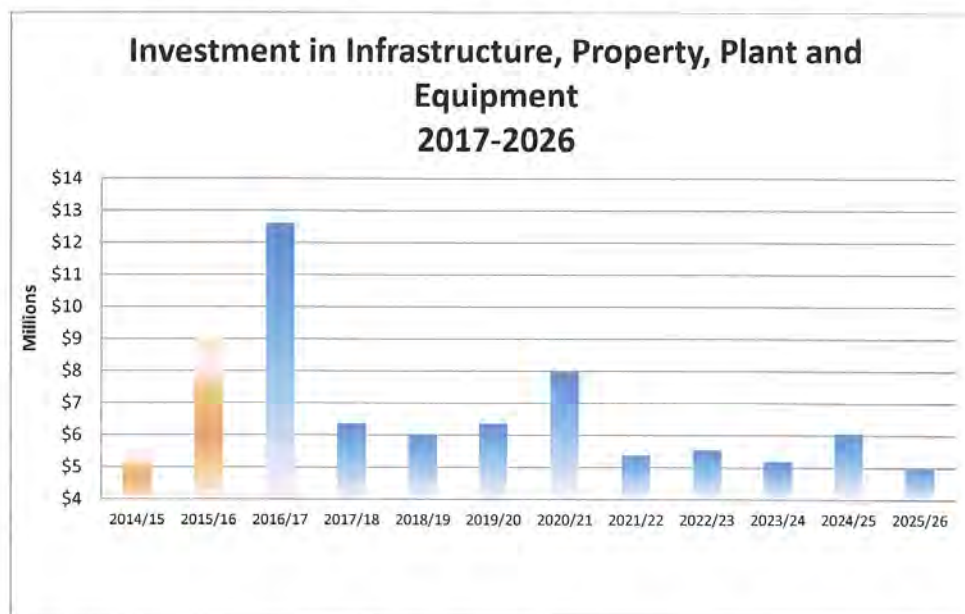
This outlook is supported by, and incorporated into, the Council's various *Asset Management Plans* and then incorporated into this strategy and the Council's Long Term Financial Plan.

The Council has the following *Asset Management Plans*:

1. Footpaths
2. Roads, Streets and Bridges
3. Sewerage System
4. Urban Stormwater Drainage
5. Water Supply
6. Corporate and Community Services

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The Council's proposed investment in Infrastructure, Property Plant and Equipment for the period 2014/15 to 2025/26 – based on its Asset Management Plans – is shown in Figure 9 below. Note that a significant change in the Asset Management Plans will require a review of this strategy.



• Figure 14 - Investment in IPPE 2017-26. Source: Berrigan Shire Council Long Term Financial Plan Cash Flow Statement

Assumptions and scenarios

When preparing its Long Term Financial Plan, the Council is obliged to make a series of assumptions about future events that will have an impact on the Council's financial position. These assumptions are based on the analysis of the Council's position shown above.

These assumptions are as follows

1. Inflation, as measured by the Local Government Cost Index will average 2.5% per annum
2. Wages growth will average 2.5% per annum, after the expiration of the current mandated award wage rate increases.
3. Staffing levels will remain static
4. The rate peg will increase by the rate of inflation as measured by the Local Government Cost Index
5. The number of rateable properties will remain static
6. User charges and other fees and charges will increase by the rate of inflation, as will operating grants and contributions.
7. Financial Assistance Grant will increase by the rate of inflation as measured by the Local Government Cost Index

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8. Roads to Recovery (or an analogous program) will continue until 2026
9. Investment returns will average around 3% per annum.

The Council considers that its current environment is reasonably stable at present and these assumptions are unlikely to change materially over the next 10 years. However, the Council may include other scenarios in its Long Term Financial Plan where these assumptions are varied.

These scenarios may model changes in the Council's overall strategic direction – i.e. analysing the impact of the Council taking on or relinquishing a key function or facility.

Alternatively the scenario modelling may be as a result of an underlying change in its operating environment – i.e. to consider the impact of greater than expected wages growth or inflation.

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What is our financial direction?

The medium to long term financial outcomes to be achieved by this strategy are:

1. Financial sustainability

Berrigan Shire will be financially sustainable if its infrastructure capital and its financial capital are able to be maintained over the long term.

A financially sustainable Berrigan Shire will be able to manage likely developments and unexpected financial shocks in future periods without having at some time to introduce economically significant or socially destabilising income or expenditure adjustments.

Financial sustainability is determined by comparing the Council's long-term financial capacity with its long-term financial requirements.

- **Financial capacity** is the sum total of the financial resources (operating and capital) that a Council can mobilise through its (present and prospective) revenue-raising and financing policies.
- **Financial requirements** is the sum total of the spending (operating and capital) that is necessary to meet the Council's present obligations and expected future functions, pressures and shocks.

Maintaining Berrigan Shire's financial capital will require the Council to return to a position where it is making operating surpluses before capital grants and contributions. Achieving an operating breakeven position or better on average over time is likely to generate sufficient funds to enable renewal or replacement of the Council's existing assets

2. Sufficient financial capacity and freedom to undertake new projects and activities if desired.

As community expectations, wants and needs change Berrigan Shire Council needs to retain sufficient financial capacity and flexibility to ensure that it can cater for those changes.

As listed above, the Council's financial capacity is the sum total of the financial resources that a Council can mobilise through its revenue-raising and financing policies. As well as obvious items such as rates and charges, grants and fees, this includes:

- Cash reserves
- Borrowing capacity
- Discretionary funds (i.e. funds not committed to other specific projects and activities)

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In simple terms retaining financial capacity is about ensuring the Council has the ability to access funds as it requires. This means limiting its commitments to new activities with on-going costs, minimising the costs of servicing debt and putting aside funds for future projects

3. Cost effective maintenance – and improvement where possible – of service level standards for infrastructure assets.

One of local government's roles is to provide facilities and services to communities that cannot be or are not provided by the private or for-profit sector. In the case of local government, these services are largely physical infrastructure-based services and facilities such as:

- transportation (roads, footpaths etc.);
- public health (water, sewer, waste management, cemeteries, drainage etc.);
- recreational (pools, parks, sporting fields);
- cultural (buildings etc.).

Maintaining the level of service for infrastructure-based services such as the above requires the Council to maintain its physical productive capacity – that is "Is the Council's infrastructure – in an overall sense – in a position to deliver the same level of service at the end of the period as it was at the beginning of the period?"

When building new community assets, the Council should consider the decommissioning of community assets that may be superseded by the new asset. It is not in the interest of the Council or the community to needlessly duplicate community assets, multiplying maintenance and renewal costs.

The Council should also consider (and regularly review) if the services and facilities it offers the public actually address the community's needs and/or desires, and if they do – do they do so in an efficient and effective way. Communities change and their needs change too – Council should be prepared to shift their mix of facilities and services to meet these changes.

As a general rule, the level of service supplied by infrastructure assets is a function of their age – provided that the assets are maintained in a reasonable fashion. Therefore, a systematic replacement and renewal program for these assets is the key to ensuring service level standards are maintained.

How are we going to get there?

Actions

To achieve its financial objectives, Berrigan Shire Council has identified a range of specific actions and activities aligned with Berrigan Shire 2023. These will be used in the preparation of the Council's Long Term Financial Plan

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Table 4 - Actions

Berrigan Shire 2023 and Financial Strategy Actions
2. Good Government
<i>2.2 Ensure effective governance by Council of Council operations and reporting</i>
2.2.2 Council operations support ethical, transparent and accountable corporate governance

Financial Strategy Objectives	Actions
1. Financial sustainability	<p>1.1 Prepare and review annually a Long Term Financial Plan with the aim of achieving the financial objectives identified in this strategy.</p> <p>Using a ten year financial planning horizon allows the Council to take into account the longer term consequences of current decision making. It also allows for consideration of short term fluctuations etc.</p> <p>A minimum 10 year Long Term Financial Plan is a component of the Council's resourcing strategy, a core requirement of the new Integrated Planning and Reporting Model</p>
	<p>1.2 Prepare Capital Expenditure Reviews, including an assessment of lifecycle costs, for all new and/or upgraded infrastructure assets – with the exception of upgrades of roads, water mains and sewer mains.</p> <p>When making decisions regarding new and upgraded infrastructure it is important that the costs of operating, maintaining and replacing that infrastructure is taken into account. A sustainable Council only takes on obligations that it can afford to meet</p>
	<p>1.3 Resist the pressure to fund services that are the responsibility of other levels of government.</p> <p>While cost-shifting is often inevitable, the Council will resist this where possible and certainly will not look to take on obligations properly belonging to other levels of government without a corresponding funding stream.</p> <p>The Council's response to inadequate service delivery from other levels of government will not be to take on these obligations itself but to act as an advocate for the community to the NSW and Federal governments.</p>
	<p>1.4 Retain control of urban water supply and sewer services.</p> <p>The Council will continue to resist plans to remove control of its urban water supply and sewer services. Berrigan Shire Council runs</p>

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Financial Strategy Objectives	Actions
	<p>these services in an efficient and effective manner.</p> <p>These services share the cost of running the Council's governance, corporate and financial services. Losing these services will significantly financially disadvantage Berrigan Shire Council with little if any benefit to the local community.</p>
	<p>1.5 Recognise that funding for renewal and upgrading of sport, recreation and cultural infrastructure requires a combination of Council funding and community support and preferably some contribution from other levels of government.</p> <p>Berrigan Shire Council does not have the capacity to fund the replacement and upgrade of this recreational, sporting and cultural infrastructure (Recreation Reserves, Community Halls, etc.) without support from the community and ideally other levels of government.</p> <p>Without funding assistance from the community and/or other levels of government, the Council cannot responsibly consider upgrade and replacement of these assets</p>
	<p>1.6 Seek methods of achieving a return (or at least minimise ratepayer subsidy) on business activities such as the Finley Saleyards, Tocumwal Caravan Park and Tocumwal Aerodrome. Subsidies to programs such as the private operation of the Tocumwal Visitor Information Centre should also be reviewed regularly.</p> <p>Berrigan Shire Council has made significant progress over the past ten years in limiting its exposure to loss-making commercial enterprises. The Finley Saleyards, the Tocumwal Caravan Park and the Berrigan Caravan park have all been leased to private operators to run on a commercial basis and this has markedly improved the Council's financial position.</p> <p>The Council has also identified strategies to ease the financial burden of the Tocumwal Aerodrome – including the establishment of a sinking fund for runway maintenance and the development of the Tocumwal Residential Airpark.</p> <p>The Council has also placed the Tocumwal Visitor Information Centre on a more sustainable financial footing through a partnership with a private operator.</p>
	<p>1.7 Encourage and support the existing model of community provision and operation of sport, recreation and cultural infrastructure.</p> <p>Berrigan Shire Council relies on a volunteer-driven model to provide services such as sporting fields, public swimming pools and</p>

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Financial Strategy Objectives	Actions
	<p>community halls.</p> <p>Without the in-kind support of these volunteers, the community would be required to choose between service level reductions or rate increases.</p> <p>Cultural change and increasing regulatory burdens have seen this volunteer model come under some stress in recent years. The Council will conduct a range of activities to support, retain and attract volunteers to assist in supplying these services.</p> <p>1.8 Actively lobby the State and Federal Governments to retain existing grant funding levels for road maintenance and upgrades.</p> <p>Without the retention of existing levels of RMA and R2R funding, the Council cannot continue to maintain its existing road service levels.</p>
<p>2. Cost effective maintenance of infrastructure service levels</p>	<p>2.1 Prepare and review its Asset Management Strategy and its Asset Management Plans for the Council's major infrastructure assets annually as part of annual budget preparation.</p> <p>The Council reviews its Asset Management Strategy annually and has prepared Asset Management Plans for all its major classes of assets.</p> <p>The Council's major expenditure items relate to replacement and upgrading of its infrastructure assets. It is important that the Council continues to review its asset plans and strategies as circumstances change.</p> <p>2.2 Prioritise the renewal of existing assets over the development and delivery of new assets and services.</p> <p>A sustainable Council ensures it can fund its existing range of services before taking on new obligations. The challenge is to be able to manage community expectations on sustainable service levels.</p> <p>In addition, the Council should consider if the construction of a new asset, especially a new community facility, effectively supersedes an existing facility that could be considered for decommissioning.</p> <p>2.3 Regularly review the suitability and/or usage of community services and facilities and consider alternate delivery methods.</p> <p>As the Berrigan Shire community changes so do its needs and desires. It is important the Council regularly review the suitability</p>

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Financial Strategy Objectives	Actions
	<p>and usage of these services and facilities to ensure its limited resources are best used to meet community needs.</p> <p>2.4 Implement a Borrowing Policy that allows the Council to borrow only for the development of infrastructure where</p> <ul style="list-style-type: none"> a) There is an urgent need for the asset in the short term, or b) It is most cost-effective to construct the asset in the short term (as opposed to waiting until sufficient on-hand funds are available), and c) The Council has access to a funding stream to meet its debt obligations without compromising its other activities. <p>This has been traditionally the Council's preference and adoption of a policy will formalise this process.</p> <p>In effect, this will mean that borrowing will be largely be restricted to functions such as urban water supply, sewer and waste management where the Council retains some control over its future revenues. It may also be an appropriate funding tool for land development in limited circumstances.</p> <p>The policy will still allow for the possibility of borrowing for other services where borrowing is identified as the cheaper whole-of-life funding option or immediate construction allows the Council to access an opportunity that would otherwise be missed. Interest subsidies may influence any decision to borrow.</p> <p>The Council now has the opportunity to cheaper finance via NSW Treasury Corporation which may make borrowing a more attractive option in the future.</p> <p>Finally, if community support can be demonstrated, the policy borrowing for the replacement of recreational, sporting and community assets where it can be tied to additional funding from a Special Rates Variation.</p>
<p>3. Financial capacity and freedom</p>	<p>3.1 Formalise the Council's existing preference to put money aside for future capital works, rather than borrow.</p> <p>Saving for new infrastructure rather than borrowing has been the Council's traditional preference. It minimises the burden placed on future generations and allows the Council to retain some financial capacity and flexibility.</p> <p>For a Council with moderate population and revenue growth such as Berrigan Shire, there is unlikely to be immediate pressure to construct new or upgraded assets in a time frame that does not allow for the required funds to be put aside.</p> <p>Interest subsidy schemes such as the Local Infrastructure Renewal Scheme (LIRS) and access to finance via NSW Treasury Corporation</p>

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Financial Strategy Objectives	Actions
	<p>will make borrowing for renewal of community infrastructure a viable option.</p> <p>3.2 Maintain the existing Investment Policy settings prioritising preservation of capital over investment return.</p> <p>Chasing revenue growth from investments necessarily adds to the risk levels borne by the Council. Berrigan Shire Council has historically sought to avoid investment risk through the use of relatively safe investment products such as Term Deposits and through a diverse investment portfolio.</p> <p>Again, access to NSW Treasury Corporation products may allow the Council to access higher-yield investments for long-term cash reserves</p> <p>3.3 Retire existing debt in line with existing loan repayment schedules. Once paid, quarantine the repayment stream freed up to fund future capital renewal projects or specifically identified programs.</p> <p>Retirement of existing debt frees up additional funds to spend on other services. However, it is important that these newly freed-up funds continue to be allocated to the replacement or upgrade of infrastructure and not lost in the pool of recurrent funding. This could include funding the repayment of new loans to fund infrastructure renewal in line with Objective 2.3.</p> <p>Identifying funding streams for future replacement of assets is good financial discipline and assists the Council's sustainability and financial flexibility.</p> <p>3.4 Continue to actively recover outstanding rates debt as identified in the Council's Revenue Policy.</p> <p>The Council has an active and successful debt recovery process and this will continue. This assists the Council to maintain an adequate level of working capital.</p> <p>3.5 Set utility charges for water supply, sewer and waste management services at a level that delivers a return on those assets sufficient to ensure long term sustainability.</p> <p>The Council is unlikely to be eligible for funding assistance for replacement or upgrade of its assets for these services and will need to generate sufficient funds from its own sources to do so. Making a return on these assets will generate sufficient funds to ensure the sustainability of these services.</p>

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Financial Strategy Objectives	Actions
	<p>A necessary corollary of this action is that revenues generated from these assets should be reasonably predictable. This means targets such as raising at least 50% of its water revenue from variable user charges may not always be appropriate.</p> <p>3.6 Consider seeking a Special Rates Variation where there is a clearly identified demand for new or significantly improved service levels.</p> <p>While Berrigan Shire Council's preferred approach will be to live within its means where possible, it is of course required to respond to community demand.</p> <p>Where the community has clearly identified that is willing to pay for increased levels of service, the Council will consider applying for a Special Rate Variation to fund this. This will only occur after considering and exhausting all other actions as identified above.</p>

How will we know if we are on course?

Berrigan Shire Council will measure its progress against its three desired outcomes by tracking performance against a set of key performance measures. The Australian Local Government Planning Ministers Council's National Financial Sustainability Frameworks defined performance measures as "signals used to convey the directions being taken by the Council and to assess whether or not desired outcomes are being achieved.

Effective performance indicators:

- Measure those factors which define financial sustainability
- Are relatively few in number
- Are based on information that is readily available and reliable.

Performance measures cannot and should not try and measure everything but rather should be pitched at a reasonably high level. They should be used as a guide as to where to look for reasons behind any differences and trends and to identify specific areas for further analysis.

The Council has chosen to base its performance measures on data that can be found in its Annual Financial Statements. While this is necessarily a "broad-bush" approach, it has the advantages of not requiring the additional work and expense involved in data-gathering and analysis. Data from the Annual Financial Statements is transparent, audited and reasonably consistent from Council to Council.

The measures below have been selected as they are common across local government in NSW.

- Operating Performance Ratio
- Unrestricted Current Ratio
- Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage
- Building, Infrastructure & Other Structures Renewals Ratio

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- Infrastructure Backlog Ratio
- Capital Expenditure Ratio
- Debt Service Cover Ratio
- Cash Expense Cover Ratio

The Council has a role in determining which of these measures (or other measures not listed here) will be adopted to track progress against the objectives of this strategy.

Table 5 - Performance measures for objectives

Financial Objectives	Strategy	Possible Indicators
1. Financial sustainability		Operating Performance Ratio Unrestricted Current Ratio Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage
2. Cost effective maintenance of infrastructure service levels		Building, Infrastructure & Other Structures Renewals Ratio Infrastructure Backlog Ratio Capital Expenditure Ratio
3. Financial capacity and freedom		Debt Service Cover Ratio Cash Expense Cover Ratio

- See Appendix for description of indicator and indicative targets

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Appendix

Table 6 - Specific performance measures

Indicator	Description	Comment	Calculation (\$M)	Indicative Target
1. Operating Performance Ratio	The percentage by which income (excluding capital grants) varies from expenses	The operating performance ratio is the operating surplus (or deficit) before capital grants expressed as a percentage of total expenses	Operating surplus/deficit divided by operating expenditure. <u>2015/16 actual</u> Operating surplus = \$3.3 M Operating expenses = \$18.0 M Operating Surplus Ratio = $[3.3 / 18.0] = 18.3\%$	An operating performance ratio greater than 0% across any five year period
	What does it mean?	A positive value indicates the Council is meeting its operating expenses, including depreciation. A negative value indicates the Council needs to reduce its expenses or raise additional revenue to be sustainable in the long term.		

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Indicator	Description	Comment	Calculation (\$M)	Indicative Target
2. Unrestricted Current Ratio	The ratio between current assets and current liabilities – not including those assets and liabilities held for a specific purpose	This measure is the Council's current assets (i.e. liquid assets) expressed as a ratio of its current liabilities (i.e. short term debts) –	Current assets (less all external restrictions.) divided by current liabilities 2015/16 actual Current Assets = \$10.7 M Current liabilities = \$1.5 M Operating Surplus = 7.0x	An Unrestricted Current Ratio of at least 2x
	What does it mean?	<p>If the Council is not maintaining its current assets at the at least the level of its current assets it may not be able to pay its debts and other obligations as and when they fall due.</p> <p>It means that the Council's obligations over the next 12 months exceed the funds available to pay them as they fall due. If the Council's current liabilities exceed its current assets and the Long Term Financial Plan does not provide a proposal to turn this around, it is inevitable that the Council will face a cash flow crisis in the future.</p> <p>The position would come to a head when a major obligation was required to be paid and the Council would be required to borrow to meet this obligation – increasing its debt and reducing its financial flexibility.</p>		

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Indicator	Description	Comment	Calculation (\$M)	Indicative Target
3. Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage	What rates, annual charges are owing to the Council as a proportion of its total rates and annual charges revenue.	Indicates the amount of rates and changes outstanding as a percentage of total rates and charges.	<p>Rates, annual and extra charges outstanding divided by rates, annual and extra charges, expressed as a percentage</p> <p><u>2015/16 actual</u> Rates, annual and extra charges outstanding = \$0.35 M Rates, annual and extra charges = \$9.7 M</p> <p>Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage = 3.5 %</p>	Outstanding rates, annual and extra charges percentage to remain under 8% as at 30 June each year
	What does it mean?	<p>This indicator identifies how well the Council collects its outstanding rates, annual and extra charges</p> <p>A result of greater than 8% per year – if unchecked – would lead to Council facing potential cash flow problems in the future due to a lack of working capital.</p>		

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Indicator	Description	Comment	Calculation (\$M)	Indicative Target
4. Building, Infrastructure & Other Structures Renewals Ratio	The amount spent on asset renewals expressed as a percentage of depreciation and impairment.	Indicates the extent to which Council is renewing its asset base	Asset renewals on buildings, infrastructure and other structures divided by depreciation, amortisation and impairment expressed as a percentage <u>2015/16 actual</u> Asset renewals on buildings, infrastructure and other structures = \$6.24 M depreciation, amortisation and impairment = \$4.44M Building, Infrastructure & Other Structures Renewals Ratio = 140.51%	Building, Infrastructure & Other Structures Renewals Ratio to remain over 100% on average over life of the LTFP. When setting this target, the Council should consider that asset replacement is often lumpy – with large changes in asset renewals depending on the needs of the time The Council should consider its performance on this measure over no shorter than a 10 year period and preferably longer.
	What does it mean?	<p>It is possible for the Council to save money by not renewing its assets as they deteriorate over time. This indicator attempts to measure if the Council is renewing its assets at an adequate rate.</p> <p>A measure below 100% indicates that the Council's asset base is depreciating faster than the Council is able to renew it.</p> <p>If this continues over time, the Council's assets will eventually become unsuited for purpose, adding to its infrastructure backlog and creating severe financial pressure for future generations.</p>		

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Indicator	Description	Comment	Calculation (\$M)	Indicative Target
5. Infrastructure Backlog Ratio	The cost to bring the Council's assets to a satisfactory condition as a proportion of its overall assets.	An overall indicator the standard of the Council's assets. Provides a measure of the amount of work that is required to bring its assets to an acceptable standard	Estimated cost to bring Assets to a Satisfactory Condition divided by the total Value of Infrastructure, Building, Other Structures and depreciable Land Improvement assets, expressed as a percentage <u>2015/16 actual</u> Estimated cost to bring Assets to a Satisfactory Condition = \$NIL Total Value of Infrastructure, Building, Other Structures and depreciable Land Improvement assets = \$197 M Interest Cover Ratio = 0%	Infrastructure Backlog Ratio to remain at less than 2% at all times
	What does it mean?	<p>This indicator is a general guide to the condition of the Council assets.</p> <p>This indicator tends to reflect the Council's performance against the Building, Infrastructure & Other Structures Renewals Ratio over time, If that ratio is consistently under 100%, the Infrastructure Backlog Ratio will increase. Conversely, reducing the Infrastructure Backlog Ratio tends to require maintaining the Building, Infrastructure & Other Structures Renewals Ratio at greater than 100% over time</p> <p>If this ratio is over 2% and growing, it indicates that the Council needs to either put more effort into renewing its assets (perhaps requiring rate increases to fund) or reconsider what standard of asset the community feels is acceptable</p>		

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Indicator	Description	Comment	Calculation (\$M)	Indicative Target
6. Capital Expenditure Ratio	The ratio of expenditure on capital assets and annual deprecation.	Indicates whether the Council is replacing or renewing non-financial assets at the same rate that its overall stock of assets is wearing out for the period	Capital expenditure divided by annual depreciation expense. <u>2015/16 actual</u> Capital expenditure = \$8.99M Depreciation expense = \$5.76M Capital Expenditure Ratio = 1.56x	Target to be set having regard to the relative age and replacement/renewal profile of the Council's asset portfolio. On average should be at least 100% provided Council wishes to maintain level of service
	What does it mean?	<p>If capital expenditure on renewing or replacing existing assets is at least equal to depreciation on average over time then the Council is ensuring the value of its existing stock of its physical assets is maintained</p> <p>This ratio will vary, often by significant amounts, as the Council's asset replacement program is unrolled over time.</p>		

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Indicator	Description	Comment	Calculation (\$M)	Indicative Target
7. Debt Service Cover Ratio	The amount of operating cash available as a proportion of its debt repayment obligations	Measures the availability of operating cash to service debt including interest, principal and lease payments	<p>Operating result before capital excluding interest and depreciation, impairment divided by principal repayments and borrowing costs</p> <p><u>2015/16 actual</u></p> <p>Operating result before capital excluding interest and depreciation, impairment = \$8.94M principal repayments and borrowing costs = \$0.349M</p> <p>Debt Service Cover Ratio = 25.62 x</p>	Debt service ratio is greater than 2.00 x
	What does it mean?	<p>This ratio seeks to highlight if the Council is generating sufficient cash to meet its debt obligations</p> <p>A ratio of less than 2.00 x, unless addressed, may see the Council struggle to raise sufficient cash to pay its debt obligations without selling realisable assets.</p> <p>The Council currently has a low level of indebtedness and its Long Term Financial Strategy does not seek to change this.</p>		

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Indicator	Description	Comment	Calculation (\$M)	Indicative Target
8. Cash Expense Cover Ratio	How many months work of operating expenses can the Council meet with its existing holdings of cash	Measures the number of months a Council can continue paying for its immediate expenses without additional cash inflow	<p>Cash and Cash Equivalents and Term Deposits divided by payments from cash flow of operating and financing activities x 12</p> <p><u>2015/16 actual</u></p> <p>Cash and Cash Equivalents and Term Deposits = \$23.8 M Payments from cash flow of operating and financing activities = \$1.19 M</p> <p>Cash Expense Cover Ratio = 20 months</p>	Cash Expense Cover Ratio is to be no less than three months
	What does it mean?	<p>This ratio seeks to highlight the Council's ability to meet a short term revenue and/or cash flow shock and continue to operate.</p> <p>A ratio of less than three months could see the Council struggling to meet expenses on a periodic basis without having to borrow. Rates instalments and Financial Assistance Grants tend to paid in three-monthly cycles.</p>		

Min. No.

5.10 QUEENSLAND FRUIT FLY PROGRAM 2016/2017

AUTHOR: Economic Development Officer

STRATEGIC OUTCOME: Diverse and resilient business

STRATEGIC OBJECTIVE: 4.2 Strengthen and diversify the
local economy

FILE NO: 03.160.15

276 RESOLVED Crs: Bruce and Morris that the Council adopt the 2016/2017 Queensland Fruit Fly Action Plan as set out in the Appendix "E".

Cr Bruce, having declared a Pecuniary Interest in Item 5.11 left the Chamber at 9:54am.

**5.11 EVENT FUNDING – BAROOGA CLASSIC PAIRS
COMPETITION**

AUTHOR: Economic Development Officer

STRATEGIC OUTCOME: Diverse and resilient business

STRATEGIC OBJECTIVE: 4.3 Diversify and promote local
tourism

FILE NO: 08.063.3

277 RESOLVED Crs: Morris and Taylor that the Council fund the 2017 Barooga Classic Pairs at the requested level of \$2520 from its event fund.

Cr Bruce returned to the Chamber at 9:55am.

Phil Delahunty and Carla von Brockhusen entered the Chamber at 9:55am.

Phil Delahunty, Council's auditors RSD Chartered Accountants, addressed the meeting:

- Conduct of audit report is circulated with the agenda
- Role of auditor
- Level of required surplus
- Operating result comfortable

Cr Hannan thanked Carla von Brockhusen, Finance Manager.

5.12 2015/16 ANNUAL FINANCIAL STATEMENTS

AUTHOR: Director Corporate Services

STRATEGIC OUTCOME: Good government

Min. No.

STRATEGIC OBJECTIVE: 2.2 Ensure effective governance by Council of Council operations and reporting

FILE NO: 12.066.1

278 RESOLVED Crs: Morris and Taylor that the Council, having satisfied itself in relation to the preparation of its financial reports and special schedules:

1. refer its financial statements to the Auditors for the audit report as shown in Appendix "G".
2. at its meeting to be held on Wednesday 16 November 2016, the Council present its audited financial reports and audited reports to the public and that the Council's intention be publicly notified.
3. sign the attached General Purpose Financial Report "Statement by Council" and the Special Purpose Financial Report "Statement by Council".
4. adopt the valuation of assets that Senior Officers have prepared in accordance with recognised valuation procedures as to a fair and reasonable value of those assets (see note 9).

The meeting adjourned at 11:00pm and reconvened at 11:25pm.

5.13 TOCUMWAL FORESHORE MASTERPLAN

AUTHOR: Director Technical Services

STRATEGIC OUTCOME: Sustainable natural and built landscapes

STRATEGIC OBJECTIVE: 1.1 Support sustainable use of our natural resources and built landscapes

FILE NO: 05.101.7

279 RESOLVED Crs: Morris and Glanville that the Council adopt the Tocumwal Foreshore Masterplan Document as prepared by Liesl Malan Landscape Architects as a base document for future development of the Tocumwal foreshore area and that a press release be distributed advising the community of the adoption of the masterplan and that a copy of it can be found on Council's website or in the local libraries or at Council's office and further that officers prepare a report on possible funding options available to implement the plan including the possible use of debt funding.

Min. No.

5.14 TOWN ENTRY IMPROVEMENTS BERRIGAN & BAROOGA

AUTHOR: Director Technical Services

STRATEGIC OUTCOME: Sustainable natural and built landscapes

STRATEGIC OBJECTIVE: 1.1 Support sustainable use of our natural resources and built landscapes

FILE NO: 28.051.4

280 RESOLVED Crs: Curtin and Glanville that the Council engage Liesl Malan Landscape Architects to prepare Berrigan and Barooga Town Concept Plans at a cost of \$42,542.50.

5.15 CROWN LANDS LICENCE – DRAINAGE SILO ROAD DEVELOPMENT

AUTHOR: Director Technical Services

STRATEGIC OUTCOME: Diverse and resilient business

STRATEGIC OBJECTIVE: 4.4 Connect local, regional and national road, rail, and aviation infrastructure

FILE NO: 29.094.1

281 RESOLVED Crs: Jones and Morris that the Council enter into a licence agreement with Minister administering the Crown Lands Act 1989 to install and maintain a drainage system on Crown Land being Lot 7017, DP 1019520 and Lot 7023, DP 1019530 and that the licence document be signed and sealed by Council.

5.16 INVESTMENT POLICY

AUTHOR: Director Corporate Services

STRATEGIC OUTCOME: Good government

STRATEGIC OBJECTIVE: 2.2 Ensure effective governance by Council of Council operations and reporting

FILE NO: 12.024.2

282 RESOLVED Crs: Bruce and Jones that the Council:

- Revoke Policy 14 “Investment Policy” adopted on 16 September 2015; and
- Adopt the Investment Policy set out below.

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1. POLICY STATEMENT

In order to meet future financial commitments, Berrigan Shire Council retains cash that it has no plans to spend in the immediate future. To make better use of this cash and to retain its future value, the Council will invest these spare funds – in line with legislation and other legal requirements.

This policy is made under section 625 of the *Local Government Act* 1993 (the Act) and in accordance with the Ministerial Investment Order published in the Government Gazette of 12 February 2011.

2. PURPOSE

The purpose of this policy is to provide a framework for the investing of Council's funds at the most favourable rate of interest available to it at the time whilst having due consideration of risk and security for that investment type and ensuring that its liquidity requirements are being met.

While exercising the power to invest, consideration is to be given to the preservation of capital, liquidity, and the return of investment.

The Council's Financial Strategy 2012 commits the Council to the following action:

Maintain the existing Investment Policy settings prioritising preservation of capital over investment return.

Preservation of capital is the principal objective of the investment portfolio. Investments are to be placed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.

Investments should be allocated to ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring the risk of significant costs due to the unanticipated sale of an investment.

Investments are expected to achieve a market average rate of return in line with the Council's risk tolerance.

3. SCOPE

This policy applies to all Council officers with responsibility for the investment of Council's funds.

4. OBJECTIVE

This policy is developed to assist the Council with Delivery Plan Objective 2.2.2.3:

Coordinate Council investments, financial management, financial operations and processing

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5. DEFINITIONS

Credit risk – the risk that an institution or a product the Council has invested in fails to pay the interest and/or repay the principal of an investment;

Market risk – the risk that the fair value or future cash flows of an investment will fluctuate due to changes in market prices;

Liquidity risk – the risk the Council is unable to redeem the investment at a fair price within a timely period; and

Maturity risk – the risk relating to the length of term to maturity of the investment. The longer the term, the greater the length of exposure and risk to market volatilities.

Preservation of Capital – the requirement for preventing losses in an investment portfolio's total value (considering the time value of money);

Diversification – setting limits to the amounts invested with a particular financial institution or government authority to reduce credit risk;

Liquidity – ensuring that funds are available in a timely manner to meet the Council's cash flow requirements without the unanticipated, and potentially disadvantageous, sale of investment products.

6. POLICY IMPLEMENTATION

6.1 Delegation of authority

Authority for implementation of the Investment Policy is delegated by Council to the General Manager in accordance with the *Local Government Act 1993*.

The General Manager may in turn delegate the day-to-day management of Council's investments to the Responsible Accounting Officer, or to other Officers. This is subject to regular review.

Officers' delegated authority to manage Council's investments shall be recorded in line with the Council's standard procedures regarding delegations.

Officers with delegated authority under this policy will be required to acknowledge they have received a copy of this policy and understand their obligations in this role.

6.2 Prudent person standard

The investment will be managed with the care, diligence and skill that a prudent person would exercise. As trustees of public monies, officers are to manage Council's investment portfolios to safeguard

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the portfolio in accordance with the spirit of this Investment Policy, and not for speculative purposes.

6.3 Ethics and Conflicts of Interest

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investment portfolio.

Councillors and Officers are obliged to act in accordance with the Council's Code of Conduct and comply with the Council's procedures for declaring gifts and actual or perceived conflicts of interest.

Independent advisors are also required to declare that they have no actual or perceived conflicts of interest. Dealings between the Council and an independent advisor will be in line with the Council's Statement of Business Ethics.

6.4 Approved investments

Investments are limited to those allowed by the most current Ministerial Investment Order that has been issued by the NSW Minister for Local Government.

6.5 Prohibited investments

In accordance with the Ministerial Investment Order, this investment policy prohibits but is not limited to any investment carried out for speculative purposes including:

- Derivative based instruments;
- Collateralised Debt Obligations (CDOs);
- Principal only investments or securities that provide potentially nil or negative cash flow; and
- Stand-alone securities issued that have underlying futures, options, forwards contracts and swaps of any kind.

This policy also prohibits the use of leveraging (borrowing to invest).

6.6 Local economic benefit

The Council will give consideration to investment products from institutions that provide a direct economic benefit to the Berrigan Shire community. This may include:

- Institutions that operate a retail branch in the Shire
- Institutions specifically established for the purpose of investing in the local area including the Berrigan Shire, such as local credit unions.

This is conditional upon the Council complying with its other obligations under this policy and the achievement of comparable

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investment security and rates of return. Any such consideration will be in line with the Council's obligations under legislation and its purchasing policies and procedures.

6.7 Risk management

In accordance with the Council's Risk Management Policy and Framework, the Council should minimise risks and encourage and promote transparency and good governance.

Risks will be assessed with resultant investment decisions authorised by the General Manager, or in accordance with Delegated Authority.

Controls will be integrated into investment management strategies which recognise these risks:

- Credit risk
- Market risk
- Liquidity risk
- Maturity risk

When addressing these risks the Council and its officers will consider the following key principles:

- Preservation of Capital
- Diversification
- Liquidity

In addition to employing controls to reduce counterparty risk, management and operational controls for corruption prevention will be employed, which include:

- Fraud Control measures as identified in the Council's Fraud Control Policy and associated plans.
- Compliance with the Council's Code of Conduct
- The use of the Council's Gift and Conflict of Interest Disclosure procedures
- Reference to the Internal Reporting Policy.
- Monthly reporting to the Council
- External Auditing

6.8 Investment advisor

The Council may, from time to time, appoint a consultant to provide independent advice on the Council's investment strategy or on individual investment products. Independent advisors must be licenced by the Australian Securities and Investment Commission and must be appointed by resolution of the Council.

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The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended and is free to choose the most appropriate product within the terms and conditions of the investment policy. This specifically excludes the appointment of advisors that receive commissions from providers of investment products likely to be reviewed or recommended.

The independent advisor is required to provide written confirmation that they do not have any actual or potential conflicts of interest in relation to the investments they are recommending or reviewing, including that they are not receiving any commissions or other benefits in relation to the investments being recommended or reviewed.

6.9 Measurement

The Council will measure and report on its investments to the Council on a market value basis. The market value is to be assessed at least once a month to coincide with the monthly Investment Report.

For the purpose of the annual financial statements, investments will be valued in line with Australian Accounting Standards and the Local Government Code of Accounting Practice and Financial Reporting

6.10 Benchmarking

Performance benchmarks can be established and should be based on sound and consistent methodology. When determining benchmarks, consideration should be given to the Council's risk profile and liquidity requirements.

Benchmarks will be determined by the Council on an as-needs basis but reviewed no less than annually as part of the Council's budget process.

Performance against benchmarks will be included in a monthly report to the Council.

6.11 Reporting and reviewing of investments

Documentary evidence must be held for each investment and details thereof maintained in an Investment Register.

The documentary evidence must provide Council legal title to the investment.

Certificates must be obtained from the financial institutions confirming the amounts of investments held on the Council's behalf as at 30 June each year and reconciled to the Investment Register.

All investments are to be appropriately recorded in Council's financial records and reconciled at least on a monthly basis.

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A monthly report will be provided to Council. The report will detail the investment portfolio in terms of performance, percentage exposure of total portfolio, maturity date and changes in market value.

6.12 Policy review

This Investment Policy will be reviewed by the Council no less than annually. It will also be reviewed as required in the event of legislative changes.

The Investment Policy may also be amended as a result of other events that provide the Council with opportunities that are to the advantage of the Council and in the spirit of this policy.

Any amendment to the Investment Policy must be by way of Council resolution.

7. RELATED LEGISLATION, POLICIES AND STRATEGIES

7.1 Compliance

All investments are to comply with the following

- *Local Government Act 1993*
- *Local Government (General) Regulation 2005*
- *Ministerial Investment Order*
- *Local Government Code of Accounting Practice and Financial Reporting*
- Australian Accounting Standards
- Division of Local Government Circulars

7.2 Relevant Council documents

- Long Term Financial Plan
- Financial Strategy 2012
- Fraud Control Policy
- Fraud Control Plan
- Risk Management Policy and Framework
- Code of Conduct
- Internal Reporting Policy
- Statement of Business Ethics

Min. No.

Jo Ruffin entered the Chamber at 11:55am.

5.17 SALARY PACKAGE REVIEW

AUTHOR: Director Corporate Services

STRATEGIC OUTCOME: Good government

**STRATEGIC OBJECTIVE: 2.2 Ensure effective governance
by Council of Council operations
and reporting**

FILE NO: 12.019.1

283 RESOLVED Crs: Bruce and Curtin that the Council note the Salary Package Review for the year ended 30 June 2016 conducted by RSD Chartered Accountants.

5.18 COMMUNITY ENGAGEMENT FRAMEWORK

AUTHOR: Strategic & Social Planning Coordinator

STRATEGIC OUTCOME: Good government

**STRATEGIC OBJECTIVE: 2.2 Ensure effective governance
by Council of Council operations
and reporting**

FILE NO:

284 RESOLVED Crs: Glanville and Morris that the Council adopt the Berrigan Shire Council Community Engagement Framework as set out below:

Background

The development of the a *Community Engagement Framework* by the Berrigan Shire Council strengthens its commitment to supporting the participation of individuals, groups and communities in Council planning and decision making.

The Shire recognises that residents, rate payers and frequent visitors to the Shire have diverse opinions, ideas and extensive life experience. Community engagement allows the Shire to facilitate:

- The sharing of this resource; and
- The sharing of the best available information so that better decisions are made about the issues, and challenges, that affect our community.

Purpose

Min. No.

The purpose of this framework is to broadly define the Berrigan Shire Council's commitment to Community Engagement and its application to:

- Council activities; and the development of
- The Shire's Community Strategic Plan, other Council Plans, and the Strategies that may from time to time be developed by the Council.

Scope

This framework applies to Councillors, Council employees, and contractors engaged on behalf of the Shire, and who are during the course of their role are engaged in and have responsibility for the planning and delivery of Council activities.

Principles

The following principles¹ will be used by the Shire to guide its engagement with our community: the people, who live, work, study in, and visit the Shire.

- **Information:** To provide the community and key stakeholders with accessible, balanced and objective information on decisions, policies, plans and strategies.
- **Consultation:** To obtain feedback from the community and key stakeholders on analysis and alternatives to inform a decision.
- **Involvement:** To work directly with the community and key stakeholders throughout a project to ensure that community concerns and aspirations are understood and considered.
- **Collaboration:** To partner with the community and key stakeholders in each aspect of the decision process – including the development of alternatives and identification of a solution. Responsibility for the final decision rests with Council but may, in some instances as in the development of the *Community Strategic Plan* be shared with the community and key stakeholders.

Legislative Requirements

Councils are required 'to facilitate engagement with the local community by councils, councillors and other persons and bodies that constitute the system of local government' pursuant to Section 7 (d) of the Local Government Act 1993.

This requirement is further reinforced with respect to the Integrated Planning and Reporting provisions of the Act requiring that a

¹ Adapted from: International Association for Public Participation (2008) *IAP2 Public Participation Spectrum*

Min. No.

Community Engagement Strategy pursuant to Section 402 (4) of the Local Government Act 1993 is guided and inform a Council's engagement with its community as part of the development of a Community Strategic Plan.

Definitions

Community: The people who live, work, study in, and visit the Shire. This includes and is not limited to: residents, ratepayers, local business – employees, suppliers, consumers and markets; utility providers; community and environmental agencies that outreach and or undertake activities in the Shire; state, health and education providers; regional, state and federal government agencies and or authorities.

Community Engagement: Community engagement is a process that is best described as an approach to developing and sustaining a working relationship between the Berrigan Shire Council and the wider community.

Community Strategic Plan: The highest level plan that the Shire will prepare. The planning process considers the issues and pressures that may affect the community and the level of resources that will realistically be available to achieve its aims and aspirations. The Shire Council has a custodial role in initiating, preparing and maintaining the Community Strategic Plan on behalf of the local government area. It is not wholly responsible for its implementation. Other partners may also be engaged in delivering the long-term objectives of the plan. (Planning and Reporting Guidelines for local government in NSW 2010)

Council Activities: Shire Council activities are those described in the Shire's Operational Plan 2016 – 2017 (p 10) titled Berrigan Shire 2023 Outcomes and Council Operations.

Implementation

The trigger for the implementation of this policy is guided by:

1. Legislative requirements
2. The assessed impact on our community:
 - a. Upon how we plan and deliver Council activities.
 - b. Of a proposal or community issue.

Legislative requirements include and are not limited to *Community Strategic Plan* development, Local Environment Planning, Development Applications and Asset Management Plan development and review.

Min. No.

An assessment of community impact and issues will consider whether it is a localised or broader community issue: a complex issue or relatively straightforward issue.

Based on this assessment the extent of community engagement to be undertaken, will be guided by the following framework.

Community Engagement Framework

Extent of Community Engagement	Indicative Tools for Engagement	Risk Assessment: Impact Local / Whole of Shire	Steps for Community Engagement
Inform: Sharing the best available information	Briefings, Fact Sheets, Council Website, Media campaigns, Displays in Shop fronts, libraries etc	Level A: High Impact: Whole of Shire	<ol style="list-style-type: none"> 1. Identify likely stakeholders 2. Plan and gather best available information and resources 3. Share information with stakeholders 4. Work effectively together 5. Feedback the results of engagement 6. Monitor and evaluate the process
Consult: Exploring options and preferences	Web based consultation, Interviews, Surveys, Public meetings, Focus Groups	Level B High impact: Local area or specific community / user group	
Involve: Inclusion of ideas in the decision making	Workshops 'Community Conversations' Interviews with Stakeholders	Level C Lower Impact: Whole of Shire	
Collaborate: Sharing responsibility either for decision making or service delivery	Community Advisory Groups Participative Decision-making Forums Inter-agency partnerships / consortiums	Level D Lower Impact: Local area or specific community / user group	

Related Policies and Strategies

- SOCIAL JUSTICE FRAMEWORK 2016
- DEVELOPMENT ASSESSMENT AND CONTROL COMMUNITY CONSULTATION POLICY
- ASSET MANAGEMENT POLICY 2016
- LOCAL POLICY FOR RELOCATION OF PREVIOUSLY USED RESIDENCES 2015
- RISK MANAGEMENT POLICY AND FRAMEWORK 2013
- POLICY FOR VOLUNTEERING IN BERRIGAN SHIRE
- NAMING OF COMMUNITY FACILITIES AND OPEN SPACE POLICY 2014
- LEGISLATIVE COMPLIANCE POLICY 2014

Min. No.

5.19 SOCIAL JUSTICE FRAMEWORK

AUTHOR: Strategic & Social Planning Coordinator

STRATEGIC OUTCOME: Good government

STRATEGIC OBJECTIVE: 2.2 Ensure effective governance
by Council of Council operations
and reporting

FILE NO:

285 RESOLVED Crs: Taylor and Bodey that the Council adopt the
Berrigan Shire Council Social Justice Framework as set out below:

Background

The vision of the Berrigan Shire Council is that in 2023 we will be recognised as a Shire that builds on and promotes our natural assets and advantages to create employment, and economic activity to attract residents, families and tourists.

The Council aims to achieve its vision by ensuring that the following principles, values, and ethics guide Council operations.

- Integrity
- Leadership
- Selflessness
- Objectivity
- Accountability
- Openness
- Respect
- Trust and teamwork
- Advocacy
- Partnership

Purpose

The purpose of this framework is to broadly define the Berrigan Shire Council's social justice obligations and the application of the *Local Government Act 1993* (Section 8) requirement that Council decision making 'considers social justice principles'.

Scope

This framework applies to Councillors, Council employees, and contractors engaged on behalf of the Berrigan Shire Council, and who are during the course of their role are engaged in, and have responsibility for, the planning and delivery of Berrigan Shire Council activities.

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Principles

Equity – there is fairness in decision-making, prioritising and allocation of resources. Moreover, the planning processes that guide decision-making are inclusive and protect the interests of current and future generations.

Access – residents and visitors to the Berrigan Shire have access, within Shire Council resources, to the services and opportunities that improve their quality of life.

Participation – the people who live, work and study-in the Shire are supported to become involved in Council and community decision-making.

Rights – Within the exercise of its responsibilities and activities the Berrigan Shire Council supports:

- a) The right to be respected as an individual and a member of the community without distinction or discrimination
- b) The right to a standard of living which protects the health, safety and dignity of individuals, children, and families
- c) The right to work and earn an income
- d) The right to learning throughout life
- e) The right to participate in the public and cultural life of the community
- f) The right to access adequate food, clothing , housing, social support and health services
- g) The right to access recreation and leisure facilities and services

Legislative Requirements

Local Government Act 1993 Section 8a (2) b requires that Councils' when making their decisions consider 'social justice principles.

Also Section 402 (3) b of the *Local Government Act* 1993 states that a 'council must ensure that the community strategic plan is based on social justice principles of equity, access, participation and rights'.

Implementation

This framework and its decision-making principles are embedded in the Berrigan Shire Council's approach to the planning and delivery of Council services and activities which are described, but not limited, to the following:

Related Policies and Strategies

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- FINANCIAL HARDSHIP POLICY 2014
- USER FEES AND CHARGES POLICY 2014
- EQUAL EMPLOYMENT AND OPPORTUNITY POLICY 2014
- COMMUNITY ENGAGEMENT FRAMEWORK 2016
- LOCAL PREFERENCE POLICY 2015
- DEVELOPMENT ASSESSMENT AND CONTROL COMMUNITY CONSULTATION POLICY
- ASSET MANAGEMENT POLICY 2016
- LOCAL POLICY FOR RELOCATION OF PREVIOUSLY USED RESIDENCES 2015
- RISK MANAGEMENT POLICY AND FRAMEWORK 2013
- POLICY FOR VOLUNTEERING IN BERRIGAN SHIRE
- NAMING OF COMMUNITY FACILITIES AND OPEN SPACE POLICY 2014
- LEGISLATIVE COMPLIANCE POLICY 2014

5.20 COMMUNITY ENGAGEMENT STRATEGY: REVIEW AND DEVELOPMENT OF COMMUNITY STRATEGIC PLAN

AUTHOR: Strategic & Social Planning Coordinator

STRATEGIC OUTCOME: Good government

STRATEGIC OBJECTIVE: 2.1 Berrigan Shire 2023 objective and strategies inform Council planning and community led projects

FILE NO:

286 RESOLVED Crs: Morris and Bodey that the Council adopt and endorse:

1. The development of the Berrigan Shire Council's Community Strategic Plan 2027.
2. The deletion of its non-preferred options – option 2 and 3 from the draft Berrigan Shire Council Community Strategic Plan 2027 Community Engagement Strategy set out below.
3. The Berrigan Shire Council Community Strategic Plan 2027 Community Engagement Strategy with these amendments.

BERRIGAN SHIRE COUNCIL COMMUNITY STRATEGIC PLAN 2027 COMMUNITY ENGAGEMENT STRATEGY

INTRODUCTION

The *Berrigan Shire Community Strategic Plan Stakeholder Engagement Strategy (CSP Engagement Strategy)* has been developed to identify relevant stakeholders and stakeholder groups

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that will be engaged as part of the Council's review of *Berrigan Shire Community Strategic Plan 2023* and development of the *Berrigan Shire Council Community Strategic Plan 2027*.

In accordance with Section 402 of the *Local Government Act 1993* and the *Planning and Reporting Guidelines for Local Government 2010* 'each council must prepare and implement a Community Engagement Strategy based on social justice principles for engagement with the local community in developing the Community Strategic Plan'.

This Strategy and Workplan has been developed with reference to the following:

1. Berrigan Shire Council's Social Justice Framework 2016
2. Berrigan Shire Council's Community Engagement Framework 2016
3. NSW Division of Local Government's *Integrated Planning and Reporting Manual: Planning a Sustainable Future 2013*

The *CSP Engagement Strategy* identifies

- a) The Extent of Community Engagement
- b) Key Messages
- c) How each stakeholder group will be engaged
- d) Responsibility for CSP Engagement Strategy Implementation

Key Messages:

The Community Strategic Plan Berrigan Shire Council 2027

1. Is a plan developed by the Council 'for' and 'with' the community (All Stakeholders)
2. Vision and 10+ years strategic objectives of the Community Strategic Plan must inform and guide Council decision-making and planning (All stakeholders)
3. Is focused on balancing what our communities tell us is needed for future social, economic, environmental wellbeing and development and the resources available to the Council and our communities (All stakeholders)
4. Describes the Council's role and stakeholder responsibilities in the Plan's development and implementation (All Stakeholders)

The following describes the recommended extent of community engagement to be undertaken for the key messages described and subsequent Community Strategic Plan review and development.

Extent of Community Engagement

- **All Stakeholders:** (Inform)

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- **Councillors:** (Inform, Consult, Involve, Collaborate on Plan review and the development and implementation of Berrigan Shire Council Community Strategic Plan 2027)
- **Council Officers:** (Inform, Consult, Involve, and Collaborate on Plan development, implementation and review)
- **Local Area, Town based or Local Area Interest Group e.g.:** Sports and Service Clubs, Town based Chambers, other interest groups, young people and children s (Inform ,Consult, Involve in Council’s review of Berrigan Shire 2023)
- **Local Area, Town based or Local Area Interest Group e.g.:** Sports and Service Clubs, Town based Chambers, other interest groups, young people and children s (Inform and Consult on Council’s draft of Berrigan Shire Council Community Strategic Plan 2027)
- **Whole of Shire or Regional Industry / Interest Groups/ Regional State Government Agencies e.g.: BJCSN Network, South West Arts, TAFE, Regional Chambers of Commerce, Tourism etc.** (Inform, Consult, Involve, and Collaborate on the development of draft of Berrigan Shire Council Community Strategic Plan 2027
- **Whole of Shire or Regional Level Industry / Interest Groups/ Regional State Government Agencies e.g.: BJCSN Network, South West Arts, TAFE, Regional Chambers of Commerce, Tourism etc.** (Inform, Consult, Involve, and Collaborate on the implementation, monitoring and reporting of agree CSP actions that are not a Shire Council responsibility)

Community Strategic Plan Engagement Strategy: Assessing the Extent and Type of Community Engagement

Extent of Community Engagement	Indicative Tools for Engagement	Risk Assessment: Impact Local / Whole of Shire	Steps for Community Engagement
Inform: Sharing the best available information	Issues Briefs – Social, Environment, Economic, Council Website, Media campaigns, Displays in Shop fronts, libraries etc <input type="checkbox"/>	Level A: High Impact: Whole of Shire <input type="checkbox"/>	7. Identify likely stakeholders 8. Plan and gather best available information and resources
Consult: Exploring options and	Web based consultation, Social Media <input type="checkbox"/>	Level B High impact: Local area or <input type="checkbox"/>	9. Share information with stakeholders

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Extent of Community Engagement	Indicative Tools for Engagement	Risk Assessment: Impact Local / Whole of Shire	Steps for Community Engagement
preferences	(Facebook /Twitter) Interviews, Surveys, Public meetings, Focus Groups	specific community / user group	10. Work effectively together 11. Feedback the results of engagement 12. Monitor and evaluate the process
Involve: Inclusion of ideas in the decision making	Workshops 'Community Conversations' Interviews with Stakeholders	<input type="checkbox"/> Level C Lower Impact: Whole of Shire	
Collaborate: Sharing responsibility either for decision making or service delivery	Community Advisory Groups Participative Decision-making Forums Inter-agency partnerships / consortiums	<input type="checkbox"/> Level D Lower Impact: Local area or specific community / user group	

Stakeholder Engagement Matrix for review of Berrigan Shire 2023 and the Options for stakeholder / community engagement in the Development of Berrigan Shire Council 2027

Review of Berrigan Shire 2023

Stakeholder	Action Plan			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible

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Stakeholder	Action Plan			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
<p>Shire Councillors</p> <p>Extent of Engagement:</p> <p>Inform</p> <p>Consult</p> <p>Involve</p> <p>Collaborate</p>	<p>1. Engagement of key community leaders in review and development of CSP</p> <p>2. Balancing Community Expectations with available Resources</p> <p>3. Councillor role in the review of the current CSP</p> <p>4. Inclusion of new projects / initiatives (subsequent to the review of current CSP) in the development of a new and draft CSP</p> <p>5. Preferred level and extent of community engagement 4 year Delivery Plan and determining priorities</p> <p>6. Involvement and commitment of state and other agencies</p>	<p>Development of comprehensive program of strategic planning activities requiring that the Council review existing CSP and suite of IP& R documents and in doing so either develop a new CSP or adopt current CSP with or without changes and adjust suite of IP&R plans accordingly</p>	<p>12 October 2016 – 30 June 2017</p>	<p>Mayor</p> <p>Councillors</p> <p>General Manager</p> <p>Directors</p> <p>SSPC</p>

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Stakeholder	Action Plan			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
<p>Council Officers</p> <p>Extent of Engagement:</p> <p>Inform</p> <p>Consult</p> <p>Involve</p> <p>Collaborate</p>	<p>Identification of issues and resourcing implications related to</p> <p>1. Community expectations identified by the review of the current CSP</p> <p>2. The development by the Council of a new and draft CSP.</p> <p>Quality of and timeliness of information, evidence and data provided by Council Officers to assist the Council with its decision making about the CSP priorities and projects</p> <p>Meeting statutory and requirements and timelines re: Engaging Community and the development of IP&R suite of documents Resourcing Strategy</p>	<p>Publication of program of strategic planning activities describing responsibility of Council Officers and the evidence/information requirements of the Council and community</p>	<p>12 October 2016 – 30 June 2017</p>	<p>Council General Manager SSPC Directors Management Team</p>

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Stakeholder	Action Plan			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
BSC Sec 355 Committee Volunteers Extent of Engagement: Inform Consult Involve	What will be the Committee's role and responsibility re: CSP development, implementation, monitoring and reporting Other issues concerns not known	Committee representative invited to a Council led forum' for CSP 2027	13 October 2016 to 18 Nov 2016 23 November 2016	SSPC Director Corporate Services
Other Government Organisations Extent of Engagement: Inform Consult Involve	Issues specific to each State Agency and identified in relevant Agency State/Regional Plan Not known but will relate to population / decline growth and impact on planning for services	Desk Top Review of current projects/ priorities relevant to Shire or the region and accessed by Shire residents Invitation to identified State Agencies to provide up to date information	13 October 2016 – 28 th October 2016	SSPC
Social Justice Stakeholders Children Young People Disabled CALD Mental Health	Children/Young People Disabled CALD Mental Health What is good about the town where they live? What would they	Workshops – conducted at schools /preferred future Online Survey of Service Providers In addition to:	13 Oct- 18 Nov 2016 13 Oct	SSPC SSPC

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Stakeholder	Action Plan			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
Extent of Engagement: Inform Consult Involve Collaborate (Service Providers)	change in their town if they could?	Focus group Berrigan & Jerilderie Community Services Network & Key personnel or representatives Mental Health, Disability and Aged Care	to 18 Nov 2016	
Other Stakeholders Extent of Engagement: Inform Consult Involve	Not Known but will encompass stakeholders with specific interests in: <ul style="list-style-type: none"> • Social • Environmental • Economic • Civic Governance Issues • Townships 	Inform Consult Review engagement activities undertaken by the Council for the following: <ul style="list-style-type: none"> • <i>Children, Young Persons and their Families Strategy 2015</i> • <i>Volunteer Strategy 2012</i> • <i>Tourism Strategy 2014</i> • <i>Ageing & Liveability Strategy 2013</i> • <i>Library Services Strategy 2015</i> • <i>Pedestrian Access & Mobility Plans 2015</i> • <i>Busine</i> 	13 October 2016 – 25 October	SSPC SSPC SSPC

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Stakeholder	Action Plan			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
		<p>ss & Resident Satisfaction Survey (Nexus Research 2015)</p> <p>And use to inform the development of online survey re: community expectations, priority projects and service levels</p> <p>Local News Article Social Media and Bulletin highlighting End of Term Report and Council's plans to review Berrigan Shire 2023 and to use community feedback to inform CSP2027</p> <p>Online Survey to identify expectations re: future levels of services, issues, priorities</p> <p>Street Stall each town to include End of Term Report and information about priorities / planning State</p>	<p>26 October 2016</p> <p>26 October 2016 to 18 November 2016</p> <p>1 November to 18</p>	<p>GM SSPC</p> <p>SSPC</p> <p>Mayor Councillors GM Directors SSPC</p>

Min. No.

Stakeholder	Action Plan			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
		Agencies Hardcopies of online Survey SWOT analyses at Street Stalls Also an opportunity for Councillors to discuss State Govt strategic priorities, opportunities in addition to identifying what if anything the community would change re: Berrigan Shire 2023 outcomes and priorities	November 2016	

Development of Berrigan Shire Council 2027

Two options, together with a proposed Community Engagement Strategy, are presented for Council consideration. Both options are preceded by active engagement of the Council and the broader community in the review of Berrigan Shire 2023 meet the legislative requirement that the Council 'develop and implement a Community Engagement Strategy based on social justice principles for engagement with the local community in developing the Community Strategic Plan'.

Option 1

Berrigan Shire 2027 is developed by the Council in collaboration with State Government Agencies, External Service Providers and Interested Community Members.

Option 2 -

Min. No.

Berrigan Shire 2027 is developed by the Council and comment sought from State Government Agencies, External Service Providers and Interested Community Members

Option 3

Other option developed by the Council that will require the development by Council Officers of a Community Engagement Strategy.

Option 1 – Community Engagement Strategy and Action Plan

Berrigan Shire 2027 is developed by the Council in collaboration with State Government Agencies, External Service Providers and Interested Community Members.

Stakeholder	Action Plan: Option 1 Development of Berrigan Shire Council 2027			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
Shire Councillors Extent of Engagement: Inform Consult Involve Collaborate	1. Engagement of key community leaders in development of CSP 2. Balancing Community Expectations with available Resources 3. Inclusion of new projects / initiatives (subsequent to the review of current CSP) in the development of a new and draft CSP 4. Preferred level and extent of community engagement 4 year Delivery Plan and determining priorities 5. Involvement	Futures Conference Councillors attend a facilitated workshop with invited community leaders, services and state agencies in attendance reviewing community feedback, survey results and feedback re: current CSP Future's Conference Outcomes determine	23 November 2016	Mayor Councillors General Manager Directors SSPC GM SSPC

Min. No.

Stakeholder	Action Plan: Option 1 Development of Berrigan Shire Council 2027			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
	ent and commitment of state and other agencies	1. Whether the Council endorses Berrigan Shire 2023 2. Endorses amendments to Berrigan Shire 2023 3. Develops and endorses a new community strategic plan Future's Conference Outcomes inform Council's Corporate Workshop reviewing draft Resourcing Strategy, Delivery Program February 2017	February 2017	GM Directors Finance Manager

Min. No.

Stakeholder	Action Plan: Option 1 Development of Berrigan Shire Council 2027			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
Council Officers Extent of Engagement: Inform Consult Involve Collaborate	Identification of issues and resourcing implications related to	Program developed	13 October – 23 November 2016	Council General Manager SSPC Directors Management Team
	Facilitation of Futures Conference, Current CSP Review and identification of priority projects service providers/other agency support for non-Council projects to be included in CSP2027			
	Quality of and timeliness of information, evidence and data provided by Council Officers to assist the decision making about the CSP2027 priorities and projects			24 November 2016 – 30 June 2017
	Meeting statutory and requirements and timelines re: the development of IP&R suite of documents and integration with CSP2027 i.e.: Resourcing Strategy Delivery Program 2017 - 2021 Operational Plan			

Min. No.

Stakeholder	Action Plan: Option 1 Development of Berrigan Shire Council 2027			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
	17/18			

Min. No.

Stakeholder	Action Plan: Option 1 Development of Berrigan Shire Council 2027			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
BSC Sec 355 Committee Volunteers Other Government Organisations Social Justice Stakeholders Children Young People Disabled CALD Mental Health Interested Community Members Extent of Engagement: Inform Consult Involve	What will be the Committee's role and responsibility re: CSP development, implementation, monitoring and reporting Not Known but will encompass stakeholders with specific interests in: <ul style="list-style-type: none"> • Social • Environmental • Economic • Civic Governance Issues • Township 	Stakeholders attend a facilitated workshop with invited community leaders, services and state agencies in attendance reviewing community feedback, survey results and feedback re: current CSP Future's Conference Outcomes will determine 4. Whether the Council endorses Berrigan Shire 2023 5. Endorses amendments to Berrigan Shire 2023 6. Develops and endorse a new community strategic plan	13 October 2016 to 18 Nov 2016 23 November 2016	SSPC Director Corporate Services

Min. No.

Option 2 - Community Engagement Strategy and Action Plan

Berrigan Shire 2027 is developed by the Council and comment sought from State Government Agencies, External Service Providers and Interested Community Members

Stakeholder	Action Plan: Option 2 Development of Berrigan Shire Council 2027			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
<p>Shire Councillors</p> <p>Extent of Engagement: Inform Consult Involve Collaborate</p>	<p>1. Engage ment of key community leaders in development of CSP</p> <p>2. Balancing Community Expectations with available Resources</p> <p>3. Inclusion of new projects / initiatives (subsequent to the review of current CSP) in the development of a new and draft CSP</p> <p>4. Preferred level and extent of community engagement 4 year Delivery Plan and determining priorities</p> <p>5. Involvement and commitment of state and other agencies</p>	<p>Councillors attend a facilitated workshop that reviews community feedback, survey results and feedback re: current CSP</p> <p>Workshop Outcomes determine</p> <p>7. Whether the Council endorses Berrigan Shire 2023</p> <p>8. Endorses amendments to Berrigan Shire 2023</p> <p>9. Develops and endorse a new community strategic plan</p> <p>Future's Conference</p>	<p>23 November 2016</p>	<p>Mayor Councillors General Manager Directors SSPC</p> <p>GM SSPC</p>

Min. No.

Stakeholder	Action Plan: Option 2 Development of Berrigan Shire Council 2027			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
		Outcomes inform Council's Corporate Workshop reviewing draft Resourcing Strategy, Delivery Program February 2017	February 2017	GM Directors SSPC Finance Manager

Jo Ruffin left the Chamber at 12:07pm.

ITEMS FOR NOTING

- 6.1 LOCAL GOVERNMENT COST INDEX
- 6.2 RATES AND CHARGES - 2016/2017 RATES COLLECTIONS AND OUTSTANDING DEBTORS BALANCES – 1ST QUARTER REPORT TO COUNCIL
- 6.3 STATECOVER MUTUAL LTD
- 6.4 COUNCILLOR TRAINING OPPORTUNITIES
- 6.5 DEVELOPMENT DETERMINATIONS FOR MONTH OF SEPTEMBER 2016

287 **RESOLVED** Crs: Morris and Taylor that all Councillors be provided the opportunity to attend a LGNSW training session “Chairing Effective Meetings”.

288 **RESOLVED** Crs: Bruce and Jones that Items for Noting numbered 6.1 to 6.5 inclusive be received and noted.

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MAYORS REPORT

Cr. Hannan reported that he had attended the following during the period:

- Biralee Preschool Strategic Meeting
- Murray Hut Fashion Parade – Finley Cricket Club
- Opening of the Tocumwal Skate Park
- Chamber Presidents meeting
- Barooga Advancement Group AGM

289 **RESOLVED** Crs: Bruce and Jones that the Mayors report be received.

DELEGATES REPORTS

Cr Bruce

- Barooga Advancement Group

Cr Jones

- Murray Darling Association meeting cancelled
- Tocumwal Skate Park opening

Cr Glanville

- Nil

Cr Curtin

- Nil

Cr Morris

- RFS Forum

Cr Taylor

- Nil

Cr Bodey

- Nil

GENERAL BUSINESS

Cr Bodey

- Nil

Cr Taylor

- Skate Park opening

Cr Morris

- Barrier at Tongs Street – Thanks

Min. No.

- Commend staff flood updates

Cr Curtin

- Berrigan District development Association meeting
- Flooded farm land
- Asbestos houses

Cr Glanville

- Tocumwal Local Health Advisory Committee
- Tocumwal Skate Park opening

Cr Jones

- Tocumwal Chamber of Commerce
- Tocumwal Skate Park signage
- Christmas decorations
- Pony Club toilets
- Old aerodrome land
- Electricity Jersey St, Tocumwal
- Flood victims
- Headstones

Cr Bruce

- School of Arts & Finley War Memorial Hall quarterly financial report
- Barooga Advancement Group will run Australia Day

Cr Hannan

- Tree planting
- Volunteer strategy
- Toilets at Railway Park
- Berrigan Golf & Bowling Club
- Tongs Street power pole damage

Director Corporate Services

- Carpe Diem 26/10

Development Manager

- Nil

Director Technical Services

- Murray Goulburn drainage

General Manager

- Hall committee no AGM until improvement works complete
- Dean Russell email – reply outlining Council position
- No inductions to be conducted on 2nd November 2016
- Central Murray County Council

Min. No.

Cr Morris declared a pecuniary interest in this item left the Chamber at 1:45pm

- Talk to Cr Jones tomorrow regarding future options for CMCC

There being no further business the meeting closed at 1:50pm.