

Reports of the Corporate Governance Committee Meeting held at 5.30pm on Tuesday, 9 October 2012.

APOLOGIES

ACKNOWLEDGEMENT OF LAND

DECLARATIONS OF INTEREST

Pecuniary Interests

Non Pecuniary – Significant Interests

Non Pecuniary – Less than Significant Interests

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Minutes of the Corporate Governance Committee held on 9 October 2012

Present

Her Worship the Mayor, Councillor S Dobson
Councillor C Mead (Chairperson)
Councillor F Borg
Councillor A Chanthivong
Councillor G Greiss
Councillor P Hawker
Councillor R Kolkman
Councillor P Lake
Director Business Services - Mr M Sewell
Acting Director City Works - Mr G Mitchell
Acting Manager Assets and Supply Services - Mr W Miller
Manager Business Assurance – Mrs M McIlvenny
Manager Communications and Marketing - Mrs B Naylor
Manager Emergency Management - Mr J Dodd
Manager Executive Services - Mr N Smolonogov
Manager Financial Services – Mrs C Mears
Manager Governance and Administration - Ms D Bourke
Manager Information Management and Technology - Mr S McIlhatton
Manager Operational Services - Mr A Davies
Manager Property Services - Mr J Milicic
Manager Waste and Recycling Services - Mr P Macdonald
Revenue Accountant - Mr A Butcher
Events and Promotions Coordinator - Ms A King
Executive Assistant - Mrs D Taylor

Apology Nil.

Acknowledgement of Land

An Acknowledgement of Land was presented by the Chairperson Councillor Mead.

DECLARATIONS OF INTEREST

Declarations of Interest were made in respect of the following items:

Pecuniary Interests

Nil.

Non Pecuniary – Significant Interests

Nil.

Non Pecuniary – Less than Significant Interests

Councillor Chanthivong - Item 3.1 - Deed of Novation - 3GIS Telecommunication Sites - Councillor Chanthivong advised that he owns less than 10% of Telstra shares.

Councillor Mead - Item 3.1 - Deed of Novation - 3GIS Telecommunication Sites - Councillor Mead advised that he owns less than 10% of Telstra shares.

1. COMMUNICATIONS AND MARKETING

1.1 Riverfest Post Event Report

Reporting Officer

Manager Communications and Marketing

Attachments

Nil

Purpose

To provide Council with a post-event summary of events and activities held at Riverfest 2012.

History

Riverfest was established by the Macarthur branch of the National Parks Association (NPA) in 2001 to educate residents about the vast biodiversity that makes up our area. In 2003, Campbelltown City Council, at the request of the NPA, took over the operational running of the event in partnership with the NPA.

In 2005, Council introduced the theme of cultural diversity to the event. Shortly after, the Council formed a Sub Committee to guide Riverfest, with representatives from the environmental community and the culturally diverse community, officially represented by Macarthur Diversity Services Initiative (MDSI) together with NPA.

Report

Event summary

Riverfest was held on Saturday 25 August 2012 at Koshigaya Park from 11:00am until 3:00pm. The event provided a range of culturally inspired live performances, information stalls, food stalls, activities and workshops aimed at educating and entertaining visitors.

Cultural entertainment included Sudanese (Dinka), Bollywood dancing and a Maori performance group. Other stage entertainment included popular children's television show character, dirtgirl, who delivered an exciting and educational performance based around recycling. The stage entertainment also included an interactive live musical reptile show and a worm farming and composting demonstration.

In addition to the displays and interactive workshops hosted by community groups and Council, this year's event included workshops on worm farming and composting, making your own planter with environmentally friendly peat pots, African mask making, jewellery and headwraps. In total, there were 15 interactive workshops occurring throughout the day in addition to the stage entertainment and Discovery Trail.

This year also saw new interactive workshops including a cooking around the world demonstration, Filipino Jeepney paper craft, an interactive bug workshop, as well as some performance workshops including yoga and Bollywood dancing.

The Discovery Trail again proved popular among our younger visitors. This year, 16 organisations took part in the Discovery Trail. Participants were encouraged to visit a minimum of eight stallholders to learn more about a particular environmental or cultural issue, then answer a question relevant to that stall to obtain a passport stamp. 250 children participated in the activity. All completed passports entered into a draw for a chance to win one of three seedling prizes, or the major prize of a Bokashi Bin.

The Recyc-Olympics was another popular activity at the event. More than 80 children successfully took part in this activity which taught them about the correct use of their household waste, recycling and garden organics bins. All participants were given a participation prize on completion of their recycling efforts.

2012 saw two new initiatives introduced to Riverfest. The first was that the stage power was supplemented by solar power, to help reduce the event's ecological footprint through a reduction of grid power utilised.

Secondly, 2012 saw the introduction of Freshie – a free water refill station for anyone attending Riverfest. Freshie is a technologically advanced refill station, that offered chilled water and a range of healthy drinks – free to anyone attending Riverfest. By encouraging attendees to refill rather than buy water Council saved 297 bottles of water (600ml size) which equates to 178 litres of water and saw 420 drinks poured on the day. This represents a saving of more than \$800 for event attendees.

The festival attracted \$3,250 (inc GST) in sponsorship with three major sponsors: Channel Nine, Tumbleweed and Curves Campbelltown.

- Community champion: Channel Nine to the value of \$2,000 (inc GST)
- Stage sponsor: Tumbleweed to the value of \$750 (inc GST)
- Earth friend: Curves Campbelltown to the value of \$500 (inc GST).

It was estimated that this year's event was attended by more than 5000 people, a noted increase on the 2011 event. Feedback received both on the day and post event has been positive.

The festival was well supported by the local police, St John Ambulance and SES, and involved the cooperation of many sections within Council.

Riverfest was supported by Macarthur Diversity Services Initiative and National Parks Association.

The event was delivered within a budget of \$26,800 as adopted as part of the 2012-2013 operational plan. The final net cost to Council of the 2012 Riverfest event was \$26,491 (excl GST). A breakdown of expenditure and income is outlined below:

Equipment hire and contractor	\$8,900
Entertainment and workshops	\$10,827
Prizes and merchandise	\$1,297
Salaries (event and operations staff)	\$4,113
Advertising	\$3,538
Miscellaneous (printing, signage, consumables)	\$1,265
External income (sponsorship and stallholders)	\$3,449
Total cost to Council	\$26,491

Officer's Recommendation

That the information be noted.

Committee's Recommendation: (Lake/Chanthivong)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 16 October 2012 (Mead/Thompson)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 181

That the Officer's Recommendation be adopted.

1.2 Sponsorship of Council Events

Reporting Officer

Manager Communications and Marketing

Attachments

Nil

Purpose

To provide Council with information about a sponsorship agreement confirmed with Channel Nine.

Report

Channel Nine are looking to increase their involvement in community events, and have identified Campbelltown as a key area to build awareness of Channel Nine. This together with the existing working relationship with Channel Nine has resulted in a sponsorship offer to support Campbelltown City Council events over the next three years. The proposal is within the guidelines of Council's Sponsorship Policy and will provide additional funding for particular activities within the overall events.

The financial value of this agreement is \$60,000, delivered at \$20,000 per year. The focus of Channel Nine's involvement will be promotional activity at all annual events, with a focus on the Festival of Fisher's Ghost, Australia Day and Riverfest. Other events will also see involvement from Channel Nine on a needs basis, and may include the provision of talent or promotional activity at events. This support will see Channel Nine listed as the top level sponsor for the Festival of Fisher's Ghost and Riverfest, and as the Television Partner for all other events including Christmas Carols, New Year's Eve, Australia Day and Ingleburn Alive.

The in-kind component of this agreement may include the provision of talent, on air community service announcements and live weather crosses from events as available. The Channel Nine stall is always a popular fixture at events with free merchandise for event attendees.

The breakdown of the investment across all events each year will be:

Fisher's Ghost

Fred's First Night	\$10,000
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Pre-promotion event to be held on Wednesday 31 October at Bradbury Oval. Tickets will be made available to this event through a promotion to be run through October.

Festival Grand Champion \$8,000

Funds will be used to boost entertainment and workshops at the Street Fair and to add paid entertainment to the Street Parade to boost the liveliness and ambience.

Riverfest

Community Champion \$2,000

Funds will be used to increase the number of workshops and quality of stage entertainment.

Officer's Recommendation

That the information be noted.

Committee's Recommendation: (Borg/Lake)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 16 October 2012 (Mead/Thompson)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 181

That the Officer's Recommendation be adopted.

1.3 Strengthening Your Community

Reporting Officer

Manager Communications and Marketing

Attachments

Nil

Purpose

To update Council on the 'Strengthening Your Community' discussion paper by the Independent Local Government Review Panel and promoting community involvement on the corporate website.

Report

The Independent Local Government Review Panel was established in March 2012, with the aim of strengthening the effectiveness of local government in NSW.

The review involves three rounds of community consultation, along with research into council finances, service delivery, local government boundaries and local decision-making models. The final recommendations will be presented to the Minister for Local Government in July 2013.

Although the first round of community consultation is now complete, newly elected Councillors are being given the opportunity to have their say via the review panel's website www.localgovernmentreview.nsw.gov.au. The panel also are encouraging the local community to visit the website to make comment and to keep up to date with the review.

As part of Council's commitment to providing timely information to its residents, it is proposed that a link to the Local Government Review Panel's website be included on Council's corporate website under the News tab on the home page.

Officer's Recommendation

That a link to the Local Government Review Panel website be included on Council's corporate website under News on the home page.

Committee's Recommendation: (Hawker/Chanthivong)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 16 October 2012 (Mead/Thompson)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 181

That the Officer's Recommendation be adopted.

2. GOVERNANCE AND ADMINISTRATION

2.1 Membership to Various Sub Committees, Statutory Authorities and other Organisations

Reporting Officer

Manager Governance and Administration

Attachments

Nil

Purpose

To seek nominations to fill vacancies on a number of Sub Committees, Statutory Authorities and other Organisations.

Report

Council at an Extraordinary Meeting held on 18 September 2012 considered a report seeking nominations for members/delegates to various Sub Committees, Statutory Authorities and other Organisations.

At this meeting a number of vacancies were not filled and Council resolved that a report be submitted to the Corporate Governance Committee meeting scheduled for 9 October 2012 seeking nominations to fill the various vacancies.

Detailed below are the Sub Committees, Statutory Authorities and other Organisations that require additional members/delegates from Council.

Australia Day Awards Sub Committee

Membership: Her Worship the Mayor
Cr T Rowell (Chair)
Cr P Lake (Deputy Chair)
Vacancy
General Manager (or Nominee)

Community Safety Sub Committee

Membership: Cr P Hawker (Chair)
Vacancy (Deputy Chair)

2.1 Membership To Various Sub Committees, Statutory Authorities And Other Organisations

Glenalvon Sub Committee

Membership: Vacancy (Chair)
Vacancy (Deputy Chair)

Heritage Protection Sub Committee

Membership: Cr T Rowell (Chair)
Vacancy (Deputy Chair)

Georges River Combined Councils Committee

Membership: Cr G Greiss
Vacancy
Director Planning and Environment (or Nominee)

Hawkesbury Nepean Local Government Advisory Group

Membership: Vacancy
Director Planning and Environment (or Nominee)

Macarthur Zone Bush Fire Management Committee

Membership: Cr P Hawker
Vacancy (Alternate)
General Manager (or Nominee)

Macarthur Zone Rural Fire Service District Liaison Committee

Membership: Cr P Hawker
Vacancy (Alternate)
General Manager (or Nominee)

Public Libraries New South Wales - Metropolitan Association

Membership: Vacancy
Vacancy (Alternate)

Sydney Catchment Authority (SCA) - Local Government Reference Panel

Membership: Vacancy
Director Planning and Environment (or Nominee)
Note: This appointment is for a two year term

Interested Councillors are requested to submit nominations to fill the vacancies on various Sub Committees, Statutory Authorities and other Organisations.

Officer's Recommendation

That interested Councillors submit nominations to fill the vacancies on various Sub Committees, Statutory Authorities and other Organisations as outlined in the report.

Committee's Recommendation: (Lake/Greiss)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 16 October 2012 (Mead/Thompson)

That the Officer's Recommendation be adopted.

Amendment (Lake/Greiss)

That Councillor D Lound be appointed to Australia Day Award Sub Committee.

Council Resolution Minute Number 181

That the above amendment be adopted.

3. PROPERTY SERVICES

3.1 Deed of Novation - 3GIS Telecommunication Sites

Reporting Officer

Manager Property Services

Attachments

Nil

Purpose

To seek Council approval to enter into a Deed of Novation that would assign four telecommunication site Access Deeds from 3GIS Pty Limited to Telstra Corporation Limited.

History

Arising from an increasing demand for improved mobile coverage and wireless communication, Telstra constructed its 3G Telecommunication Network. The 3G network was brought to Campbelltown in mid-2006.

The 3G Telecommunication Network involved a higher number of base stations operating at a lower emission level when compared with the previous 2G and CDMA networks. To accommodate the 3G Network, Telstra identified a number of suitable Council owned sites throughout the Campbelltown local government area for use as new telecommunication sites.

It should be noted that the establishment of telecommunication sites is legislated by the *Telecommunications Act 1997 (Cth)*, an Act that has far reaching and overarching powers to enable the rapid deployment of telecommunication sites and telecommunication infrastructure particularly works classified as 'low impact'.

Given the significant Commonwealth statutory powers and immunities afforded by the *Telecommunications Act 1997 (Cth)* which enable telecommunication carriers such as Telstra to install telecommunication facilities on any existing structure under the "Low Impact" provisions, Council has adopted a requirement that any telecommunication carrier which requires land access or land occupation enter into an Access Deed.

The Access Deed serves as a form of compensation and provides Council protection from any litigation that may arise from the installation and continued occupancy of telecommunication equipment upon Council land or infrastructure. An Access Deed does not grant the telecommunication carrier any estate in Council land but rather acknowledges telecommunication carriers Commonwealth statutory rights in exchange for certain warranties, compensation and indemnities.

As such, Council at its meeting of 4 July 2006 considered a report titled Telstra 3G Network – Access Deed in which it resolved:

1. That Council advise Telstra it will enter into the Access Deed with compensation being paid annually by Telstra for each site as outlined in the body of the report.
2. That all documentation associated with the Access Deed be executed under the Common Seal of Council.

Subsequent to this resolution Council entered into eleven Access Deeds with 3GIS being the joint venture between Telstra and Vodafone.

In terms of income, the following table presents the fees and charges that have been adopted by Council:

Type of Occupancy	Access Fee (per Annum – 5% index)
Council Pole, Shelter Hut and Access	\$33,426.45 (including GST)
Shelter Hut and Access	\$15,280.65 (including GST)
Access Only	\$8,913.70

Report

Telstra in its media release of 21 October 2010 announced its joint venture with Vodafone (being the network operated by 3GIS) would conclude in August 2012. As part of the wind up of the 3GIS venture the eleven telecommunication sites subject to the Access Deeds entered into between 3GIS and Council are understood to have been allocated between Telstra and Vodafone.

In this respect representations have been received from 3GIS solicitors concerning a Deed of Novation in respect to four telecommunication site Access Deeds allocated to Telstra. Essentially the intention of the Deed of Novation is to assign the 3GIS Access Deed to Telstra.

It is considered that the Deed of Novation would have little impact to Council as the same terms and conditions as contained in the original Access Deeds have been retained including the yearly access fees and fixed annual access fee indexing.

Accordingly it is recommended that Council approval be provided to enter into a Deed of Novation that would assign the 3GIS Access Deed to Telstra at the following sites:

- Eschol Park Sports Complex
 - Ambarvale Sports Complex
 - Macquarie Fields Park
-

- Corner Heritage Way and Englorie Park Drive, Glen Alpine

Officer's Recommendation

1. That Council provide its approval to enter into a Deed of Novation for the assignment of four telecommunication Access Deeds from 3GIS Pty Limited to Telstra Corporation Limited as outlined in the body of this report.
2. That all documentation associated with the Deed of Novation be executed under the Common Seal of Council.

Committee's Recommendation: (Hawker/Greiss)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 16 October 2012 (Mead/Thompson)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 181

That the Officer's Recommendation be adopted.

4. FINANCIAL SERVICES

4.1 Monthly Rates Summary

Reporting Officer

Manager Financial Services

Attachments

1. Monthly Rate Summary
2. Actual to Budget Result
3. Rates Statistics

Purpose

To provide details of the 2012-2013 Rates and Charges Levy and cash collections for the period ending 31 August 2012.

Report

Rates and Charges levied for the period 31 August 2012 totalled \$79,609,567 representing 98.47% of the estimated annual budget amount.

Receipts collected to the end of August totalled \$19,584,620. This amount represents 23.9% of all rates and charges due to be paid. In comparison, the amount collected in the same period last year was 21.6%.

The annual rates and charges notices issued in July became due for payment on 31 August. The preferred method of payment is BPay via phone and internet bank account payments with 46% of all payments made this way. Payments via Australia Post which include credit card payments over the phone or via the internet and over the counter cash represent the second most preferred payment gateway with 38%.

Debt recovery action during the month involved the issue of 27 Statements of Claim and 12 Writs. These matters are in relation to arrears carried forward from 30 June 2012.

Ratepayers who have purchased property and have a balance unpaid since the annual notices were issued will receive a 'Notice to New Owner' letter. This letter advises ratepayers the annual amount levied and any balance unpaid since their settlement occurred. During August, 74 of these notices were sent to ratepayers.

Officer's Recommendation

That the information be noted.

Committee's Recommendation: (Greiss/Lake)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 16 October 2012 (Mead/Thompson)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 181

That the Officer's Recommendation be adopted.

ATTACHMENT 1

RATES SUMMARY

STATEMENT OF ALL OUTSTANDING RATES AND EXTRA CHARGES

RATE - CHARGE	NET ARREARS 1/7/2012	NET LEVY FOR YEAR	PENSION REBATES	EXTRA CHARGES	TOTAL RECEIVABLE	CASH COLLECTED	NET AMOUNT DUE	POSTPONED RATES & INTEREST	GROSS AMOUNT DUE
RESIDENTIAL	2,584,300.01	44,591,408.20	1,258,840.63	136,438.78	46,053,306.36	10,570,187.30	35,483,119.06	394,999.99	35,878,119.05
BUSINESS	648,124.82	15,099,933.38		16,951.70	15,765,009.90	4,065,189.58	11,699,820.32		11,699,820.32
BUSINESS - IND	14,953.93	0.00		72.08	15,026.01	8,930.01	6,096.00		6,096.00
FARMLAND	-10,530.04	370,453.95	876.56	0.00	359,047.35	83,323.80	275,723.55	154,945.06	430,668.61
MINING	0.00	13,422.10		0.00	13,422.10	13,422.10	0.00		0.00
LOAN	244,319.52	4,167,671.52		2,209.54	4,414,200.58	1,031,282.01	3,382,918.57	53,136.61	3,436,055.18
F5 ACCESS RAMPS	2,080.90	0.00		10.84	2,091.74	1,071.52	1,020.22		1,020.22
MAIN STREET	40.12	0.00		0.00	40.12	0.00	40.12		40.12
TOTAL	\$3,483,289.26	\$64,242,889.15	\$1,259,717.19	\$155,682.94	\$66,622,144.16	\$15,773,406.32	\$50,848,737.84	\$603,081.66	\$51,451,819.50
GARBAGE	694,369.27	15,075,470.24	416,661.30	6,789.90	15,359,968.11	3,592,460.48	11,767,507.63		11,767,507.63
SANITARY	0.00	0.00		0.00	0.00	0.00	0.00		0.00
STORMWATER	53,851.29	890,782.95		415.08	945,049.32	218,753.00	726,296.32		726,296.32
GRAND TOTAL	\$4,231,509.82	\$80,209,142.34	\$1,676,378.49	\$162,887.92	\$82,927,161.59	\$19,584,619.80	\$63,342,541.79	\$603,081.66	\$63,945,623.45

Total from Rates Financial Transaction Summary	63,735,197.48
Overpayments	-210,425.97
Difference	0.00

ANALYSIS OF RECOVERY ACTION

Rate accounts greater than 6 months less than 12 months in arrears	562,341.65
Rate accounts greater than 12 months less than 18 months in arrears	204,537.96
Rate accounts greater than 18 months in arrears	41,269.07
TOTAL rates and charges under instruction with Council's agents	\$808,148.68

ATTACHMENT 2

COMPARISON OF BUDGET TO ACTUAL

DESCRIPTION	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	BALANCE STILL REQD.	% RAISED
RESIDENTIAL	44,722,100	44,722,100	44,591,408	130,692	99.71%
BUSINESS	14,996,800	14,996,800	15,099,933	(103,133)	100.69%
FARMLAND	403,500	403,500	370,454	33,046	91.81%
MINING	13,400	13,400	13,422	(22)	100.16%
LOAN	4,184,500	4,184,500	4,167,672	16,828	99.60%
TOTALS	64,320,300	64,320,300	64,242,889	77,411	99.88%
INTEREST CHARGES	306,100	306,100	33,554	272,546	10.96%
LEGAL COSTS RECOVERED	950,000	950,000	121,241	828,759	12.76%
PENSIONERS - Sec 575	(1,690,000)	(1,690,000)	(1,676,378)	(13,622)	99.19%
PENSIONERS SUBSIDY	929,500	929,500	922,008	7,492	99.19%
SUB TOTAL	64,815,900	64,815,900	63,643,314	1,172,586	98.19%
DOMESTIC WASTE CHARGES	14,825,000	14,825,000	14,691,882	133,118	99.10%
COMMERCIAL WASTE CHARGES	322,400	322,400	383,588	(61,188)	118.98%
SANITARY INCOME	1,000	1,000	0	1,000	0.00%
STORMWATER MNGMNT	882,000	882,000	890,783	(8,783)	101.00%
GRAND TOTALS	80,846,300	80,846,300	79,609,567	1,236,733	98.47%
COLLECTIONS AS A % OF:	TOTAL RECEIVABLE	TOTAL LEVIED	TOTAL RECEIVABLE	TOTAL LEVIED	
RESIDENTIAL	22.95%	23.70%			
BUSINESS	25.79%	26.92%	RATES	23.68%	24.55%
FARMLAND	23.21%	22.49%	SANITARY	0.00%	0.00%
LOAN	23.36%	24.74%	STORMWATER	23.15%	24.56%
ALL RATES	23.68%	24.55%	TOTAL RATES & CHARGES	23.87%	24.68%

4.2 Sundry Debtors Report - August 2012

Reporting Officer

Manager Financial Services

Attachments

1. Debtors Summary to 31 August 2012
2. Ageing of Sundry Debts to 31 August 2012

Purpose

To provide a report detailing the amount outstanding by type and age for sundry and miscellaneous debts for the period ending 31 August 2012.

Report

Debts outstanding to Council as at 31 August 2012 were \$1,114,175 reflecting a decrease of \$319,458 since July 2012. The ratio of outstanding debts to current invoices has increased from 30% in July to the current level of 53%. This debtor management ratio is a measure of the effectiveness of recovery efforts, however is impacted by Council policies as well as economic and social conditions.

Invoices raised - August 2012

During the month, 488 invoices were raised totalling \$834,524. The majority of these are paid within a 30 day period however those that remain unpaid for greater than 90 days are detailed at the end of this report. The most significant invoices raised during the month have been in the following areas:

Corporate administration – \$331,293 - The main invoices relate to:

Capital Finance Australia Ltd – Sale of computer equipment	\$288,193
Camden Council – Contribution to Annual printing of 'Monthly What's on in Macarthur' and Macarthur Zone Rural Fire Service	\$5,403
Claude Outdoor – Illuminated advertising street signs 1 July 2011 to 30 June 2012	\$5,275

Land and Building Rentals - \$171,036 - The main invoices relate to:

Nuvezo Pty Ltd – Dumaresq Street Cinema	\$21,729
Aldi Stores – Macquarie Fields	\$21,567
Glenquarie Hotel Pty Ltd – Glenquarie Shopping Centre, Macquarie Fields	\$18,392
Caltex Oil Australia Pty Ltd – Macquarie Fields	\$14,723

Mycorp Group Pty Ltd – BP Petrol Station, Macquarie Fields	\$13,018
McDonalds Australia Limited - Glenquarie Shopping Centre, Macquarie Fields	\$7,246
Telstra Corporation Limited – Access Fees to Eschol Park Sports Complex	\$31,835
Transport Construction Authority – Licence Fees from 12 July 2010 to 30 September 2012, for temporary use of Railway Station facilities, ticket office and car parking at Railway Parade, Glenfield	\$37,315

Sportsground and Field Hire - \$107,818 - The main invoices relate to:

Invoices raised for the hire and commission on sales at Campbelltown Sports Stadium comprising of catering commission, Wests Tigers stadium hire, Western Suburbs stadium hire and various school carnivals	\$107,818
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Road and Footpath Restoration - \$60,850 - The main invoices relate to:

Jemena Gas Networks (NSW) Ltd – Footpath, driveway and roadway restoration work at various locations within the Local Government Area	\$27,348
Sydney Water Corporation - Footpath, driveway and roadway restoration work at various locations within the Local Government Area	\$18,399
Telstra – Footpath restoration work at various locations within the Local Government Area	\$5,056

Receipts to the value of \$1,153,982 have been received during the period, the most notable in the following areas:

Corporate administration	\$718,119
Land and building rentals	\$100,945
Sportsground and Field Hire	\$69,444
Private Works	\$60,491

Sundry Debts outstanding - 31 August 2012

Debts exceeding 90 days totalled \$175,776 as at 31 August 2012. The major invoices relating to this balance include:

Debtor 68316.9 - Retaining wall between Lot 1451 DP 703487 2 and 4 Brownlow Place, Ambarvale. Debtor is maintaining arrangement to pay \$450 per month as approved by Council	\$23,207
Debtor 71438.6 - Personal injury claim for Council employee due to a motor vehicle accident. Awaiting payment from insurance company to finalise debt	\$19,974
Private works - Recovery of costs relating to two separate incidents of damage to Council property. An arrangement to pay \$50 per week has been made on one of these accounts. Council's agents, Executive Collections is attempting to locate the other debtor	\$4,888
Sydney Water - Various road restorations in the Local Government Area. Account to be finalised in October 2012	\$8,058
Wests Tigers Football Club – Stadium hire	\$24,767

Housing NSW - Mowing of various open spaces within the Local Government Area	\$5,922
Harlequins Rugby Club – Integral energy account. Account is being disputed and is currently being investigated and followed up by Manager Healthy Lifestyles	\$5,164
Department of Premier and Cabinet (Local Government) - Pensioner Subsidy for rates and waste. Payment is expected in October 2012	\$30,245

Debt recovery action is undertaken in accordance with Council's Sundry Debtor Recovery Procedures Policy and commences with the issue of a Tax Invoice. A person or entity may be issued any number of invoices during the calendar month for any business, services or activities provided by Council. At the conclusion of each calendar month a statement of transactions is provided with details of all invoices due and how payments or credit notes have been apportioned. Once an invoice is paid it no longer appears on any subsequent statement.

All debts that age by sixty days or more are charged a Statement Administration fee of \$5.50 per statement. Debtors are contacted by telephone, email or in writing to make suitable arrangements for payment. Where a suitable arrangement is not achieved or not maintained as agreed, a seven day letter is issued referencing referral to Council's debt recovery agents.

Matters referred to Council's recovery agent are conducted in accordance with relevant legislation and are in accordance with the Civil Procedures Act, 2001. Formal legal recovery commences with a letter or demand (or letter of intent) providing debtors with at least ten days to respond. In the event that no response is received instructions are given to proceed to Statement of Claim allowing a further twenty eight days to pay or defend the action. Failing this the matter will automatically proceed to Judgment and continue through the Civil Procedures Act, 2001 process.

All costs associated with formal legal recovery are payable by the debtor and staff continue to make every effort to assist debtors to resolve their outstanding debt before escalating it through the local court.

During the month, 36 accounts progressed to recovery action. The defaulting debtors were issued a letter of demand on Council's letterhead advising that if the account was not settled or an appropriate arrangement was not made, the account will escalate to formal legal action through Council's agents.

Council's agents were instructed to proceed with one Statement of Liquidated Claims for unpaid licence fees and one Warrant of Apprehension, also for unpaid licence fees.

Council officers continue to provide assistance to debtors experiencing difficulties in paying their accounts. Debtors are encouraged to clear their outstanding debts through regular payments where possible to avoid any further recovery action.

Officer's Recommendation

That the information be noted.

Committee's Recommendation: (Borg/Kolkman)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 16 October 2012 (Mead/Thompson)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 181

That the Officer's Recommendation be adopted.

ATTACHMENT 1

DEBTORS SUMMARY 1 August 2012 to 31 August 2012

DEBTOR TYPE/DESCRIPTION	ARREARS AT 31/07/2012	RAISED THIS PERIOD	RECEIVED THIS PERIOD	BALANCE AT 31/08/2012	% DEBT RATIO
Corporate Administration	642,162	331,293	718,119	255,336	22.92%
Abandoned Items	9,843	967	0	10,810	0.97%
Child Care Debts	20,847	1,155	0	22,002	1.97%
Community Bus	502	156	356	302	0.03%
Tennis Court Hire	0	0	0	0	0.00%
Sportsground and Field Hire	122,373	107,818	69,444	160,747	14.43%
Government and other Grants	86,459	0	27,815	58,645	5.26%
Public Hall Hire	12,375	55,072	49,547	17,900	1.61%
Health Services	350	0	0	350	0.03%
Land and Building Rentals	38,692	171,036	100,945	108,783	9.76%
Healthy Lifestyles	2,772	44,935	43,284	4,422	0.40%
Library Fines and Costs	171,219	0	0	171,219	15.37%
Shop Licence Fees	36,070	5,750	7,383	34,437	3.09%
Pool Hire	5,318	9,589	7,446	7,461	0.67%
Private Works	128,709	0	60,491	68,218	6.12%
Road and Footpath Restoration	64,483	60,850	43,816	81,518	7.32%
Shop and Office Rentals	12,095	23,448	12,918	22,625	2.03%
Various Sundry Items	70,017	22,454	12,417	80,054	7.19%
Waste Collection Services	48,782	0	0	48,782	4.38%
	1,433,633	834,524	1,153,982	1,114,175	100%

ATTACHMENT 2

AGEING OF SUNDRY DEBTOR ACCOUNTS - 31 August 2012

Description	Current Charges	Total 30 Days	Total 60 Days	Total 90+ Days	Balance Due	Previous Month 90+ days
Corporate Administration	45,710	99,233	97,239	13,154	255,336	13,074
Abandoned Items	967	7,903	0	1,940	10,810	1,940
Child Care Debts	22,002	0	0	0	22,002	0
Community Bus	245	52	5	0	302	100
Sportsground and Field Hire	71,073	23,366	44,937	21,371	160,747	40,256
Government and other Grants	0	27,500	30,245	900	58,645	1,000
Public Hall Hire	16,045	166	954	735	17,900	595
Health Services	0	0	0	350	350	350
Land and Building Rentals	92,687	1,093	20	14,982	108,783	14,982
Healthy Lifestyles	2,877	253	0	1,292	4,422	1,347
Library Fines and Costs	171,219	0	0	0	171,219	0
Shop Licence Fees	4,867	1,795	3,730	24,045	34,437	21,560
Pool Hire	6,186	0	0	1,275	7,461	774
Private Works	1,189	104	29,796	37,129	68,218	62,607
Road and Footpath Restoration	55,377	11,624	11,551	2,965	81,518	3,324
Shop and Office Rentals	16,600	6,025	0	0	22,625	0
Various Sundry Items	17,389	2,463	4,737	55,465	80,054	58,746
Waste Collection Services	0	48,609	0	173	48,782	173
	484,997	230,188	223,214	175,776	1,114,175	220,827

4.3 Investment Report - August 2012

Reporting Officer

Manager Financial Services

Attachments

Investment Portfolio Performance as at 31 August 2012

Purpose

To provide a report outlining Council's investment portfolio performance for August 2012.

Report

Council invests any surplus funds that become available through the financial instrument designated by the Ministerial Order from the Division of Local Government. The *Local Government Act 1993* and the *Local Government (General) Regulation 2005* require a monthly investment report be presented to Council.

Council's Investment Portfolio as at 31 August 2012 stood at approximately \$85m. Funds are currently being managed by Council staff and are in accordance with the *Local Government Act 1993*, *Local Government (General) Regulation 2005* and Council's Investment Policy.

Portfolio Performance

Directly managed investments show an outperformance of the 90 day bank bill index benchmark by more than 100 basis points for the reporting period.

Return	Annualised	Month
Council Managed Funds	5.12%	0.43%
Benchmark: 90 Day Bank Bill Index	3.59%	0.30%

Investment returns can fluctuate during any one reporting period based on market perceptions, or as in the case of funds under management, changes in asset classes. As such any measurement of performance is better reflected over a rolling 12 month period to average out any fluctuations in monthly performance. Council's total investment portfolio has outperformed the benchmark on average over the last twelve months.

Rolling Year to Date Return	August
Council Managed Funds	5.64%
Benchmark: 90 Day Bank Bill Index	4.35%

Council's portfolio as at 31 August 2012 is diversified with 69% in term deposits of varying lengths of maturity which are managed in accordance with market expectations and Council's investment strategy, 22% in floating rate notes which give Council a set margin above either 30 or 90 day bank bills, 7% in fixed rate bonds, 1% in funds in a short term at call account and 1% in a National Australia Bank offset facility which expires in 2014.

Duration Profile	August
Short Term at Call	\$1,132,053
1 – 3 Months	\$0
3 – 6 Months	\$39,460,106
6 – 12 Months	\$12,564,915
12 Months +	\$31,454,066

All investments are placed with Approved Deposit Taking Institutions. No funds are placed with any unrated institutions.

Credit Exposure	August
AAA to AA-	85%
A+ to A	11%
A- to BBB-	4%
Other Approved Deposit Taking Institutions	0%

Economic Outlook

At its meeting on 3 October 2012, the Reserve Bank Board (RBA) decided to lower the cash rate by 25 basis points to 3.25%. The RBA acknowledged the outlook for growth in the world economy has softened over recent months, economic activity in Europe is contracting while growth in the United States remains modest. In Australia most of the economic indicators suggest growth is running close to trend, led by very large increases in capital spending in the resources sector. With inflation remaining low and expected to remain close to target, the Board judged that on the back of international developments the growth outlook for the next year looked a little weaker and that it was appropriate for the stance of monetary policy to be a little more accommodative.

Summary

Council's investment portfolio continues to outperform the benchmark of the 90 day bank bill index. The Local Government Investment Guideline leaves little scope for the enhancement of Council's investment portfolio with the various investment products being offered. However, to enhance the portfolio, advantage is taken on the length of maturity of the investment given the rating of the institution as well as reviewing any new investment products offered in consultation with Council's financial advisor, Spectra Financial Services.

Regular liaison with Council's external financial advisor assists in monitoring all of the risk factors to maximise Council's return on the investment portfolio while minimising the risk associated with this strategy.

Officer's Recommendation

That the information be noted.

Committee's Recommendation: (Kolkman/Lake)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 16 October 2012 (Mead/Thompson)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 181

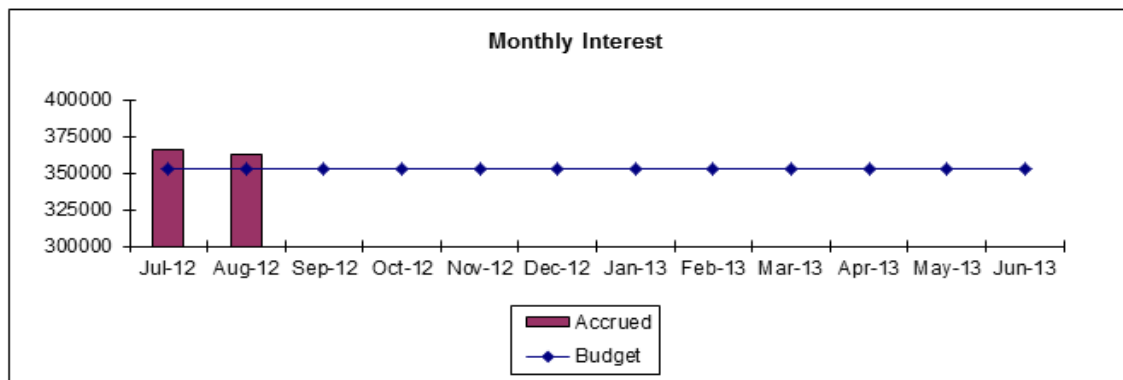
That the Officer's Recommendation be adopted.

ATTACHMENT 1

CAMPBELLTOWN CITY COUNCIL INVESTMENT PORTFOLIO Summary August 2012

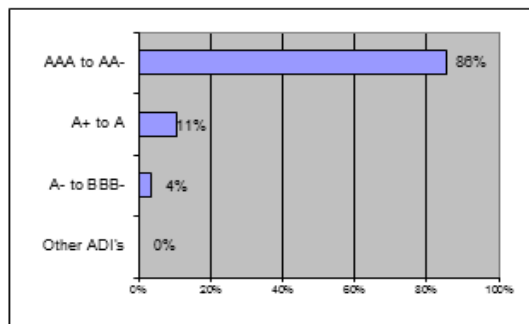
Benchmark UBS Warburg 90 Day Bank Bill Index
 Portfolio Balance \$84,611,139.23

Monthly Performance	Return (mth)	Return (pa)
UBSW 90 Bank Bill Index	0.30%	3.59%
Total Portfolio	0.43%	5.10%
<i>Performance to Benchmark</i>	+ 0.13%	+ 1.51%
Portfolio - Direct Investments	0.43%	5.12%
<i>Performance to Benchmark</i>	+ 0.13%	+ 1.53%
Short Term Call Account	0.33%	3.90%



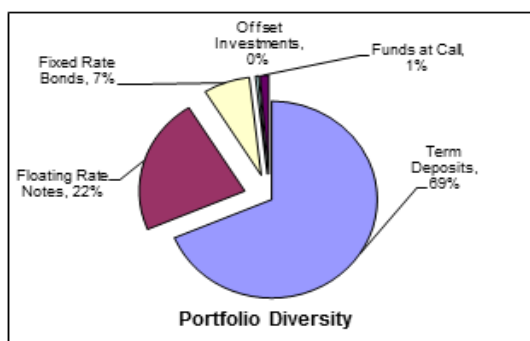
Year to Date Performance Credit Exposure

Rolling 12 Month Period
 5.64% Council Managed Funds
 0.00% Other Managed Funds
 4.35% Benchmark



Interest Budget to Actual
 Budget to Period \$706,250
 Accrued to Period \$728,277

Securities Institutions



	Amount Invested	% Portfolio
Funds at Call	\$ 1,132,053.37	1%
Suncorp Metway	\$ 9,054,065.75	11%
National Australia Bank	\$ 11,540,682.73	14%
ANZ Bank	\$ 3,500,000.00	4%
NSW Treasury	\$ 4,250,000.00	5%
Westpac Bank	\$ 18,245,257.13	22%
St George Bank	\$ 8,501,961.26	10%
Commonwealth Bank	\$ 12,500,000.00	15%
Bank Western Australia	\$ 12,887,118.99	15%
Bank of Queensland	\$ 3,000,000.00	4%
Total	\$84,611,139.23	100%

4.4 Policy Review - Accounting Practices

Reporting Officer

Manager Financial Services

Attachments

Accounting Practices Policy

Purpose

To review the attached Policy in accordance with Council's adopted procedures.

Report

The abovementioned Policy has been reviewed in accordance with Council's Record Management Policy and the adopted procedure for Policy Development and Review.

This Accounting Practices Policy is in addition to the Significant Accounting Policy as listed in Note 1 of the Annual Financial Reports and refers to accounting matters which are of less significance or considered immaterial.

This Policy is reviewed in conjunction with Council's external auditor, Morse Group Accountants and Advisors and found that no changes were required, and it is recommended that the Policy be adopted and a new review date set.

Officer's Recommendation

1. That Policy – Accounting Practices as shown as attached to this report be adopted.
2. That the Policy review date be set at 30 November 2015.

Committee's Recommendation: (Chanthivong/Greiss)

That the Officer's Recommendation be adopted.

CARRIED


Council Meeting 16 October 2012 (Mead/Thompson)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 181

That the Officer's Recommendation be adopted.

ATTACHMENT 1

		POLICY
Policy Title	Accounting Practices	
Related Documentation	Significant Accounting Policy	
Relevant Legislation/ Corporate Plan	<i>Local Government Act 1993</i> The Australian Accounting Standards Board Local Government Code of Accounting Practices and Financial Reporting	
Responsible Officer	Manager Financial Services	

Policy details may change prior to review date due to legislative changes, therefore this document is uncontrolled when printed.

Objectives

The purpose of this policy is to document the accounting practices by Campbelltown City Council. These accounting practices are in addition to the “significant accounting policies” listed in the annual financial statements and refer to matters which are of less significance or considered immaterial.

Policy Statement

This policy has been developed in conjunction with Council's external Auditor to develop a process for the dealing of various transactions affecting Council's end of year financial position. The policy has been developed taking into account all relevant legislation.

Scope

The scope of this policy is to formalise the accounting treatment for transactions affecting Council's end of year financial position.

Definitions

Contingent Asset - is recognised in the Notes to the end of year financial reports. This is reliant on a set of events and does not affect the Income Statement or the Balance Sheet as presented in Council's end of year financial reports.

Immaterial - relates to the quantum of the amount of a transaction and where this amount is of a minor nature, it is considered to be immaterial.

Legislative Context

This policy is in accordance with the *Local Government Act 1993*, the *Local Government (General) Regulations 2005*, the Local Government Code of Accounting Practice and Financial Reporting and the Accounting Standards as released by the Australian Accounting Standards Board.

Campbelltown City Council

Principles

Childcare Income, Childcare Fees in advance and Childcare Debtors

Council's policy is to only recognise childcare income on a cash basis. The extent of any childcare fees in advance or childcare debtors is considered immaterial and the cost of gathering the information on a monthly basis is prohibitive.

The recoverability of childcare debtors is also considered doubtful so any debtors would need to be provided for by way of a doubtful debts provision liability.

Library Fines

Library fines are brought to account as income on a cash received basis. Outstanding fines are accrued as a debtor with an offsetting provision to enable Council to monitor the balance. The Library system is used as the subsidiary ledger. Due to the minor nature and likelihood recoverability, no contingent asset is recognised.

Prepayments

Although Council prepares its accounts on an accrual basis, prepayments will only be recognised if the prepayment exceeds \$1,000 per month.

Issues such as prepaid motor vehicle registration or telephone services in advance are considered immaterial and not recorded as prepayments.

Income In Advance

Although Council prepares its accounts on an accruals basis, income in advance will only be recognised if the advance exceeds \$1,000 per month.

Specific issues such as prepaid childcare fees or leisure centre membership fees are considered immaterial and not recorded as income in advance.

Stock on Hand

Stock on hand at Council's Central Store is accounted for by the Council's Inventory Module within the Financial Management Information System and an annual stocktake is performed to reconcile the physical stock to the expected stock levels.

Other stock owned by Council such as stationary, kiosk supplies and clothing and equipment at leisure centres is expensed when purchased and not recorded as an asset of the Council.

Parking Fines

Fines are referred to the Infringement Processing Bureau for monitoring and recovery. The Infringement Processing Bureau maintains the controls and checks to monitor outstanding fines. Fines are subject to appeal and negotiation. Therefore it is Council's policy only to recognise the income on a cash received basis.

Additionally, Council also chooses not to recognise these debtors as a contingent asset as Council has no control over the recovery process.

Section 94

Section 94 Contributions are brought to account on a cash received basis. This accounting approach is consistent with the funding of Section 94 works, ie: the funds are received before the works can commence.

Although a contingent asset exists, this asset is matched with an obligation of Council to perform tasks documented in the Section 94 plan. Therefore, no contingent asset or liability is recognised in the accounts in relation to Section 94.

Campbelltown City Council

Developer Contributions

Developer contributions are brought to account as soon as Council has a legal claim to the contribution. The allocation of the subsequent receivable between current and non-current will be determined by the conditions of the approval where an agreement is executed.

Responsibility

The Manager Financial Services shall ensure that all transactions are treated in accordance with this policy at the end of each financial year and reflected consistently in Council's end of year financial reports.

Effectiveness of this Policy

This policy will be reviewed on a three year basis or where alterations in legislation will require a review of the treatment of transaction associated within this policy.

END OF POLICY STATEMENT

DOCUMENT HISTORY AND VERSION CONTROL

RECORD Contact for inquiries and proposed changes

Name	Corinne Mears
Position/Section	Manager Financial Services
Contact Number	

Version Number	Revised Date	Authorised Officer	Amendment Details

4.5 Policy Review - Rateable Valuation Aggregation (strata schemes) Policy

Reporting Officer

Manager Financial Services

Attachments

Rateable Valuation Aggregation (strata schemes) Policy

Purpose

To review the attached Policy in accordance with Council's adopted procedures.

Report

The abovementioned Policy has been reviewed in accordance with Council's Record Management Policy and the adopted procedure for Policy Development and Review.

The Rateable Valuation Aggregation (strata schemes) Policy has been reviewed and found that no changes were required, and it is recommended that the Policy be adopted and a new review date set.

Officer's Recommendation

1. That the Rateable Valuation Aggregation (strata schemes) Policy as shown as attached to this report be adopted.
2. That the Policy review date be set at 30 November 2015.

Committee's Recommendation: (Kolkman/Lake)

That the Officer's Recommendation be adopted.

CARRIED


Council Meeting 16 October 2012 (Mead/Thompson)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 181

That the Officer's Recommendation be adopted.

ATTACHMENT 1

		POLICY
Policy Title	Rateable Valuation Aggregation (strata schemes) Policy	
Related Documentation	Nil	
Relevant Legislation/ Corporate Plan	<i>Local Government Act, 1993</i> <i>Valuation of Land Act, 1916</i> <i>Strata Schemes (Freehold Development) Act 1973</i>	
Responsible Officer	Manager Financial Services	

Policy details may change prior to review date due to legislative changes, therefore this document is uncontrolled when printed.

Objectives

To aggregate valuations on certain parcels for the purposes of rating in order to apply minimum rates fairly and prevent hardship to a rateable person on up to three related assessments.

Policy Statement

That Council aggregate the valuation used in strata schemes for rating purposes on the following basis;

- One car-parking lot and one utility/storage lot be aggregated with the occupiable business or residential lot in the strata scheme
- The aggregation to apply from 30 June subsequent to a written application being received
- The aggregation to cease on 30 June subsequent to change in ownership or transfer of unit entitlement
- Aggregation be permitted only where the rateable parcel of land is owned solely by the applicant.

Scope

This policy is intended to apply to all ratepayers within the Local Government Area. Its effect is anticipated to have a direct impact on no more than 150 persons or entities at any given time.

Definitions

Aggregate	To add the predetermined unit entitlement allocated on a strata plan resulting in a new entitlement for rating purposes.
Unit entitlement	A number representative to the value of an individual lot in the strata scheme.

Legislative Context

The following sections are included and influence this policy.

- *Local Government Act 1993* - Section 531B and Section 548A
- *Valuation of Land Act 1916* - Section 7B and Section 14A
- *Strata Schemes (Freehold Development) Act 1973* - Section 90 and Section 93

Principles

The Manager Financial Services will be responsible for administering the principles of this policy by ensuring that appropriate steps are taken to maintain a level of confidentiality with data supplied for the purposes of applying aggregation fairly and equitably.

Responsibility

The Manager Financial Services may delegate responsibility to the Revenue Accountant to ensure proper procedural documentation is maintained at a level satisfactory to Council, relevant legislation and Financial Audit.

Effectiveness of this Policy

Key performance indicators,

- Apply maintenance changes to rateable assessments in a timely manner.
- Ensure effective communication is maintained with affected ratepayers.
- Monitor applications degree of compliance with this policy.

END OF POLICY STATEMENT

DOCUMENT HISTORY AND VERSION CONTROL RECORD

Contact for inquiries and proposed changes

Name	Corinne Mears		
Position/Section	Manager Financial Services		
Contact Number	4645 4695		
Version Number	Revised Date	Authorised Officer	Amendment Details

4.6 Policy Review - Significant Accounting Policy

Reporting Officer

Manager Financial Services

Attachments

Significant Accounting Policy

Purpose

To review the attached Policy in accordance with Council's adopted procedures.

Report

The abovementioned Policy has been reviewed in accordance with Council's Record Management Policy and the adopted procedure for Policy Development and Review.

The Significant Accounting Policy is reviewed on a yearly basis and forms the basis of Note 1 to the General Purpose Financial Reports and outlines the treatment of revenues, expenses, assets and liabilities. The Division of Local Government also issues an updated Code of Accounting Practice each financial year which provides Council's direction regarding the preparation of the Financial Reports, including Note 1.

The Significant Accounting Policy has been reviewed to ensure it is reflective of Note 1 to the 2011-2012 Financial Reports Statements and Code of Accounting Practice Update 20 of which the changes were minimal and are summarised below:

- Additional disclosure regarding other long term employee benefits all being presented as current liabilities where Council does not have an unconditional right to defer settlement for at least twelve months, regardless of when the actual settlement is expected to occur.
- Updated disclosure regarding new accounting standards and interpretations and the impacts, if any, they may have on Council in the current reporting period or any foreseeable future transactions.

This Policy is reviewed in conjunction with Council's external auditor, Morse Group Accountants and Advisors, and it is recommended that the Policy be adopted and a new review date set.

Officer's Recommendation

1. That Significant Accounting Policy as shown attached to this report be adopted.
2. That the Policy review date be set at 30 October 2013.

Committee's Recommendation: (Hawker/Lake)

That the Officer's Recommendation be adopted.

CARRIED


Council Meeting 16 October 2012 (Mead/Thompson)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 181

That the Officer's Recommendation be adopted.

ATTACHMENT 1

		POLICY
Policy Title	Significant Accounting Policy	
Related Documentation	Investment Policy Accounting Practices Policy	
Relevant Legislation/ Corporate Plan	<i>Local Government Act 1993</i> <i>Local Government (General) Regulation 2005</i> Local Government Code of Accounting Practice and Financial Reporting Accounting Standard of the Australian Accounting Standards Board (AASB)	
Responsible Officer	Manager Financial Services	

Policy details may change prior to review date due to legislative changes, therefore this document is uncontrolled when printed.

Objectives

To effectively record all financial data in accordance with the requirements of relevant statutes and Council policies.

Policy Statement

This Policy sets a basis for presentation of the General Purpose Financial Reports to ensure compatibility with previous years and other Local Government reporting entities.

Scope

This Policy covers all Financial staff of Campbelltown City Council who are responsible for the end of year processes associated with the preparation of the end of year financial accounts.

Campbelltown City Council is committed to reflecting clear and transparent financial accounts for review by any interested external party.

Legislative Context

The preparation of end of year financial accounts rely on clear treatment of transactions so they are reflected within Council's Accounting Policy. The principles are consistent with the *Local Government Act 1993*, the *Local Government (General) Regulations 2005*, the Local Government Code of Accounting Practice and Financial Reporting, the Accounting Standards of the Australian Accounting Standards Board, Section 625 of the *Local Government Act 1993* and Section 212 of the *Local Government (General) Regulation 2005*.

Principles

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the *Local Government Act (1993)* and Regulation, and the Local Government Code of Accounting Practice and Financial Reporting. Campbelltown City Council is a not for profit entity for the purpose of preparing the financial statements.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured on major income categories as follows:

Rates, annual charges, grants and contributions

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts. Developer contributions may only be expended for the purposes for which the contributions were required but the Council may apply contributions according to the priorities established in work schedules.

Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Revenue is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g). The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

User charges and fees

User charges and fees are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

Sale of plant, property, infrastructure and equipment

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Interest and rents

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

(c) Principles of consolidation

(i) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993*, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund. The consolidated fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

The following entities have been included as part of the Consolidated fund:

- General purpose operations
 - Macarthur Regional Organisation of Councils (MACROC)
-

The following Committees, the transactions of which are considered immaterial either by amount or nature, have been excluded:

- Glenquarie Hall Management
- Glenquarie Neighbourhood
- Eagle Vale Neighbourhood
- Woodbine Neighbourhood
- Town Hall Theatre

The total revenue and expenditure from continuing operations and the net assets held by these Committees are as follows:

	\$
Total income from continuing operations	95,000
Total expenditure from continuing operations	100,000
Total net assets (Equity) held	261,000

Note:

Where actual figures are not known, best estimates have been applied.

(ii) The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993* (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the Council in trust which must be applied only for the purposes of or in accordance with the trusts relating to those monies. Trust monies and property subject to Council's control have been included in these reports.

Trust monies and property held by Council but not subject to the control of Council, have been excluded from these reports. A separate statement of monies held in the Trust Fund is available for inspection at the Council office by any person free of charge.

(iii) Joint Ventures

Jointly controlled assets – any proportionate interests in the assets, liabilities and expenses of a joint venture activity have been incorporated in the financial statements under the appropriate headings. Details of any joint venture are set out in Note 19.

Jointly controlled entities - any interest in a joint venture partnership is accounted for using the equity method and is carried at cost. Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the balance sheet. Details relating to any partnership are set out in Note 19.

Jointly controlled operations – Council has no jointly controlled operations at present. However when such operations are entered into the assets which are controlled and the liabilities incurred by Council are recognised in the balance sheet. Expenses incurred and Council's share of income are recognised in the income statement.

(d) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(e) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given, plus costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(f) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

(i) Inventories

(i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Land held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

(j) Non-current assets held for sale

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The exception to this is plant and motor vehicles which are turned over on a regular basis – these are retained in property, plant and equipment.

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell the asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

(k) Investments and other financial assets

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities of less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Financial assets – reclassification

Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, Council may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flow adjust effective interest rates prospectively.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment

Council assesses at each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(i) Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the financial assets original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit and loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Investment Policy

Council has an approved investment policy complying with Section 625 of the *Local Government Act 1993* and S212 of the *Local Government (General) Regulations 2005*. Investments are placed and managed in accordance with that policy and having particular regard to authorised investments prescribed under the Ministerial Local Government Investment Order. Council maintains an investment policy that complies with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing Council funds.

(l) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(m) Infrastructure, property, plant and equipment (IPPE)

Council's assets have been progressively revalued to fair value in accordance with a staged implementation advised by the Division of Local Government. At balance date, the following classes of IPPE were stated at their fair value:

- Operational land (external valuation)
- Buildings – specialised/non specialised (external valuation)
- Plant and equipment (as approximated by depreciated historical cost)
- Road assets – roads, bridges and footpaths (internal valuation)
- Drainage assets – (internal valuation)
- Community land (internal valuation)
- Land improvements (as approximated by depreciated historical cost)
- Other structures (as approximated by depreciated historical cost)
- Other assets (as approximated by depreciated historical cost)

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first charged against asset revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Plant and equipment	5-20 years		
Office equipment	5-10 years	Roads	100 years
Furniture and fittings	5-10 years	Bridges	100 years
Buildings	25-100 years	Drainage	100 years
Other Structures	5-50 years	Other Assets	30-100 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Land, other than land under roads, is classified as either operational or community in accordance with Part 2 of Chapter 6 of the *Local Government Act 1993*. This classification is made in Note 9(a).

(n) Investment property

Investment property, principally comprising commercial premises, is held for long-term rental yields and is not occupied by the Council. Investment property is carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, Council uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. These valuations are reviewed annually by a member of the Australian Property Institute. Changes in fair values are recorded in profit or loss as part of other income.

Investment property includes properties that are under construction for future use as investment properties. These are also carried at fair value unless the fair value cannot yet be reliably determined. Either the fair value becomes reliably determinable or construction is complete.

(o) Payables

These amounts represent liabilities for goods and services provided to the Council prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period the facility to which it relates.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(q) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(r) Provisions

Provisions for legal claims and service warranties are recognised when: the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to the passage of time is recognised as interest expense.

(s) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. When this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans (see below).

The Local Government Superannuation Scheme has advised member Councils that as a result of the global financial crisis, it has a significant deficiency of assets over liabilities. As a result, they have asked for significant increases in contributions to recover that deficiency. Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual agreement where assets and liabilities are pooled together for all member Councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has, however, disclosed a contingent liability in Note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(t) Rounding of amounts

Unless otherwise indicated, amounts in the financial report have been rounded off to the nearest thousand.

(u) Land under roads

Council has elected to recognise all land under roads in accordance with AASB 116 Property, Plant and Equipment.

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

(v) Provisions for close down and restoration and for environmental clean up costs – Tips and quarries

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, eg, updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Close down and restoration costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the income statement in each accounting period. The amortisation of the discount is shown as a borrowing cost.

Other movements in the provisions for close down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each balance sheet date and the cost is charged to the income statement.

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the balance sheet date. These costs are charged to the income statement. Movements in the environmental clean up provisions are presented as an operating cost, except for the unwind of the discount which is shown as a borrowing cost. Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would affect future financial results.

(w) Allocation between current and non-current assets and liabilities

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

(x) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting period. Council's assessment of the impact of these new standards and interpretations is set out below.

(i) *AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013).*

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. There will be no impact on Council's accounting for financial liabilities as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Council does not have any such liabilities.

(ii) *AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associated and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013).*

Council has no joint venture interests.

(iii) *AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013).*

Council has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. Council does not intend to adopt the new standard before its operative date, which means that it would first be applied in the annual reporting period ending 30 June 2014.

- (iv) *Revised AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013).*

Council does not recognise defined benefit assets and liabilities for the reasons set out in Note 1 (s) (iii) and so these changes will not have an impact on its reported results.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(y) Self insurance

Council has determined to self-insure for Workers Compensation. A provision for self-insurance has been made to recognise outstanding claims, the amount of which is detailed in Note 10. Council also maintains cash and investments to meet expected future claims and these are detailed in Note 6(c).

(z) Intangible assets

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from three to five years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where Council has an intention and ability to use the asset.

(aa) Crown reserves

Crown reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated. Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's income statement. Representations from both State and Local Government are being sought to develop a consistent accounting treatment for Crown Reserves across both tiers of government.

(ab) Rural fire assets

Under Section 119 of the Rural Fire Services Act 1997 "all fire fighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the Council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed." Until such time as discussions on this matter have concluded and the legislation changed, Council will continue to account for these assets in their books.

(ac) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Responsibility

Manager Financial Services, Finance & Tax Accountant and other authorised signatories.

Effectiveness of this Policy

This policy will be reviewed annually in accordance with the current legislation to ensure its continuing suitability and effectiveness. Records of review shall be maintained.

END OF POLICY STATEMENT

DOCUMENT HISTORY AND VERSION CONTROL RECORD

Contact for inquiries and proposed changes

Name	Corinne Mears
Position/Section	Manager Financial Services
Contact Number	4645 4695

Version Number	Revised Date	Authorised Officer	Amendment Details

5. BUSINESS ASSURANCE

5.1 An overview of Integrated Planning and Reporting

Reporting Officer

Manager Business Assurance

Attachments

Nil

Purpose

This report provides an overview of Integrated Planning and Reporting, including the background of Integrated Planning and Reporting, a summary of the framework and the current legislative requirements of entering a new Council term.

History

In 2009, the NSW Government introduced legislation requiring all councils to develop a Community Strategic Plan, Delivery Program, Operational Plan and Resourcing Strategy inclusive of a Long Term Financial Plan, Asset Management documents and a Workforce Management Plan as part of an Integrated Planning and Reporting process (IPR).

As part of the development of the Community Strategic Plan, which informs the remaining IPR documents, extensive community consultation was undertaken to determine the aspirations of the community. As part of the community consultation process a number of initiatives were undertaken in order to engage the community, including:

- a phone survey
- post card competitions
- information stalls at public events
- focus groups.

The IPR documents were adopted at an Extraordinary Meeting of Council held on 19 June 2012 and became effective on 1 July 2012. The IPR framework supersedes the previous Corporate/Management Plan framework.

Report

Under the *Local Government Act 1993*, the IPR framework is to be reviewed in line with the Council term. It is a requirement of IPR that Council undertakes a community consultation process to reaffirm the aspirations of the community. The current community aspirations are aligned to five objectives which are:

- a sustainable environment
- a strong local economy
- an accessible city
- a safe, healthy and connected community
- responsible leadership.

Due to recently having conducted an extensive community consultation process, it is not envisaged that the aspirational wants of the community will differ greatly.

As part of the review process, all IPR documents will be reviewed and updated as required, in line with the budget and section business planning process. During this review period the 2013-2014 Operational Plan, including Budget and Fees and Charges will be developed. The updated IPR documents are required to be publicly exhibited for a period no less than 28 days before being adopted by Council. It is anticipated that the exhibition period will occur in May 2013.

Council will receive a detailed briefing regarding the IPR review process as soon as possible.

Officer's Recommendation

That the information be noted.

Committee's Recommendation: (Kolkman/Borg)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 16 October 2012 (Mead/Thompson)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 181

That the Officer's Recommendation be adopted.

6. HUMAN RESOURCES

No reports this round

7. INFORMATION MANAGEMENT AND TECHNOLOGY

7.1 VoIP Post-Implementation Report

Reporting Officer

Manager Information Management and Technology

Attachments

ICT Professional of the Year Award (distributed under separate cover)

Purpose

To update Council on the success of the recently completed Voice over Internet Protocol (VoIP) telephony upgrade project.

History

Council's previous telephony solution had been implemented by a number of different vendors at different times, resulting in a telephone system that was made of disparate components which were difficult and expensive to manage.

The main PABX system was an Ericsson MD110, located at Civic Centre, which had been installed in 1993. It serviced the Civic Centre precinct, the Minto Depot, HJ Daley Library, Family Day Care, the Arts Centre and Quondong.

At the time of replacement the Ericsson system had reached capacity for voice calls and it had become difficult to source parts. It was also unable to meet the increased demands of the organisation in terms of providing excellent customer service to the community.

A number of secondary NEC PABXs were also located at Eagle Vale Central, Macarthur Community Options, Macquarie Fields Leisure Centre and the Animal Care Facility. All other Council voice services operated on direct Telstra telephone lines.

In the 2011-2012 budget Council approved \$1.45m for a project to implement a VoIP unified communications platform. A comprehensive tender process was undertaken and Dimension Data were awarded the contract to implement a Cisco Unified Communications solution.

Report

The commencement of the contract with the successful tenderer, Dimension Data for the VoIP project was June 2011. The project progressed in accordance with milestone dates and officially went live on 5 December 2011.

By consolidating the numerous phone systems to a single solution Council now has a robust, modern platform which can be easily configured and developed to better service the telephony needs of a dynamic organisation.

Amongst the many benefits that the VoIP solution provides are:

- Software-based solution which allows for easy upgradability and expansion
- Increased functionality for staff to manage their telephony needs
- Faster response to telephone reconfiguration
- Standardisation of phone handsets for general staff
- Implementation of specialised call centre functionality such as real-time call management and advanced call flow
- Greatly improved reporting on call metrics
- Robust disaster recovery capability
- The ability to ensure business continuity through reconfiguration of calls to remote sites
- Cost savings on calls to mobiles by using a GSM gateway to utilise cheaper mobile-to-mobile rates
- Provision of SMS alert services for emergency and promotional events
- Integration of the phone directory with Active Directory ensuring synchronisation of corporate information across the network and telephony system
- Use of 'presence' to indicate staff availability to take calls, synchronised with Microsoft Exchange.

The success of the project was dependent on a number of factors:

- Investment in the planning and design phases to ensure that the outcomes of the project were clearly defined and agreed
- Commitment and support from the entire organisation to the change
- A comprehensive tendering process to ensure a quality solution and vendor were selected
- Use of a strong project management methodology to monitor and manage outcomes
- Excellent communication strategy to maintain organisational buy-in
- Dedication and hard work by a large number of individuals across the organisation
- Use of Sharepoint as a collaboration tool to document and manage a large project that involved large numbers of key users.

The outstanding efforts of the Infrastructure and Service Desk team - Infrastructure and Service Desk Coordinator, Infrastructure Architect, Network Administration Officer, IT Help Desk Officer and IT Systems Support Officers, resulted in them winning the Australian Government ICT Professional of the Year award 2012, defeating finalists from the Department of Defence and the Department of Immigration and Citizenship. An extract from the Department of Finance and Deregulation is attached under separate cover. Further details can be viewed at <http://www.finance.gov.au/e-government/awards/ICT-Professional-of-the-Year.html>.

The VoIP telephony replacement project has been a resounding success for Council with the project being delivered on time, on budget, and with a very high level of satisfaction. Council now has a robust modern telephony solution that directly supports Councils strategic aims with regards to providing excellent customer service.

Officer's Recommendation

That the information be noted.

Committee's Recommendation: (Greiss/Kolkman)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 16 October 2012 (Mead/Thompson)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 181

That the Officer's Recommendation be adopted.

8. GENERAL BUSINESS

8.1 Signage for Businesses in the Local Government Area

Councillor Borg requested that an urgent report be prepared on Councils signage code with a view to assisting small business and business in the Campbelltown Local Government Area. The report should explore the ability of Council to encourage various forms of signage in order that we are seen to be supporting the business community. The report should also provide an update on the review of the signage code generally, which has previously been discussed by the former Council.

Committee's Recommendation: (Borg/Kolkman)

That an urgent report be prepared on Councils signage code with a view to assisting small business and business in the Campbelltown Local Government Area.

CARRIED

Council Meeting 16 October 2012 (Mead/Thompson)

That the Committee's Recommendation be adopted.

Council Resolution Minute Number 181

That the Committee's Recommendation be adopted.

8.2 Backyard Swimming Pool Inspections in the Local Government Area

Committee's Recommendation: (Borg/Lake)

1. The a report be presented outlining recent amendments to the legislation regarding backyard swimming pools.
2. That the report also examine the feasibility and potential costs associated to both Council and/or local pool owners if Council was to undertake regular inspections of all backyard swimming pools in the Local Government Area.

CARRIED

Council Meeting 16 October 2012 (Mead/Thompson)

That the Committee's Recommendation be adopted.

Council Resolution Minute Number 181

That the Committee's Recommendation be adopted.

8.3 Christmas Closure

Councillor Lake asked if a report could be presented outlining the feasibility of Council not opening on Monday 24 December 2012 and Monday 31 December 2012.

Such closures would result in Council ceasing trade from close of business on Friday 21 December 2012 and reopening on Thursday 27 December 2012. Council would also cease trade from close of business on Friday 28 December 2012 and reopen on Wednesday 2 January 2013.

Committee's Recommendation: (Lake/Hawker)

That a report be presented to Council outlining the feasibility of Council not opening on Monday 24 December 2012 and Monday 31 December 2012.

CARRIED

Council Meeting 16 October 2012 (Mead/Thompson)

That the Committee's Recommendation be adopted.

Council Resolution Minute Number 181

That the Committee's Recommendation be adopted.

8.4 Investigation of CCTV Installation in the Campbelltown CBD

Committee's Recommendation: (Lake/Borg)

1. That a report be presented examining the feasibility of installing CCTV capabilities in the Campbelltown CBD, with installation locations to be determined in conjunction with Campbelltown Police.
2. That the report also outline the costs associated with the installation, maintenance and monitoring of the system and detail any government grants available to assist in the installation of a CCTV system.

CARRIED

Council Meeting 16 October 2012 (Mead/Thompson)

That the Committee's Recommendation be adopted.

Council Resolution Minute Number 181

That the Committee's Recommendation be adopted.

Confidentiality Motion: (Borg/Kolkman)

That the Committee in accordance with Section 10 of the *Local Government Act 1993*, move to exclude the public from the meeting during discussions on the items in the Confidential Agenda, due to the confidential nature of the business and the Committee's opinion that the public proceedings of the Committee would be prejudicial to the public interest.

CARRIED

21. CONFIDENTIAL ITEMS

21.1 Licence Agreement of Part Council Land (Part Lot 50 DP845826) - Parkholme Circuit, Englorie Park

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(c) of the *Local Government Act 1993*, which permits the meeting to be closed to the public for business relating to the following: -

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

21.2 Lease - Shop 2 Milgate Arcade, Queen Street Campbelltown

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(c) of the *Local Government Act 1993*, which permits the meeting to be closed to the public for business relating to the following: -

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

21.3 Re-appointment of independent members of the Audit Committee

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(a) of the *Local Government Act 1993*, which permits the meeting to be closed to the public for business relating to the following: -

- (a) personnel matters concerning particular individuals (other than councillors).

There being no further business the meeting closed at 6.35pm.

C Mead
CHAIRPERSON
