

Reports of the Corporate Governance Committee Meeting held at 5.30pm on Tuesday, 3 April 2012.

APOLOGIES

ACKNOWLEDGEMENT OF LAND

DECLARATIONS OF INTEREST

Pecuniary Interests

Non Pecuniary – Significant Interests

Non Pecuniary – Less than Significant Interests

| ITEM | TITLE | PAGE |
|-------------|--|-------------|
| 1. | COMMUNICATIONS AND MARKETING | 4 |
| 1.1 | Ingleburn Alive Festival post event report | 4 |
| 2. | GOVERNANCE AND ADMINISTRATION | 6 |
| | No reports this round | 6 |
| 3. | PROPERTY SERVICES | 6 |
| | No reports this round | 6 |
| 4. | FINANCIAL SERVICES | 6 |
| 4.1 | Investment Report - February 2012 | 6 |
| 4.2 | Sundry Debtors Report - February 2012 | 10 |
| 4.3 | Monthly Rates Summary | 16 |
| 4.4 | New Policy - Refunds | 21 |
| 4.5 | Policy Review - Investment Policy | 25 |
| 4.6 | Revised Policy - Hardship Policy | 33 |
| 4.7 | ATO Class Ruling on New GST Regime | 38 |
| 4.8 | Cost Shifting Survey 2009-2010 | 40 |
| 5. | BUSINESS ASSURANCE | 44 |
| | No reports this round | 44 |
| 6. | HUMAN RESOURCES | 44 |
| | No reports this round | 44 |
| 7. | INFORMATION MANAGEMENT AND TECHNOLOGY | 44 |
| | No reports this round | 44 |

| | | |
|-------------|---|-----------|
| 8. | GENERAL BUSINESS | 44 |
| 8.1 | Australia Post - Eagle Vale Marketplace | 44 |
| 8.2 | Skate Park in Airds | 45 |
| 8.3 | Tallowood Crescent, Bradbury - Request for Tree Inspection | 46 |
| 21. | CONFIDENTIAL ITEMS | 46 |
| 21.1 | Proposed Licence Agreement with Scouts Australia | 46 |
| 21.2 | Access Deed with Telstra - Campbelltown Showground | 47 |
| 21.3 | Lease - Suites 4 & 4a Milgate Arcade, Queen Street Campbelltown | 47 |
| 21.4 | Lease - Woodbine Neighbourhood Store | 47 |
| 21.5 | Expression of Interest for Sale of Council Land being Lot 2 DP 236059, Menangle Park | 47 |
| 21.6 | Bradbury Community Hall, Bradbury | 48 |

Minutes of the Corporate Governance Committee held on 3 April 2012

Present His Worship the Mayor, Councillor A Chanthivong
Councillor G Greiss (Chairperson)
Councillor S Dobson
Councillor F Borg
Councillor P Hawker
Councillor P Lake
Councillor R Matheson
Director Business Services - Mr M Sewell
Director City Works - Mr J Hely
Manager Assets and Supply Services - Mr G Mitchell
Manager Business Assurance – Mrs M McIlvenny
Manager Communications and Marketing - Mrs B Naylor
Manager Emergency Services - 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 Property Services - Mr J Milicic
Acting Manager Waste & Recycling - Mr L Atkinson
Manager Technical Services - Mr K Lynch
Executive Assistant - Ms B Buckley

Apology (Chanthivong/Matheson)

That the apology from Councillor Rule be received and accepted.

CARRIED

Acknowledgement of Land

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

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 Rule - Item 4.2 - Sundry Debtors Report - February 2012 - Councillor Rule advised that he is a member of the Campbelltown Golf Club.

1. COMMUNICATIONS AND MARKETING

1.1 Ingleburn Alive Festival post event report

Reporting Officer

Manager Communications and Marketing

Attachments

Nil

Purpose

To provide Council with a report detailing the outcomes of the Ingleburn Alive Festival held on Saturday 17 March 2012.

Report

The Ingleburn Alive Festival was held on Saturday 17 March. This is the 12th year that Council has run this event, which offers the community a day of free entertainment, activities, carnival rides, street stalls and a fireworks display.

The festival took place in the Ingleburn CBD, with most activities held in and around Oxford Road, between Cumberland and Ingleburn Roads. A fireworks display was held at Milton Park to mark the end of the festival.

Festivities commenced at 11.00am with the St Peter's Anglican Primary School Band, with the event officially opened by Mayor, Cr Anoulack Chanthivong. A presentation of plaques and certificates was made to sponsors to acknowledge their contribution to the event. The official opening was followed by a morning tea, hosted in the Greg Percival Community Centre for VIPs and sponsors.

The stage provided more than nine hours of free family entertainment and included more than 16 different performances, including local dance groups, children's entertainment and bands. This year's event featured the second annual Ingleburn Alive Battle of the Bands, which offered an opportunity for local youth bands to gain performance experience, with the winner playing a 30 minute set at the event and being awarded prize money of \$500. This competition drew a strong crowd and was well received by the audience.

More than 100 street stalls lined Oxford Road, with many of these comprising local community groups and businesses.

The grounds of Ingleburn Public School once again hosted the Free Family Fun Fest that offered free camel rides, a petting zoo, inflatable games and a slide, games and displays by the Combined Christian Churches Group and a wheelchair rugby league display from Macarthur Disability Services.

Unfortunately, due to the wet weather, less rides than expected were able to operate at the carnival.

The media and publicity plan included a printed program, banners in Ingleburn CBD, bus shelter posters, radio advertising and feature articles in local media outlets. The Macarthur Chronicle and the Campbelltown-Macarthur Advertiser both ran wrap features the week of the festival. Sponsorship totalled \$14,550 (cash and in-kind) for the festival this year.

Despite the inclement weather, crowds remained steady through the day with the total attendance level for the day estimated to be 5,000.

The proposed date for the next Ingleburn Alive Festival is Saturday 16 March 2013.

Officer's Recommendation

That the information be noted.

Committee's Recommendation: (Chanthivong/Borg)

That the Officer's Recommendation be adopted.

Amendment: (Hawker/Borg)

1. That the information be noted.
2. That where Council conducts an event all income and expenditure be presented to Council.

CARRIED

Council Meeting 10 April 2012 (Greiss/Lake)

1. That the information be noted.
2. That where Council conducts an event all income and expenditure be presented to Council.

Council Resolution Minute Number 53

1. That the information be noted.
 2. That where Council conducts an event all income and expenditure be presented to Council.
-

2. GOVERNANCE AND ADMINISTRATION

No reports this round

3. PROPERTY SERVICES

No reports this round

4. FINANCIAL SERVICES

4.1 Investment Report - February 2012

Reporting Officer

Manager Financial Services

Attachments

Investment Portfolio Performance – as at 29 February 2012

Purpose

To provide a report outlining Council's investment portfolio performance for February 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 29 February 2012 stood at approximately \$85m. Funds are currently being managed directly 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 up to 100 basis points for the reporting period.

| Return | Annualised | Month |
|-----------------------------------|------------|-------|
| Council Managed Funds | 5.78% | 0.46% |
| Benchmark: 90 Day Bank Bill Index | 3.99% | 0.32% |

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 | February |
|-----------------------------------|----------|
| Council Managed Funds | 5.88% |
| Benchmark: 90 Day Bank Bill Index | 4.81% |

Council's portfolio as at 29 February 2012 is diversified with 71% in term deposits of varying lengths of maturity which are managed in accordance with market expectations and Council's investment strategy, 19% in floating rate notes which give Council a set margin above either 30 or 90 day bank bills, 7% in fixed rate bonds, 2% in funds in a short term at call account and 1% in a National Australia Bank offset facility which expires in 2014.

| Duration Profile | February |
|--------------------|--------------|
| Short Term at Call | \$2,106,636 |
| 1 – 3 Months | \$7,048,099 |
| 3 – 6 Months | \$49,563,255 |
| 6 – 12 Months | \$3,089,967 |
| 12 Months + | \$23,578,368 |

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

| Credit Exposure | February |
|--|----------|
| AAA to AA- | 90% |
| A+ to A | 10% |
| A- to BBB- | 0% |
| Other Approved Deposit Taking Institutions | 0% |

Economic Outlook

The Reserve Bank of Australia Board (RBA) left the cash rate unchanged at 4.25% at its meeting on 6 March citing improved economic conditions. The Board judged that fears over growth in the Australian economy as well as the downturn in the global economy had eased and that the current setting of monetary policy was appropriate at the moment.

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: (Hawker/Lake)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 10 April 2012 (Greiss/Lake)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 53

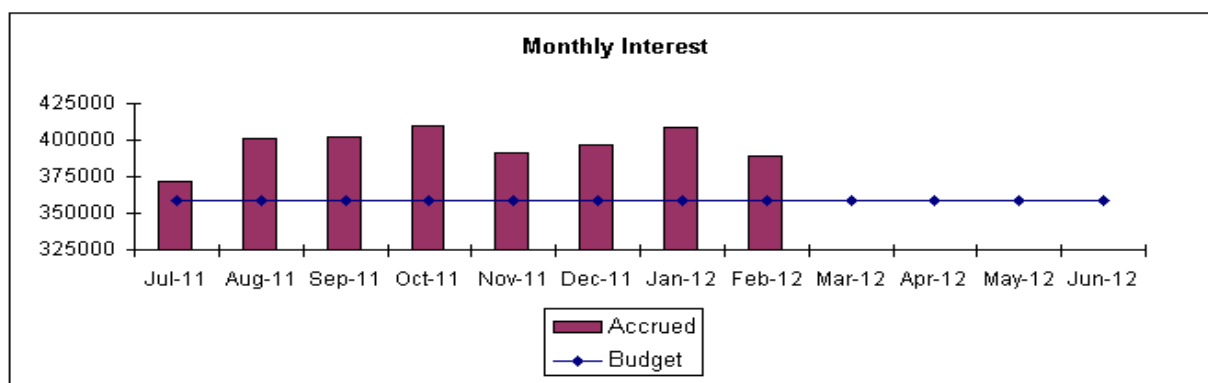
That the Officer's Recommendation be adopted.

ATTACHMENT 1

Summary February 2012

Benchmark UBS Warburg 90 Day Bank Bill Index
 Portfolio Balance \$85,386,325.30

| Monthly Performance | Return (mth) | Return (pa) |
|---------------------------------|--------------|-------------|
| UBSW 90 Bank Bill Index | 0.32% | 3.99% |
| Total Portfolio | 0.46% | 5.75% |
| <i>Performance to Benchmark</i> | + 0.14% | + 1.76% |
| Portfolio - Direct Investments | 0.46% | 5.78% |
| <i>Performance to Benchmark</i> | + 0.14% | + 1.79% |
| Short Term Call Account | 0.37% | 4.65% |

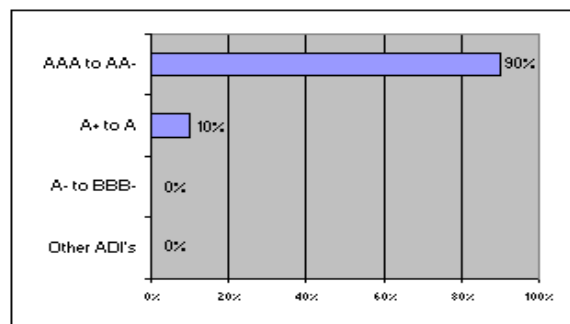


Year to Date Performance

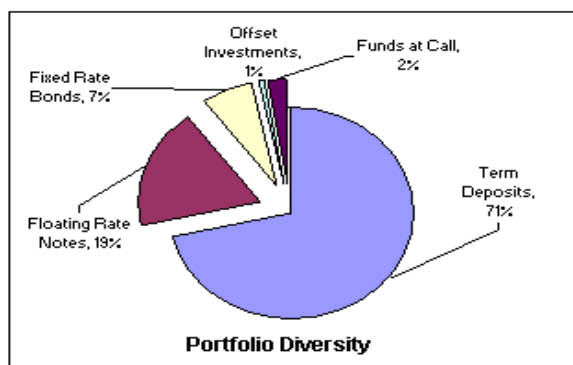
Rolling 12 Month Period
 5.88% Council Managed Funds
 0.00% Other Managed Funds
 4.81% Benchmark

Interest Budget to Actual
 Budget to Period \$2,866,667
 Accrued to Period \$3,172,221

Credit Exposure



Securities



Institutions

| | Amount Invested | % Portfolio |
|-------------------------|-------------------------|-------------|
| Funds at Call | \$ 2,106,636.16 | 2% |
| Suncorp Metway | \$ 6,419,016.41 | 8% |
| National Australia Bank | \$ 11,821,282.28 | 14% |
| ANZ Bank | \$ 7,591,445.49 | 9% |
| NSW Treasury | \$ 4,250,000.00 | 5% |
| Westpac Bank | \$ 18,761,841.38 | 22% |
| St George Bank | \$ 8,268,339.08 | 10% |
| Commonwealth Bank | \$ 12,500,000.00 | 15% |
| Bank Western Australia | \$ 13,667,764.50 | 16% |
| Building Societies | \$ - | 0% |
| Unrated Institutions | \$ - | 0% |
| Total | \$ 85,386,325.30 | 100% |

4.2 Sundry Debtors Report - February 2012

Reporting Officer

Manager Financial Services

Attachments

1. Debtors Summary to 29 February 2012
2. Ageing of Sundry Debts to 29 February 2012

Purpose

To provide a report detailing the amount outstanding by type and age for sundry and miscellaneous debts for the period ending 29 February 2012.

Report

Debts outstanding to Council as at 29 February 2012 were \$1,169,262 reflecting a decrease of \$28,359 since January 2012. The ratio of outstanding debts to current invoices has decreased from 41% in January to the current level of 27%. 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.

During the month, 1281 invoices were raised totalling \$856,024 and of these, the most significant have been in the following areas:

Shop and Office Rentals - \$133,736

The main invoices relate to:

| | |
|--|----------|
| McDonalds Australia Limited – Glenquarie Shopping Centre | \$88,006 |
| Nuvezo Pty Ltd – Monthly rental for Dumaresq Street Cinema | \$21,729 |
| Campbelltown Amcal Pharmacy – Monthly rental at Milgate Arcade, Queen Street, Campbelltown | \$5,113 |
| Debtor 65462.4 – Macquarie Fields Neighbourhood Centre | \$3,938 |
| J & R Versteeg Pty Ltd – Campbelltown Art Centre Café | \$3,866 |
| Debtor 67332.7 – Woodbine Neighbourhood Store | \$3,723 |

Corporate Administration - \$107,043

The main invoices relate to:

| | |
|---|----------|
| Woodbine 530A Management Committee – Installation of play equipment, grade one monitoring and other various building maintenance | \$28,273 |
| Fairfax Community Newspapers – Mount Annan challenge walk sponsorship | \$17,966 |
| Midnight Basketball Australia Ltd – Contribution to Tournament Term at Minto Indoor Sport Centre | \$10,230 |
| Campbelltown Catholic Club Limited – Sydney Water usage account | \$4,815 |
| On Trac Lifestyle Management – Mount Annan challenge walk sponsorship | \$5,500 |
| Coffs Harbour Regional Art Gallery – Campbelltown Arts Centre exhibition fee “Lineage” David Fairbairn selected portraits 1988-2010 | \$3,850 |
| Mosman Art Gallery - Campbelltown Arts Centre exhibition fee “Lineage” David Fairbairn selected portraits 1988-2010 | \$3,748 |

Land and Building Rentals - \$72,052

The main invoices relate to:

| | |
|---|----------|
| 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 | \$12,610 |

Government and Other Grants - \$61,793

The main invoices relate to:

| | |
|---|----------|
| Sydney Weeds Committee – Weed action project 2012 | \$61,793 |
|---|----------|

Library Fines - \$157,404

Further to recent discussion on the content and amount due in Library fines a review has been carried out and the following information obtained.

Overdue fines are raised to encourage the timely return of items, the typical amount raised each month is between two and four thousand dollars. Approximately 45% are paid with the remaining 55% accruing to the total unpaid debt. Members borrowing privileges are suspended only once the amount due in fines exceeds \$20. Fines less than \$20 are followed up with the borrower at each subsequent visit.

The total amount due in fines and replacement items dates back to the 2004 financial year. An amount of \$30,764 is in arrears five years or more with \$6,742 relating to the current 2012 financial year. Recovery of these debts commences with the issue of a standard reminder letter after a two week period has lapsed. Accounts that continue to be in arrears are followed up again with letters at a two month interval and six month interval.

The total amount due in fines is provided for as doubtful within Council's accounting structure. It is recommended that this provision continue to be adjusted in accordance with the changes to the amount outstanding. In addition it is recommended that a separate review and report be submitted to Council's Auditor of all debts exceeding five years in age as recommended for write off. This process should be repeated on an annual basis in consultation with the Manager Library Services.

Receipts to the value of \$884,383 have been received during the period, the most notable in the following areas:

| | |
|---------------------------|-----------|
| Corporate Administration | \$342,286 |
| Land and Building Rentals | \$91,094 |
| Waste Collection Services | \$63,863 |
| Shop and Office Rentals | \$54,274 |
| Various Sundry Items | \$38,306 |

Debts exceeding 90 days of age totalled \$245,161 as at 29 February 2012. The major invoices relating to this balance include:

| | |
|---|----------|
| Debtor 68316.9 - Retaining wall between Lot 1451 DP 703487 2 & 4 Brownlow PI, Ambarvale. Debtor has made arrangements approved by Council to make monthly payments of \$450 | \$26,357 |
| Sydney Water - Various road restorations in the Local Government Area. Note: Payment of \$22,500 received on 15 March 2012 | \$25,839 |
| NSW Environmental Trust - Urban Sustainability Program, Urban Waterways Initiative Campbelltown Golf Course, Year 3. Payment is expected by 31 March 2012 | \$22,000 |
| Coal & Allied - 2011 Parliament of NSW Aboriginal Art Prize - Partnership Contribution. Payment is now expected by 31 March 2012 | \$63,250 |

During the month, 63 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.

Twenty four accounts progressed to the first stage of formal legal recovery action. The defaulting debtors were issued a letter of demand by Council's agents, Executive Collections advising that if the account was not settled or an appropriate arrangement was not made the account may be escalated to a Statement of Liquidated Claim.

Council's agents were instructed to proceed with one Statement of Claim for damage to Council property and one Writ of Execution for unpaid shop 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/Hawker)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 10 April 2012 (Greiss/Lake)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 53

That the Officer's Recommendation be adopted.

ATTACHMENT 1

DEBTORS SUMMARY 1 February 2012 to 29 February 2012

| DEBTOR TYPE/DESCRIPTION | ARREARS AT 31/01/2012 | RAISED THIS PERIOD | RECEIVED THIS PERIOD | BALANCE AT 29/02/2012 | % DEBT RATIO |
|-------------------------------|--------------------------|-----------------------|-------------------------|--------------------------|-----------------|
| Corporate Administration | 468,997 | 107,043 | 342,286 | 233,754 | 19.99% |
| Abandoned Items | 4,054 | 2,500 | 2,317 | 4,237 | 0.36% |
| Child Care Debts | 18,124 | 0 | 4,187 | 13,937 | 1.19% |
| Community Bus | 239 | 500 | 400 | 339 | 0.03% |
| Tennis Court Hire | 757 | 0 | 0 | 757 | 0.06% |
| Sportsground and Field Hire | 41,652 | 35,174 | 18,296 | 58,530 | 5.01% |
| Government and other Grants | 99,500 | 61,793 | 5,600 | 155,693 | 13.32% |
| Public Hall Hire | 19,951 | 12,710 | 14,875 | 17,786 | 1.52% |
| Health Services | 350 | 0 | 0 | 350 | 0.03% |
| Land and Building Rentals | 67,672 | 72,052 | 91,094 | 48,631 | 4.16% |
| Healthy Lifestyles | 4,214 | 32,505 | 32,696 | 4,023 | 0.34% |
| Library Fines and Costs | 157,404 | 0 | 0 | 157,404 | 13.46% |
| Shop Licence Fees | 19,637 | 209,670 | 185,504 | 43,804 | 3.75% |
| Pool Hire | 9,482 | 38,195 | 9,077 | 38,601 | 3.30% |
| Private Works | 103,912 | 37,161 | 15,447 | 125,627 | 10.74% |
| Road and Footpath Restoration | 28,509 | 25,576 | 6,164 | 47,921 | 4.10% |
| Shop and Office Rentals | 14,044 | 133,736 | 54,274 | 93,506 | 8.00% |
| Various Sundry Items | 114,854 | 38,347 | 38,306 | 114,895 | 9.83% |
| Waste Collection Services | 63,705 | 49,061 | 63,863 | 48,903 | 4.18% |
| | 1,197,622 | 856,024 | 884,383 | 1,169,262 | 100% |

ATTACHMENT 2

AGEING OF SUNDRY DEBTOR ACCOUNTS - 29 February 2012

| Description | Current Charges | Total 30 Days | Total 60 Days | Total 90+ Days | Balance Due | Previous Month 90+ days |
|-------------------------------|-----------------|----------------|---------------|----------------|------------------|----------------------------|
| Corporate Administration | 80,435 | 75,079 | 777 | 77,463 | 233,754 | 206,473 |
| Abandoned Items | 2,500 | 0 | 0 | 1,737 | 4,237 | 2,561 |
| Child Care Debts | 13,937 | 0 | 0 | 0 | 13,937 | 0 |
| Community Bus | 339 | 0 | 0 | 0 | 339 | 0 |
| Sportsground and Field Hire | 24,434 | 0 | 23,773 | 11,080 | 59,287 | 13,371 |
| Government and other Grants | 83,793 | 66,000 | 4,400 | 1,500 | 155,693 | 23,600 |
| Public Hall Hire | 8,718 | 4,608 | 792 | 3,669 | 17,786 | 2,407 |
| Health Services | 0 | 0 | 0 | 350 | 350 | 350 |
| Land and Building Rentals | 22,746 | 11,109 | 14,577 | 201 | 48,631 | 804 |
| Healthy Lifestyles | 946 | 31 | 1,416 | 1,631 | 4,023 | 1,631 |
| Library Fines and Costs | 157,404 | 0 | 0 | 0 | 157,404 | 0 |
| Shop Licence Fees | 5,461 | 1,675 | 4,128 | 32,540 | 43,804 | 17,025 |
| Pool Hire | 35,425 | 1,387 | 1,585 | 204 | 38,601 | 389 |
| Private Works | 38,644 | 47,749 | 0 | 39,233 | 125,627 | 50,341 |
| Road and Footpath Restoration | 21,449 | 0 | 731 | 25,741 | 47,921 | 25,741 |
| Shop and Office Rentals | 91,137 | 2,368 | 0 | 0 | 93,506 | 0 |
| Various Sundry Items | 47,792 | 2,327 | 14,964 | 49,813 | 114,895 | 55,494 |
| Waste Collection Services | 48,731 | 173 | 0 | 0 | 48,903 | 0 |
| | 644,454 | 212,506 | 67,142 | 245,161 | 1,169,262 | 400,186 |

4.3 Monthly Rates Summary

Reporting Officer

Manager Financial Services

Attachments

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

Purpose

To provide details of the 2011-2012 Rates and Charges Levy and cash collections for the period ending 29 February 2012.

Report

Rates and Charges levied for the period ending 29 February 2012 totalled \$76,101,091 representing 99.3% of the estimated annual budget income.

Rates and Charges collected to the end of February totalled \$55,111,370. In percentage terms, this amount represents 69.7% of all rates and charges due to be paid. In comparison, the amount collected in the same period last year was 66.8%.

Following the third instalment of rates and charges a review of the preferred payment channels has revealed that 51% of ratepayers have chosen to pay over the internet or phone via BPay. Secondary to this is payment at Australia Post agencies with 31% along with credit card payments representing 14% of all instalment payments.

Debt recovery action during the month involved the issue of 32 Statements of Claim and 12 Writs. Council officers continue to provide assistance to ratepayers experiencing difficulty in settling their accounts, including the monitoring of 330 ratepayers with a total arrears balance of \$416,858 who have made suitable payment arrangements.

Ratepayers who purchased property since the February instalment notices were issued a 'Notice to new owner' letter. During the month, 36 of these notices were sent to ratepayers advising them of the amount unpaid on their account and the amount levied in annual rates and charges.

Officer's Recommendation

That the information be noted.

Committee's Recommendation: (Lake/Dobson)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 10 April 2012 (Greiss/Lake)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 53

That the Officer's Recommendation be adopted.

ATTACHMENT 1

RATES SUMMARY

STATEMENT OF ALL OUTSTANDING RATES AND EXTRA CHARGES

| RATE - CHARGE | NET ARREARS 1/7/2011 | NET LEVY FOR YEAR | PENSION REBATES | EXTRA CHARGES | TOTAL RECEIVABLE | CASH COLLECTED | NET AMOUNT DUE | POSTPONED RATES & INTEREST | GROSS AMOUNT DUE |
|-----------------|-------------------------|----------------------|--------------------|------------------|---------------------|-------------------|-------------------|----------------------------------|---------------------|
| RESIDENTIAL | 2,651,511.85 | 43,048,665.12 | 1,286,392.22 | 638,328.13 | 45,052,112.88 | 30,911,531.66 | 14,140,581.22 | 387,484.82 | 14,528,066.04 |
| BUSINESS | 468,880.66 | 14,459,780.47 | | 72,648.37 | 15,001,309.50 | 10,651,808.03 | 4,349,501.47 | | 4,349,501.47 |
| BUSINESS - IND | 172,708.36 | 0.00 | | 3,366.23 | 176,074.59 | 157,538.06 | 18,536.53 | | 18,536.53 |
| FARMLAND | 53,259.58 | 348,359.10 | 883.57 | 3,328.74 | 404,063.85 | 275,160.34 | 128,903.51 | 153,063.08 | 281,966.59 |
| MINING | 0.00 | 13,051.33 | | 24.67 | 13,076.00 | 13,051.33 | 24.67 | | 24.67 |
| LOAN | 251,772.85 | 4,026,199.41 | | 12,360.16 | 4,290,332.42 | 2,948,877.71 | 1,341,454.71 | 53,269.99 | 1,394,724.70 |
| F5 ACCESS RAMPS | 24,330.32 | 0.00 | | 503.38 | 24,833.70 | 22,434.32 | 2,399.38 | | 2,399.38 |
| MAIN STREET | 72.86 | 0.00 | | 0.00 | 72.86 | 0.00 | 72.86 | | 72.86 |
| TOTAL | \$3,622,536.48 | \$61,896,055.43 | \$1,287,275.79 | \$730,559.68 | \$64,961,875.80 | \$44,980,401.45 | \$19,981,474.35 | \$593,817.89 | \$20,575,292.24 |
| GARBAGE | 706,630.61 | 13,347,608.31 | 389,852.74 | 33,813.59 | 13,698,199.77 | 9,485,452.62 | 4,212,747.15 | | 4,212,747.15 |
| SANITARY | 0.00 | 73.21 | | 0.00 | 73.21 | 0.00 | 73.21 | | 73.21 |
| STORMWATER | 55,274.31 | 882,928.98 | | 2,116.35 | 940,319.64 | 645,515.68 | 294,803.96 | | 294,803.96 |
| GRAND TOTAL | \$4,384,441.40 | \$76,126,665.93 | \$1,677,128.53 | \$766,489.62 | \$79,600,468.42 | \$55,111,369.75 | \$24,489,098.67 | \$593,817.89 | \$25,082,916.56 |

| | |
|--|---------------|
| Total from Rates Financial Transaction Summary | 24,721,554.10 |
| Overpayments | -361,362.46 |
| Difference | 0.00 |

ANALYSIS OF RECOVERY ACTION

| | |
|---|--------------|
| Rate accounts greater than 6 months less than 12 months in arrears | 666,753.28 |
| Rate accounts greater than 12 months less than 18 months in arrears | 208,849.99 |
| Rate accounts greater than 18 months in arrears | 61,538.60 |
| TOTAL rates and charges under instruction with Council's agents | \$937,141.87 |

ATTACHMENT 2

COMPARISON OF BUDGET TO ACTUAL

| DESCRIPTION | ORIGINAL BUDGET | REVISED BUDGET | ACTUAL | BALANCE STILL REQD. | % RAISED |
|--------------------------|-------------------|-------------------|-------------------|---------------------|----------------|
| RESIDENTIAL | 42,819,100 | 42,819,100 | 43,048,665 | (229,565) | 100.54% |
| BUSINESS | 14,484,800 | 14,484,800 | 14,459,780 | 25,020 | 99.83% |
| FARMLAND | 364,600 | 364,600 | 348,359 | 16,241 | 95.55% |
| MINING | 13,104 | 13,104 | 13,051 | 53 | 99.60% |
| LOAN | 4,010,200 | 4,010,200 | 4,026,199 | (15,999) | 100.40% |
| TOTALS | 61,691,804 | 61,691,804 | 61,896,055 | (204,251) | 100.33% |
| INTEREST CHARGES | 240,000 | 240,000 | 173,387 | 66,613 | 72.24% |
| LEGAL COSTS RECOVERED | 1,100,000 | 1,100,000 | 555,746 | 544,254 | 50.52% |
| PENSIONERS - Sec 575 | (1,649,996) | (1,649,996) | (1,677,129) | 27,133 | 101.64% |
| PENSIONERS SUBSIDY | 907,498 | 907,498 | 922,421 | (14,923) | 101.64% |
| SUB TOTAL | 62,289,306 | 62,289,306 | 61,870,480 | 418,826 | 99.33% |
| DOMESTIC WASTE CHARGES | 13,208,604 | 13,208,604 | 13,023,043 | 185,561 | 98.60% |
| COMMERCIAL WASTE CHARGES | 273,266 | 273,266 | 324,565 | (51,299) | 118.77% |
| SANITARY INCOME | 1,000 | 1,000 | 73 | 927 | 7.32% |
| STORMWATER MNGMNT | 880,000 | 880,000 | 882,929 | (2,929) | 100.33% |
| GRAND TOTALS | 76,652,176 | 76,652,176 | 76,101,091 | 551,085 | 99.28% |

COLLECTIONS AS A % OF:

| | TOTAL RECEIVABLE | TOTAL LEVIED | TOTAL RECEIVABLE | TOTAL LEVIED |
|------------------|------------------|---------------|----------------------------------|---------------|
| RESIDENTIAL | 68.61% | 71.81% | | |
| BUSINESS | 71.01% | 73.67% | RATES | 72.67% |
| FARMLAND | 68.10% | 78.99% | SANITARY | 0.00% |
| LOAN | 68.73% | 73.24% | STORMWATER | 73.11% |
| ALL RATES | 69.24% | 72.67% | TOTAL RATES & CHARGES | 72.87% |

ATTACHMENT 3

RATES STATISTICS

| No. of documents issued | July | August | September | October | November | December | January | February | March | April | May | June | Feb-11 |
|--------------------------------|--------|--------|-----------|---------|----------|----------|---------|----------|-------|-------|-----|------|--------|
| Rate Notices | 48,056 | 175 | | 173 | | | 129 | | | | | | |
| Electronic - DoH | 5,617 | | | | | | | | | | | | |
| Instalment Notices | | | | 41,808 | | | 41,257 | | | | | | |
| Electronic - DoH | | | | 5,752 | | | 5,804 | | | | | | |
| Missed Instalment Notices | | | 9,857 | | | 8,572 | | | | | | | |
| - Pensioners > \$15.00 | | | 603 | | | 611 | | | | | | | |
| Notice to new owner | 299 | 103 | 18 | 36 | 21 | 23 | 40 | 36 | | | | | 23 |
| 7-day Letters - Council issued | | | 1,701 | | | 1,794 | | | | | | | |
| - Pensioners > \$500.00 | | | 123 | | | 114 | | | | | | | |
| 7-day Letters - Agent Issued | | | 693 | | | | 724 | | | | | | |
| Statement of Claim | 278 | 26 | 9 | 272 | 19 | 14 | 255 | 32 | | | | | 12 |
| Judgements | 20 | 61 | 37 | 35 | 72 | 9 | 31 | 52 | | | | | 7 |
| Writs | 22 | 14 | 43 | 53 | 11 | 32 | 33 | 12 | | | | | 16 |
| eRates | 1,029 | 1,039 | 1,056 | 1,066 | 1,072 | 1,079 | 1,085 | 1,097 | | | | | 903 |
| Arrangements | 381 | 369 | 519 | 336 | 304 | 431 | 376 | 330 | | | | | 296 |

4.4 New Policy - Refunds

Reporting Officer

Manager Financial Services

Attachments

New Policy - Refunds Policy

Purpose

To submit a proposed Policy on refunds of cash payments to ensure Council meets current legislative requirements and incorporate best practice in procedures.

Report

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

This Policy is intended to provide clear guidance where a payment has been made in advance, in excess of an amount billed or for a refundable bond. In the twelve months proceeding this report 468 transactions totalling \$430,000 had been refunded. Processes and records are kept for each refund and have been subject to audit by Council's Auditors.

Council Policy regarding refunds is a requirement for eMerchant facilities and this Policy will enable officers to pursue internet payment services through Council's bank.

It is recommended that current practice be formalised in this Policy and all refund payments permitted only when a written request from the recipient or their authorised agent is received. All payments shall only be made via cheque or by electronic funds transfer (EFT). No payments are currently allowed by way of cash and it is recommended that this standard remain.

Summary

Council has adopted a Records Management Policy with adopted procedures for Policy development and review. The review of all Council Policies is in accordance with the Records Management procedures relating to the Policy review date.

Officer's Recommendation

1. That the Refund Policy as attached to this report be adopted.
2. That the Policy review date be set at 30 June 2015.

Committee's Recommendation: (Lake/Borg)

That the Officer's Recommendation be adopted.

CARRIED


Council Meeting 10 April 2012 (Greiss/Lake)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 53

That the Officer's Recommendation be adopted.

ATTACHMENT 1

| | | |
|---|--|-----------------|
|  | | <h1>POLICY</h1> |
| Policy Title | Refunds | |
| Related Documentation | Refund Report | |
| Relevant Legislation/ Corporate Plan | <i>Local Government Act, 1993</i> <i>Local Government (General) Regulation 2005</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 provide clear objectives and outcomes in the process of refunding monies paid to Council.

Policy Statement

Where a refund of monies is required, payment shall be made within ten (10) business days in the name of the person or organisation appearing on the original receipt. Alternative arrangements may only be considered where an authority has been provided in writing by an authorised person.

Refunds will be made by cheque or EFT. Credit card refunds are available same business day as “card present” transactions only and for the full amount of the original payment.

No cash refunds are permitted.

Applications for refund must be made in writing by an authorised person.

Scope

It is estimated that less than 500 refunds are processed per annum.

Definitions

| | |
|-------------------|---|
| Authorised person | the person who’s name appears on the receipt, their agent or legal representative. In the case of a business or company their title and position within that organisation |
| EFT | Electronic Funds Transfer |
| Credit Card | Mastercard or Visa credit card facilities |
| Card Present | Where the card is presented by the holder and either signed or PIN authorised |

Legislative Context

Local Government Act 1993 – Division 2

Local Government (General) Regulation 2005 – Division 5

Principles

The Manager Financial Services will be responsible for administering the principles and that appropriate steps are taken to maintain a level of confidentiality and proper process for all refunds.

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 and relevant legislation.

Effectiveness of this Policy

Key performance indicators that may be used to measure the effectiveness of this Policy are:

- All refunds are to be made within ten (10) business days.

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 |
|-----------------------|---------------------|---------------------------|--------------------------|
| | | | |

4.5 Policy Review - Investment Policy

Reporting Officer

Manager Financial Services

Attachments

Investment Policy

Purpose

To consider the adoption of the revised investment guidelines and related procedures for the investment of Council's excess funds.

History

Council maintains an Investment Policy in accordance with best practice recommended by the Division of Local Government (DLG). A monthly report is provided to Council outlining the performance of Council's investment portfolio.

Report

Council conducts a review of the Investment Policy on an annual basis. This has been a requirement of the Code of Accounting Practice and now has been incorporated within the Division of Local Government Investment Policy Guidelines (issued May 2010).

In conducting a review of Council's financial instruments and debt structuring, advice is sought from Council's external financial advisor, Spectra Financial Services. Council has maintained a conservative approach to the structure of the investment portfolio while taking the opportunity, after reviewing the risk profile and advice from Spectra Financial Services, to enhance the performance of returns with various products that become available such as floating rate notes or longer term investments depending on the yield curve.

The revised Division of Local Government Investment Policy Guidelines is quite restrictive and reflects investment to be limited to approved financial institutions. This is a direct result of the outcomes from the Global Financial Crisis and exposure by some councils to financial instruments that have proved not prudent. In conjunction with Spectra Financial Services it has been Council's policy to predominately invest with the four major Australian trading banks and their subsidiaries, and up until the winding back of the wholesale deposit guarantee, investments were placed with other authorised deposit taking institutions for amounts of up to \$1m.

The proposed strategy is to maintain the majority of investments with the four tier one major trading banks, Australia and New Zealand Banking Group, Commonwealth Bank of Australia, National Australia Bank and Westpac Banking Group as well as the wholly owned subsidiaries of these tier one banks, such as St George Bank and Bank of Western Australia.

It should be noted that the policy reflects limits against any one financial institution for amounts held as a percentage of the total portfolio as well as the duration of maturities. These limits are based on the credit rating of the individual institution.

The revised policy also provides for the availability of a minimum level of liquidity to finance Council's day to day operations. It is proposed that Council should have access to the greater of at least \$3m or 5% of the value of the total portfolio within a seven day period.

Council has always maintained a conservative approach to the investment of surplus funds and as such avoided any exposure as a result of the sub-prime mortgage collapse during the Global Financial Crisis. Council's investment performance consistently achieves above benchmark returns, through diversification in a mix of fixed and floating investments, structured with varying maturity profiles dependant on market conditions and cashflow requirements. This revised investment policy further acknowledges the need to be conservative in an economy that remains volatile, with the primary objective being principal maintenance and a secure income stream through a focus on risk minimisation.

The Policy will continue to be formerly reviewed on an annual basis or as required in the event of legislative changes in accordance with the DLG Investment Policy Guidelines, however if market conditions warrant, investments will be assessed and reset as appropriate, in consultation with Council's Financial Advisor, Spectra Financial Services.

Summary

Council has adopted a Records Management Policy with adopted procedures for Policy development and review. The review of all Council Policies is in accordance with the Records Management procedures relating to the Policy review date.

It is therefore recommended that the changes outlined in the report, and highlighted in the attached draft Investment Policy, be adopted.

Officer's Recommendation

1. That the revised Investment Policy be adopted.
2. That the Investment Policy review date be set at 31 March 2013.

Committee's Recommendation: (Lake/Matheson)

That the Officer's Recommendation be adopted.

CARRIED


Council Meeting 10 April 2012 (Greiss/Lake)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 53

That the Officer's Recommendation be adopted.

ATTACHMENT 1

| | | |
|---|---|-----------------|
|  | | <h1>POLICY</h1> |
| Policy Title | Investment Policy | |
| Related Documentation | Accounting Practices Statement | |
| Relevant Legislation/ Corporate Plan | <i>Local Government Act, 1993</i> <i>Local Government General Regulation 2005</i> Ministerial Investment Order Local Government Code of Accounting Practice and Financial Reporting Australian Accounting Standards Division of Local Government Circulars | |
| Responsible Officer | Manager Financial Services | |

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

Objectives

To maximise earnings through a diversified portfolio invested in approved investments that recognise Council's planning and cash flow forecasts.

To minimise the risk of loss of principal through a policy based on high credit levels (counterparty risk) and diversification.

To seek to ensure earnings are positive over the life of the investment.

To minimise the risk of loss (both principal and interest) through clear management procedures and investment discretions.

To provide a planning framework for ongoing monitoring and review of Council's investments and its policy.

To consider investment management in the wider context of Treasury Risk Management.

Policy Statement

Interest on these investments represents a significant contribution to the total income of Council and it is essential that Council has clear policy guidelines as to how funds can be invested. While the *Local Government Act 1993 – Order* (relating to investments by Councils) is quite explicit as to the types of institutions with which Council can invest, there are nevertheless variations in the financial ratings of these institutions and the types of investments that can be purchased, which are not explained. This policy aims to clearly state the institutions with which Council can invest the maximum proportion of funds that may be placed with individual organisations and the types of investments entered into.

Scope

This policy applies to Investment monies built up through:

- General unrestricted reserves created through rate income and other revenue sources exceeding (re)current expenditure, sale of properties and other assets.
- Restricted reserves that accrue through contributions under Section 94 of the EPA Act.
- Internally restricted reserves.
- Restricted reserves accruing through special purpose grants, donations etc.
- Loan proceeds drawn down awaiting expenditure.
- Timing differences within the year between rate receipts and expenditures.

Definitions

Working Funds Maturities up to 180 days.

Contingent Reserves Maturities 6 months to 24 months.

Core Holdings Maturities beyond 24 months.

Legislative Context

Council's power to invest is derived from Section 625 of the *Local Government Act 1993*, as amended by the *Statute Law (Miscellaneous Provisions) Act 2000* – which limits investments to only those that the Minister approves.

The Local Government Act

Section 625 (2) of the Act provides that:

“Money may be invested only in a form of investment notified by order of the Minister published in the Gazette”

Investments previously authorised under the Trustee Act are no longer available to Council.

The current Ministerial order – 12 January 2011.

Principles

Authority for Investment

Investment of Council funds is limited to those allowed by the most current Ministerial Investment Order that has been issued by the NSW Minister for Local Government in accordance with the following guidelines:

Guidelines

- a) Authorised Investments
 - i) Public funds or securities issued by or guaranteed by the Commonwealth, State of the Commonwealth or a Territory;
 - ii) Debentures or securities issued by a Council (within the meaning of the *Local Government Act 1993 (NSW)*);
 - iii) Interest bearing deposits with, or any debentures or bonds issued by, an authorised deposit taking institutions (as defined by the *Banking Act 1959 (Cwlth)*), but excluding subordinated debt obligations;
 - iv) Bills of exchange which have maturity dates of not more than 200 days; and if purchased for value confers on the holder in due course the right of recourse against a bank which has been designated as an authorised deposit taking institution by the Australian Prudential Regulation Authority (APRA);
 - v) Deposits with the New South Wales Treasury Corporation or investments in an Hour-Glass investment facility of the New South Wales Treasury Corporation.

All investment instruments (excluding short term discount instruments) referred to above include both principal and investment income.

- b) Council's Own Direct Investments

Council's policy is to only invest with the four major tier one Australian trading banks and their subsidiaries, as well as other tier 2 publicly listed Australian banks, in term deposits and senior debt instruments in accordance with the Ministerial order.

Investments in other tier 2 Australian banks are not to exceed twelve months in duration, be limited to 5% of the portfolio per institution to a maximum of 20% of the portfolio for this group and each institution must have a short term Standard & Poor's rating of not less than A-1 or A-2.

Council may take the opportunity to allocate core funds in longer term investments such as floating rate notes and fixed rate bank bonds. This will depend on the interest rate outlook and be based on Council's cash flow forecast and the need to hold contingent reserves.

Short Term Rating (0-365 days) means the institution's capacity to repay debt in the short term.

Example of short term paper are:

- i) Commercial Bills
- ii) Certificate of Deposits
- iii) Term Deposits
- iv) Bill Lines and
- v) 11am Deposits etc.

The Short Term Rating Order (as defined by S&P Australian Ratings) is:

- A1+ extremely strong degree of safety regarding timely payment.
 - A1 a strong degree of safety.
 - A2 a satisfactory capacity for timely payment.
-

Long Term Paper is usually Bonds, Government and Semi-Government Securities etc. The rating order is:

AAA } an extremely strong capacity to repay debt
 AAA- }

AA+ }
 to } a very strong capacity to repay debt
 AA- }

A+ }
 to } a strong capacity to repay debt
 A- }

BBB+ }
 to } an adequate capacity to repay debt
 BBB- }

Quotations on Investments

Not less than three quotations shall be obtained from authorised institutions whenever an investment is proposed. The best quote on the day will be successful after allowing for administrative and banking costs, as well as having regard to the limits set above.

General Policy Guidelines

Diversification

Diversification is used to spread risk through utilisation of maximum percentage investment limits to the following:

- Individual Institutions (varies per credit rating)
- Credit Rating Bands (e.g. AAA v A) - these are Standard & Poors Long Term ratings (or Moody's or Fitch equivalents).

These limits are as per the following schedule:

| Credit Rating of Institution (Standard & Poors) | Maximum % of Total Investments | Maximum % with 1 Institution | Maximum Term |
|--|---|---|---------------------|
| AAA An extremely strong capacity to pay | 100% | 45% | 5 yrs |
| AA+, AA, AA- A very strong capacity to pay | 100% | 40% | 5 yrs |
| A+, A, A- A strong capacity to pay | 60% | 20% | 1 yr |
| Standard & Poor's Short Term Rating A-1 strong capacity to pay A-2 satisfactory capacity to pay | 20% | 5% | 1 yr |

Authorised Investments

Major trading banks (MTB's) refer only to ANZ Banking Group Ltd, Commonwealth Bank of Australia, National Australia Bank and Westpac Banking Corporation.

Wholly-owned bank subsidiaries of MTB's refer to Bankwest (CBA) and St George Bank (Westpac). Both bank subsidiaries carry the same short and long term credit ratings as their parent (A1+ / AA) but neither is guaranteed by their parent.

Other ADI's refer to those intermediaries listed at any time on APRA's website – <http://www.apgra.gov.au/ADI/ADIList.cfm>. Listed Australian banking entities include Bank of Queensland, Suncorp Metway, Bendigo and Adelaide Bank and Macquarie Bank.

Maturities

Working funds representing Council's liquidity requirements are managed so as to minimise the use of expensive overdraft to meet Council's day to day trading needs. An amount of at least \$3m or 5% of the value of the total investment portfolio must be accessible within seven days.

Funds may be invested for a period up to five years. Investments exceeding a term of twelve months will only be placed with tier one institutions or wholly owned subsidiaries thereof, provided the institution is authorised under the current Ministerial Investment Order, and the subsidiary's rating from Standard and Poors, Moody's or Fitch is at least equivalent to its parent tier one institution rating.

The maturity allocation of core funds, and whether fixed or floating rates, will be determined by the interest rate outlook and be apportioned based on Council's cash flow forecast in conjunction with Council's Financial Advisor, Spectra Financial Services.

Independent Financial Advice

New Investment instruments that are promoted by an appropriately rated Financial Institution must be the subject of a review by Council's independent financial advisor. Funds may not be placed in any new financial product before this review has been completed.

Review of Investment Portfolio Performance

Council is presented with a monthly report on the performance of each fund/product that makes up Council's Investment portfolio. In conjunction with Spectra Financial Services the Investment Policy will be reviewed at least annually or as required in the event of legislative changes.

Benchmarks

| | |
|--------------------|----------------------------------|
| Cash | Reserve Bank Cash Reference Rate |
| Direct Investments | UBS 90 Day Bank Bill Index |

Responsibility

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

Effectiveness of this Policy

This policy will be reviewed annually in accordance with Regulations and Departmental Guidelines to ensure its continuing suitability and effectiveness. Records of reviews 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 |
|-----------------------|---------------------|---------------------------|--------------------------|
| | | | |

4.6 Revised Policy - Hardship Policy

Reporting Officer

Manager Financial Services

Attachments

Hardship Policy

Purpose

To submit a revised Policy for adoption on matters relating to granting assistance to customers in meeting their financial obligations to Council.

History

The abovementioned Policy was adopted by Council on 1 August 2006 and is now due for review in accordance with the Records and Document Management Policy.

Report

The abovementioned Policy has been reviewed and changes made to the terminology in accordance with recent changes in the *Local Government Act 1993* and the introduction of Integrated Planning and Reporting.

The Policy has been reviewed against its principles and key performance indicators. The recovery of debts continue to be within the acceptable levels that have been determined meeting the Policy objectives whilst maintaining an expected level of customer service.

There is only one minor change the Policy to update the name of Council's Operational Plan which was previously know as Council's Management Plan.

It is therefore recommended that the changes outlined in the report, and highlighted in the attached draft Hardship Policy, be adopted.

Officer's Recommendation

1. That the revised Hardship Policy as attached to this report be adopted.
 2. That the Policy review date be set at 31 March 2015.
-

Committee's Recommendation: (Hawker/Borg)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 10 April 2012 (Greiss/Lake)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 53

That the Officer's Recommendation be adopted.

ATTACHMENT 1

| | | |
|---|----------------------------------|---------------|
|  | | POLICY |
| Policy Title | Hardship Policy | |
| Related Documentation | Rate Recovery Policy | |
| Relevant Legislation/ Corporate Plan | <i>Local Government Act 1993</i> | |
| Responsible Officer | Manager Financial Services | |

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

Objectives

To provide financial relief to customers of Council experiencing difficulties in meeting their commitments in Rates, Debtors and other Fees and Charges.

Policy Statement

Assessment of financial hardship to be made internally following a set of guidelines and the completion of Council's 'Financial Hardship Relief Application Form'. Criteria for income and asset values shall be determined in accordance with the Centrelink 'Pensions - Income and Assets Test' as reviewed annually in September.

1. Rates

- Write off interest charges accrued over a period of twelve months from the date of debt, subject to the debt being paid in the agreed period.
- Reduce penalty interest by one half over a period of eighteen months on ratepayer accounts where financial hardship has resulted due to significant changes in the rateable valuation of their land.
- Limited to the single property owned and occupied (jointly or not) by the applicant.

2. Debtors

- Write off interest or administration fees for debts paid within a structured payment plan geared to clear the debt within a maximum twelve-month period.

3. Fees and Charges

Waste collection charges

- Write off interest charges accrued over a period of twelve months from the date of debt, subject to the debt being paid in this period.
- Limited to the single property owned and occupied (jointly or not) by the applicant.

Other Fees and Charges

- Due to the nature of the adopted fees and charges, any reduction or abandonment of a fee due to financial hardship being incurred shall be determined on an individual basis subject to Council resolution.

Council must be satisfied that the case falls within a category of hardship, alternatively fees and charges must not be reduced unless public notice given over a twenty-eight day exhibition period.

Scope

This Policy will be available to all ratepayers and organisations within the Local Government Area. It is however anticipated to have a direct impact on less than 100 individuals at any given time.

Definitions

| | |
|---------------------|---|
| Date of Debt | The amount due to Council on the day an application is made including arrears and current annual instalments in any given year. |
| Penalty Interest | Interest raised in accordance with the <i>Local Government Act, 1993</i> and as adopted by Council within its Operational Plan . |
| Rateable Valuation | Land value used for rating purposes, ie net of allowances allowed by <i>Valuation of Land Act, 1916</i> and <i>Local Government Act, 1993 - Section 585</i> . |
| Administration Fees | Standard flat fee as adopted by Council in annual Fees and Charges. |

Legislative Context

The following Sections of the *Local Government Act 1993* are included and influence this Policy:

Section 564
Section 566
Section 567
Section 601
Section 610E

Principles

The Manager Financial Services will be responsible for administering the principles and that appropriate steps are taken to maintain a level of confidentiality with data supplied for the purposes of conducting a fair and equitable assessment.

Responsibility

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

Effectiveness of this Policy

Key Performance Indicators

- maintain or reduce the amount percentage of outstanding debts with Council through a formal customer assistance program.
- monitor the number of successfully completed applications within the scope of 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 |
|-----------------------|---------------------|---------------------------|--------------------------|
| | | | |

4.7 ATO Class Ruling on New GST Regime

Reporting Officer

Manager Financial Services

Attachments

Nil

Purpose

To provide Council with an update on the current status of GST on fees and charges raised following the removal of Division 81 from the *Goods and Services Taxation Act 1999*.

History

Further to the report provided to Council at the Corporate Governance Committee meeting on 11 October 2011 this report updates Council on the current status. The Commonwealth Government introduced new legislation that included changes to the determination of GST on Australian Taxes, charges and fees that has had an affect on Local Government Taxes.

The new regime changes the past model where rates, fees and charges were exempt from GST under Division 81 of *A new Tax System (Goods and Services Tax) Act 1999*. Removal of Division 81 was effective 1 July 2011 to be grandfathered over a period of twelve months until 30 June 2012.

Report

The fees and charges together with annual rates are currently being reviewed in conjunction with the Local Government and Shires Association (LGSA) in formalising consistent assessment of GST across the industry.

Completion of this task will result in local councils applying a consistent approach to the self assessment of all future fees, charges and rates, however a number of class rulings have been identified and forwarded onto the Australian Taxation Office (ATO) for determination.

In February 2012 the LGSA lodged the first three parts of a class ruling with the ATO covering the following key areas.

- Ordinary rates, special rates, and special rate variations
 - Solid domestic and commercial waste management charges and fees
 - Development contributions, dedications of land by developers, and associated issues
-

The application has been split into separate parts which will be lodged separately. The fees and charges that form part of this application include:

- Building and redevelopment fees
- Companion animal and impounding fees
- Compliance approvals and permits
- Cemetery fees
- Facility and hall hire charges
- Legal costs recovered
- Library fines and miscellaneous fees
- Water sewer and drainage charges
- Property leasing.

Currently officers are working with the LGSA to achieve their milestones and indicators are that the GST status on Council's current Fees and Charges will not change significantly.

Officer's Recommendation

That the information be noted.

Committee's Recommendation: (Lake/Dobson)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 10 April 2012 (Greiss/Lake)

That the Officer's Recommendation be adopted.

Council Resolution Minute Number 53

That the Officer's Recommendation be adopted.

4.8 Cost Shifting Survey 2009-2010

Reporting Officer

Manager Financial Services

Attachments

The impact of Cost Shifting on Local Government in NSW (distributed under separate cover)

Purpose

To advise Council of the results of the 2009-2010 cost shifting survey undertaken by the Local Government and Shires Association (LGSA).

History

This survey is a continuation of the cost shifting survey undertaken by the *Independent Inquiry into the Financial Sustainability of the NSW Local Government for 2006* and surveys for the financial years 2005-2006 through to 2008-2009 undertaken by the Association. There were 94 councils that participated in the survey conducted during May to November 2011.

The LGSA cost shifting survey is an annual survey which seeks to establish the extent of cost shifting by the Australian and NSW Government's onto NSW Local Government. The survey measures the amount of cost shifting for a representative sample of the 152 general purpose Councils in NSW, calculates a cost shifting ratio for each council and estimates the total amount of cost shifting onto the whole of NSW Local Government.

Report

According to the survey cost shifting by the Australian and NSW Government's onto NSW Local Government in the financial year 2009-2010 is estimated to amount to 5.74% of Local Government's total income before capital amounts or \$471m.

The survey for 2009-2010 includes two new cost shifting examples contained in question 24 (revenue raising restrictions on council managed Crown lands) and question 25 (shortfall in cost recovery for assessing Development Applications as a result of fee regulation). Cost shifting is therefore estimated to amount to 6.38% of Local Government's total income before capital amounts or \$524m.

This ratio is consistent with ratios established for previous financial years, however in absolute terms cost shifting is estimated to have increased significantly from \$380m in 2005-2006 to \$471m (23.9%) in 2009-2010. For metropolitan councils, a ratio of 6.30% resulted for the sample (including the new examples 24 and 25) compared to 6.21% for 2008-2009. The survey findings found that metropolitan councils suffer more from cost shifting than rural councils. This can be attributed to cost shifting associated with the waste levy (question 21) and the provision of public libraries (question 5).

It is important to note that any estimate of cost shifting also needs to include cost shifting associated with making the NSW Electoral Commission (NSWEC) fully responsible for the Local Government elections in 2008. Election costs increased significantly in comparison to the 2004 elections and there are significant concerns over the lack of disclosure and explanation of the costs charged to the councils by the NSWEC.

In total, this amounts to cost shifting associated with the 2008 Local Government elections of \$9,050,150, equalling \$2,262,537 annually over the four year electoral cycle. This annual amount is to be added to the amount of cost shifting identified in the survey of \$469,191,471 taking the total amount of cost shifting to \$471,454,278 (ratio of 5.74%)

Campbelltown City Council's total amount of cost shifting in 2009-2010 was \$6.47m equating to 5.44% of total income. Major areas of cost shifting include:

- Contribution to NSW Fire Brigade of \$954,330
- Contribution to Rural Fire Service of \$176,847
- Contribution to NSW State Emergency Service \$72,794
- Pensioner rates rebate of \$717,103
- Public Library operations of \$1,873,500
- Administration of the *Companion Animal Act (NSW) 1998* of \$207,000
- Waste Levy of \$364,686

The 2009-2010 cost shifting amount has a significant impact on councils' finances. It almost equals the total of NSW council's estimated annual infrastructure renewal gap of \$500m per annum as identified by the *Independent Inquiry into the Financial Sustainability of the NSW Local Government*.

Contributions to the NSW Fire Brigade, NSW Rural Fire Service and NSW State Emergency Service, lack of adequate funding for public libraries and the NSW Government's failure to reimburse for mandatory pensioner rebates for rates are major examples. Councils are also not given sufficient financial resources for their responsibilities to regulate companion animals, manage contaminated land, control noxious weed, manage flood controls, or administer environmental regulation.

Lastly, and importantly, the survey excluded any capital expenditure related to the functional areas and comments were provided by many councils that the inclusion of capital expenditure would significantly increase the amount of cost shifting.

The survey results help quantify the extent of cost shifting onto NSW Local Government and support Local Government's argument for that practice to end.

Officer's Recommendation

That the information be noted.

Committee's Recommendation: (Borg/Lake)

That the Officer's Recommendation be adopted.

Addendum: (Chanthivong/Borg)

2. That a report be presented to Council on a six monthly basis to update on cost shifting back to Council.

WON and became part of the **MOTION**

Addendum: (Matheson/Chanthivong)

3. That the report contains details of the date in which the cost shift occurred and how it was initiated.

WON and became part of the **MOTION**

The Motion on being Put was **CARRIED**.

Council Meeting 10 April 2012 (Greiss/Lake)

1. That the information be noted.
2. That a report be presented to Council on a six monthly basis to update on cost shifting back to Council.
3. That the report contains details of the date in which the cost shift occurred and how it was initiated.

Addendum: (Lake/Rule)

4. That Council write to the State and Federal Governments and express its concern regarding constant cost shifting to Local Government.
-

Council Resolution Minute Number 53

1. That the information be noted.
 2. That a report be presented to Council on a six monthly basis to update on cost shifting back to Council.
 3. That the report contains details of the date in which the cost shift occurred and how it was initiated.
 4. That Council write to the State and Federal Governments and express its concern regarding constant cost shifting to Local Government.
-

5. BUSINESS ASSURANCE

No reports this round

6. HUMAN RESOURCES

No reports this round

7. INFORMATION MANAGEMENT AND TECHNOLOGY

No reports this round

8. GENERAL BUSINESS

8.1 Australia Post - Eagle Vale Marketplace

Councillor Matheson requested that Council write a letter to Australia Post to determine if they have any intention of establishing a licensed agency or Australia Post shop within Eagle Vale Marketplace.

Committee's Recommendation: (Matheson/Greiss)

That a letter be written to Australia Post questioning if they have any intention of establishing a licensed agency or Australia Post shop within Eagle Vale Marketplace.

CARRIED

Council Meeting 10 April 2012 (Greiss/Lake)

That the Committee's Recommendation be adopted.

Council Resolution Minute Number 53

That the Committee's Recommendation be adopted.

8.2 Skate Park in Airds

Councillor Matheson requested that a report be presented on the viability of establishing a skate park within Airds.

Committee's Recommendation: (Matheson/Hawker)

That a report be presented on the viability of establishing a skate park within Airds.

CARRIED

Council Meeting 10 April 2012 (Greiss/Lake)

That the Committee's Recommendation be adopted.

Amendment: (Hawker/Matheson)

That a report be presented on the viability of establishing a skate park within Airds possibly in partnership with Housing NSW as part of the Airds Redevelopment Project.

Council Resolution Minute Number 53

That the above amendment be adopted.

8.3 Tallowwood Crescent, Bradbury - Request for Tree Inspection

Councillor Matheson requested if the Director City Works would arrange an inspection of the tree located at 37 Tallowwood Crescent, Bradbury.

Committee's Recommendation: (Matheson/Borg)

That a tree inspection be undertaken on the tree located at 37 Tallowwood Crescent, Bradbury.

CARRIED

Council Meeting 10 April 2012 (Greiss/Lake)

That the Committee's Recommendation be adopted.

Council Resolution Minute Number 53

That the Committee's Recommendation be adopted.

Confidentiality Motion: (Borg/Lake)

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 Proposed Licence Agreement with Scouts Australia

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 Access Deed with Telstra - Campbelltown Showground

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 Lease - Suites 4 & 4a 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.

21.4 Lease - Woodbine Neighbourhood Store

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.

21.5 Expression of Interest for Sale of Council Land being Lot 2 DP 236059, Menangle Park

Reason for Confidentiality

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

- (d) commercial information of a confidential nature that would if disclosed:
 - (i) prejudice the commercial position of the person who supplied it.
-

21.6 Bradbury Community Hall, Bradbury

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

There being no further business the meeting closed at 6.16pm.

G Greiss
CHAIRPERSON
