



1 October 2010

You are hereby notified that the Annual General Meeting of the Council will be held at the Civic Centre, Campbelltown on Tuesday 5 October 2010 at 7.00pm.

Paul Tosi  
General Manager

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## **Agenda Summary**

**Annual General Meeting held at 7.00pm on Tuesday, 5 October 2010.**

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**APOLOGIES**

**DECLARATIONS OF INTEREST**

**Pecuniary Interests**

**Non Pecuniary – Significant Interests**

**Non Pecuniary – Less than Significant Interests**

<b>ITEM</b>	<b>TITLE</b>	<b>PAGE</b>
<b>1.</b>	<b>BUSINESS: REPORT OF THE GENERAL MANAGER</b>	<b>3</b>
<b>1.1</b>	<b>Annual Financial Reports 2009-2010</b>	<b>3</b>

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**Minutes of the Annual General Meeting of the Campbelltown City Council held on 5 October 2010**

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**Present** His Worship the Mayor, Councillor P Lake  
Councillor F Borg  
Councillor J Bourke  
Councillor A Chanthivong  
Councillor S Dobson  
Councillor W Glynn  
Councillor G Greiss  
Councillor P Hawker  
Councillor R Kolkman  
Councillor R Matheson  
Councillor M Oates  
Councillor J Rowell  
Councillor A Rule  
Councillor M Thomas  
Councillor R Thompson

**Apology** Nil

**Acknowledgement of Land**

An Acknowledgement of Land was presented by His Worship The Mayor, Councillor Lake.

**DECLARATIONS OF INTEREST**

There were no Declarations of Interest at this meeting.

**Presentations**

Ms Corinne Mears, Manager Financial Services addressed Council outlining Councils achievements during 2009/2010.

Ms Leanne Smith, Partner Morse Group Accountants and Advisors presented to Council the Annual Financial Statements for 2009/2010.

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## **ANNUAL GENERAL MEETING OF THE CAMPBELLTOWN CITY COUNCIL TO BE HELD ON 5 OCTOBER 2010**

### **1. BUSINESS: REPORT OF THE GENERAL MANAGER**

#### **1.1 Annual Financial Reports 2009-2010**

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##### **Attachments**

Financial Statements 2009-2010 (provided under separate cover)

##### **Report**

Council resolved at its meeting held on 24 August 2009 to refer the 2009-2010 General Purpose Financial Reports and the 2009-2010 Special Purpose Financial Reports to audit. Following completion of the audit by Council's independent auditing firm Morse Group Accountants and Advisors in accordance with Section 417 of the *Local Government Act 1993*, Council was issued with an audit opinion as outlined in the Auditor's reports.

##### **Presentation of Financial Reports**

Sections 415 to Section 421 of the *Local Government Act 1993* outlines Council's annual financial reporting and auditing requirements. Council must give a minimum of seven days notice of the public meeting at which the audited financial reports together with the auditor's reports are to be presented. Initial public notice was given on Tuesday, 28 September 2010 via the Macarthur Chronicle and subsequently in the Macarthur Advertiser.

In accordance with Section 420 of the *Local Government Act 1993* any person may make written submissions to the Council with respect to the audited financial reports or the auditor's reports. Council must ensure that copies of all submissions are referred to Council's Auditor together with any action that Council considers appropriate in response to submissions received. There have been no submissions received in regard to the Financial Reports.

In accordance with Section 418 of the *Local Government Act 1993* Council is required to hold a public meeting to review the Financial Reports within five weeks of receiving the Auditor's reports. Section 419 of the *Local Government Act 1993* advises that Council's Auditor may attend the meeting at which the Financial Reports are presented. Mrs Leanne Smith, Partner of Council's independent auditing firm, Morse Group Accountants and Advisors will be in attendance to make a presentation and discuss any matters that Council may wish to raise.

##### **The Financial Report**

The Financial Reports have been prepared in accordance with the Australian equivalents to International Financial Reporting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the *Local Government Act 1993* and regulations thereunder, the Local Government Code of Accounting Practice and Financial Reporting and Asset Accounting Manual.

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### Operational Result

The operating result for the period is an increase in equity of \$232m which includes depreciation of Councils infrastructure assets, capital grants and contributions and gains on revaluation of infrastructure, property, plant and equipment of \$223m. The operating result before capital grants and contributions provided a surplus of \$1.8m.

In complying with the Australian Accounting Standards any income received during the year must be brought to account in that financial period. As such any grant income, developer contributions and other income is brought to account when received or raised as a debtor. The subsequent expenditure required from this income may not be carried out until a future financial period which distorts the operating result. These funds are however, protected by placing a restriction over the income. Details of restricted funds are disclosed in Note 6c to the Financial Statements. For the 2009-2010 financial year externally restricted funds amount to \$25.3m.

### Performance Measures

The Division of Local Government requires a minimum number of prescribed indicators to be presented in Note 13 of the Financial Reports as follows:

#### **Unrestricted Current Ratio**

The unrestricted current ratio assesses the adequacy of working capital and the ability to satisfy obligations in the short term from the unrestricted activities of Council. This indicator has increased for 2009-2010 to 2.41:1. This ratio has continued to improve over recent years and remains above the benchmark of 2:1 as a result of the retirement of debt and continued budget surpluses.

2010	2009	2008
2.42:1	2.29:1	2.56:1

#### **Debt Service Ratio**

The debt service ratio assesses the impact of loan repayments on discretionary revenue. Council continues to maintain a strong debt service ratio which this year was 5.29%. It is Council's current policy to maintain a low ratio.

2010	2009	2008
5.29%	5.36%	5.95%

#### **Rate Coverage Ratio**

The rate coverage ratio assesses the dependence on revenue from rates and annual charges. An analysis of income trends will be presented to Council during the Annual General Meeting. The ratio for this year was 55.59% and is consistent with most metropolitan Councils.

2010	2009	2008
55.59%	57.33%	56.35%

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### **Rates and Annual Charges Outstanding Percentage**

The rates and annual charges outstanding percentage is reported to Council on a monthly basis as part of the Rates Summary Report. The percentage as at 30 June 2010 stood at 5.39%. Council continually monitors opportunities to improve the collection of outstanding amounts as well as the adequacy of recovery efforts however is impacted by socio-economic factors.

2010	2009	2008
5.39%	5.28%	5.36%

### **Asset Renewal Ratio**

The asset renewal ratio assesses the rate at which infrastructure assets are being renewed compared to the rate they are depreciating. The ratio as at 30 June 2010 stood at 102.55%. This years result was inflated due to the stimulus package funding however local government as an industry will continue to be challenged by funding gaps in asset renewal.

2010	2009	2008
102.55%	70.65%	71.20%

### **The Budget Result**

The budget result for the year is aligned to funding and takes into consideration Council's total expenditure and revenue, including not only operational items but capital expenditure, loan borrowings and sale of assets. Council's original budget predicted a balanced budget for the 2009-2010 financial year which was maintained during quarterly reviews. The final result was a surplus of \$166,769 which is an excellent outcome for Council.

### **Infrastructure Assets**

Council's assets are being progressively re-valued to fair value in accordance with a staged implementation advised by the Division of Local Government. As at 30 June 2010, the following classes of assets were stated at their fair value:

- Operational land (external independent valuation)
- Buildings – specialised/non specialised (external independent valuation)
- Plant and equipment (as approximated by depreciated historical cost)
- Roads, bridges, footpaths and drainage assets

The remaining asset classes to be re-valued to fair values in 2010-2011 are community land, land improvements, land under roads, other structures and other assets.

### **Summary**

Council's financial position as at 30 June 2010 continues to reflect a sound and stable position. After allowing for capital grants and contributions, the operational surplus of \$8.680m has now been consolidated into Council's total equity which now stands at \$1.47b.

Council's financial performance indicators continue to be above industry benchmarks while delivering the objectives set out in Council's Management Plan. Financial indicators will be highlighted in the presentation at the Annual General Meeting.

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Some of the noteworthy highlights for this financial period include:

- \$2.167m in Federal infrastructure funding facilitated a wide variety of upgrades and refurbishments to amenities blocks, playground areas, playing fields, bicycle ways and community halls across the local government area
- \$1.055m (final payment of a total \$2.110m) in Federal community infrastructure program funding received for the redevelopment of Coronation Park Netball Complex
- \$5.75m interest free loan awarded from NSW Local Government Infrastructure Fund for the extension of Farrow Road
- Exceeded budget prediction for investment income returns despite slow recovery in economy and credit market uncertainties
- 3% of rates revenue expended on Category 1 and 2 priorities in accordance with Council's Asset Management System.
- Finalisation of the \$8m Campbelltown Sports Stadium upgrade.

### **Officer's Recommendation**

That the Financial Reports and Auditor's Reports for the period 1 July 2009 to 30 June 2010 be received and noted.

### **Council Meeting 5 October 2010 (Oates/Hawker)**

That the Officer's Recommendation be adopted.

### **Council Minute Resolution Number 192**

That the Officer's Recommendation be adopted.

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