



Council Chambers,
BERRIGAN. 2712

Sir/Madam,

The Ordinary Meeting of the Council of the Shire of Berrigan will be held in the **Council Chambers**, Berrigan, on **12th October, 2016**, when the following business will be submitted:-

9.00AM

Public Question Time

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10.	CLOSE OF MEETING	

No business, other than that on the Agenda, may be dealt with at this meeting unless admitted by the Mayor.

ROWAN PERKINS
GENERAL MANAGER



Council Meeting

Wednesday, 12th October, 2016

BUSINESS PAPER

1. APOLOGIES

2. DECLARATION OF ITEMS OF PECUNIARY OR OTHER INTEREST

3. VISITORS ATTENDING MEETING

10.30 am Mr Phil Delahunty from RSD Chartered Accountants – the Council's auditors.

4. CONFIRMATION OF MINUTES

RECOMMENDATION – 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

RECOMMENDATION – 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.

REPORT

- a) A Financial Statement covering all funds of the Council indicating the Bank Balances as at 30 September 2016 is certified by the Finance Manager.

Items requiring Council Resolution

- b) The Finance Manager certifies that the Cash Book of the Council was reconciled with the Bank Statements as at 30 September 2016.
- c) The Finance Manager certifies the Accounts, including the Petty Cash Book made up to 30 September 2016, totalling \$4,794,794.48 and will be submitted for confirmation of payment as per Warrant No. 09/16
- d) The Finance Manager certifies that all Investments have been placed in accordance with:
- i. Council's Investment Policy,
 - ii. Section 625 of the Local Government Act 1993 (as amended),
 - iii. the Minister's Amended Investment Order gazetted 11 January 2011,
 - iv. clause 212 of the Local Government (General) Regulations 2005, and
 - v. Third Party Investment requirements of the Office of Local Government Circular 06-70.
- e) September has seen a slight decrease in total funds held at the end of August. The decrease is comparable with the same period last year and represents the general pattern in cash holdings over a year. Total funds held are expected to decrease over the October period as current creditors submit bills for work currently underway.
- Council currently has an additional \$1.03 million more in cash than the same time last year, although these funds are already either committed or restricted. This cash balance is expected to reduce as current large capital works are completed over the next 12 months.

Items requiring Council Resolution

Statement of Bank Balances as at 30 September 2016

Bank Account Reconciliation

Cash book balance as at 1 September 2016	\$ 4,408,249.26
Receipts for September 2016	\$ 1,261,704.46
Term Deposits Credited Back	\$ -
	<u>\$ 5,669,953.72</u>

Less Payments Statement No 09/16

Cheque Payments V075682 - V075690	\$ 12,996.22
Electronic Funds Transfer (EFT) payroll	\$ 462,969.41
Electronic Funds Transfer (EFT) Creditors E024701 - E024964	\$ 986,639.35
Term Deposits Invested	\$ 3,300,000.00
Loan repayments, bank charges, etc	\$ 32,189.50
Total Payments for September 2016	<u>\$ 4,794,794.48</u>
Cash Book Balance as at 30 September 2016	<u>\$ 875,159.24</u>

Bank Statements as at 30 September 2016

Bank Statements as at 30 September 2016	\$ 879,544.61
Plus Outstanding Deposits	
Less Outstanding Cheques/Payments	\$ 4,385.37
Reconciliation Balance as at 30 September 2016	<u>\$ 875,159.24</u>

INVESTMENT REGISTER

INSTITUTION	DEPOSIT NO.	TERM (days)	RATE	MATURITY DATE	INSTITUTION TOTAL
AMP	117/15	210	3.00%	22/03/2017	\$ 2,000,000.00
AMP	125/16	209	2.95%	7/03/2017	\$ 2,000,000.00
Goulburn Murray Credit Union	124/16	270	2.95%	13/04/2017	\$ 2,000,000.00
Bank of Queensland	119/15	180	3.05%	11/03/2017	\$ 2,000,000.00
Bank of Queensland	123/16	180	2.98%	29/11/2016	\$ 2,000,000.00
Bendigo Bank	122/16	365	3.00%	26/05/2017	\$ 2,000,000.00
Central Murray Credit Union	104/14	90	2.80%	15/12/2016	\$ 2,000,000.00
Central Murray Credit Union	126/16	365	3.05%	30/08/2017	\$ 2,000,000.00
Defence Bank Limited	102/14	270	2.95%	4/04/2017	\$ 2,000,000.00
Defence Bank Limited	106/14	180	3.00%	2/10/2016	\$ 1,000,000.00
ME Bank	127/16	90	2.65%	1/12/2016	\$ 2,000,000.00
NAB (LIRS LOAN)	110/15	180	3.05%	3/10/2016	\$ 1,630,000.00
T-CORP HOURGLASS AT CALL		AT CALL			\$ 2,500,000.00
					<u>\$ 25,130,000.00</u>

Total Funds Held at 30 September 2016

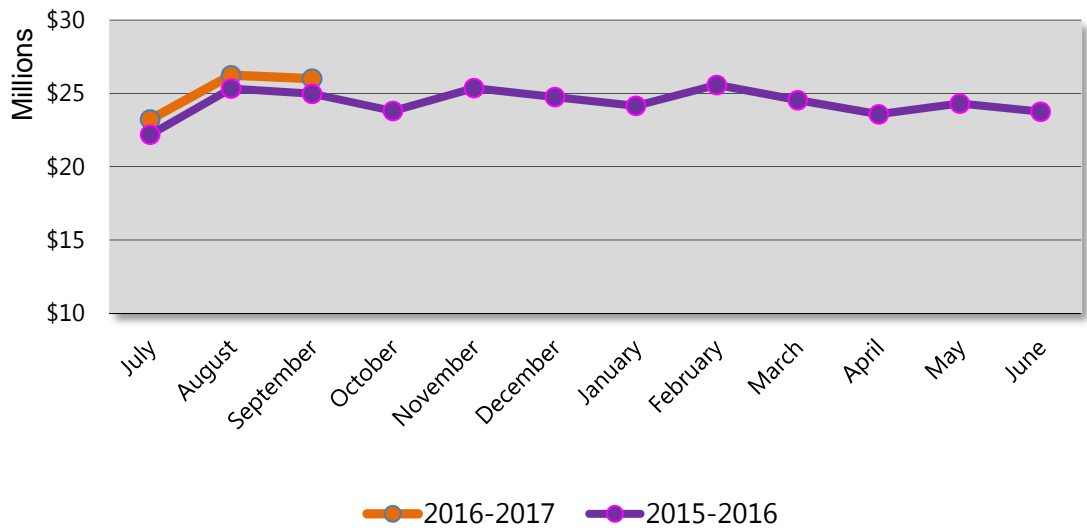
\$26,005,159.24

Carla von Brockhusen - Finance Manager

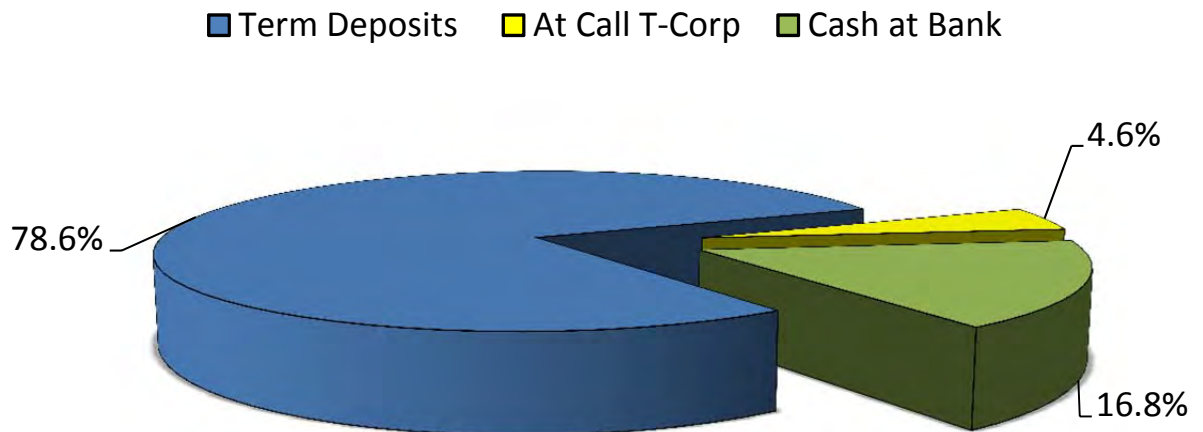
RESOLUTION

Items requiring Council Resolution

Total Funds Held

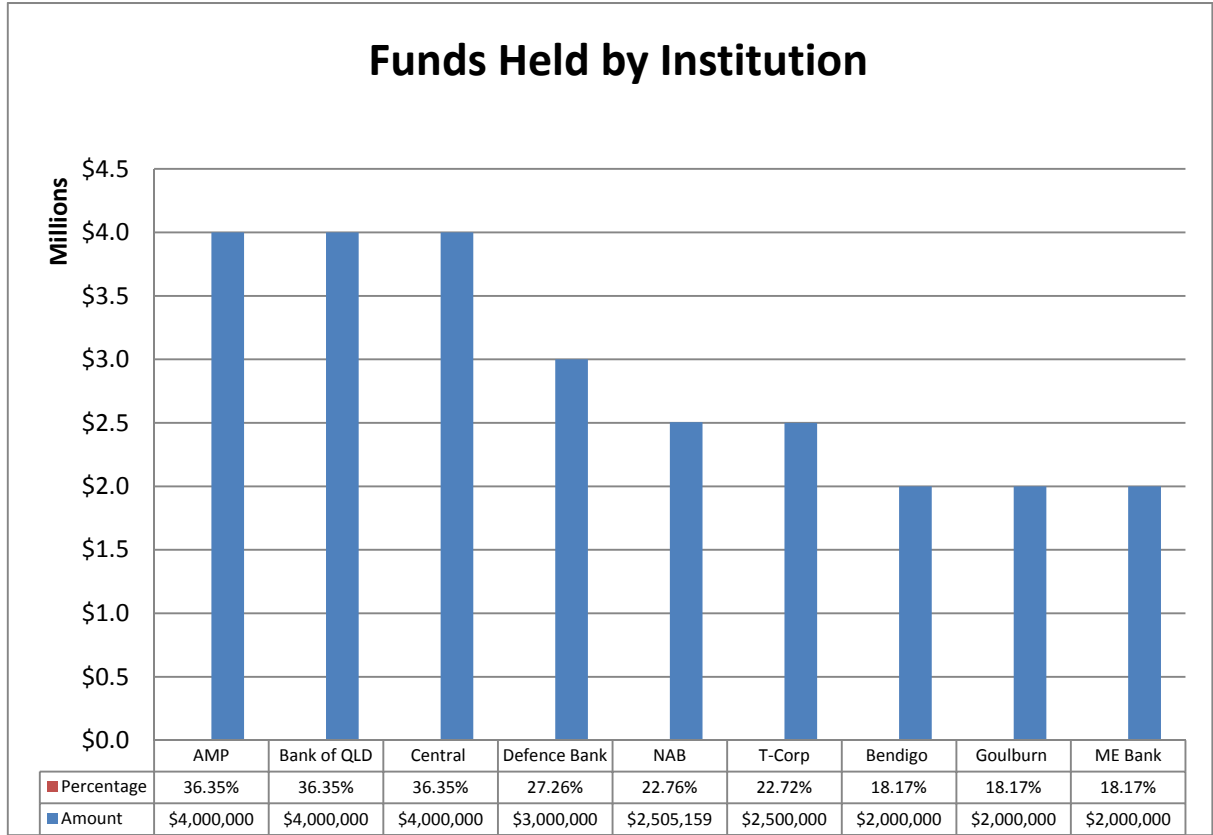


Funds Held By Type



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Items requiring Council Resolution



Changes in Investment Portfolio for September 2016

Previous Investment			New Investment		
Prior Financial Institution	Amount	Interest Rate	Current Financial Institution	Amount	Interest Rate
BOQ	\$2,000,000	3.05%	BOQ	\$2,000,000	3.05%
Central Murray	\$2,000,000	2.95%	Central Murray	\$2,000,000	2.80%
			ME Bank	\$2,000,000	2.65%
			At Call	\$1,300,000	

RESOLUTION

Items requiring Council Resolution

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

FILE NO: 13.045.2

RECOMMENDATION: - 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.

REPORT:

Tabled at this meeting are Pecuniary Interest Returns as required and in accordance with Section 450a of the Local Government Act duly completed by:

- | | | |
|----------------------|----------------------|---|
| Councillors | John Bruce | |
| | Bernard Curtin | |
| | Andrea O'Neill | |
| | Brian Hill | |
| | Matthew Hannan | |
| | Denis Glanville | |
| | Colin Jones | |
| | Darryl Morris | |
| Designated Officers: | Rowan Perkins | (General Manager) |
| | Matthew Hansen | (Director Corporate Services) |
| | Fred Exton | (Director Technical Services) |
| | Laurie Stevens | (Development Manager) |
| | Nathan O'Connell | (Building Surveyor) |
| | Michelle Koopman | (Enterprise Risk Manager) |
| | Carla von Brockhusen | (Finance Manager) |
| | David Basil | (Operations Manager) |
| | Myles Humphries | (Environmental Engineer) |
| | Merran Socha | (Economic Development Officer) |
| | Camillus O'Kane | (Town Planner) |
| | Jo Ruffin | (Strategic & Social Planning Coordinator) |

Crs Bodey and Taylor have 3 months from becoming a Councillor to lodge their Pecuniary Interest return or by 17th December, 2016.

Items requiring Council Resolution

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

RECOMMENDATION: - 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.

REPORT:

Advice of Committee members has been received and should be endorsed by the Council.

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Items requiring Council Resolution

**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

RECOMMENDATION: - that the Council:

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

REPORT:

Advice of Committee members has been received and should be endorsed by the Council.

Items requiring Council Resolution

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**RECOMMENDATION:** - that the Council authorize the Mayor to attend the LGNSW Mayors weekend Saturday 5th and Sunday 6th November 2016 at Sydney

REPORT:

LGNSW is offering a seminar for NSW Mayors, Deputy Mayors and aspiring Mayors to help address complex leadership challenges.

Mayors are the face of local government and have an important and demanding role. People expect mayors to provide the leadership required for councils to work effectively and address community priorities.

Topics include:

- Current issues and challenges facing mayors and their councils;
- The mayoral toolkit – the changing role of mayors and important ‘tools of the trade’;
- The mayor as community leader – locally and at the regional level;
- The mayor as council leader – working with other councillors, chairing meetings;
- The mayor and general manager;
- State-local relations.

The seminar will include short background presentations, comments by expert panelists and roundtable discussion amongst participants.

Cost of the weekend is \$1,320 plus travel, sustenance and accommodation. The actual location of the seminar is not yet known.

Items requiring Council Resolution

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:

RECOMMENDATION: - 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.

REPORT:

As a part of the State's reform of local government it proposes to form "Joint Organisations" (JO's).

This proposal has developed for three principal reasons.

Firstly, existing Regional Organisation of Councils (ROC's) had no legal recognition in the Local Government Act and were either separately incorporated bodies or where a committee formed by member Councils. This status precluded restricted their ability to perform basic functions or roles.

Secondly, the Independent Local Government Review Panel recommended the formation of JO's to foster regional Council co-operation and with legal recognition to greater regional thinking about priorities and to allow them to take on more "Council like" activities. The Independent Local Government Review Panel envisaged a wide role for the JO's.

Thirdly, because ROC's were voluntary organisations, not all Councils were members of a ROC which is left unaltered would hamper the State's aim for regional collaboration and priority setting.

The State has, after consultation, established three core or mandated activities for JO's being:

- Regional strategic planning and priority setting;
- Intergovernmental collaboration; and

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Items requiring Council Resolution

- Regional leadership and Advocacy.

After the above, JO's can pretty well determine their own agendas however they must be entirely located within one State planning region.

The Mayor is the Council's delegate to a JO which is expected to have its own executive and an advisory group comprising member general managers.

Other organisations or Council from an alternative JO can have associate status and no voting right.

The Independent Local Government Review Panel recommended that Berrigan Shire Council be a part of a Mid Murray JO that would also include (the former) Jerilderie, Conargo, Murray and Wakool Shire Councils and Deniliquin Council.

This Council did not support that proposal because:

- Of its high cost of operation – it would cost about the same to operate as the Council's current ROC – RAMROC – but only have 6 members pre-merger and two members post-merger based on the Panel's recommended mergers;
- It saw little relationship to the west and whilst a key focus is south this was not achievable. The Council preferred a JO with an easterly focus based on Albury City, a view shared by the Jerilderie Shire Council. Greater Hume Shire Council never supported being part of a JO involving Albury and preferred to focus on a JO based around Wagga Wagga which, if realized, would see a physical disconnect between Albury and the other Councils to the west of it.

The Council's view was, to an extent, shaped by a State view that RAMROC was too large and JO's should be much smaller.

Ultimately other members of the proposed Mid Murray JO supported a JO that would see a river based JO formed that would see Albury through to Wakool as members (without Greater Hume Shire Council).

Obviously as the mergers unfolded the membership of this group would now be Murray River, Edward River, Berrigan Federation and Albury Councils.

At a RAMROC level there was majority support for a Murray – Murrumbidgee based Joint organisation that would include all existing members except Wentworth and Balranald (because they would become a part of the Western regional Authority and Greater Hume Shire Council that preferred to, again, focus on Wagga Wagga.

The support for this was based around:

Items requiring Council Resolution

- Lower cost of operation;
- It would sustain professional groups where it was considered that greater resources are better than fewer resources;
- Existing strong collaborative and co-operative working relationships
- Sharing a common planning region.

Following initial consultation, the State has now put forward its preferred JO Boundaries which are set out below:



It would appear that the State has taken on board Council's concerns regarding operational costs and has proposed much larger JO boundaries than were previously considered.

The State is requesting feedback from Councils regarding the proposed boundaries by 27th October 2016 with a view to finalising these and Jo's commencing operations early in 2017.

Given that two positions can be pursued by the Council in terms a preferred JO boundaries the relative merits of the Murray Murrumbidgee and "river" JO's (from a Council perspective) are set out below:

RESOLUTION

Items requiring Council Resolution

Murray Murrumbidgee	
Advantages	Disadvantages
Lower cost of operation per Council	Large operational area
Maintains larger professional group size	Does not include Albury City
Builds on existing relationships	Physical disconnect with Albury City if included
Could include two non-competitive regional centres	Large board membership
Located in one planning region	Crosses a large number of state operational boundaries
Relatively high commonality of interest	
Supports two existing waste groups	

River	
Advantages	Disadvantages
Smaller operational area	Higher cost of operation per Council
Includes Albury City	Reduces professional group size
Small board membership	Physical disconnect with Albury City if included
Builds on existing relationships	Does not supports two existing waste groups
Includes regional centre	
Located in one planning region	Crosses a number of state operational boundaries
High commonality of interest	
Creates stronger opportunity for cross border relationship	

From an officer perspective either of the options can work effectively with the two significant point of difference being contribution cost per Council and just where the focus of the JO is ie the Murray Murrumbidgee Jo is more NSW focused while the River JO has a more Murray River and southerly focus.

A copy of the background information is circulated with this agenda as Appendix "A"

For discussion.

RESOLUTION

Items requiring Council Resolution

5.7 DRAFT ANNUAL REPORT

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: 04.145.1

RECOMMENDATION: - 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".

REPORT:

Each year the Council produces an Annual Report to review its performance and achievements for the past financial year. The document is designed to provide an insight into the Council's operations and financial position, and indicate how the Council has performed in achieving the activities it set itself during the year. A copy of the draft report has been attached as Appendix "B".

In accordance with section 428 of the Local Government Act 1993 an Annual Report is due on or before the 30th November each year. Further, in an election year, a Council's Annual Report must also include:

- A report as to the council's achievements in implementing the community strategic plan over the previous 4 years. This report the *Berrigan Shire Council End of Term Report 2012 – 2016* was tabled and adopted by the previous Council at its Ordinary Council Meeting held 17th August 2016 and is attached as Appendix "D"; and
- A *State of the Environment Report 2012- 2017* on issues relevant to CSP objectives for the environment a draft of which is attached Appendix "C" for Council review and comment.

The Council's draft Annual Report has been prepared in accordance with the Department of Local Government's Integrated Planning and Reporting Framework.

The format of the report reflects that this is not a report to the Division of Local Government or the New South Wales Government; it is a report to the community.

Items requiring Council Resolution

As such it can be published and read a one complete document or 6 separate reports allowing readers the opportunity to focus only on the areas which are of interest to the reader.

In six parts the Annual Report 2015 – 2016 includes:

- An introduction which provides the reader with brief overview of the Shire, its vision for the future in addition to comments from the Mayor and General Manager
- The Shire Profile introduces Councillors, Councillor Management and includes information on Council meeting attendance, organizational structure, payments to Councillors and Senior staff
- The Our Performance section of the Annual Report is where readers will find information about the highlights and challenges faced by the Council during the financial year in implementing its *Delivery Program 2013 – 2017*;
- Summary tables reporting on Council's performance against the objectives set out in the Council's *Annual Operational Plan* will also be found in this section
- Information not contained elsewhere in the report and which must be reported in order to meet legislated reporting requirements is the section labeled Statutory Requirements
- The State of our Assets report provides information about capital works program in addition to a snapshot of Councils asset management practices and performance
- The section titled Financials contains as in past years a community financial report and will when a Final Report include the financial statements for the 2015/16 financial year.

The draft Annual Report does not include the 2015/16 Audited Financial Statements. The Audited Financial Statements will be presented in a separate report to the Council by the Director of Corporate Services

The draft Annual Report has been prepared in accordance with the statutory requirements outlined in section 428 of the *Local Government Act 1993*, clause 217 of the *Local Government (General) Regulation 2005*, the *Freedom of Information Act 1989*, the *Privacy and Personal Information Act 1998*, the *Government Information Personal Access Act, 2009*, the *Companion Animals Act* and the *Companion Animals Regulation 2008*.

Items requiring Council Resolution

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:

RECOMMENDATION: - 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.

REPORT:

The Council, at its September 2016 meeting determined a Development Application in relation to the conduct of the Strawberry Field Festival during November 2016 at property situated on Lower River Road Tocumwal.

With the current high rainfall and river levels the event organizers may not be able to stage the Festival at the approved site.

The event organizers are concerned that even if the rain abates and river levels recede the site may still be unusable and have identified an alternative for potential use.

Use of an alternative site obviously requires a separate Development Application to be lodged and to be determined by the Council.

Assuming that the Council continues to support the conduct of the Festival and that a Development Application is received by 7th October 2016 the earliest date that the Council could consider the Application would be 2nd November 2016.

Whether or not a Development Application can be lodged by 7th October 2016 is of concern and rests with the event organizers.

Again, assuming Council support, any determination will require an extraordinary Council meeting, however an actual date for this is not entirely clear and on this basis it is suggested that the Council delegate the authority to the General Manager to convene such a meeting to consider and order upon any Development Application received.

If no Application is actually received then obviously no extraordinary meeting will be required.

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Items requiring Council Resolution

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

RECOMMENDATION: that the Council adopt the revised Financial Strategy below

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Items requiring Council Resolution

Financial
Strategy
2016

DRAFT – OCT 2016

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Items requiring Council Resolution

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

Items requiring Council Resolution

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

Items requiring Council Resolution

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.

Items requiring Council Resolution

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 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

Items requiring Council Resolution

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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.

Items requiring Council Resolution

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

Items requiring Council Resolution

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.

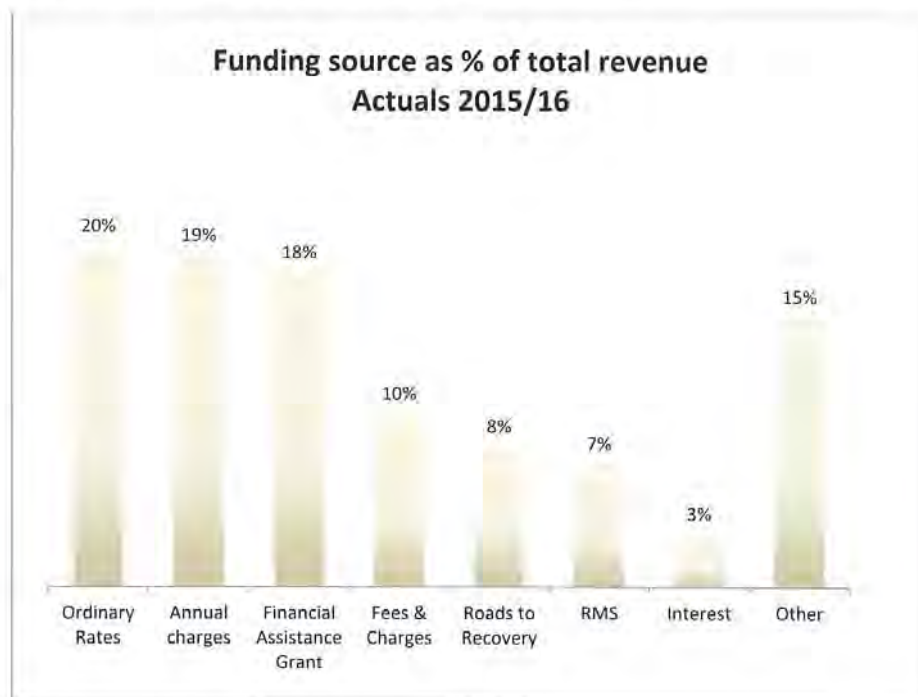


Figure 1 - Funding Source as a percentage of total revenue

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.

RESPONSION

Items requiring Council Resolution

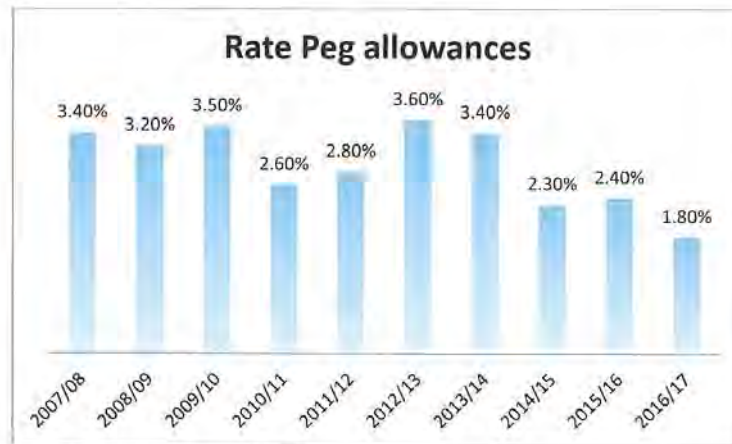


Figure 2 - Rate Peg allowances

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.

Items requiring Council Resolution

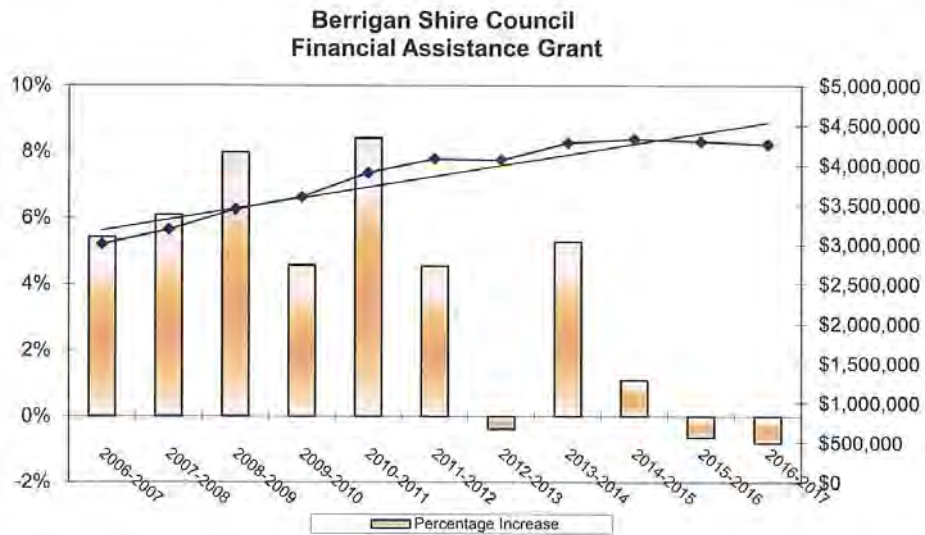


Figure 3 - Financial Assistance Grant payments to Berrigan Shire Council. Source: NSW Grants Commission

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.

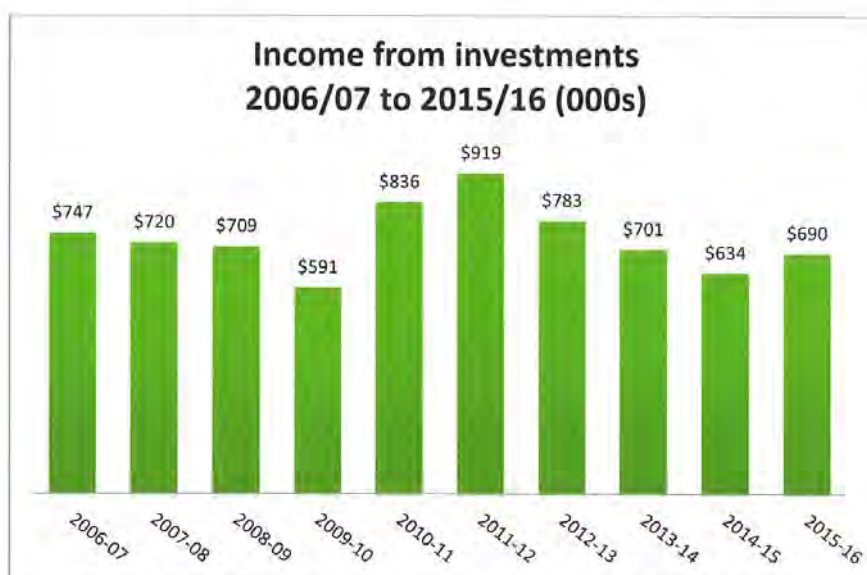


Figure 4 - Investment income 2006/07 to 2015/16. Source: Note 3, Annual Financial Statements

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.

Items requiring Council Resolution

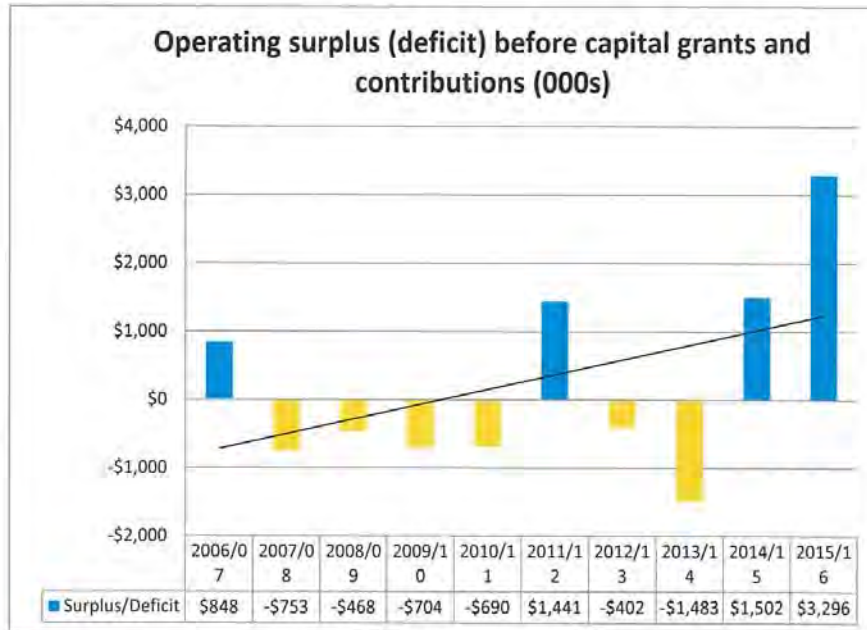


Figure 5 - Operating surplus/deficit 2006/07 to 2015/16. Source: Annual financial statements

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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Items requiring Council Resolution

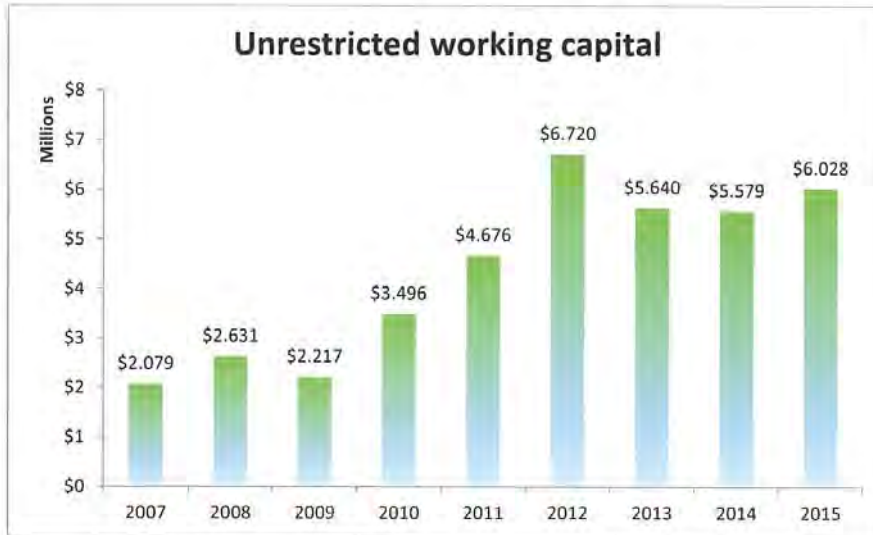


Figure 6 - Working Capital. Source: Auditors reports – Annual Financial Statements

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.

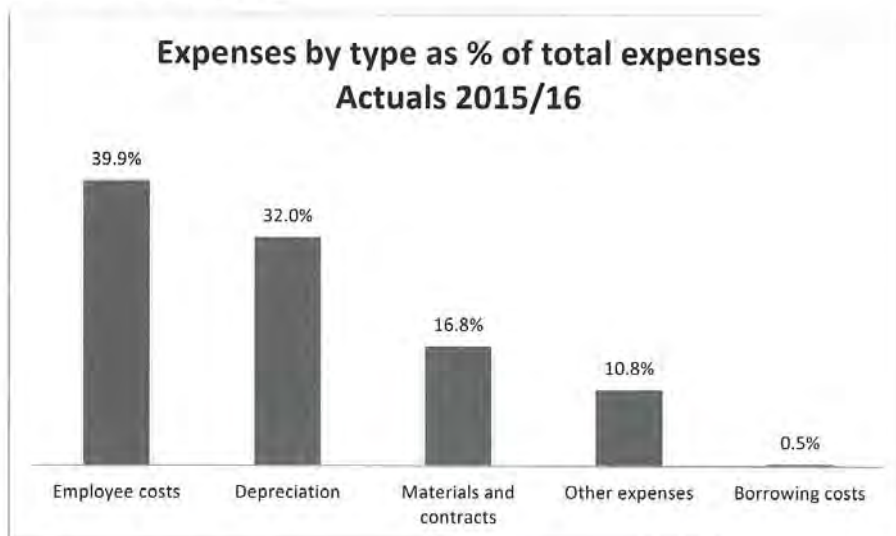


Figure 7 - Expenditure by type. Source: 2015/16 Income Statement

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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.

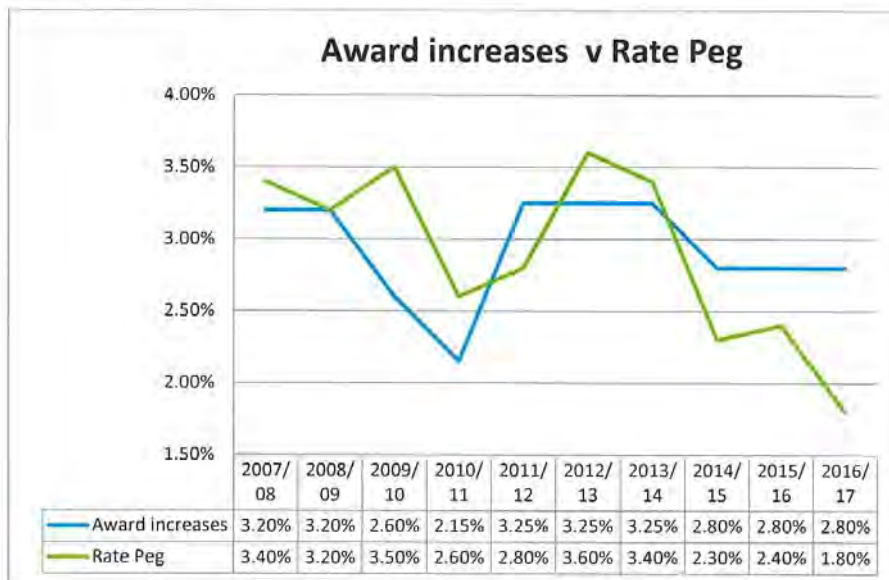


Figure 8 - Award Increases. Source: Independent Pricing and Regulatory Tribunal and Local Government (State) Awards

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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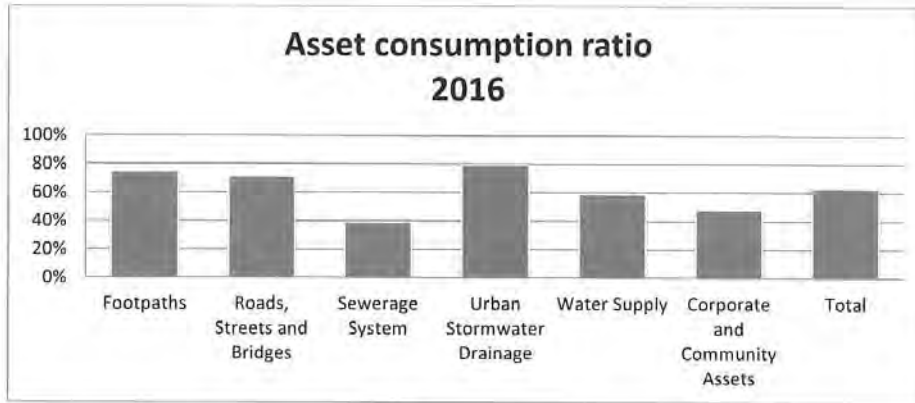


Figure 9 - Asset Consumption Ratio by asset type. Source: 2015/16 Annual Financial Statements Note 9

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.

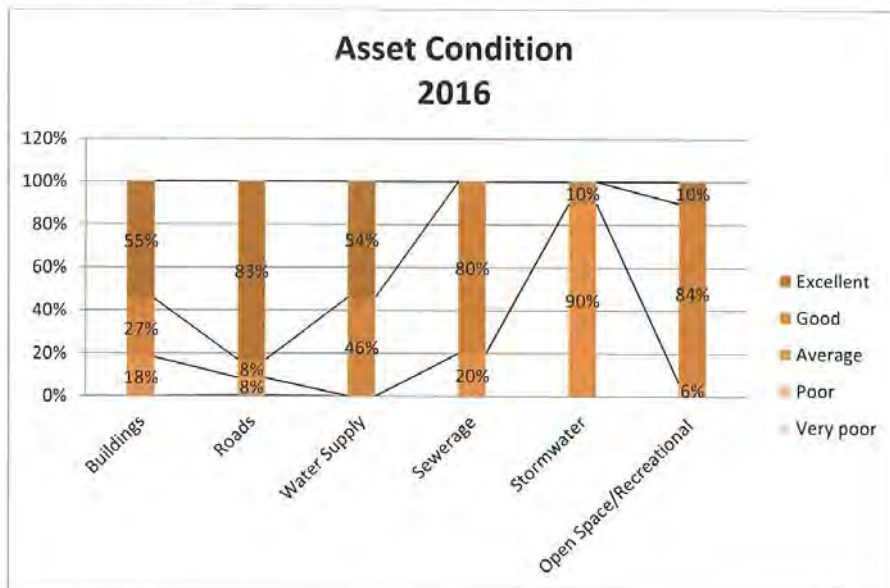


Figure 10 - Asset condition by type

Items requiring Council Resolution

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.

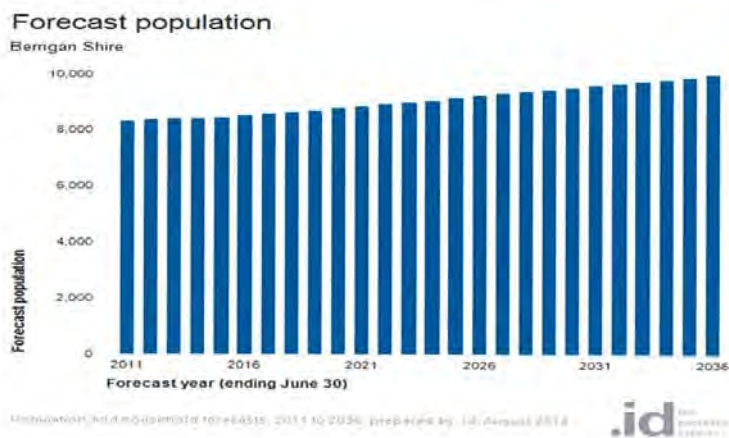


Figure 11 - Forecast population - .id

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

Items requiring Council Resolution

Forecast change in age structure - 5 year age groups

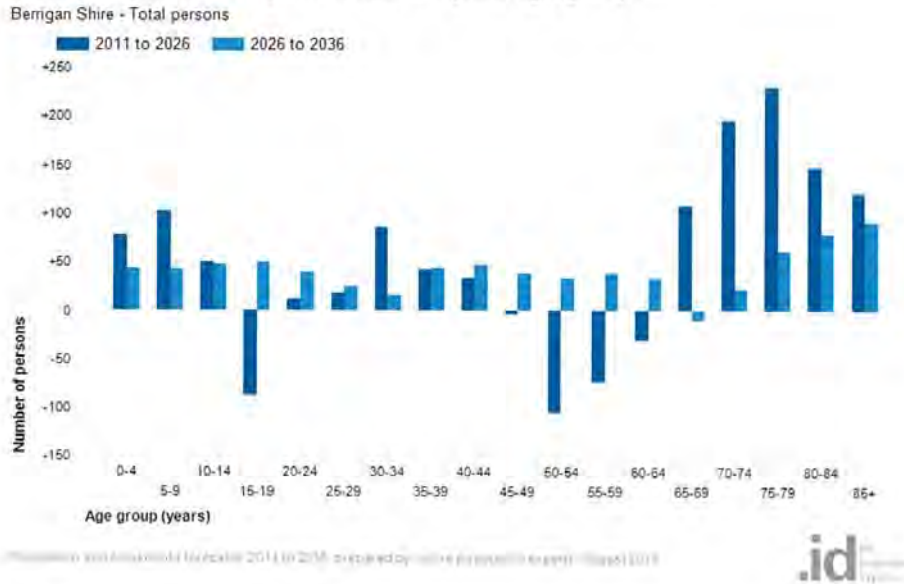


Figure 13 - Forecast age structure - .id

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.

RESOLUTION

Items requiring Council Resolution

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

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.

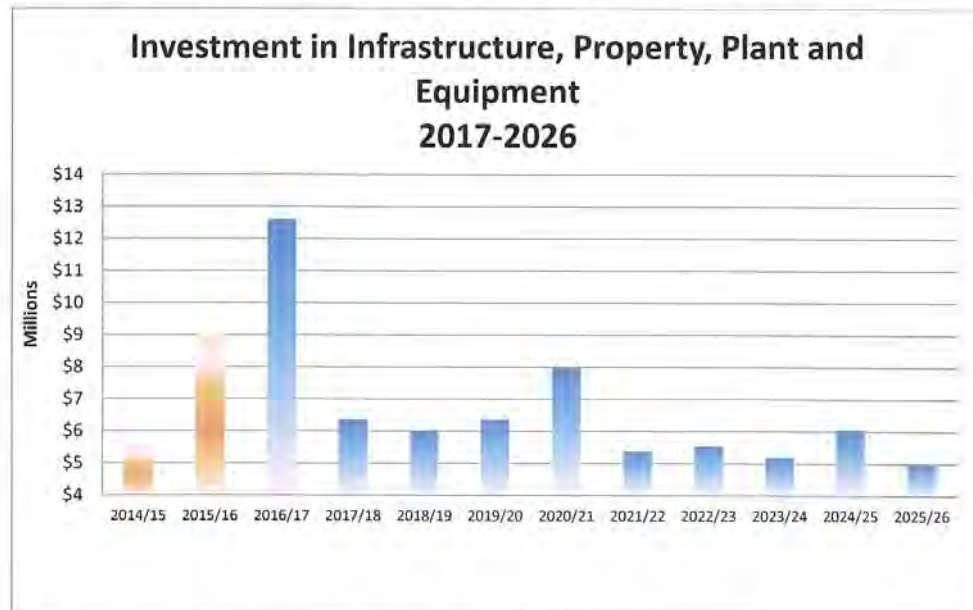
This outlook is supported by, and incorporated into, the Council's various *Asset Management Plans* and then incorporated into this strategy and the Council's Long Term Financial Plan.

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

Items requiring Council Resolution

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.

RESOLUTION

Items requiring Council Resolution

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

Items requiring Council Resolution

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>

Items requiring Council Resolution

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>

RESOLUTION

Items requiring Council Resolution

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>
2. Cost effective maintenance of infrastructure service levels	<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>

Items requiring Council Resolution

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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Items requiring Council Resolution

Financial Strategy Objectives	Actions
	will make borrowing for renewal of community infrastructure a viable option.
	<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>

Items requiring Council Resolution

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

RESOLUTION

Items requiring Council Resolution

- 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 levels	effective of service	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

Items requiring Council Resolution

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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.		

RESOLUTION

Items requiring Council Resolution

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 <u>2015/16 actual</u> 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>		

Items requiring Council Resolution

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.	Rates, annual and extra charges outstanding divided by rates, annual and extra charges, expressed as a percentage 2015/16 actual Rates, annual and extra charges outstanding = \$0.35 M Rates, annual and extra charges = \$9.7 M Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage = 3.5 %	Outstanding rates, annual and extra charges percentage to remain under 8% as at 30 June each year
	What does it mean?	This indicator identifies how well the Council collects its outstanding rates, annual and extra charges 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.		

RESOLUTION

Items requiring Council Resolution

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?	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. A measure below 100% indicates that the Council's asset base is depreciating faster than the Council is able to renew it. 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.		

Items requiring Council Resolution

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>		

RESOLUTION

Items requiring Council Resolution

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?	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 This ratio will vary, often by significant amounts, as the Council's asset replacement program is unrolled over time.		

Items requiring Council Resolution

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>		

RESOLUTION

Items requiring Council Resolution

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>		

Items requiring Council Resolution

REPORT:

The Financial Strategy was last reviewed in May 2016.

This current review is being undertaken in line with the Council's resolution at its meeting in September 2016 to review all of its strategic plans, policies and delegations. The Financial Strategy is worth reviewing early in this process as it will guide in the preparation of the Council's resourcing strategy and hence its ability to deliver on the rest of its plans, strategies and activities

The Financial Strategy is an integral 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 is broken up into several parts

1. An executive summary
2. General principles used to prepare and inform the development of the strategy
3. The Council's current financial position
4. What the Council expects the future to hold
5. A list of assumptions about the future based on the above
6. A set of principles to guide the Council when making financial decisions, and
7. Performance measures to assess the success of the strategy

Given the Financial Strategy was only reviewed in May this year, the proposed October strategy is largely built on the same framework.

There have been some minor changes reflecting:

1. The inclusion of the new Principles of Sound Financial Management recently incorporated into Section 8A of the *Local Government Act 1993*
2. All figures and charts have been updated to reflect 2015/16 results where known
3. Additional information on the past history of investment income, costs associated with community assets, and employee expenses.
4. The labelling of all charts and tables and referencing of figures sourced from outside Council.

Items requiring Council Resolution

The Financial Strategy identifies three objectives that the Council wishes to meet

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

It then identified 18 action items to assist the Council to meet these objectives.

This review adds a new action item.

Item 2.3: Regularly review the suitability and/or usage of community services and facilities and consider alternate delivery methods.

This reflects and formalises the Council's existing practice when considering its community facilities and services.

The Council has several options:

1. Adopt this Financial Strategy as written
2. Adopt this Financial Strategy with amendments
3. Request Council staff to amend this Financial Strategy and resubmit it to a future meeting.

While there is not requirement to do so at this stage, the Council could adopt this financial strategy as a draft and seek submissions from the public.

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Items requiring Council Resolution

**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**RECOMMENDATION:** - that the Council adopt the 2016/2017 Queensland Fruit Fly Action Plan as set out in the Appendix "E".

REPORT:

In 2014/2015 Berrigan Shire Council developed a Queensland Fruit Fly program in an effort to educate the community about the need to control the native pest since it had been declared endemic and had quickly become a serious threat to our horticulture industry. The program included

- 3 Community forums
- Sale of QFF male lure amulets
- Media Releases

In 2015/2016 the Berrigan Shire Council Queensland Fruit Fly program became a joint initiative with Moira Shire Council and the Cobram and District Fruit Growers Association. The joint program introduced a greater number of activities including:

- Social Media
- Town Signage
- Female bias trap sales
- 5 Community Forums
- Resident mail out of DPI QFF brochure
- YouTube Videos on backyard fruit tree and vegetable garden management.

The program success so far has been in raising awareness of the need to control QFF and awareness of the value of our local horticulture industry. Local gardeners have taken advantage of the opportunity to educate themselves on methods of QFF control in an effort to save their own gardens.

The 2016/2017 QFF program will again be a joint project between Berrigan Shire Council, Moira Shire Council and Cobram and District Fruit Growers Association. The key elements of the program will be:

- TV Advertising targeting households with neglected fruit trees.
- Industry and Retailers Forum
- Town Signage
- 2 Community Forums

Items requiring Council Resolution

- Local Newspaper advertising
- Weekly Media releases
- Council Bulletins
- Social Media
- Schools program
- Engaging the City of Greater Shepparton

The traps and amulets will not be sold through Council outlets this year as the composition of the bait has changed and license to handle the material will now be required. A female bias trap will also be available in retail outlets in November 2016.

RESOLUTION

Items requiring Council Resolution

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**RECOMMENDATION:** - that the Council fund the 2017 Barooga Classic Pairs at the requested level of \$2520 from its event fund.

REPORT:

The Barooga Classic Pairs Competition is a 4 day Bowls Tournament that has been held at the end of May for the past 4 years. In the first year of the event, 2012, the competition was held at venues in Barooga and Cobram and 112 bowlers attended. In 2013, only 64 bowlers attended as the Cobram greens were not available. In 2014, competitor numbers increased again to 112 with a move to include the Tocumwal Bowls Club greens. The 2015 event attracted 108 competitors and in 2016 112 competitors.

Under Councils' Event Funding criteria this event satisfies the following key indicators:

1. Extended length of stay (4 days)
2. Addresses a traditional low season for accommodation houses.
3. The event is designed as an attractor and is not catering to visitors already here. (Local entrant numbers are capped)
4. As a sporting event this event is relevant to the Berrigan Shire Tourism Strategy and would satisfy Tier Two.

Council granted this event \$2500 in 2015 and \$2500 in 2016 so this would be the final time that the event is eligible for funding under this program. The acquittal from the event organisers was thorough and honest, and in spite of marketing efforts competitor number remained static. Once the committee knew that competitor numbers would not increase they worked with Council to develop a competitor survey and gained a lot of useful information for use in coming years.

The Barooga Classic Pairs Committee has worked closely with Council over the past months to develop a marketing program that is directly targeting improving competitor numbers with the introduction of an incentive scheme aimed at getting returning competitors to sign up new competitors. This change in focus is the sort of capacity building that is the aim of the Event Funding Program.

Items requiring Council Resolution

The Committee successfully applied to Bowls Victoria for the event to be granted qualifying status for the State Championship which should also help to attract high calibre bowlers. The 2015 Barooga Classic Pairs was the 2016 Berrigan Shire Event of the Year as assessed by our external judge.

Impact Assessment

Berrigan Shire - Barooga Classic Pairs - Modelling the effect of \$51,200 from a Sports and Recreation Activities event with Local significance

	Output (\$)	Value-added (\$)	Wages & salaries (\$)	Employment (annual FTE)	Resident Jobs (annual FTE)
Direct impact	46,582	22,277	13,913	0.5	
Industrial impact	5,940	2,299	1,581	0.0	
Consumption impact	39,203	17,935	12,463	0.2	
Total impact on Berrigan Shire economy	91,725	42,510	27,957	0.7	0.6

Source: [National Institute of Economic and Industry Research \(NIEIR\)](#) ©2015. Compiled and presented in economy.id by [.id](#), the population experts. Note: All \$ values are expressed in 2012-13 base year dollar terms.



The Event Funding Application is attached as Appendix "F".

Items requiring Council Resolution

5.12 2015/16 ANNUAL FINANCIAL STATEMENTS**AUTHOR:** Director Corporate Services**STRATEGIC OUTCOME:** Good government**STRATEGIC OBJECTIVE:** 2.2 Ensure effective governance by Council of Council operations and reporting**FILE NO:** 12.066.1**RECOMMENDATION:** - 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).
- 5.

REPORT:

The 2015/16 Annual Statements have been prepared and audited and are now ready for adoption by the Council.

A copy of the Statements is attached as Appendix "G".

The report below has the following sections:

- A brief summary of the key results and performance measures
- Some general comments on the statements
- A run down on the statutory process required to formally adopt the financial statements
- A detailed analysis of the Financial Statements and associated notes and schedules.

The work of the Finance Manager and her team to prepare these statements should also be acknowledged.

Summary of Results

The table below is a brief summary of the key results for the 2015/16 financial statements.

The results demonstrate a very healthy underlying result.

Items requiring Council Resolution

<u>Overall performance</u>	<u>2015/16</u>	<u>2014/15</u>
Operating surplus	\$5.9m	\$2.5m
Operating deficit before capital grants and contributions	\$3.3m	\$1.5m
<u>Revenue and expenses</u>		
Total revenue	\$23.9m	\$20.5m
Total expenses	\$18.0m	\$18.0m
<u>Cash and investments</u>		
Cash and cash equivalents	\$4.1m	\$4.7m
Investments	\$19.6m	\$16.6m
<u>Balance Sheet</u>		
Total assets	\$241.2	\$238.3m
Total liabilities	\$5.5m	\$6.1m
Total equity	\$235.7m	\$232.2m
New assets 2015/16	\$9.1m	
(Including):		
<u>Water and Sewer funds</u>		
Total assets	\$54.7m	\$54.0m
Total liabilities	\$0.1m	\$0.2m
Total equity	\$54.6m	\$53.8m

Performance measures

Some of the performance measures included in the "Fit for the Future" guidelines and other Office of Local Government documents are shown below. Again, note that the impact of the cessation of advance payments of FAG has had an impact on some of these measures, including the Operating Performance Ratio.

Items requiring Council Resolution

<u>Industry Indicators</u>	<u>Benchmark</u>	<u>2015/16</u>	<u>2014/15</u>
Operating Performance Ratio	Between (3%) and 10%	14.68%	7.10%
Own Source Operating Revenue Ratio	Greater than 60%	55.34%	61.23%
Unrestricted Current Ratio	Greater than 1.50:1	7.05:1	4.19:1
Debt Service Cover Ratio	Greater than 2.00:1	25.63:1	31.31:1
Rates Outstanding Percentage	Less than 10.00%	3.53%	4.44%
Cash Expense Cover Ratio	Greater than 3.00 months	19.97 months	19.88 months

<u>Infrastructure Asset Performance Indicators</u>	<u>Benchmark</u>	<u>2015/16</u>	<u>2014/15</u>
Building and Infrastructure Renewals Ratio	Greater than 100%	140.51%	109.17%
Building and Infrastructure Renewals Ratio (General Fund)	Greater than 100%	178.79%	127.8%
Infrastructure Backlog Ratio	Less than 2%	0.00%	0.00%
Asset Maintenance Ratio	1.00	1.05	1.00
Capital Expenditure Ratio	1x	1.56	0.92
Capital Expenditure Ratio (General Fund)	1x	1.88	1.12

General comments

Overall, the Council retains a strong cash position in all three operating funds.

The Council's balance sheet remains strong with adequate provisions and correct asset values. The Council's operating position and cash flow performance is quite strong and improving, especially given the pause in FAG indexation.

The 2016/17 year will see significant challenges before the Council. .

Items requiring Council Resolution

Continued careful monitoring of the Council's financial position is required to ensure this Council is sustainable and able to deliver for its community, today and into the future.

Statutory Process

The Council is now required to do the following:

1. Complete the statutory process for adoption and completion.
2. Assure itself that the Statements have been prepared in accordance with the appropriate standards (prior to adoption) and formally refer the Statements to the Council's Auditors for the Audit Report.

The audit was performed from Thursday 15 September to Friday 16 September 2016. Issues which arose from the audit have been addressed by staff to the satisfaction of the Auditors.

After satisfying itself with the accuracy and correct preparation of the Statements, the Council is required to do the following:

1. Adopt the statements and report on the conduct of the Audit.
2. Advertise the Statements for public submissions for a period of 7 days after receiving the Auditors report. An advertisement can be placed in the local papers (SRN and Cobram Courier) on Wednesday 19 October 2016 which would give the public until Friday 6 November to make submissions. The Statements could then be formally adopted at the ordinary meeting on Wednesday 16 November.
3. Make the Statements available to various authorities including the NSW Office of Local Government.

If Council does not adopt the Statements in time for advertisement on 19 October, the timetable for the rest of the process may need to be amended.

Preparation of the Statements

The Statements are required to and have been drawn up in accordance with:

- The *Local Government Act* 1993 and the Local Government Regulations.
- Australian Accounting Standards.
- The Local Government Code of Accounting Practice and the Local Government Asset Accounting Manual.

The Statements are also in accordance with the Council's accounting records for the year ended 30 June 2016.

The Council is required to prepare five primary reports which form the cornerstone of the financial statements, they are:

Items requiring Council Resolution

- An Income Statement
- A Statement of Comprehensive Income
- A Statement of Financial Position (Balance Sheet)
- A Statement of Changes in Equity
- A Statement of Cashflows

In addition to these statements are Notes 1 to 27, the Special Purpose Financial Reports and Special Schedules 1 to 8.

The Statements and corresponding notes which form the Council's accounts along with the Special Purpose Financial reports are audited. The Special Schedules are considered supplementary to the accounts and therefore are not audited. They are prepared for the benefit of other authorities such as the Office of Local Government, Grants Commission, the Department of Lands, the Australian Bureau of Statistics and other Councils.

The following commentary on the Annual Accounts and Special Purpose Financial Accounts is provided for the Council's information. **Please note that all figures are in \$000's unless otherwise noted.**

Income Statement

The Income Statement shows the surplus or deficit from ordinary activities before capital amounts and therefore gives an indication of the Council's performance in providing services that are funded from periodic operating income. These results generally exclude capital injections of funds which pay for capital works; the corresponding expenditure for these items appears in the Balance Sheet in the form of an asset.

The surplus from ordinary activities line shows how much the Council's wealth has increased or decreased over the year as a result of its activities. It is important to note that the Council is required by the NSW Local Government Code of Accounting Practice to recognise grants and contributions in its Income Statement even if the corresponding expenditure has not been incurred in that period.

The Council should note that the Council's result from ordinary activities result has improves from a \$2,490 operating surplus in 2014/15 to a **\$5,882 operating surplus** in 2015/16. On the face of it, this would appear to be a very large shift but it is important to note the impact of some large capital grants on this result.

Some of the more material changes are listed below (in 000s):

1. An increase in Rates and Annual Charges of \$375
2. An increase in User Charges and Fees of \$153
3. An increase in Operating Grants of \$1,104
4. An increase in Capital Grants of \$1,598

Items requiring Council Resolution

5. A decrease in Employee Benefits and On-Costs of \$107
6. An increase in Materials and Contracts of \$171

Discussion on each of these items follows in this report.

The result before capital grants and contributions also shows an underlying improvement, moving from a \$1,502 surplus in 2014/15 to a \$3,296 surplus in 2015/16.

Capital grants and contributions include grants such as the RMS REPAIR program, and developer contributions to infrastructure, either in cash or as contributed assets.

This improvement in the Council's financial performance is very welcome but it is not as dramatic an improvement as it may seem on first glance. Major drivers of the improvement are the receipt of two large grants; a Fixing Country Roads grant for works on Silo Road and a large increase in Roads to Recovery grants

The underlying financial position of the Council remains stable – i.e. the Council is making moderate surplus and has cash flows sufficient for the Council to meet its obligations and deliver on its strategic plans.

Detailed discussion of the one-off items will follow in this report.

Statement of Comprehensive Income

The Statement of Comprehensive Income links the Council's operating result in its Income Statement to the Council's Statement of Financial Position, specifically the increase in Council Equity (i.e. the Council's assets less its debt).

In 2015/6, the Statement reflects the Council's operating surplus of \$5,882 and a loss on revaluation of \$1,625 and a reversal of an impairment of \$410 making a total increase in Council equity for the year of \$4,667.

The loss on revaluation of assets shown in this will be discussed later in this report.

Statement of Financial Position (Balance Sheet)

The Balance Sheet is presented so as to reveal the following aspects of the Council's financial situation:

1. Information about the financial structure of the Council, its obligations, its equity and the types of resources available to it.
2. Information about the capacity of the Council to adapt to changes in its operating environment.

Items requiring Council Resolution

3. Information about the short and long term solvency of the Council by classifying its assets and liabilities into current and non-current.

The Balance Sheet recognises the basic accounting equation of Assets minus Liabilities equals Equity. The equity of Berrigan Shire comprises the accumulated surpluses from previous years.

In Berrigan Shire's case the Balance Sheet shows an increase in equity from \$231,081 to \$235,748. As discussed above this reflects the Council's operating surplus of \$5,882 shown in the Income Statement, the reversal of the 2014/15 impairment loss of \$410 direct to equity relating to the Finley War Memorial Hall and the \$1,625 decrease in valuation of the Council's infrastructure, property, plant and equipment assets and other adjustments.

Current Assets – the Council's cash and other assets likely to be realised over the next twelve months – have increased by \$2,178 over the financial year. This is largely due to funds being retained for large capital works programs across the water, sewer and general funds.

Non-current Assets have increased by \$4,019. This is largely the net result of the addition of new assets less the depreciation of existing assets.

Current liabilities – the Council's debts likely to be redeemed over the next year – have declined by \$428. This reflects the Council reaching the end of one of its long term loan obligations – the loan for the construction of the water reservoir in Finley. There has also been a decline in the Council's payables – i.e. amounts to be paid for salaries and GST at 30 June – while provisions – mainly employee leave entitlements – have increased.

Non-current liabilities have decreased by \$220 as the Council continues to pay down debt.

Statement of Changes in Equity

The Statement of Changes in Equity shows how the total changes in Equity have been derived. There were four changes in equity in 2015/16. There was an increase of \$5,882 flowing from the Income Statement, a recognition of a prior period error in the 2014/15 financial statements of \$(1,144), a decrease in the Asset revaluation reserve of \$(1,625) and an impairment reversal of \$410.

The increase in equity from the Income Statement has been discussed above and the increase from the revaluation of the Council's assets will be discussed in detail below. The two items of interest here are the impairment reversal of \$410 and the prior period error of (1,144).

Firstly, the impairment reversal: Impairment is an accounting concept – set out in AASB 136 – *Impairment of Assets*. The intent of the concept of impairment is to ensure that **assets are carried in the financial statements at no more**

Items requiring Council Resolution

than their recoverable amount. The recoverable amount could be recovered via the sale of the asset – or, as in most cases with the Council, the future use of the asset over time. The Council is required by AASB 136 to review all of its assets for impairment annually.

In the case of the Finley War Memorial Hall, it was carried in the Council's financial statements in 2013/14 at a "written down value" of \$410; its replacement cost less the accumulated depreciation. When reviewing this asset for impairment, the Council was required to consider if it was likely to recover this value from the asset in use over time – i.e. did it think the hall was worth \$410 to the community. Given at the time of preparing the 2014/15 financial statements, the Council was putting forward its position that the Finley War Memorial Hall was unsuitable for future use – it felt it could not simultaneously value the hall at \$410.

Therefore, a decision was made at the time to impair the asset. This decision to impair the asset was not made on the basis of the condition of the building or on a fixed plan to demolish the building – it was made on the Council's opinion on the value in use of the hall going forward.

This was a conservative accounting treatment for such a case and the one that was most transparent to readers of the financial statements. Theoretically, the Council could have left this carrying amount in the financial statements but it then could have been justifiably asked why it did not disclose its view about the value of the hall in its Financial Statements.

Normally impairment losses are required to be reported in the Income Statement. In this case, the hall was built in 1957 and revalued to its current value at a much later date. This revaluation was recognised in the Asset Revaluation Reserve. As a result, the impairment loss was permitted to be made directly against the Asset Revaluation Reserve rather than through the Income Statement.

In the 2015/16 financial year, the Council made a clear decision that it would retain the Finley War Memorial Hall. This necessarily implies that the Council considers the hall has some value in use. As a result, the impairment has been reversed in these financial statements.

It is important to note that the accounting treatment of the Finley War Memorial Hall flows from the Council's position on the retention of the hall – i.e. the decision to impair the hall was made **following** the Council taking a position that it did not see the hall has value in use and the reversal **follows** the Council's reconsideration of that position.

Secondly, the prior period error: Where the Council determines that a material error exists in a set of previously issued financial statements, it is required to correct those errors in its comparative figures per *AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors*. This is so users of the

Items requiring Council Resolution

financial statements are given an accurate and transparent view of the state of the Council's financial statements.

To meet this requirement, the Council is required to restate its 2014/15 comparatives in these financial statements to show what the position would have been if the prior period error had not existed.

In this case, the error relates to the Council including in its financial statements the value of some of the Crown land for which it is trustee, as opposed to owning outright. The initial error occurred in 2006.

The Council has four main methods of controlling land that it uses:

1. Owned directly and classified as "operational land" – i.e. land such as water and sewer treatment land, the administration office and the depots.
2. Owned directly and classified as "community land" – i.e. many parks, especially those in newer subdivisions.
3. Leased by the Council – the Council will enter into leases for the use of land as required.
4. The Council is trustee for land owned by someone else, usually the Crown (i.e. the people of NSW as a collective).

The Council must include in its financial statements the value of land it controls; this would include the market value of operational land that it can buy and sell as it chooses and the market value of any leases it may hold. The Council should also include the value of any community land it holds. This is a little more difficult as this land often does not have a market value per se and the Council is limited in its ability to dispose of the land as it is held for community use.

With Crown land, the Council is only a trustee – it has control over the activities occurring on the land and it owns the assets built on the land but it has no control over the disposal of the land – i.e. it cannot sell the land. Therefore, the Council's accounting policy is not to include the value of this land in its financial statements.

When the Council brought to account the land it controls as "community land" in 2005/06, it included some (not all) of the Crown land for which the Council is only a trustee. This error came to the attention of Council staff this year when reviewing the value of its community land in line with the Office of Local Government valuation schedule.

This error was brought to the attention of the Council's auditors, corrected and is disclosed in these statements as a prior period error.

While the error is regrettable and should have been corrected much sooner, the error has little or no significance overall on the Council's financial position. This is because:

Items requiring Council Resolution

1. The land was never actually purchased in the first place, it was brought to account in 2005/6 via the Asset Revaluation Reserve. Therefore there is no impact on the Council's cash flow or operating surplus.
2. The impact of a \$1.1m reduction in the Council's overall assets needs to be considered in the light of the Council's overall net assets of \$235m.
3. The Council has not actually lost control of any assets it holds. The Council is still the trustee of the land in question and the land is still available for the Council to deliver community services such as recreation reserves and pools.

The recognition of assets under Australian Accounting Standards and the Council's own accounting policies can be complex. In a very real sense, recognition and valuation of the Council's assets, other than the cash it holds, rely on the judgement of professionals.

Cash Flow Statement

The Cash Flow Statement communicates information about the change in an organisation's liquidity and solvency during the year. It requires the grouping of cash receipts and cash payments into the following three classifications. They are:

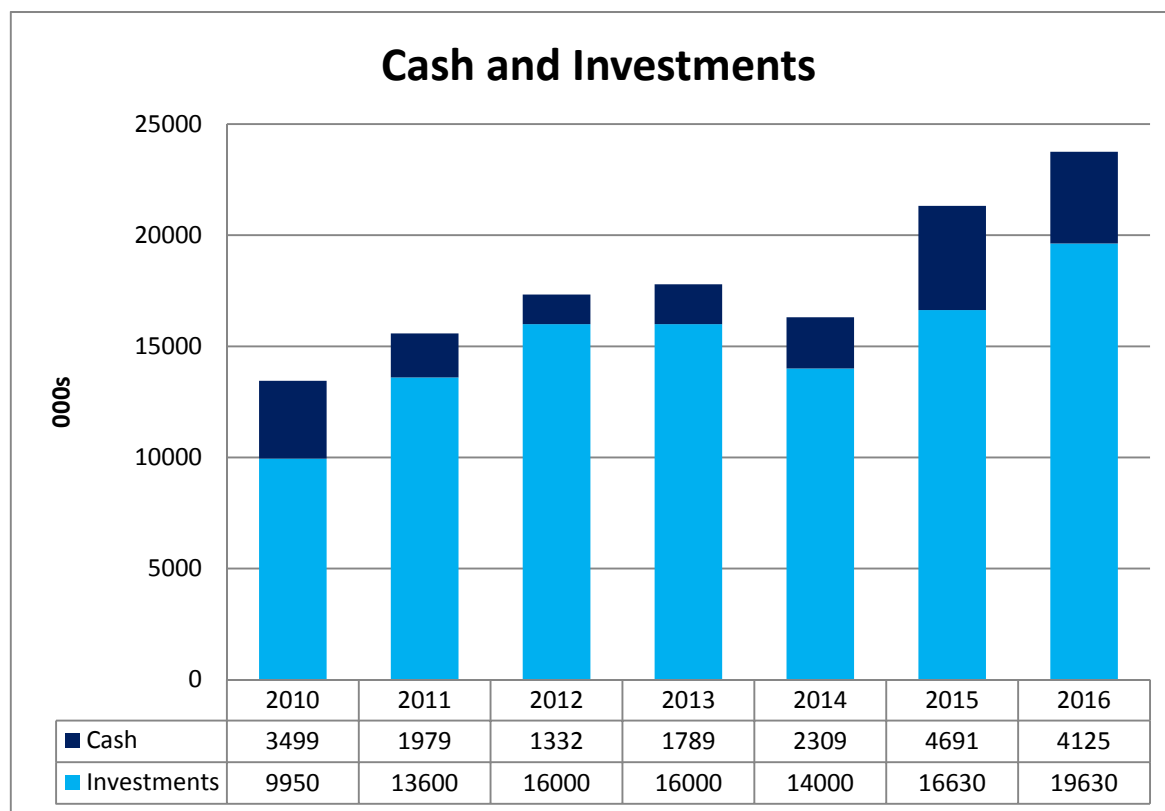
- **Operating Activities:** These involve providing goods and services and include all transactions and other events that are not financing or investing activities.
- **Investing Activities:** These involve activities relating to the acquisition and disposal of non-current assets, including property, plant and equipment and other productive assets and investments.
- **Financial Activities:** Involves those activities which relate to changing the financial structure of the entity.

The Cash Flow Statement does not take into account non-cash items such as depreciation and accrued expenses and revenue. It is important because it shows the amount of cash created by Council's activities which governs the Council's ability to spend.

Overall the Council's cash and investments increased by \$2,434 during the year. This has several causes:

1. Increase overall funds received from receipts
2. Decrease in cash payments of expenditure

Items requiring Council Resolution



Notes 1 to 27 provide detail to the abovementioned statements.

Note 1 sets out the Council's accounting policies used to draft these set of statements including its policies on recognising and valuing assets, liabilities, income and expenses. The policies set down in this note have a considerable impact on the figures shown in the statements.

Note 2 shows the financial statements split by function (i.e. Governance, Administration, Water, Sewer etc.). One item worth noting in this report is how much of the Council's overall expenditure and asset base relates to the operation and maintenance of infrastructure such as roads, water, sewer and community amenities.

Note 2b provides some explanation of what activities are included in the various functions

Notes 3 to 5 provide more detail on the Income Statement.

Note 3 details the Council's revenue. Revenue is broken down into several components.

- The Council's rate and charges revenue increased by \$375 (4.2%) in 2015/16. This has two main drivers:
 - The 2.4% permissible increase in general rates and the decision by the Council to increase some of its other service charges (Water, Waste and Stormwater) by between 2% to 3%.

Items requiring Council Resolution

- Some growth in the number of rateable assessments
- User charges and fees increased by \$153 (6.9%) in 2015/16. This increase is largely due to increased revenue from water consumption charges, non-domestic waste management, construction charges and private works.
- Interest and Investment Revenue increased by \$56 (8.4%). This is the first year since 2011/12 that Investment revenue has increased although they are still significantly below the 2011/12 high. Interest rates were mainly steady (at a low base) but the Council's cash and investments increased throughout the year.
- Other Revenue has increased by \$87. After a surprising decline in 2014/15, revenues from sale of gravel from the quarry recovered to normal levels.
- Operating grants received by the Council increased by \$1,104. The only significant driver for this result is the additional \$1,149 in *Roads to Recovery* funds received in 2015/16. Council's Financial Assistance Grant actually declined by \$23 this financial year.
- Capital Grants tend to vary widely from year to year depending on the current projects being undertaken by the Council. In 2015/16 the amount of Capital Grants and Contributions received by the Council totalled \$2,586 of which 1,747 related to the *Fixing Country Roads* funds provided for the upgrade of Silo Road.
- Contributions to s64 and s94 plans remain at low levels while the Council received \$27 in contributed assets (physical assets such as roads, footpaths etc. handed to the Council by developers). This relates to the Whitney St development in Berrigan.
- The value of restricted grants and contributions (i.e. those grants and contributions that the Council has an obligation to spend in specified manner) has declined significantly in 2015/16 as the Council has transferred some of the developer contributions set aside for water to the water reserve.

Note 4 details the Council's expenses. Expenses are broken down into several components.

- Employee costs expensed have declined by \$107 (1.46%). However it is important to note that total employee costs actually increased during the year. This seemingly anomalous result has come about as the Council has undertaken a large capital works program in 2015/16 and the employee costs implicit in that program have been capitalised.

Items requiring Council Resolution

With weather conditions this year expected to see the balance tilt back towards a larger maintenance program, employee expenses will need to be carefully watched in 2016/17.

Most other items in this area were steady or declined. The changes to the Fringe Benefits Tax however have started to bite with FBT expense increasing by \$27.

- Materials and Contracts expenses increased by \$1,693 (5.9%). This figure can move sharply however depending on the mix of maintenance and capital works projects in any given year.
- Depreciation was basically static, increasing by only 0.3% over the past year.
- Other expenses cover a wide range of areas. Some of the key figures are shown below.

Other Expenses	2015/16	2014/15	% Change
Tourism and area promotion	\$20	\$80	75% down
Public halls	\$25	\$22	14% up
NSW Rural Fire Service	\$135	\$80	69% up
Electricity and heating	\$361	\$349	3.4% up
Insurance	\$367	\$326	13% up
Street lighting	\$133	\$186	28% down

Councillors expenses have increased by \$3 and allowances paid to Councillors increased by \$3.

Note 5 shows the gains and losses made by the Council from the disposal of assets.

The result shows a \$49 gain on Disposal of Plant and Equipment from the sale or trade-in of Council plant made in the normal course of business. The Council made a \$140 gain on the sale of real estate at the Tocumwal Aerodrome and Finley St subdivisions, land on Peppertree Road and a block on Ingo Renner Drive.

Notes 6 to 10 provide additional detail on the amounts shown in the Balance Sheet

Note 6a, 6b and 6c provide more detail on the Council's Cash and Investments. As mentioned above, the Council's total cash and investments have increased from \$21,231 to \$23,755 in 2015/16.

All Cash and Cash equivalents are held as "At fair value through profit and loss" and all Investments are "Held to Maturity". Given the Council's

Items requiring Council Resolution

investment portfolio, which consisted of term deposits, there is little difference between the two.

External restrictions are those imposed on the Council by legislation relating to separate funds such as water, sewer and domestic waste as well as grants and contributions that come with conditions that the funds be spent on specific projects.

Internal restrictions are restrictions on funds which the Council places voluntarily on itself such as employee leave entitlements, the plant replacement reserves and the capital works reserve. New internal reserves have been created for risk management and Information Technology from funds carried forward for some time.

The amount of unrestricted funds has decreased by \$495 to \$5,211. Note that much of this unrestricted cash has already been allocated to carried forward jobs or is required for working capital. The table below provides some further detail about the Council's unrestricted cash.

<u>UNRESTRICTED CASH ANALYSIS</u>	
	<u>\$000's</u>
Reserve funds as at 30-6-16	18,508
Unexpended grants as at 30-6-16	36
Total Reserve Balances as at 30-6-16	18,544
Cash and investments 30-6-16	<u>23,755</u>
Unrestricted cash as at 30-6-16	5,211
Unrestricted cash as at 30-6-16	5,211
Unspent works carried forward from 15/16	3,142
Less unexpended grants restricted	<u>36</u>
Net unspent works carried forward	<u>3,178</u>
Balance of uncommitted cash at 30-6-16	2,033

Note this "uncommitted" cash is generally committed in the 2016/17 budget or required as working capital. This cash is not available for new projects or activities.

Note 7 provides additional detail on the Council's receivables; i.e. the amounts that are owed to the Council. Net receivables have decreased by \$249 (16%).

- Outstanding rates and charges have decreased by \$74 (18%). This is the third year-on-year decline in outstanding rates and charges and this

Items requiring Council Resolution

result reflects well on the approach taken by Council staff to address this issue. The Council's performance in collecting outstanding rates and charges is very respectable when matched against its peers.

- Outstanding User Charges and Fees declined by \$346 in 2014/15. This decline is largely related to large invoices generated in June 2015 for RMS contributions and the RFS reimbursement.

Note 8 details inventories of stock and materials and developed real estate owned by the Council as well as any prepayment of expenses such as insurance or software support.

The only significant change from 2014/15 is the reduction in the developed land in Council's real estate inventory as land has been sold over the year.

Note 9a and 9b provides details on the movements in value of the Council's Infrastructure Property Plant and Equipment (IPPE) assets. These represent the overwhelming balance of the Council's assets. The carrying value of the Council's IPPE assets increased from \$213,787 to \$215,802 at the end of 2015/16.

The left hand columns in Note 9a shows the situation at the commencement of the 2015/16 year, the middle columns show the changes to asset values throughout the course of the year and the rightmost columns show the situation at the end of the financial year. Items worth noting include:

- The Council added a total of \$9,067 in assets in 2015/16 - \$6,215 (purchased/construction) and \$2,852 in Work in Progress (construction). Of this \$7,338 related to renewals of infrastructure, \$1,448 to new infrastructure and the remaining \$281 of non-infrastructure additions.
- This is offset by the Council recognising depreciation to the value of \$5,758 as discussed earlier.
- The reversal of the impairment of the Finley War Memorial Hall is shown here
- The net revaluation decrements to equity of \$1,625 are also shown in this table.

The last item above requires more explanation. While the Council is required to revalue all its infrastructure assets on a five-year rolling cycle, it is required to assess at each reporting date the fair value of all of its assets every year and determine if that value differed materially.

Under AASB 13, assets are required to be valued at their "fair value"; in the case of assets such as roads and bridges the Office of Local Government has determined this value can be approximated by "depreciated replacement cost".

Items requiring Council Resolution

The 2015/16 Office of Local Government Code of Financial Practice and Reporting defines “depreciated replacement cost” as such:

Depreciated replacement cost “is the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset”.

The current replacement cost is the lowest cost of replacing the economic benefits of the existing asset and should be assessed on the basis of design and construction using modern technology. This is also referred to as the Modern Engineering Equivalent Replacement Asset or MEERA approach.

The Director Technical Services determined that there were material changes in the values of some of the Council’s infrastructure asset classes. In water and sewer, this generally related to the extension of useful lives of asset classes via the relining of existing pipes. For roads, drainage and associated infrastructure, this generally relates to a reduction in unit rates.

The unit rates have been adjusted to better fit with industry standard rates and the Council’s own observed costs of construction. Under the “depreciated replacement cost” valuation method, a decrease in current construction costs will decrease the value not only of infrastructure to be constructed in the future but also those constructed in the past – i.e. the cost to replace with a modern equivalent.

Note 9b provides some additional information on those IPP&E assets owned by the Council that are externally restricted.

Note 10a and 10b provide additional information on the Council’s payables, borrowings and provisions; i.e. the amounts that the Council owes others or is otherwise committed to pay in the future.

- Payables have declined slightly, mainly as a result of lower accruals of salaries and wages and goods and services – mainly a timing issue.
- Borrowings have declined over 2015/16 as the Council continues to pay down debt.
- 2015/16 has seen the Council’s Provision for Employee Benefits increase by \$129

The table below provides some history on the level of the provision

Financial year	Provision for Employee Leave (000s)	% increase
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Items requiring Council Resolution

2010/11	\$2,090	0.48%
2011/12	\$2,032	-2.78%
2013/14	\$2,182	5.31%
2014/15	\$2,584	14.39%
2015/16	\$2,713	5%

As previously reported to the Council, the continued increase in the Council's outstanding leave balances is a significant issue and one that is becoming critical. More needs to be done to bring this figure down. This is a difficult process, however.

- Under the Local Government Award as it exists, the Council cannot pay out accrued Leave to employees as a lump sum, even if the employee is willing. This can only be waived in cases of hardship. There is some scope in new legislation to pay additional amounts to staff members to take leave – i.e. 6 weeks' pay for 3 weeks leave.
- Voluntary programs to encourage employees to take leave have not been successful. As the Council workforce continues to age, employees start to consider leave entitlements as part of their retirement savings. While this is not the purpose of leave entitlements, it is difficult to change the cultural mindset of these staff.
- Compulsory programs to force employees to take leave have several problems. Firstly, they alienate employees and secondly, those members of staff with large leave entitlements often tend to be key employees, and therefore difficult and costly to replace.

These problems do not mean the Council should not attempt to reduce entitlements owed but it should be aware there is no 'quick fix'.

Note 10a (ii) demonstrates that while the Council is required to show nearly all leave entitlements owing as "current", i.e. likely to be due and payable in the next 12 months, in reality the Council does not expect a substantial proportion of these entitlements to be actually taken in 2016/17.

- The Provision for Asset Remediation/Restoration covers the likely cost to the Council to remediate certain areas such as quarries and landfills when they reach the end of their useful lives. The Council is required to show this as a liability as well as incorporate this cost in the cost of the asset.

Items requiring Council Resolution

Note 11 reconciles the Council's operating result to the cash provided by the Council's net operating activities. These can differ due to items such as depreciation, asset write-offs, contributed assets and changes in amounts owed to creditors and owed by debtors and in inventory levels.

Note 12 to 27 provide additional information over and above the information provided in the statements.

Note 12 details the Council's future expenditure commitments not shown in the balance sheet such as commitments on long term contracts such as domestic waste collection. These commitments have increased somewhat as the Council prepares to undertake some larger scale infrastructure projects.

Note 13 sets out some relevant ratios and performance benchmarks.

The Operating Performance ratio shows an improvement from 7.10% to 14.68% for the reasons discussed earlier

The Council's Unrestricted Current ratio has improved, from 4.19:1 in 2014 to 7.05:1 in 2015. This largely reflects the increased cash and investments held by the Council and the continued paying down of debt.

The Own Source Operating Revenue Ratio has declined significantly from 61.23% in 2014/5 to 55.34% this year. This decline is a factor of the Council's success in getting external funding for the improvements to Silo Road and the increase in Roads to Recovery funding. Overall, this means that the Council was able to raise 55.34% of its own revenue with the balance coming from grants from the other levels of government.

The Debt Service Cover ratio, which is a measure of the Council's long term ability to meet debt repayments, has declined slightly as the Council has its first full financial year of the Local Infrastructure Renewal Scheme (LIRS) debt. This ratio still demonstrates that the Council is able to comfortably meet its loan obligations and will improve rapidly over the next few years as debt is paid down.

The Rates and Annual Charges ratio has improved from 4.44% to 3.53%. The underlying causes behind this improvement have been discussed earlier.

The Cash Expense Cover ratio is unchanged from 2014/15

Note 14 relating to Investment property has been left blank as the Council holds no property for investment purposes.

Note 15 provides further information on the Council's exposure to financial risks. The Council holds the vast majority of its cash and investments in Term Deposits and at-call accounts while its only borrowing is a standard loan with a fixed interest rate for the term of the loan. As a result, the risk of default or interest rate movement to the Council is very slight.

Items requiring Council Resolution

Note 16 provides an explanation of significant variances from the Council's budget in the Income Statement and Statement of Cash Flows.

Note 17 reconciles the Council's developer contributions. Note that Drainage developer contributions are used to partly repay the internal loan used to fund the stormwater drainage works.

Note 18 provides further information on other potential liabilities and assets that do not meet the threshold for inclusion in the financial statements or are otherwise difficult to value but are worthy of being disclosed. While the Council has some industry-wide contingent liabilities for items such as Defined Benefit Superannuation plans and Statewide and StateCover Mutual, there are no contingent liabilities specific to the operations of this Council.

Council has not recognised land under roads acquired before 30 June 2008.

Note 19 relating to Controlled Entities, Associated Entities and Interests in Joint Ventures has been left blank as the Council has no interest in any entity of this nature.

Note 20 provides further information on the Council's equity, including retained earnings and reserves.

Note 21 provides details on the Council's Financial Result and Financial Position by fund. This note duplicates much of the information shown in the Special Purpose Financial Statements and Special Schedules.

The sewer fund has an operating surplus of \$262; the third consecutive surplus after many years of deficit.

The Water fund's operating result declined slightly, returning a surplus of \$762.

Note 22 sets out the details of those assets the Council has classified as "held for sale". The Council no longer classifies current land assets as "held for sale". They are now in Note 8 Inventory – Land inventory.

Note 23 details any post-balance date events. The Council is unaware of any material or significant "non adjusting events" that should be disclosed.

Note 24 relates to discontinued operations. The Council has not classified any of its operations as discontinued.

Note 25 relates to Intangible Assets; the Council has not recognised any intangible assets.

Note 26 sets out the Council's liability for the restoration, rehabilitation and remediation of its waste management and gravel pit sites. This is required to

Items requiring Council Resolution

be done on a **net present value** basis; i.e. the future expected costs are discounted to 2016 dollar amounts.

The provision at 30 June 2016 has increased from 2015. This relates to an increase of \$48 relating to a change in the discount rates used in the calculation and an increase of \$10 relating to amortisation of the discount used, which is treated as a borrowing cost.

The Council recognises obligations to restore the following operations:

Asset/Operation	Estimated year of restoration	Net Present Value of provision (000s)
Finley Recycle Centre	2059	\$14
Tocumwal Inert Hard Waste Depot	2017	\$37
Berrigan Landfill	2059	\$173
Pine Lodge Gravel Pit	2038	\$61
TOTAL		\$282

Note 27 provides information on the Fair Value measurement of Council's assets and liabilities.

The format and content of this note may change over time as the industry comes to grips with the best method to provide the required information in the most efficient manner.

The note itself is quite arcane but the large revaluations of roads and drainage assets can be traced through this Note in Item 27(4)

Special Purpose Financial Reports - The Special Purpose Financial reports have been prepared to report the results of Business Units determined by the Council in accordance with the requirements of the National Competition Policy (NCP) guidelines. The Council has identified two category 2 type business units being the Water Supply Service and the Sewerage Service.

A category 2 type business is one that is defined as having annual operating revenue of less than \$2 million. This year the Water Supply Service had operating revenue of \$3.5 million and the Sewer service had operating revenue of \$2.1 million, both exceeding the \$2 million ceiling.

The Special Purpose Financial Reports comprise a balance sheet and operating statement along with associated notes to the accounts for each deemed business.

NCP imputation payments are added to total expenses in the operating statement for each business to accurately reflect the amount of expenditure

Items requiring Council Resolution

each business would incur if they were not owned by the Shire. Items such as land tax and Council rates are calculated and included as NCP imputation payments which are then shown as expenditure against the business.

It is important to recognise that the businesses do not actually pay these NCP imputation charges. They are merely added to the total expenses to reflect what the business would have paid if they were not Council owned.

Special Schedules - These schedules contain the Council's financial data presented on a fund basis. They are unaudited but are used by other authorities and are also used as work sheets in preparing the annual statements.

- **Special Schedule 1** is a statement of the net cost of services provided by the Council
- **Special Schedule 2** is a statement of long term debt
- **Special Schedules 3 – 6** are restatements of the Water and Sewer Financial Statements already shown in Note 21 of the General Purpose statements and again in the Special Purpose Statements. However these statements are grossed up for internal transactions which are netted out in the consolidated statements.
- **Special Schedule 7** is a report on infrastructure assets. This includes condition assessments, estimates of infrastructure backlog and data on infrastructure renewal and maintenance.

Information from this Schedule will be used as part of the "Fit for the Future" self-assessment. It will be audited from 2016/17 onward.

- **Special Schedule 8** is a statement of Permissible Income – the amount that Council is permitted to raise from ordinary rates. Unlike the rest of the financial statements, this statement is for the 2016/17 (i.e. this) financial year.

Satisfaction and adoption

Prior to adoption of the Statements and referral to formal audit, the Councils should satisfy itself that the statements have been prepared in line with statutory and other requirements to present a true and fair view of the Council's financial position and financial performance.

To aid the Council in this task, a copy of the Representation Letter to the Council's auditors prepared by the General Manager and Responsible Accounting Officer (Finance Manager) is attached as Appendix "H".

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This letter, while prepared for the auditors rather than the Council, should be suitable for use by the Council for the purpose identified above.

The Council can, of course, take the opportunity to ask further questions to satisfy themselves in this matter.

Having satisfied itself the Council is then required to:

1. Send a copy of the Statements to its Auditor.
2. As soon as possible after adoption of the reports and receipt of the Auditors Report, the Council must:
 - a) Make available a copy of the Statements and Reports to the Chief Executive of the Office of Local Government and the Australian Bureau of Statistics.
 - b) Fix a date for a meeting at which it proposed to present its financial Statements and Auditor's Reports to the public.
 - c) Give Public Notice of the date so fixed (which must be more than two weeks after notice is given but not more than one month after the Auditor's reports are received).

Items requiring Council Resolution

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

RECOMMENDATION: - 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.

REPORT:

Council has been working over the last year to develop a masterplan for the Tocumwal foreshore area in conjunction with the Tocumwal Foreshore Committee of Management and the community.

Extensive consultation has been carried out over this period and this has resulted in a comprehensive masterplan that will serve Council, the Committee and the community well in coming years as the backbone of future development of the park.

The document will provide preliminary scoping information for future grant applications and the concept for detailed design of the specific elements. It is already being used for two current grant applications for funding for works on the river bank and the levee bank.

A draft press release has been prepared by the Strategic and Social Planning Coordinator and is included below for consideration.

A copy of the document can be found in Dropbox – BSC/Documents/Tocumwal Foreshore Masterplan.

Draft Media Release

The Berrigan Shire Council has adopted the Foreshore Masterplan - a document guiding the future direction and planning for the development of Tocumwal's Foreshore Reserve.

The Foreshore Master Plan is integrated with the Council's Planning for Tocumwal's Town Entries.

Items requiring Council Resolution

Tocumwal's new Foreshore Master Plan drew on the ideas of community members, the expertise of contemporary urban and landscape designers, also engineering and environmental management expertise to ensure that we have a plan for a sustainable natural and built landscape connecting residents, visitors and the broader community to the River.

The Plan has involved months of research and consultation, led by Council and Liesl Malan Landscape Architects resulting in the development of a thorough and integrated understanding of the complexities of the foreshore and its relationship to the River and the town.

Consultation with residents, the Foreshore Committee of Management, local business, government and the wider community was at the core of the planning process. Community engagement included a sausage sizzle on the foreshore. This consultation was open to all and discussed concepts and a preferred site for a splash park. Interviews with young families and school students on water play values also informed the Plan's development. The interviews conducted with local business and Tocumwal's Foreshore Committee also provided insight into the vital role played by the Foreshore and its contribution to the economic and social wellbeing of Tocumwal. Extensive consultation and consideration of professional advice related to the River and the integrity of flood management infrastructure are also evident in the final Plan.

Councillor Matthew Hannan, Mayor of the Berrigan Shire, said 'Tocumwal's Foreshore Master Plan recognises the importance to the Tocumwal community and the broader Shire of the Foreshore and the need to plan for its development.'

Planning that is needed he said, to develop one of the Shire's greatest assets – "Tocumwal's connection to the Murray River."

"Maintaining the natural environment while working toward the development of attractive space open and used by all members of the community is a key challenge and one that has been achieved by the Master Plan."

View the full plan at Council's website.

Items requiring Council Resolution

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**RECOMMENDATION:** - that the Council engage Liesl Malan Landscape Architects to prepare Berrigan and Barooga Town Concept Plans at a cost of \$42,542.50.

REPORT:

The current Delivery Plan adopted by Council allows for the development of Town Entry Plans for Berrigan and Barooga.

Similar plans have already been prepared for Tocumwal and Finley and works are progressing to implement them in stages. These plans were prepared by Liesl Malan Landscape Consultants and have been well received by both Council and the public, albeit would be preferable to be further into the implementation than we are currently.

Staff recommend that the same architectural firm be engaged to undertake the planning process for Berrigan and Barooga as working relationships have been forged with the consultants team and this will make the process easier to manage and progress.

A copy of the proposal from Liesl Malan Landscape Architects is attached as Appendix "I" and proposed scope of works and timelines are set out below:

Proposed Scope of Works

- Town Concept Plans are required for the towns of Berrigan and Barooga. Each Plan will be tailored to suit the particular needs, aspirations and challenges of each town and their respective community.
- The Plans will balance both the needs of local residents and visitors to the town.
- They will consider circulation and access holistically - pedestrians, cyclists, vehicles, trucks and caravans / motorhomes.
- One overall Concept Plan for each town will be included. This will be an overview plan, which will integrate up to five (5) Concept Plans for prioritised projects. Town Entry Design is expected to be one of these Concept Plans.

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- A street tree masterplan for each town could also be included in the project Concept Plans. If required, it would consider existing plantings, previous concept plans, service and infrastructure requirements, Council resources and maintenance, site specific species selection, shade protection and improved town presentation.

Proposed Timelines

<i>Stage</i>	<i>Components</i>	<i>Timing</i>
Stage 1	Investigation and community event	Completed by Christmas / January break
Stage 2	Survey result analysis	During February 2017
	Report back to community	By end of February 2017
	Preliminary Town Concept Plans	During March 2017
Stage 3	Draft Concept Plans	Early April 2017 for inclusion in Council Agenda
	Presentation to Councillors	Third week in April 2017
	Final Draft Reports including spreadsheets	Beginning of May 2017
	Final Reports	Mid - end of May 2017

While the scope of works is far more than developing town entries it follows the process used for Tocumwal and Finley and provides for the development of more general proposals for the future development of the towns. It allows for value adding to the consultation process and should result in documents that provide good reference for future street tree planting and a more consistent approach to streetscape development.

Items requiring Council Resolution

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

RECOMMENDATION: - 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.

REPORT:

Staff have been trying for last year to obtain authority to install drainage infrastructure across the stock reserve to the south of Tuppal Road as part of the Silo Road reconstruction project.

The process has been very difficult due to an embargo by the State Government in dealing with land that is designated as stock route. The assistance of our local member of parliament Mr Adrian Piccoli was required to progress the matter and his assistance is much appreciated.

We now have a draft licence agreement that once signed by both parties will allow the works to proceed. It is intended to program works to be completed as soon as weather conditions and river levels permit.

A copy of the draft agreement is attached as Appendix “J” and it is anticipated that a copy of the final document will be available at the Council meeting.

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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

RECOMMENDATION: - that the Council:

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

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.

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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

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.

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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 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:

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- 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 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

Items requiring Council Resolution

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.

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.

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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.

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

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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

REPORT:

The Council, in its role as trustee of public monies, has a responsibility to prudently invest its surplus funds. To provide guidance to Council staff when investing Council funds, the Council has an Investment Policy. The policy complies with the Ministerial Investment Order issued in February 2011

This policy is required to be reviewed annually. It was last reviewed in September 2015.

As well as its Investment Policy, the Council's powers to invest in specific investment products are restricted by the Ministerial Investment Order attached as Appendix "K".

The policy sets out the principles that the Council will use when investing surplus funds, lists any restrictions placed on specific types of investments and sets some requirements for reporting on investments to the Council. The policy addresses the risks to the Council as a result of its investments in line with the Council's Risk Management Policy and Framework.

This policy also complies with the Council's current Financial Strategy, last reviewed in May 2016.

The Council has traditionally taken a very conservative investment position and this is reflected in the proposed policy. The policy states that the Council's principal objective is the preservation of capital with investment return a lower priority.

The proposed policy is only cosmetically different from the existing policy – minor formatting changes and the like. It would not require any changes to the Council's current investment portfolio.

Other than cash held for current expenditure, the Council's existing investment portfolio is solely made up of:

1. NSW Treasury Corporation Hour Glass Cash Fund deposits

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2. Term deposits held with organisations listed as authorised deposit-taking institutions by the Australian Prudential Regulation Authority.

The Council may wish to consider modifying the section of the proposed policy relating to “Local Economic Benefit”. Some of the local institutions who potentially benefit as a result of this section of the policy have changing their trading arrangements since the last review.

Attached as Appendix “L” are the Council’s Investment Guidelines. These internal guidelines provide direction to the staff responsible for the day-to-day administration of the Council’s investment portfolio to allow them to stay within the bounds set by the Council under this policy and to manage the Council’s cash flow requirements. It is an internal working document and is provided for information only.

The Council currently has around \$25m under investment at present.

Options

The Council has the following options:

4. Adopt this policy as written
5. Adopt this policy with amendments
6. Request Council staff to amend this policy and resubmit it to a future meeting.

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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

RECOMMENDATION: - That the Council note the Salary Package Review for the year ended 30 June 2016 conducted by RSD Chartered Accountants.

REPORT:

In accordance with the Council's audit service contract, the Council's auditors – RSD Chartered Accountants – have reviewed the salary packages of the Council's senior managers:

- General Manager – Rowan Perkins
- Director Technical Services – Fred Exton
- Director Corporate Services – Matt Hansen

A copy of this report is attached as Appendix "M".

The review is undertaken annually to provide some comfort to the Council that payments made to senior management are in line with their contract arrangements.

Based on this review RSD Chartered Accountants is of the opinion that the salary packaging for these staff has been appropriately calculated to 30 June 2016.

RSD Chartered Accountants consider that the Council may be overpaying its Superannuation Guarantee Contribution (SGC) on the car element of the packages.. This issue has been reported to the Council in previous years.

While there is no statutory obligation to pay SGC on this part of the package, the employment contracts for these staff, however, do require the Council to contribute superannuation for this component of the salary package.

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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:

RECOMMENDATION: - 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

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

RESOLUTION

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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 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.

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

Items requiring Council Resolution

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 Management Plan 2010 – 2013 (p 4)

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.

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	1. Identify likely stakeholders 2. Plan and gather best available information and resources 3. Share information with stakeholders 4. Work effectively
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	Workshops 'Community	Level C	

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decision making	Conversations' Interviews with Stakeholders	Lower Impact: Whole of Shire	together
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	5. Feedback the results of engagement 6. Monitor and evaluate the process

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

REPORT:

New South Wales Councils are required to facilitate engagement with local communities, other agencies and levels of government pursuant to Section 7 of the Local Government Act 1993. This review of the Council's Community Engagement Framework updates the Framework ensuring that it reflects the intent of recent reforms to the Local Government Act 1993. In particular, reforms that require that Councils embed community engagement in a broad range of Council planning and strategy development activities appropriate to that Council and local conditions.

The Community Engagement Framework is the Council's policy statement on the decision-making matrix to be used by Council Officers when planning and developing a Community Engagement Strategy. The use of this Matrix ensures that Councillors and Council Officers use a common language when discussing the Council's objectives and the extent of community engagement to be facilitated by Council and how identified stakeholders should be engaged.

Items requiring Council Resolution

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:

RECOMMENDATION: - 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

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Items requiring Council Resolution

course of their role are engaged in, and have responsibility for, the planning and delivery of Berrigan Shire Council activities.

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

- FINANCIAL HARDSHIP POLICY 2014
- USER FEES AND CHARGES POLICY 2014
- EQUAL EMPLOYMENT AND OPPORTUNITY POLICY 2014

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- 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
-

REPORT:

New South Wales Councils are required as part of their decision-making to consider social justice principles. This review of the Council's Community Engagement Framework updates the Framework ensuring that it reflects the intent of recent reforms to the Local Government Act 1993. In particular, reforms that require that Councils embed the principles of social justice in Council decision making.

The Social Justice Framework is the Council's policy statement on the decision-making matrix to be used ensuring that Council has guidance on the principles of social justice and thus can authoritatively demonstrate how its decisions consider social justice principles. The use of this Matrix ensures that Councillors and Council Officers use a common language when discussing the Council's objectives and how the Council's decision making has given consideration to social justice principles.

Items requiring Council Resolution

**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:

RECOMMENDATION: - that the Council

1. Review the *Berrigan Shire Council Community Strategic Plan 2027 Community Engagement Strategy* and the options for the development of the *Berrigan Shire Council's Community Strategic Plan 2027*
2. Resolve which option will be used to develop the Berrigan Shire Council's Community Strategic Plan 2027 and delete the non-preferred option from the draft Berrigan Shire Council Community Strategic Plan 2027 Community Engagement Strategy set out below.
3. Provide comment and recommendations for the key messages identified in the Berrigan Shire Council Community Strategic Plan 2027 Community Engagement Strategy
4. Provide comment and recommendations on how identified stakeholders will be engaged in the review and development of Berrigan Shire Council Community Strategic Plan 2027 and the extent of community engagement in accordance with the Council's Community Engagement Framework 2016
5. Adopt subsequent to its review and the inclusion of its comments the Berrigan Shire Council Community Strategic Plan 2027 Community Engagement Strategy

a copy of which is set below:

**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

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stakeholders and stakeholder groups 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)
- **Councillors:** (Inform, Consult, Involve, Collaborate on Plan review and the development and implementation of Berrigan Shire Council Community Strategic Plan 2027)

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- **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	Level A: High Impact: Whole of Shire	7. Identify likely stakeholders 8. Plan and gather best available information and resources
Consult: Exploring options and preferences	Web based consultation, Social Media (Facebook /Twitter) Interviews, Surveys, Public meetings, Focus Groups	Level B High impact: Local area or specific community / user group	9. Share information with stakeholders 10. Work effectively together 11. Feedback the results of engagement
Involve:	Workshops		

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Extent of Community Engagement	Indicative Tools for Engagement	Risk Assessment: Impact Local / Whole of Shire	Steps for Community Engagement
Inclusion of ideas in the decision making	'Community Conversations' Interviews with Stakeholders	Level C Lower Impact: Whole of Shire	12. Monitor and evaluate the process
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	

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
Shire Councillors Extent of Engagement: Inform Consult Involve Collaborate	1. Engagement of key community leaders in review and development of CSP 2. Balancing Community Expectations with available Resources 3. Councillor role in the review of the current CSP 4. Inclusion of new projects /	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	12 October 2016 – 30 June 2017	Mayor Councillors General Manager Directors 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
	initiatives (subsequent to the review of current CSP) in the development of a new and draft CSP 5. Preferred level and extent of community engagement 4 year Delivery Plan and determining priorities 6. Involvement and commitment of state and other agencies	IP&R plans accordingly		
Council Officers Extent of Engagement: Inform Consult Involve Collaborate	Identification of issues and resourcing implications related to 1. Community expectations identified by the review of the current CSP 2. The development by the Council of a new and draft CSP. Quality of and timeliness of information, evidence and data provided by Council Officers to assist the Council with its decision making about the CSP	Publication of program of strategic planning activities describing responsibility of Council Officers and the evidence/information requirements of the Council and community	12 October 2016 – 30 June 2017	Council General Manager SSPC Directors Management Team

Items requiring Council Resolution

Stakeholder	Action Plan			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
	<p>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>BSC Sec 355 Committees Volunteers</p> <p>Extent of Engagement: Inform Consult Involve</p>	<p>What will be the Committee's role and responsibility re: CSP development, implementation, monitoring and reporting</p> <p>Other issues concerns not known</p>	<p>Committee representative invited to a Council led forum' for CSP 2027</p>	<p>13 October 2016 to 18 Nov 2016</p> <p>23 November 2016</p>	<p>SSPC Director Corporate Services</p>
<p>Other Government Organisations</p> <p>Extent of Engagement</p>	<p>Issues specific to each State Agency and identified in relevant Agency State/Regional Plan</p>	<p>Desk Top Review of current projects/ priorities relevant to Shire or the region and accessed by Shire residents</p>	<p>13 October 2016 – 28th October 2016</p>	<p>SSPC</p>

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Items requiring Council Resolution

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Stakeholder	Action Plan			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
t: Inform Consult Involve	Not known but will relate to population / decline growth and impact on planning for services	Invitation to identified State Agencies to provide up to date information		
Social Justice Stakeholders Children Young People Disabled CALD Mental Health Extent of Engagement: Inform Consult Involve Collaborate (Service Providers)	Children/Young People Disabled CALD Mental Health What is good about the town where they live? What would they change in their town if they could?	Workshops – conducted at schools /preferred future Online Survey of Service Providers In addition to: Focus group Berrigan & Jerilderie Community Services Network & Key personnel or representatives Mental Health, Disability and Aged Care	13 Oct- 18 Nov 2016 13 Oct to 18 Nov 2016	SSPC SSPC
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"> • Children, Young Persons and their Families Strategy 2015 	13 October 2016 – 25 October	SSPC SSPC

Items requiring Council Resolution

Stakeholder	Action Plan			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
		<ul style="list-style-type: none"> • <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>Business & Resident Satisfaction Survey (Nexus Research 2015)</i> <p>And use to inform the development of online survey re: community expectations, priority projects and service levels 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:</p>	26 October 2016	SSPC GM SSPC SSPC

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Items requiring Council Resolution

Stakeholder	Action Plan			
	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
		<p>future levels of services, issues, priorities</p> <p>Street Stall each town to include End of Term Report and information about priorities / planning State Agencies</p> <p>Hardcopies of online Survey SWOT analyses at Street Stalls</p> <p>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</p>	<p>26 October 2016 to 18 November 2016</p> <p>1 November to 18 November 2016</p>	<p>Mayor Councillors GM Directors SSPC</p>

Development of Berrigan Shire Council 2027

Two options, together with a proposed Community Engagement Strategy, are presented for Council consideration. Both options if 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'.

Items requiring Council Resolution

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 -

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	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	23 November 2016	Mayor Councillors General Manager Directors SSPC

RESOLUTION

Items requiring Council Resolution

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
	community engagement 4 year Delivery Plan and determining priorities 5. Involvement and commitment of state and other agencies	Future's Conference Outcomes determine 1. Whether the Council endorses Berrigan Shire 2023 2. Endorses amendments to Berrigan Shire 2023 3. Develops and endorse 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 SSPC GM Directors Finance Manager

RESOLUTION

Items requiring Council Resolution

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 Council General Manager SSPC Directors Management Team
	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			

RESOLUTION

Items requiring Council Resolution

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
	2017 - 2021 Operational Plan 17/18			

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Items requiring Council Resolution

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 Committees 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 <ul style="list-style-type: none"> • Townships 	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 November 2016 23 November 2016	SSPC Director Corporate Services

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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

NON-RESOLUTION

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 :</p> <p>Inform</p> <p>Consult</p> <p>Involve</p> <p>Collaborate</p>	<p>1. Engagement 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. Endorse amendments to Berrigan Shire 2023</p> <p>9. Develop and endorse a new community strategic plan</p> <p>Future's Conference Outcomes inform Council's</p>	<p>23 November 2016</p>	<p>Mayor Councillors General Manager Directors SSPC</p> <p>GM SSPC</p> <p>GM Directors</p>

Items requiring Council Resolution

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
		Corporate Workshop reviewing draft Resourcing Strategy, Delivery Program February 2017		SSPC Finance Manager

Report

Councils in NSW are required to plan and report on local government activities in accordance with the Local Government Act 1993.

As part of the Integrated Planning and Reporting Framework for NSW local government Councils must, under Section 402 (4) of the Act, prepare and implement a Community Engagement Strategy for engagement with the local community in developing and reviewing a Community Strategic Plan.

The Community Engagement Strategy must identify relevant stakeholder groups within the community and outline methods for engaging each group and identify the difference between community consultation and community engagement.

The proposed Community Engagement Strategy is consistent with the process described in the NSW Division of Local Government's Planning a Sustainable Future Manual: 2013 and has been developed per the Shire Council's Community Engagement Framework 2016 and Social Justice Policy Framework 2016.

Developed in two parts. The first part of the Engagement Strategy facilitates community engagement in the review of Berrigan Shire 2023. The second

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part proposes two options for the Council to consider regarding the process of engaging the community in the Council's decision to:

1. Re-endorse Berrigan Shire 2023 and roll it forward by 4 years.
or
2. Endorse amendments to Berrigan Shire 2023 and roll it forward by 4 years
or
3. Develop and endorse a new community strategic plan

Extensive community engagement in the review of Berrigan Shire 2023 will provide an opportunity for the Council to re-engage the community in Council planning and the identification of projects that the community are currently engaged in and which could contribute to the overall social, economic and environmental wellbeing of the Shire and its communities.

Also, the options proposed for the development of the new Community Strategic Plan present an opportunity for the Council to consider community feedback on the current Community Strategic Plan and incorporate this into its decision-making.

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Items for Noting

RECOMMENDATION – that Items for Noting numbered 6.1 to 6.5 Inclusive be received and noted.

6.1 LOCAL GOVERNMENT COST INDEX

AUTHOR: Director Corporate Services

STRATEGIC OUTCOME: Good government

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

FILE NO: 25.138.1

REPORT:

In September, the Independent Pricing and Regulatory Tribunal (IPART) informed the Council that it reweighted the Local Government Cost Index (LGCI) to account for changes in Council expenditure in NSW over time. Attached as Appendix “N” is a fact sheet from IPART explaining the reweighting process.

The LGCI is a price index that measures cost changes over time for the works and services provided by Councils in NSW. The rate peg set by IPART is determined by the LGCI adjusted by a “productivity factor”. The reweighting of the LGCI is an attempt to ensure the LGCI remains a relevant measure of the change in costs for Councils and is based on an expenditure survey undertaken in 2015.

The major change in the LGCI weightings is an increase in roads and other non-building construction from 13.7% to 19.6%. This would be consistent with the Council’s experience over that period.

The reweighted LGCI will be used to set the rate peg increase for 2017/18, to be determined in December 2016.

NOTING

Items for Noting

**6.2 RATES AND CHARGES - 2016/2017 RATES
COLLECTIONS AND OUTSTANDING
DEBTORS BALANCES – 1ST QUARTER
REPORT TO COUNCIL**

AUTHOR: Revenue Officer

STRATEGIC OUTCOME: Good government

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

FILE NO: 25.138.1

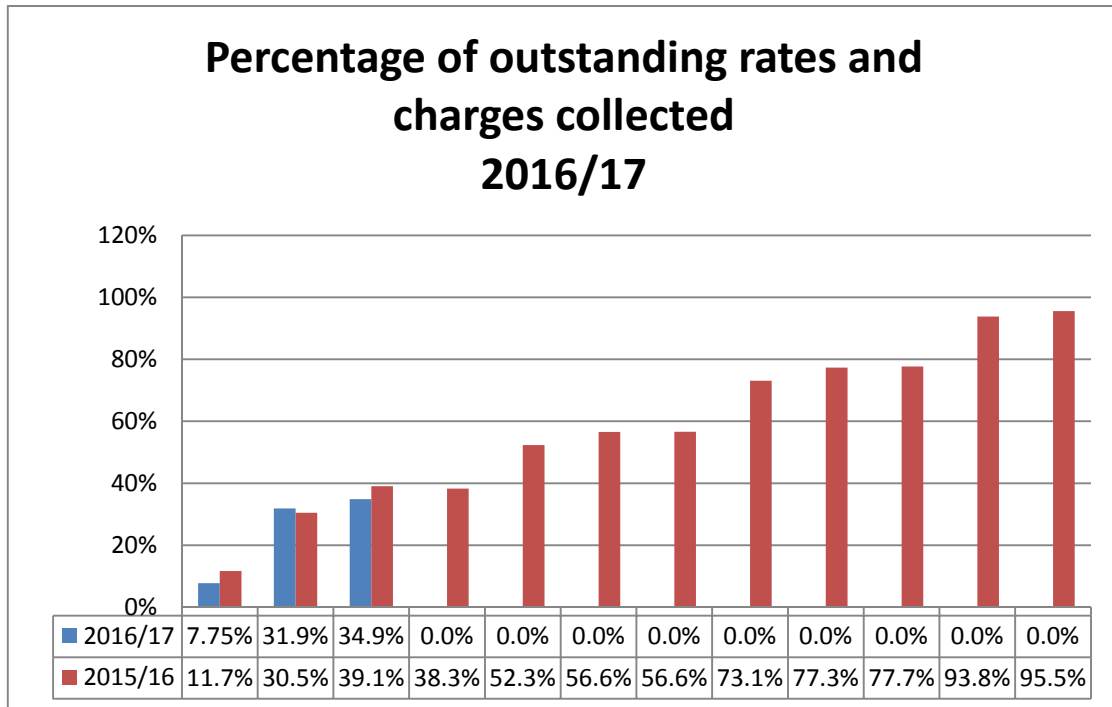
REPORT:

1. Rates & Charges

At 30 September 2016, the Council has collected 34.9% of the total rates, service charges, arrears and water consumption charges raised in 2016/17 to date – a decline from 39.1% collected at the same time last year

This decrease is largely a timing issue – the water consumption notices were issued earlier this financial year – while some large outstanding rates are currently being paid through payment agreements. I am confident the Council will continue to meet its rates collection benchmarks it has set.

Items for Noting



2. Debtors

A brief list of outstanding debtors as at the end of August and September 2016 is as follows:-

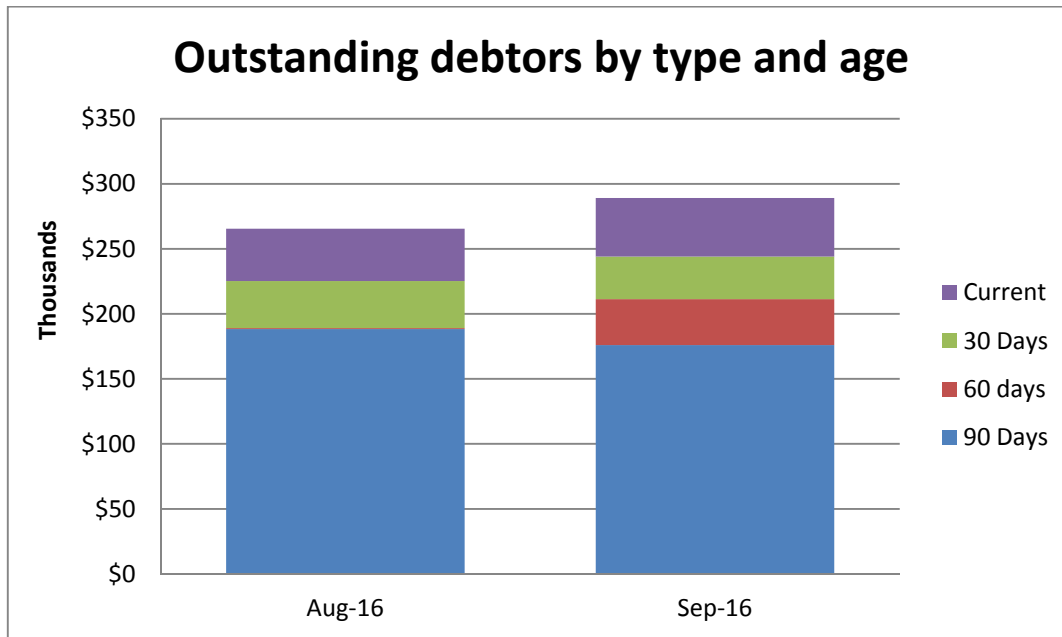
DEBTORS	2016/17	
	END AUGUST	END SEPT
GENERAL/SUNDRY/OTHER DEBTORS	\$78,086	\$91,825
RATES LEGAL FEE DEBTORS	\$1,000	\$1,000
FOOD INSPECTIONS	\$73	\$73
HALF COST K&G/FOOTPATH DEBTORS	\$90,926	\$88,112
SEC 355 COMMITTEE LOANS	\$72,470	\$80,803
SWIMMING POOLS	\$0	\$0
CEMETERY DEBTORS	\$1,136	\$5,564
GOVERNMENT DEPT GRANTS & SUBSIDIES	\$20,497	\$20,223
STAFF DEBTORS	\$227	\$393
STAFF SUPERANNUATION	\$610	\$658
SHIRE LAND SALE DEBTORS	\$0	\$0
TOCUMWAL AERODROME	\$458	\$462
TOTAL	\$265,484	\$289,114

The graph below shows the Council's outstanding debtors by age and type over the past two months

NOTING

Items for Noting

The amount of debt outstanding for over 90 days – made up largely of half-cost scheme debtors and s355 committee loans – is decreasing slightly. The amount of debt outstanding between 60-90 days has increased significantly as a result of two half-cost schemes recently approved by Council. Council raised invoices for these works in July 2016. These will be repaid over time in line with the Council’s policy.



3. Activity

Two rate payers applied for interest relief under councils Hardship Policy this quarter. Both were found eligible and this has resulted in an interest write-off of \$43.56.

Over the past quarter, the Council has undertaken the following collection activity:

Reminder letters sent for rates:	646 ratepayers
Sent to debt collection:	66 ratepayers
Statement of liquidated claim:	13 ratepayers
Issued warrants to appear at hearing:	3 ratepayers
Examination Orders:	2 ratepayers
Garnishee Orders:	3 ratepayers
Notice to occupiers:	4 ratepayers
Bankruptcy search:	1 ratepayer
Judgement entered:	5 ratepayers

Items for Noting

6.3 STATECOVER MUTUAL LTD

AUTHOR: General Manager

STRATEGIC OUTCOME: Good government

STRATEGIC OBJECTIVE: 2.3 Strengthen strategic relationships and partnerships with community, business and government

FILE NO: 27.034.4

REPORT:

The Council is a member of StateCover Mutual Ltd which provides its workers' compensation insurance and work health and safety services as it does for approximately 90% of NSW Councils.

One of the LGNSW Director positions will become vacant at the StateCover AGM to be held during November 2016 and LGNSW has called for nominations for the position from suitably qualified Councillors from member Councils.

The position term is three years.

According to LGNSW, nominated candidates should have knowledge of and experience in long tail insurance or the broader insurance/finance sectors as well as skills and experience in business strategy, risk management, finance, investment, IT, governance and working in an APRA regulated environment.

Interested Councillors should seek an appropriate resolution from the Council.

Items for Noting

6.4 COUNCILLOR TRAINING OPPORTUNITIES**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**REPORT:**

LGNSW has a range of training opportunities available for Councillors, which are summarized below.

Course	Outline	Additional Information.
Community and Stakeholder engagement	Key aspects of engagement	Sydney 27 th October \$660
Know your planning	Focus on the role of the Councillor in planning decisions	Sydney 9 th November \$660
Financial issues in local government	<ul style="list-style-type: none"> • Know the responsibilities of councillors in regard to council finances • Understand basic accounting procedures • Know how to read quarterly reviews • Know how to interpret council balance sheets • Know what depreciation is and how it affects council finances • Understand how financial information fits into council planning • Understand the 	Sydney 29 th November \$660

NOTING

Items for Noting

Course	Outline	Additional Information.
	concept of risk and financial management issues <ul style="list-style-type: none"> • Know what is expected of councillors during council audits • Explore how probing questions can assist to make more informed decisions. 	
Elected Life 1 day induction workshop	<ul style="list-style-type: none"> • the governance framework for councils • the Council Charter • undertaking a community leadership role • exercising the corporate governance role • adopting a strategic approach to councillor's representative role • effective decision making • managing time • balancing the competing demands of elected life • ethical responsibilities as an elected member • Council's Code of Conduct • Open forum – an opportunity to explore and discuss issues pertaining to the role that may not have been covered in the formal part of the program. 	On demand Cost unknown

Items for Noting

Course	Outline	Additional Information.
Elected Life 2 day induction workshop	<ul style="list-style-type: none"> • The role of the council and Councillors (acknowledging the recently revised legislation) • Role of the Mayor & General Manager • Council Structure • Amendments to the LG Act 1993 • Oversee Council performance • Providing community services • Governance versus management • Community leadership • Basic overview of the Standard NSW Code of Conduct (giving Councillors an understanding of the behavior expected elected officials) • Overview Council Meeting and Procedures • The Integrated Planning and Reporting Framework (discussing the suite of documents) • Section 355 Committees of Council (how they are supposed to operate in terms of legislation) • Basic overview of Planning legislation 	On demand Cost unknown

Items for Noting

Course	Outline	Additional Information.
	and Councillors' role in the DA approval process <ul style="list-style-type: none"> • Basic Financial Information that Councillors need to understand/be able to interpret 	
Chairing meetings effective	<ul style="list-style-type: none"> • Develop a systematic approach to planning, conducting and following up meetings • Understand the structure of an effective meeting and identify types of meetings, purpose and cost • Understand the roles, duties and powers of the chair and legal requirements of agendas and minutes • Use the correct terms, procedures and rules of debate • Discuss the difficulties in running a meeting, dealing with people and situations • Use more creative problem solving skills for task orientated meetings, decision making and action planning • Identify and use effective 	On demand Cost unknown

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Items for Noting

Course	Outline	Additional Information.
	<p>communication and behaviour styles</p> <ul style="list-style-type: none"> • Gain and keep respect, enhance personal presentation • Participate in and also conduct a formal meeting. 	
Councillors Weekend	<ul style="list-style-type: none"> • The changing role of a local government Councillor • Thinking strategically with IP&R • Working with your GM and staff • Engaging with your community • Principles of good governance • Understanding the planning system • Preparing for elections. 	3 rd & 4 th December at Sydney \$1,320
Executive Certificate for elected members	<p>Day 1 – Working as an Elected Member Day 2 – Integrated Planning and Reporting Day 3 – Community Engagement and Land Use Planning Day 4 – Focus on Governance Day 5 – Working Strategically through Collaboration</p> <p>All participants will receive a LGNSW Certificate of Attendance for the five day program. Participants will engage in a range of discussions, problem-solving tasks and</p>	<p>Stage 1 and 2: Friday 11th November to Sunday 13th November 2016</p> <p>Stage 3: Friday 9th December to Saturday 10th December 2016</p> <p>Cost \$3,500</p>

Items for Noting

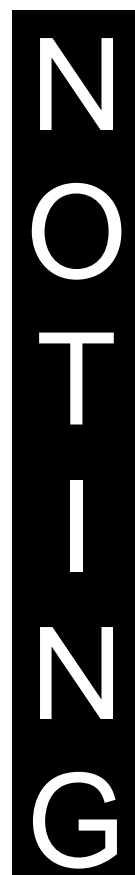
Course	Outline	Additional Information.
	activities throughout the course that will enable assessment of their achievement of course competencies and learning outcomes. On successful completion of assessment activities participants will receive a TAFE NSW Statement of Attainment for the National Elected Members' Skill Set as well as a UTS Executive Certificate for Elected Members.	

All costs exclude travel, sustenance and accommodation.

If adequate participant (15-20) can be organized local delivery can be cost effective.

Some courses regularly rotate and Councillors would be booked into the next available session.

Any Councillor interested in attending training courses should seek an appropriate resolution from the Council.



Items for Noting

6.5

DEVELOPMENT DETERMINATIONS FOR
MONTH OF SEPTEMBER 2016

AUTHOR: Support Officer

STRATEGIC OUTCOME: Good government

STRATEGIC OBJECTIVE: 2.2 Ensure effective governance by
Council of Council operations and
reportingREPORT: APPLICATIONS DETERMINED FOR SEPTEMBER

Application	Description	Property Location	Applicant	Owner	Status	Value	Days Taken		
12/17/DA/D1	BV Dwelling & Attached Garage	16 ANTHONY AVENUE, TOCUMWAL NSW 2714 (Lot62//DP1131677)	Ms Christine Summers	MS CM SUMMERS	Approved 26-09-2016	\$ 312514.00	Active 10	Total 37	
20/17/DA/D9	2 Lot Subdivision	3391 BAROOGA-TOCUMWAL ROAD, BAROOGA NSW 3644 (Lot12//DP1142719)	Mr Michael McNeill	MR M J MCNEILL AND MRS K M MCNEILL	Approved 21-09-2016	\$ 0.00	Active 25	Total 25	
24/17/DA/DM	Strawberry Fields Festival 2016	LOWER RIVER ROAD, TOCUMWAL NSW 2714 (Lot17//DP752304)	Strawberry Music Group Pty Ltd	COTTAGE PADDOCK MANAGEMENT PTY LTD	Approved 21-09-2016	\$ 0.00	Active 20	Total 20	
25/17/DA/D1	BV Dwelling & Attached Garage	10 IVIE AVENUE, BAROOGA NSW 3644 (Lot33//DP1093869)	Wayne Griffin & Jaimee Van Gulik	MR W A GRIFFIN	Approved 01-09-2016	\$ 308074.00	Active 5	Total 5	
26/17/DA/D5	Carport	87-89 WOLLAMAI STREET, FINLEY NSW 2713 (LotB//DP312367)	Mr John Bunnett	MR JD BUNNETT AND MS JL OBRyan	Approved 01-09-2016	\$ 5000.00	Active 5	Total 5	
27/17/DA/D5	Residential Storage Shed	10-12 SUGDEN STREET, TOCUMWAL NSW 2714 (Lot102//DP1175771)	Mark And Pauline Ellery	MS P ELLERY	Approved 02-09-2016	\$ 19500.00	Active 6	Total 6	
28/17/DA/DO	Rural Shed	CHINAMANS ROAD, TOCUMWAL NSW 2714 (Lot196//DP752296)	Mr Garth Hurlston	MR G G HURLSTON	Approved 06-09-2016	\$ 70000.00	Active 8	Total 8	
11/17/CD/M5	Inground Fibreglass Swimming Pool	45 DENILQUIN STREET, TOCUMWAL NSW 2714 (Lot41//DP790918)	Poolside Cobram	MR HF & MRS JL MALLOY	Approved 01-09-2016	\$ 46000.00	Active 3	Total 3	
12/17/CD/M4	Residential Storage Shed	36 KAMAROOKA STREET, BAROOGA NSW 3644 (Lot19//DP238626)	Mr Alan Stuttard	MR AJ STUTTARD	Approved 01-09-2016	\$ 6300.00	Active 2	Total 2	
13/17/CD/M4	Residential Storage Shed	106 RACECOURSE ROAD, TOCUMWAL NSW 2714 (Lot7//DP1077318)	Mr P.R Braybon	MR P R BRAYBON & MRS A M BRAYBON	Approved 07-09-2016	\$ 9750.00	Active 5	Total 5	
14/17/CD/M6	Pergola	96 WOLLAMAI STREET, FINLEY NSW 2713 (Lot21//DP556567)	Mr Seth Benjamin Howell	MR C F PAIZS	Approved 07-09-2016	\$ 7000.00	Active 5	Total 5	
29/17/DA/D5	Residential Storage Shed & Demolition of Old Structures	9 HOYLE STREET, TOCUMWAL NSW 2714 (Lot1//DP303675)	Ms Helen Byron	MR R M COOK & MRS H M BYRON	Approved 23-09-2016	\$ 19500.00	Active 11	Total 11	
30/17/DA/D1	Relocatable Dwelling	61 BROOCKMANNS ROAD, FINLEY NSW 2713 (Lot119//DP661475)	Ms Carol Hanlon	MS CA HANLON	Approved 26-09-2016	\$ 60000.00	Active 12	Total 12	
15/17/CD/M4	Pergola	50 BARINYA STREET, BAROOGA NSW 3644 (Lot17//DP248812)	Mr Peter Thompson	MR PJ THOMPSON	Approved 14-09-2016	\$ 6000.00	Active 2	Total 2	
33/17/DA/DM	Change of Use Residential Storage Shed to Dwelling	106 HONNIBALL DRIVE, TOCUMWAL NSW 2714 (Lot231//DP1121860)	Mr Paul Cooper	MR PA COOPER AND MRS PA COOPER	Approved 29-09-2016	\$ 4000.00	Active 7	Total 7	

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Items for Noting

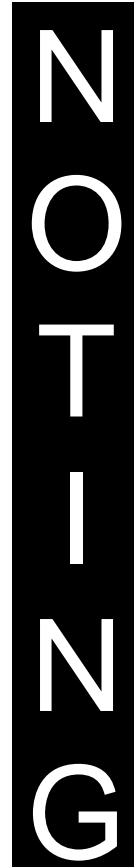
Application	Description	Property Location	Applicant	Owner	Status	Value	Days Taken
34/17/DA/D5	Residential Storage Shed	26 FALKINER STREET, TOCUMWAL NSW 2714 (Lot12//DP591886)	Rick & Leisa Desailly	MR RD DESAILLY AND MRS LK DESAILLY	Approved 30-09-2016	\$ 9000.00	Active Total 7 7
16/17/CD/M4	Residential Storage Shed	13 NUGGET FULLER DRIVE, TOCUMWAL NSW 2714 (Lot98//DP1070311)	Mr Lyndon Bailey	MR LR BAILEY & MRS AJ BAILEY	Approved 22-09-2016	\$ 6000.00	Active Total 1 1
35/17/DA/D1	BV Dwelling & Attached Garage	3 PUTTER COURT, BAROOGA NSW 3644 (Lot109//DP1133352)	Lewis Homes	MR SB MCKAY	Approved 26-09-2016	\$ 411690.00	Active Total 3 3

APPLICATIONS PENDING DETERMINATION AS AT 7/10/2016

Application No.	Date Lodged	Description	Property Location
22/17/DA/D9	23-08-2016	2 Lot Subdivision/Consolidation	44-48 CORCORAN STREET, BERRIGAN NSW 2712 (Lot40/B//DP2425)
31/17/DA/DM	15-09-2016	Removal of Bricks & Replacement of Gutter	46 CHANTER STREET, BERRIGAN NSW 2712 (LotA//DP318610)
32/17/DA/DE	15-09-2016	Piggery Expansion - Additional 12x Eco Sheds	349 CRUICKSHANKS ROAD, BERRIGAN NSW 2712 (Lot117//DP752275)
36/17/DA/D5	22-09-2016	Carport	4 MALONE MEWS, FINLEY NSW 2713 (Lot4//DP1097289)
37/17/DA/D9	22-09-2016	2 Lot Road / Boundary Realignment	YARRAWONGA ROAD, BERRIGAN NSW 2712 (Lot591//DP793038)
38/17/DA/D1	26-09-2016	BV Dwelling & Attached Garage	60 MORRIS DRIVE, TOCUMWAL NSW 2714 (Lot29//DP270154)
39/17/DA/D5	27-09-2016	Residential Storage Shed & Personal Workshop	55 HENNESSY STREET, TOCUMWAL NSW 2714 (Lot9/10//DP758981)
40/17/DA/D5	27-09-2016	Carport	120 CHANTER STREET, BERRIGAN NSW 2712 (Lot2/P//DP3197)
41/17/DA/D5	28-09-2016	Residential Storage Shed	46 COREE STREET, FINLEY NSW 2713 (Lot71//DP560470)
42/17/DA/D1	28-09-2016	BV Dwelling & Attached Garage	14 HAYNES COURT, TOCUMWAL NSW 2714 (Lot80//DP1070311)
43/17/DA/DM	29-09-2016	Installation of Shade Sails	63-67 TOCUMWAL STREET, FINLEY NSW 2713 (Lot186//DP752299)
44/17/DA/D1	30-09-2016	Flexible Design Home	63 WOLLAMAI STREET, FINLEY NSW 2713 (Lot1//DP501475)

TOTAL APPLICATIONS DETERMINED / ISSUED (including modifications)

	This Month (Sept)	Year to Date	This Month's Value	Year to Date Value
<i>Development Applications</i>	12	42	\$1,219,278	\$2,797,490
<i>Construction Certificates</i>	8	24	\$1,155,278	\$21587,990
<i>Complying Development Certificates</i>	6	18	\$81,050	\$886,661
<i>Local Activity</i>	8	15	0	0

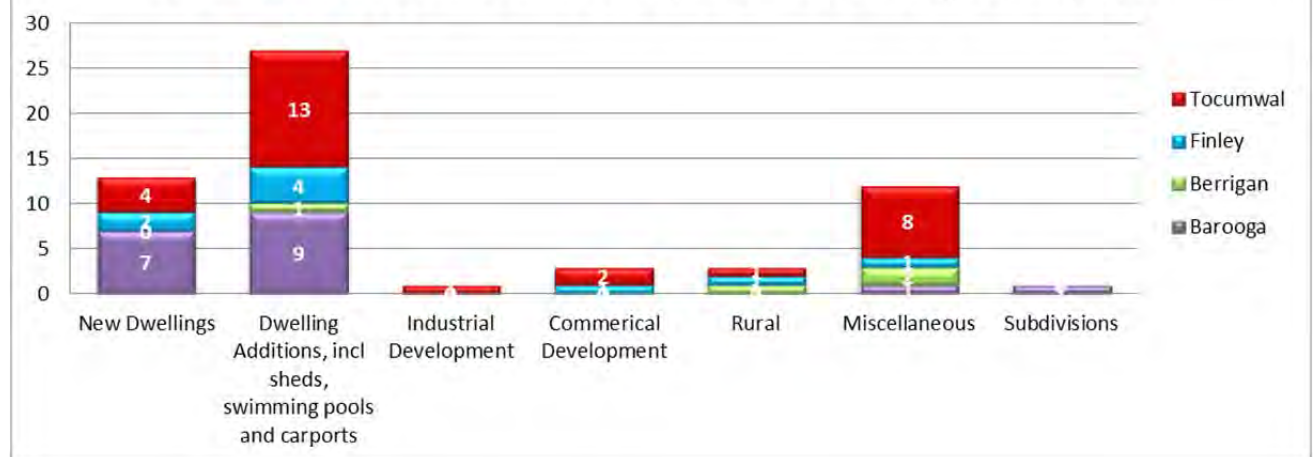


Items for Noting

OTHER CERTIFICATES ISSUED FOR SEPTEMBER

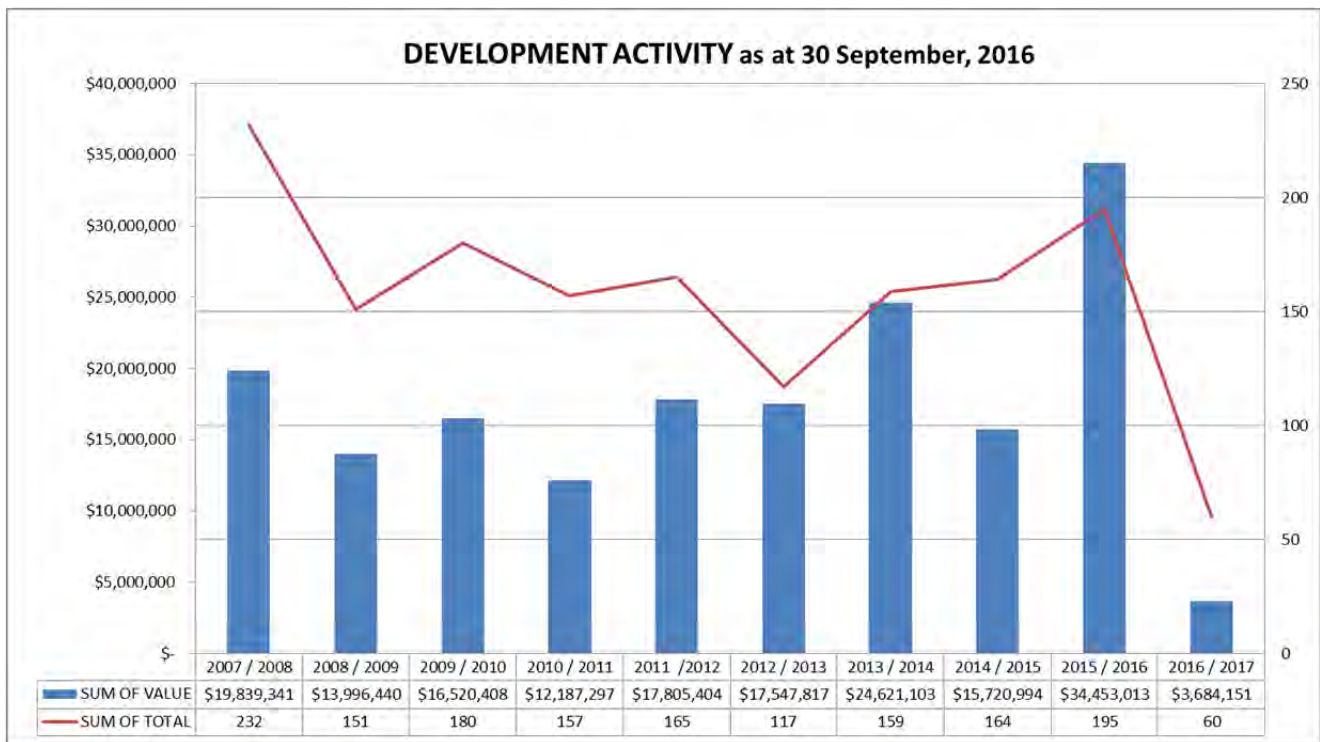
	149(2) Planning Certificate		149(5) Certificate		735A Certificate Outstanding Notices or Orders under LG Act 1993		121zp Certificate Outstanding Notices or Orders under EP&A Act 1979		149(D) Building Certificate		Swimming Pool Certificate	
	Sept	Year Total	Sept	Year Total	Sept	Year Total	Sept	Year Total	Sept	Year Total	Sept	Year Total
BAROOGA	13	27	2	2	1	1					2	4
BERRIGAN	2	9			0	2	0	1				1
FINLEY	11	31	1	1	1	2	1	1				
TOCUMWAL	13	30	0	3	0	1					1	1
TOTAL	39	97	3	6	2	6	1	2	0	0	3	7

DEVELOPMENT ACTIVITY 2016/2017 as at 30 September, 2016



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Items for Noting



G N - H O N

Items requiring Council Resolution

7. MAYOR'S REPORT

RESOLUTION

RECOMMENDATION – that the Mayor's Report be received.

Items requiring Council Resolution

8. DELEGATES REPORT

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Items requiring Council Resolution

9. GENERAL BUSINESS

RESOLUTION