

# Reports of the Corporate Governance Committee Meeting held at 5.30pm on Tuesday, 21 August 2012.

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## 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 21 August 2012

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**Present**

His Worship the Mayor, Councillor A Chanthivong  
Councillor G Greiss (Chairperson)  
Councillor F Borg  
Councillor P Hawker  
Councillor P Lake  
Director Business Services - Mr M Sewell  
Acting Director City Works - Mr G Mitchell  
Manager Business Assurance - Mrs M McIlvenny  
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  
Events and Promotions Coordinator - Ms A King  
Senior Waste Management Officer - Mr L Atkinson  
Internal Auditor - Ms M Brockwell  
Executive Assistant - Ms B Buckley

**Apology (Borg/Hawker)**

That the apologies from Councillors Matheson, Dobson and Rule be received and accepted.

**CARRIED**

**Also in Attendance**

Audit Committee Chairperson - Mr B Hanrahan

**Acknowledgement of Land**

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

**DECLARATIONS OF INTEREST**

There were no Declarations of Interest at this meeting.

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## **1. COMMUNICATIONS AND MARKETING**

### **1.1 Website update**

#### **Reporting Officer**

Manager Communications and Marketing

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#### **Attachments**

Nil

#### **Purpose**

To update Council on the progress and development of Council's new website.

#### **History**

Council's website has recently been redeveloped and was launched on 10 May 2012. The development of the site was based on business unit feedback, survey and vendor expertise and tests by members of the community.

Basic user training and web writing training was rolled out to key staff to ensure the new website stays up-to-date and accessible. A permanent Website Administrator was appointed to monitor the site, support users, liaise with the vendor, and provide training to staff as required. A Web Steering Committee was formed to guide the strategic direction of the website and to report to Executive.

#### **Report**

Council's new website provides a range of information on programs, initiatives, services and events that can be accessed by visitors. With a strong customer service focus, it was designed with easy navigation and web friendly content.

Since the launch on 10 May 2012, the website has had more than 130,000 visits. More than 80,000 of the visits were from visitors visiting the site for the first time, while the remaining were returning visitors.

Council has received many positive and constructive comments from internal staff and community members. This feedback is used to help Council identify what is working well, and what areas can be improved.

With the website constantly evolving, key users are kept up-to-date through project updates, meetings, training, and the web collaboration site. Features which are soon to be introduced to the website include YouTube and audio links, ECM access (for internal purposes), online forms with payment submission, and online mapping.

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As part of the redevelopment, Council also launched an eNewsletter. The new communications tool complements Council's existing quarterly newsletter, Compass, and various other communication methods.

The eNewsletter is distributed via email on the first Wednesday of each month and is aimed at keeping subscribers updated on events, Council initiatives, things to do and places to visit, as well as directing traffic to the new website through links to further information. Interested residents, ratepayers, businesses or visitors can subscribe at any time. The first eNewsletter was distributed in June to 162 subscribers. This grew to 194 in July and 223 in August, with new subscribers joining daily.

Using Google Analytics, Council will be able to identify comprehensive statistics on the usage patterns of the website. These statistics will be reported to Council on a quarterly basis.

The new website has successfully become an effective information portal for customers and communication tool for Council, and has been complemented by the introduction of the eNewsletter.

### **Officer's Recommendation**

That the information be noted.

### **Committee's Recommendation: (Hawker/Borg)**

That the Officer's Recommendation be adopted.

**CARRIED**

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## **2. GOVERNANCE AND ADMINISTRATION**

**No reports this round**

## **3. PROPERTY SERVICES**

### **3.1 Subdivision of land for Lease purposes, Woodbine Store and Residence**

#### **Reporting Officer**

Manager Property Services

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#### **Attachments**

Plan of Site (to be tabled)

#### **Purpose**

To seek Council approval for the lodgement of a development application for the subdivision of Council land to facilitate the leasing of the Woodbine Store and residence.

#### **History**

Council at its ordinary meeting of 10 April 2012 approved a new lease over the Woodbine Store and Residence. The new lease is for a five year period with a further five year option.

It had been noted within the report to Council that in order to affect the five by five year lease that there may be the requirement for Council to undertake a subdivision of the land in order to create separate title over the area proposed to be leased.

#### **Report**

The Land Titles Office has become more vigilant in enforcing the registration for leases to be allocated in regard to documenting the leases on title.

In having prepared previous leases Council was permitted to identify a Part Lot to allow registration of leases of more than three years at the Land Titles Office.

Subsequent to the resolution of 10 April 2012, advice has been received from Council's solicitor with respect to the requirement to undertake a subdivision of the land in order to create separate title over the area proposed to be leased.

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As it is intended to enter into a lease for a term of up to 10 years the *Real Property Act 1900* identifies any lease for a period greater than three years is required to be registered to the title of the land.

In terms of registration of the lease to the title of the land being Lot 12 DP 748537, the provisions of the *Conveyancing Act 1919* provides that a lease cannot be registered over a part of a lot. On this basis a subdivision of Lot 12 DP 748537 is required to create a separate title over the actual area proposed to be leased being the Woodbine Store and residence and its associated car parking area.

This would excise the residual land which would be retained in Council ownership and permit continuing access for maintenance purposes.

### **Proposed Subdivision**

The land that would be the subject of a development application for the proposed subdivision is described as Lot 12 DP 748537 and part Lot 69 DP 776225, collectively referred to in this report as the "Site".

The Site has a combined area of approximately 6705 square metres and is shown in attachment 1 to this report. The Site is zoned as 10(c) - Local Comprehensive Centre Zone under Campbelltown (Urban Area) Local Environmental Plan 2002, and classified as operational land.

It is proposed that the Site would be subdivided into three separate allotments as depicted in attachment 2 of this report, detailed as follows:

- Lot 1 would be created over the Woodbine Community Hall and include its curtilage area and carpark. This would include a slight adjustment to the existing area which would result in an increase in the site area to regularise the boundaries
- Lot 2 would be created to define the area subject to the lease being the Woodbine Store and residence and its associated car parking area
- Lot 3 would become a residue portion of land with title held by Council.

Subject to approval of the development application for the subdivision, the registration of the lease of the Woodbine Store and residence could proceed.

Accordingly, it is recommended that Council approval be provided for the lodgement of a development application for the subdivision of Council land at Woodbine to facilitate the registration of the lease for the Woodbine Store and residence.

### **Officer's Recommendation**

1. That Council provide approval for the lodgement of a development application over Lot 12 DP 748537 and part Lot 69 DP 776225 with respect to a proposed 3 Lot subdivision to facilitate the leasing of the Woodbine Store and residence.
  2. That all documentation associated with the lodgement of a development application be executed under the Common Seal of Council if required.
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**Committee's Recommendation: (Borg/Chanthivong)**

That the Officer's Recommendation be adopted.

**CARRIED**

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## **3.2 Minto Indoor Sports Centre - Plan of Management**

### **Reporting Officer**

Manager Property Services

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### **Attachments**

Plan of Minto Sports Centre land (to be tabled)

### **Purpose**

To seek Council approval to proceed with preparation of a draft Plan of Management for the future use and management of the Minto Indoor Sports Centre.

### **History**

Council in its briefing of 27 March 2012 considered the history and management of Minto Indoor Sports Centre (the Centre). As outlined in that briefing, the Centre has traditionally been managed on behalf of Council by a third party as part of a Management Contract. The current management agreement has expired with a carryover provision and Council is currently proceeding with an Expression of Interest process to consider its options in respect to the ongoing management of the Centre.

### **Report**

Minto Indoor Sports Centre (the Centre) is a multi-purpose indoor sports facility. The four courts are used for a range of sports that include basketball, indoor soccer, netball, volleyball and other special events.

The Centre incorporates Council owned land being Lots 101 and 102 in DP 789883 and is classified as Community Land. The majority of the land is zoned 6(a) Local Open Space with a minor area running parallel to the rail corridor being zoned 5(a) Special Uses Railway with a total site area of approximately 11,151 square metres.

The *Local Government Act 1993* (the Act) provides that land owned by Council is to be classified as either Operational or Community Land. The Act also provides that a Plan of Management is required to govern the use and management of Community Land.

It should be noted that at the inception of the Act the subject land along with Council's other land holdings that form Coronation Park had been duly classified as Community Land and categorised as 'Sportsground'. An existing Plan of Management for Council's sports grounds includes Coronation Park as one of the identified facilities.

Previous agreements regarding the management of Minto Indoor Sports Centre appear to have relied upon the provisions of the existing Plan of Management for Council's sports grounds.

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Having regard to the briefing presented to Council it would appear that over time the Centre has established itself as a facility that adjoins Coronation Park rather than being part of Coronation Park and is managed as a distinct sporting facility.

In this respect it is considered appropriate that a new draft Plan of Management (draft Plan) be developed for the Centre rather than relying on the existing Plan of Management for Coronation Park. It is also considered that establishing a draft Plan for the Centre adopts best practice, avoids any ambiguity in so far as whether the existing Plan of Management is still relevant and also enables Council to advise the public of its specific goals and objectives in so far as how it intends to manage and facilitate the ongoing operation of the Centre.

In this respect it is proposed that the formal process to prepare a draft Plan for the future use and management of the Centre now be undertaken. It is envisaged that the draft Plan would focus towards the Centre being used to encourage, promote and facilitate recreational pursuits in the community involving organised and informal sporting activities and games, as well as ensuring that the Centre is managed in accordance with Council's objectives and expectations.

With respect to the formal process concerning the preparation of a draft Plan and its anticipated adoption Council must publicly exhibit the draft Plan for a period not less than 28 days and provide a period of 42 days for the public to make submissions. Further to this period, Council must also hold a public hearing in respect of the draft Plan.

In light of the public consultation process and requirement to submit a further report to Council upon completion of the consultation process it is recommended that Council provide its approval to undertake the formal process of preparing a draft Plan.

### **Officer's Recommendation**

1. That Council approve the preparation of a draft Plan of Management for the future use and management of Minto Indoor Sports Centre.
2. That a further report be presented to Council for the review of the draft Minto Indoor Sports Centre Plan of Management upon completion of the public consultation and submission process.

### **Committee's Recommendation: (Lake/Hawker)**

That the Officer's Recommendation be adopted.

**CARRIED**

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### **3.3 Dedication of Land as Public Road - Lot 2 DP909345 Macquarie Fields**

#### **Reporting Officer**

Manager Property Services

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#### **Attachments**

Plan showing proposed public road dedication

#### **Purpose**

To seek Council approval for the formal dedication of a parcel of land shown in private ownership as public road in Macquarie Fields.

#### **Report**

It has been identified a parcel of land, being Lot 2 in Deposited Plan 909345, which forms part of Mary Street, Macquarie Fields, remains in private ownership and is shown on the attached Plan.

The land in question has an area of approximately 1214 square metres with the registered proprietor being Mr Harry Banwell, who acquired the property on 20 March 1914 and has remained in that ownership since that date. Title searches have indicated the land formed part of a subdivision in 1885, where the land was shown as road, but has not been dedicated as road.

These historic anomalies occur where lands and/or roads created by subdivision prior to 1920 have remained in the original title, although now being maintained by Council. Examples have previously been identified to Council and are likely to occur in the future, given some of the original subdivision patterns are still in place in the Campbelltown Local Government Area. An administrative process under the *Roads Act 1993* is now required to formalise the dedication of this property as public road.

In order to dedicate the land as road, Council is required to provide at least 28 day notice to the owner of the land. Given the circumstances in this case, it is proposed the required notice will be affixed to a post along the alignment of Mary Street. Following the expiration of the 28 day period, Council is then required to publish a notice in the Government Gazette, formally dedicating the land as public road.

Accordingly, subject to undertaking the appropriate notification and gazettal process, it is recommended Council dedicate the subject parcel of land as public road.

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### **Officer's Recommendation**

1. That Council dedicate Lot 2 Deposited Plan 909345, forming part of Mary Street, Macquarie Fields as public road in accordance with the *Roads Act 1993*.
2. That upon gazettal as public road, the land be classified as Operational land under the *Local Government Act 1993*.
3. That all documentation associated with the road dedication be executed under the Common Seal of Council.

### **Committee's Recommendation: (Chanthivong/Borg)**

That the Officer's Recommendation be adopted.

**CARRIED**

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# ATTACHMENT 1



### **3.4 Proposed Road Closure Land off Menangle Road, Menangle**

#### **Reporting Officer**

Manager Property Services

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#### **Attachments**

Locality Plan indicating area of proposed road closure

#### **Purpose**

To seek Council approval for the closure of an unformed public road off Menangle Road, Menangle Park.

#### **History**

Council at its meeting of 15 November 2011 resolved to dedicate a section of land off Menangle Road as public road. The required public notification and gazettal process has now been completed and the land has been dedicated as public road.

#### **Report**

As a result of the Master Planning being undertaken for the development of the Menangle Park Release Area, it was necessary for Council to dedicate an area of land off Menangle Road, Menangle (see attached plan) as public road in order to facilitate the orderly progress of the development.

The subject section of road is unzoned with the adjoining land zoned under IDO 15 1 Non Urban (40ha minimum) and has an area of approximately 278 square metres (subject to survey).

To comply with the provisions of the *Roads Act 1993* it is now necessary for Council to close this portion of unformed public road.

The land will also be required to be classified as operational following the road closure process to enable Council to have flexibility when considering the development of the Menangle Park Release Area.

Accordingly it is recommended that Council approve the proposed road closure in order that an application can be made to the Land and Property Management Authority and the creation of a new title in Council's name.

Should the road closure be approved and a new title created in Council's name, it is proposed that the section of former road be incorporated into Council's adjoining land holdings.

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### **Officer's Recommendation**

1. That Council approve the closure of the unformed section of road off Menangle Road under the provisions of the *Roads Act 1993* and an application be made to the Land and Property Management Authority to effect such closure.
2. That upon formal closure of the residue section of the section of road off Menangle Road, Menangle the land be classified as operational.
3. That all documentation associated with the road closure be executed under the Common Seal of Council.

**Committee Note:** The Director Business Services advised in the Officer's report and the Officer's Recommendation the reference to Menangle should have read Menangle Park.

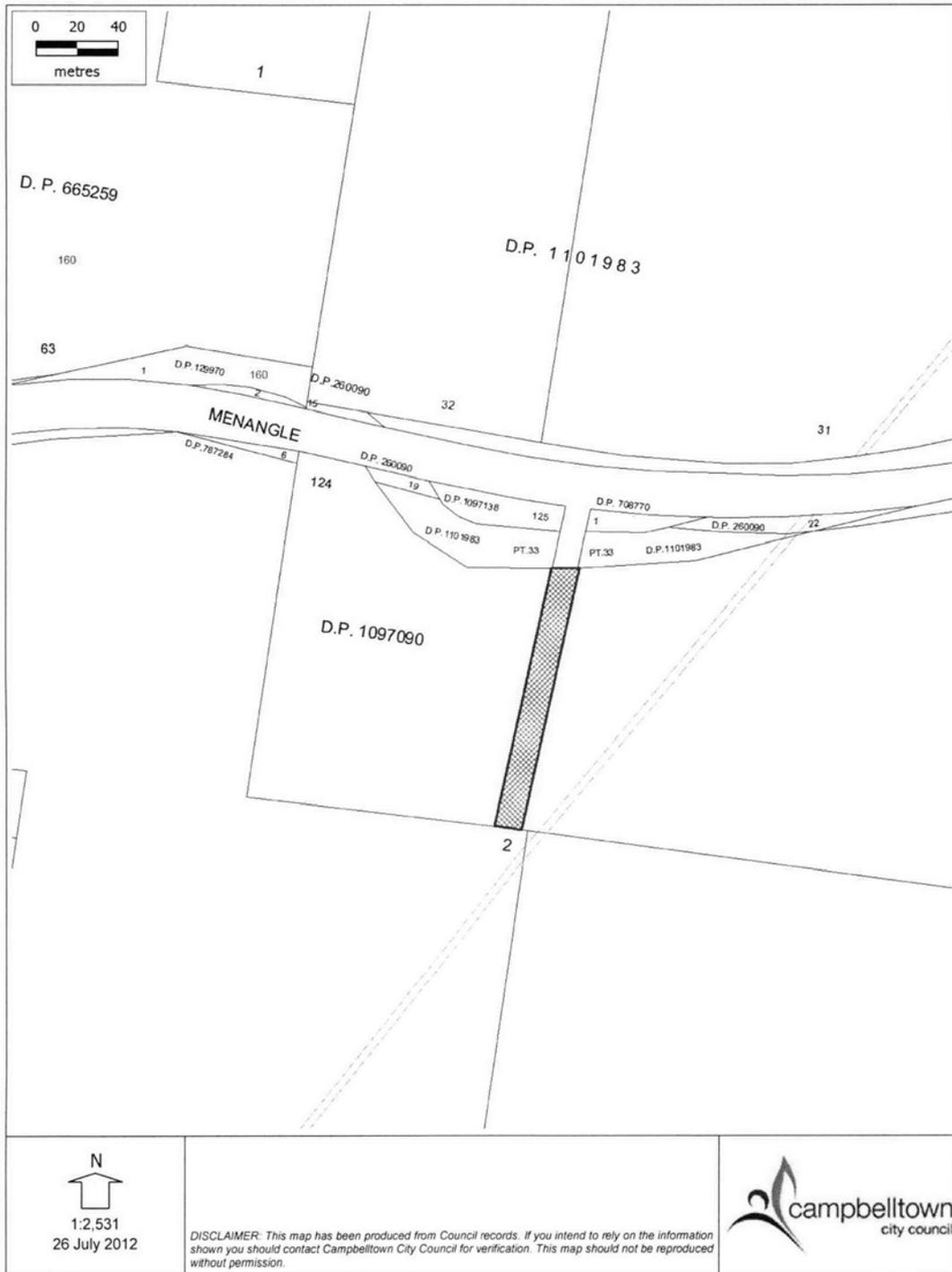
### **Committee's Recommendation: (Hawker/Lake)**

1. That Council approve the closure of the unformed section of road off Menangle Road under the provisions of the *Roads Act 1993* and an application be made to the Land and Property Management Authority to effect such closure.
2. That upon formal closure of the residue section of the section of road off Menangle Road, Menangle Park the land be classified as operational.
3. That all documentation associated with the road closure be executed under the Common Seal of Council.

**CARRIED**

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# ATTACHMENT 1



## **4. FINANCIAL SERVICES**

### **4.1 Monthly Rates Summary**

#### **Reporting Officer**

Manager Financial Services

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#### **Attachments**

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

#### **Purpose**

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

#### **Report**

Rates and charges levied for the period ending 31 July 2012 totalled \$79,073,285, representing the annual levy for the current financial year. It is anticipated that adjustments will occur each month due to the receipt of new valuations determined by the Valuer General's Department.

Receipts collected to the end of July totalled \$6,779,512. This amount represents 8.5% of all rates and charges due to be paid. In comparison, the amount collected for the same period last year was 7.1%.

Council adopted the 2012-2013 rating structure on 19 June 2012. These rates and charges were used to successfully complete the annual levy on 1 July 2012 with notices issued to ratepayers on 9 July 2012.

In total 48,326 notices were printed with a total value of \$76,118,256. Rate notices for the 91 Council owned properties and 5,673 Housing NSW dwellings are not included in this total and will be paid separately via an electronic file.

Rate notices were also successfully emailed in PDF form through the eNotice electronic delivery process. This service continues to increase in popularity with 1,154 ratepayers now receiving their accounts electronically.

Pension rebates were granted to 6,637 eligible pensioners entitled to reductions of up to \$250 from their total rates and charges bill. These rebates totalled \$1,655,404 and have been applied to each assessment on a pro-rata basis between rates and waste collection charges. A claim will be submitted to the Division of Local Government in September 2012 for 55% of the amount written off.

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Action taken in the form of legal debt recovery has involved the issue of 212 Statements of Claim, 12 Judgements and 23 Writs where ratepayers have either defaulted on an arrangement or failed to respond to efforts in making alternative arrangements.

Currently 331 ratepayers with a combined balance due of \$286,112 have made an arrangement to clear their debt through regular payments. No further action is taken on these accounts provided the agreed amounts are maintained.

Ratepayers who purchased property and have a balance unpaid since the issue of the annual rate notice have received a "Notice to New Owner" letter. During the month, 208 of these notices were sent advising the amount levied by Council in annual rates and charges and the unpaid balance remaining.

### **Officer's Recommendation**

That the information be noted.

### **Committee's Recommendation: (Lake/Hawker)**

That the Officer's Recommendation be adopted.

**CARRIED**

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# 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	44,494,402.24	1,241,598.69	104,074.42	45,941,177.98	3,691,334.23	42,249,843.75	399,782.00	42,649,625.75
BUSINESS	648,124.82	14,768,570.93		13,795.11	15,430,490.86	1,377,268.36	14,053,222.50		14,053,222.50
BUSINESS - IND	14,953.93	0.00		42.52	14,996.45	7,707.19	7,289.26		7,289.26
FARMLAND	-10,530.04	351,883.87	876.56	0.00	340,477.27	4,507.55	335,969.72	153,710.32	489,680.04
MINING	0.00	13,422.10		0.00	13,422.10		0.00		0.00
LOAN	244,319.52	4,136,864.31		1,199.59	4,382,383.42	354,638.03	4,027,745.39	53,360.38	4,081,105.77
F5 ACCESS RAMPS	2,080.90	0.00		6.40	2,087.30	887.88	1,199.42		1,199.42
MAIN STREET	40.12	0.00		0.00	40.12	0.00	40.12		40.12
<b>TOTAL</b>	<b>\$3,483,289.26</b>	<b>\$63,765,143.45</b>	<b>\$1,242,475.25</b>	<b>\$119,118.04</b>	<b>\$66,125,075.50</b>	<b>\$5,449,765.34</b>	<b>\$60,675,310.16</b>	<b>\$606,852.70</b>	<b>\$61,282,162.86</b>
GARBAGE	694,369.27	15,044,630.26	412,929.01	3,939.84	15,330,010.36	1,245,232.20	14,084,778.16		14,084,778.16
SANITARY	0.00	0.00		0.00	0.00	0.00	0.00		0.00
STORMWATER	53,851.29	888,714.85		246.57	942,812.71	84,514.83	858,297.88		858,297.88
<b>GRAND TOTAL</b>	<b>\$4,231,509.82</b>	<b>\$79,698,488.56</b>	<b>\$1,655,404.26</b>	<b>\$123,304.45</b>	<b>\$82,397,898.57</b>	<b>\$6,779,512.37</b>	<b>\$75,618,386.20</b>	<b>\$606,852.70</b>	<b>\$76,225,238.90</b>

Total from Rates Financial Transaction Summary	76,027,886.26
Overpayments	-197,352.64
Difference	0.00

## ANALYSIS OF RECOVERY ACTION

Rate accounts greater than 6 months less than 12 months in arrears	714,743.86
Rate accounts greater than 12 months less than 18 months in arrears	223,132.61
Rate accounts greater than 18 months in arrears	52,069.06
<b>TOTAL rates and charges under instruction with Council's agents</b>	<b>\$989,945.53</b>

## ATTACHMENT 2

### COMPARISON OF BUDGET TO ACTUAL

DESCRIPTION	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	BALANCE STILL REQD.	% RAISED
RESIDENTIAL	44,722,100	44,722,100	44,494,402	227,698	99.49%
BUSINESS	14,996,800	14,996,800	14,768,571	228,229	98.48%
FARMLAND	403,500	403,500	351,884	51,616	87.21%
MINING	13,400	13,400	13,422	(22)	100.16%
LOAN	4,184,500	4,184,500	4,136,864	47,636	98.86%
TOTALS	64,320,300	64,320,300	63,765,143	555,157	99.14%
INTEREST CHARGES	306,100	306,100	19,577	286,523	6.40%
LEGAL COSTS RECOVERED	950,000	950,000	100,151	849,849	10.54%
PENSIONERS - Sec 575	(1,690,000)	(1,690,000)	(1,655,404)	(34,596)	97.95%
PENSIONERS SUBSIDY	929,500	929,500	910,472	19,028	97.95%
SUB TOTAL	64,815,900	64,815,900	63,139,940	1,675,960	97.41%
DOMESTIC WASTE CHARGES	14,825,000	14,825,000	14,661,517	163,483	98.90%
COMMERCIAL WASTE CHARGES	322,400	322,400	383,113	(60,713)	118.83%
SANITARY INCOME	1,000	1,000	0	1,000	0.00%
STORMWATER MNGMNT	882,000	882,000	888,715	(6,715)	100.76%
GRAND TOTALS	80,846,300	80,846,300	79,073,285	1,773,015	97.81%
COLLECTIONS AS A % OF:	TOTAL RECEIVABLE	TOTAL LEVIED	TOTAL RECEIVABLE	TOTAL LEVIED	
RESIDENTIAL	8.03%	8.30%			
BUSINESS	8.93%	9.33%	RATES	8.24%	8.55%
FARMLAND	1.32%	1.28%	SANITARY	0.00%	0.00%
LOAN	8.09%	8.57%	STORMWATER	8.96%	9.51%
ALL RATES	8.24%	8.55%	TOTAL RATES & CHARGES	8.47%	8.75%



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## 4.2 Sundry Debtors Report - July 2012

### Reporting Officer

Manager Financial Services

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### Attachments

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

### Purpose

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

### Report

Debts outstanding to Council as at 31 July 2012 were \$1,433,633 reflecting an increase of \$33,552 since June 2012. The ratio of outstanding debts to current invoices has increased from 21% in June to the current level of 30%. 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, 488 invoices were raised totalling \$997,609 and of these, the most significant have been in the following areas:

#### Corporate administration – \$638,203

The main invoices relate to:

Wollondilly Shire Council – Contribution to annual operational, marketing and economic development costs of MACROC and for Appin Access Control Project Refund	\$173,348
Landcom – Benham Oval Amenities Stage 3 completion of roof trusses, roof sheeting and lockup	\$137,500
Camden Council - Contribution to annual operational, marketing and economic development costs of MACROC and half share of costs for the Penrith Bridal Expo advertisements	\$119,448
Campbelltown Catholic Club Limited – Land rates and charges for 2012-2013 and Sydney Water usage account	\$49,424
Department of Education and Training – Contribution to operating costs at Minto Library	\$49,147
Metropolitan Collieries Pty Ltd – Contribution to road maintenance 2012	\$27,500

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**Land and Building Rentals - \$101,478**

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

**Government and other grants - \$60,715**

The main invoices relate to:

Sydney Metropolitan Catchment Management Authority – Restoration Work at Peter Meadows Creek and improving water quality within Spring Creek catchment	\$55,215
Uniting Care Burnside – Sustain Mobile Toy and Book Library 2012-2013	\$5,500

**Waste Collection Services - \$48,939**

The main invoices relate to:

Thiess Services Pty Ltd – Effluent disposal for June 2012	\$25,345
G & G Waste Services – Effluent disposal for June 2012	\$23,594

**Road and Footpath Restoration - \$48,825**

The main invoices relate to:

Telstra – Footpath restoration work at various sites in Ingleburn	\$15,859
Jemena Gas Networks (NSW) Ltd – Footpath restoration work at various locations within the Local Government Area	\$15,171
Sydney Water Corporation – Footpath and road restoration works at various locations within the Local Government Area	\$13,961

Receipts to the value of \$964,058 have been received during the period, the most notable in the following areas:

Corporate administration	\$330,049
Government and other grants	\$193,150
Land and building rentals	\$102,148
Waste Collection Services	\$84,867
Private Works	\$79,886

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Debts exceeding 90 days of age totalled \$220,827 as at 31 July 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	\$23,657
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
Various sundry items - Recovery of costs relating to four separate incidents of damage to Council vehicles. Three of these incidents have been approved by Council's auditors for write off as per Item 4.5 - Sundry Debtors Write Off Report to Corporate Governance 21 August 2012	\$16,569
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	\$4,798
Sydney Water - Various road restorations in the Local Government Area. Part payment received 2 August 2012, remaining balance to be finalised by September	\$3,004
Wests Tigers Football Club - Hire and associated charges. \$22,000 payment received 13 August 2012	\$26,911
Housing NSW - Mowing of various open spaces within the Local Government Area. Payment was received 3 August 2012	\$53,014

During the month, 20 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.

One account progressed to the first stage of formal legal recovery action. The defaulting debtor was 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 two Statement of Liquidated Claims for damage to a Council vehicle and unpaid licence fees. One Judgement was received for unpaid swimming squad 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: (Lake/Chanthivong)**

That the Officer's Recommendation be adopted.

**CARRIED**

**ATTACHMENT 1**

***DEBTORS SUMMARY 1 July 2012 to 31 July 2012***

DEBTOR TYPE/DESCRIPTION	ARREARS AT 30/06/2012	RAISED THIS PERIOD	RECEIVED THIS PERIOD	BALANCE AT 31/07/2012	% DEBT RATIO
Corporate Administration	334,008	638,203	330,049	642,162	44.79%
Abandoned Items	1,940	7,903	0	9,843	0.69%
Child Care Debts	19,357	1,490	0	20,847	1.45%
Community Bus	444	312	254	502	0.03%
Tennis Court Hire	757	0	757	0	0.00%
Sportsground and Field Hire	128,557	26,604	32,788	122,373	8.54%
Government and other Grants	218,895	60,715	193,150	86,459	6.03%
Public Hall Hire	22,454	7,631	17,710	12,375	0.86%
Health Services	350	0	0	350	0.02%
Land and Building Rentals	39,362	101,478	102,148	38,692	2.70%
Healthy Lifestyles	1,802	20,664	19,694	2,772	0.19%
Library Fines and Costs	171,219	0	0	171,219	11.94%
Shop Licence Fees	46,685	4,630	15,245	36,070	2.52%
Pool Hire	10,586	3,129	8,397	5,318	0.37%
Private Works	207,972	622	79,886	128,709	8.98%
Road and Footpath Restoration	20,288	48,825	4,630	64,483	4.50%
Shop and Office Rentals	16,010	23,240	27,155	12,095	0.84%
Various Sundry Items	114,121	3,224	47,328	70,017	4.88%
Waste Collection Services	84,710	48,939	84,867	48,782	3.40%
	<b>1,400,081</b>	<b>997,609</b>	<b>964,058</b>	<b>1,433,633</b>	<b>100%</b>

**ATTACHMENT 2**

**AGEING OF SUNDRY DEBTOR ACCOUNTS - 31 July 2012**

Description	Current Charges	Total 30 Days	Total 60 Days	Total 90+ Days	Balance Due	Previous Month 90+ days
Corporate Administration	454,822	171,379	2,887	13,074	642,162	14,409
Abandoned Items	7,903	0	0	1,940	9,843	1,737
Child Care Debts	20,847	0	0	0	20,847	0
Community Bus	297	105	0	100	502	100
Sportsground and Field Hire	26,426	46,837	8,853	40,256	122,373	19,706
Government and other Grants	55,215	30,245	0	1,000	86,459	1,100
Public Hall Hire	6,646	4,762	372	595	12,375	567
Health Services	0	0	0	350	350	350
Land and Building Rentals	23,491	219	0	14,982	38,692	14,982
Healthy Lifestyles	1,379	0	46	1,347	2,772	1,512
Library Fines and Costs	171,219	0	0	0	171,219	0
Shop Licence Fees	3,577	5,268	5,665	21,560	36,070	21,798
Pool Hire	3,381	600	564	774	5,318	1,052
Private Works	1,811	62,712	1,579	62,607	128,709	90,347
Road and Footpath Restoration	48,825	12,335	0	3,324	64,483	3,324
Shop and Office Rentals	10,922	1,173	0	0	12,095	0
Various Sundry Items	5,107	5,385	778	58,746	70,017	90,823
Waste Collection Services	48,609	0	0	173	48,782	301
	<b>851,043</b>	<b>341,019</b>	<b>20,744</b>	<b>220,827</b>	<b>1,433,633</b>	<b>262,107</b>

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## 4.3 Investment Report - July 2012

### Reporting Officer

Manager Financial Services

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### Attachments

Investment Portfolio Performance as at 31 July 2012

### Purpose

To provide a report outlining Council's investment portfolio performance for July 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 July 2012 stood at approximately \$84m. 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 more than 100 basis points for the reporting period.

Return	Annualised	Month
Council Managed Funds	5.27%	0.45%
Benchmark: 90 Day Bank Bill Index	3.63%	0.31%

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	July
Council Managed Funds	5.71%
Benchmark: 90 Day Bank Bill Index	4.51%

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Council's portfolio as at 31 July 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.

<b>Duration Profile</b>	<b>July</b>
Short Term at Call	\$1,128,316
1 – 3 Months	\$1,041,436
3 – 6 Months	\$41,347,202
6 – 12 Months	\$13,475,161
12 Months +	\$27,454,066

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

<b>Credit Exposure</b>	<b>July</b>
AAA to AA-	85%
A+ to A	11%
A- to BBB-	4%
Other Approved Deposit Taking Institutions	0%

### **Economic Outlook**

The Reserve Bank Board (RBA) left the cash rate unchanged at 3.50% at its meeting on 7 August 2012. Economists predict no further cuts for the next couple of months given the two previous interest rate cuts in May and June are presently sustaining interest rate sensitive sectors such as housing and construction. Pressure points still remain in the European region and ultimately any decline in the global economy will have a flow on affect in Australia, which could possibly see a further need for tightening of monetary policy towards the latter half of 2012.

### **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/Borg)**

That the Officer's Recommendation be adopted.

**CARRIED**

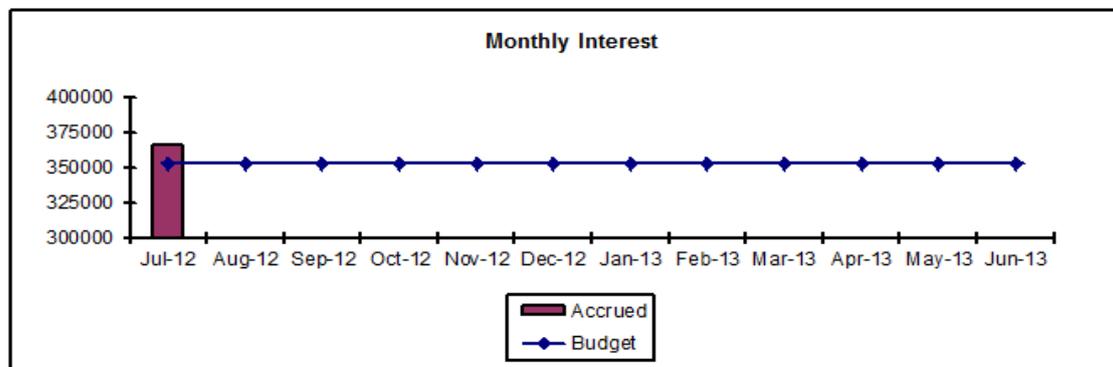
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# ATTACHMENT 1

## CAMPBELLTOWN CITY COUNCIL INVESTMENT PORTFOLIO Summary July 2012

Benchmark UBS Warburg 90 Day Bank Bill Index  
 Portfolio Balance \$84,446,181.19

Monthly Performance	Return (mth)	Return (pa)
UBSW 90 Bank Bill Index	0.31%	3.63%
Total Portfolio	0.45%	5.25%
<i>Performance to Benchmark</i>	+ 0.14%	+ 1.62%
Portfolio - Direct Investments	0.45%	5.27%
<i>Performance to Benchmark</i>	+ 0.14%	+ 1.64%
Short Term Call Account	0.33%	3.90%

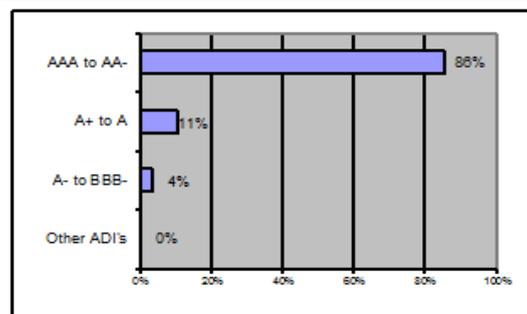


### Year to Date Performance

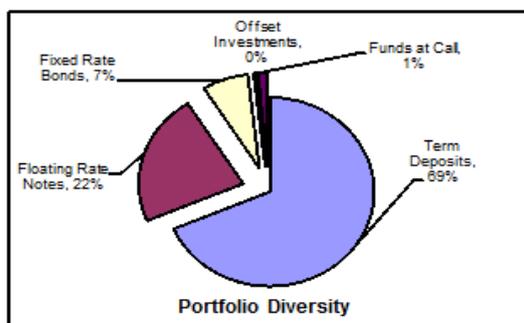
Rolling 12 Month Period  
 5.71% Council Managed Funds  
 0.00% Other Managed Funds  
 4.51% Benchmark

Interest Budget to Actual  
 Budget to Period \$353,125  
 Accrued to Period \$366,282

### Credit Exposure



### Securities



### Institutions

	Amount Invested	% Portfolio
Funds at Call	\$ 1,128,316.02	1%
Suncorp Metway	\$ 9,054,065.75	11%
National Australia Bank	\$ 11,540,682.73	14%
ANZ Bank	\$ 4,541,435.40	5%
NSW Treasury	\$ 4,250,000.00	5%
Westpac Bank	\$ 18,132,354.46	21%
St George Bank	\$ 8,412,207.84	10%
Commonwealth Bank	\$ 12,500,000.00	15%
Bank Western Australia	\$ 11,887,118.99	14%
Bank of Queensland	\$ 3,000,000.00	4%
<b>Total</b>	<b>\$84,446,181.19</b>	<b>100%</b>

## 4.4 Expenditure Allocation Revote

### Reporting Officer

Manager Financial Services

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### Attachments

Listing of Recommended Revote of Expenditure from 2011-2012 Financial Year

### Purpose

To advise Council of the revote of funds for works incomplete by 30 June 2012.

### Report

In accordance with the *Local Government (General) Regulation 2005*, all expenditure authorisations lapse at the end of each financial year. There were a number of works where contracts had been let, or where Council staff had commenced the work prior to the end of June 2012. These works were within Council's budget for 2011-2012 and require a revote of funds to enable completion in 2012-2013.

Attached to this report is the list of works where a funding revote has been requested, following discussions with senior staff from each Division for Council's consideration.

The total funds required from 2011-2012 are \$12,476,030. This compares to the previous two years where \$18,044,254 was revoted from 2010-2011 and \$21,076,844 was revoted from 2009-2010.

This year's revote request is lower than previous years as some major projects such as the Farrow Road construction and the VOIP system are nearing completion or are complete. The circumstances of the revoted funds this year are detailed below:

Major projects, which were unfinished at the end of the financial year:

- Environmental Study-Urban Sustainability
  - Consolidated LEP
  - Waste Performance Improvement Program
  - Sport and Recreation Projects
  - Civic Centre Refurbishment
  - Flood Mitigation Works
  - Stormwater Management Projects
  - Major/Minor Works Program.
-

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Large grants/contributions being received later in the year:

- Community Options Projects
- Community Services Projects including contributions from Housing NSW over two years for place-based Community Development Projects across Claymore, Rosemeadow-Ambarvale and Macquarie Fields
- Arts Centre programs including dance, music, theatre and visual arts forms part of a three year funding agreement and finally the Housing NSW Airds Community Arts Project grant funded projects.

Projects which have yet to commence or fully take up available funds:

- land acquisition
- Macquarie Fields Swimming Centre refurbishment
- St Helens Park Skate Park.

The sources of funding for the revoted funds are as follows:

• revenue (committed works reserve)	\$1,333,283
• other reserve funds	\$1,604,628
• loans	\$5,437,242
• grants	\$1,982,658
• contributions	\$2,118,220

All funds must be expended on the project that they were originally allocated to, according to the terms and conditions of the source of funding.

A number of minor projects were not completed at the end of the financial year, however have now been finalised or are nearing completion. Details of the major projects are outlined below:

#### **Environmental Studies - \$1,066,378**

This revote is for a number of studies that have either commenced and not completed or had not commenced, including:

##### Urban Sustainability Program

The \$2m Upper Georges River Urban Sustainability Project is a grant project funded by the NSW Environmental Trust. Whilst the Project is administered by Campbelltown City Council the grant covers projects in Campbelltown, Liverpool and Wollondilly Local Government Areas. Under the terms of the funding agreement, the project was due to be finalised by 30 June 2011, however a project extension was granted until 31 July 2012. The majority of the funds are for the undertaking of on-ground works aimed at addressing sustainability issues within the Georges River catchment.

The initial phase of the project focussed on theoretical analysis of the issues associated with the sustainability of the catchment and the preparation of a Strategic Environmental Management Plan (SEMP). The secondary phase of the project involved the development of the complementary program of works, and the final stage of the project is the completion of the on-ground works which will be completed during the 2012-2013 financial year.

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#### Consolidated Local Environmental Plan

Campbelltown City Council is required to integrate existing planning instruments and develop a comprehensive Local Environmental Plan (LEP) for the Local Government Area. The new LEP will replace all existing LEPs and Interim Development Orders and provide consistency for Council in its planning controls. The new LEP needs to be based on the Department of Planning and Infrastructure's Standard Instrument Template for LEPs, which will determine the format, structure and some standardised content of the new plan. The new LEP will also need to be based on sound strategic planning, which is vital in ensuring that future zoning and land use planning addresses housing and employment targets and meets the needs of the existing and future population. Therefore, a vast array of studies and reviews are being undertaken and new strategies are being developed. Preparing a new LEP based on the Standard Instrument Template also involves the preparation of a number of detailed mapping layers and this requires specific technical expertise. The new LEP is scheduled to be completed during the 2012-2013 financial year.

#### **Waste Performance Improvement Program - \$949,735**

Council received funding from the NSW Government's Waste and Sustainability Improvement Payments (WaSIP) Scheme in October 2011 which was conditional on the approval of an action plan of works by the Office of Environment and Heritage which occurred in March 2012. Council received \$857,211 to support the implementation of projects which were considered to provide significant benefits to Council and the community in the areas of energy and water reduction, environmental restoration, climate change, sustainable transport and sustainable purchasing. Due to the large scale and complexity of many of the projects significant amounts of research and the requirement of some projects to adhere to procurement procedures have resulted in the partial implementation of most of the 2011-2012 projects with the finalisation of all projects scheduled for 2012-2013.

#### **Community Options Programs - \$669,214**

These funds are for a number of programs being run under the control of the Community Options Service. The following project is either ongoing or are new and yet to commence.

Community Options (NSW Health Funding) - Surplus funding from the 2011-2012 programs plus remaining surplus from previous years. It is expected that funding will be spent on additional clients and on costs to support the Project until expended.

#### **Macquarie Fields Swimming Centre Refurbishment - \$1,100,000**

The refurbishment of the swimming centre (including the 50 metre outdoor pool) is yet to commence. Construction is due to commence in March 2013, a works plan will be implemented and a briefing provided to Council in late 2012.

#### **NSW Communities Sport and Recreation Facility Grant Projects - \$353,614**

Council usually receives part funding from the NSW Communities Sport and Recreation as well as club contributions for various projects to develop Council's sporting fields. Council has been advised that the Sport and Recreation funding was not granted in the 2011-2012 year. A revised program of works was presented to Council in May this year; however this has meant that the works were not able to be completed in the 2011-2012 financial year.

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### **St Helens Park Skate Park - \$573,871**

Section 94 funds have been restricted for the completion of the skate park at St Helens Park. The works have been delayed pending confirmation of the recommended site, this has now been resolved and the skate park is expected to be completed in this financial year.

### **Building Assets Maintenance Program - \$323,400**

Funds for the renovation of various areas in the Civic Centre precinct, as well as Building Maintenance Program priorities. It is anticipated that the on-ground works will be completed during the 2012-2013 financial year.

### **Land Acquisition - \$1,406,583**

These funds were included in previous budgets to fund various land purchases and will be expended as opportunities arise for land acquisition.

### **Flood Mitigation Works/Drainage - \$272,929**

A surplus of funds has been achieved from previous projects that have been completed under budget. These funds will be utilised to undertake works to alleviate flooding identified through the floodplain risk management process.

### **Stormwater Management Projects - \$407,754**

Funds are for the completion of various stormwater re-use and recycling schemes. A works program is in place for the balance of funds which were received in 2011-2012 and will be spent in accordance with Council's Management Plan.

### **Major Works Program - \$3,722,789**

The majority of carry over funds within the Major Works Program is the balance \$5.75m interest free loan received from the Department of Planning as part of the NSW Government's Local Infrastructure Fund for the road link connection of the Farrow Road, Campbelltown to Blaxland Road traffic signals at The Kraal Drive.

Remaining funds are for the completion of intersection works, car park upgrades, Mawson Park development and Leumeah Pedestrian Rail Overbridge.

### **Minor Works Program - \$223,946**

Funds are for a variety of safety and amenity projects, including footpath baulks, Pedestrian Access Mobility Plan (PAMP) program, Operation Bounce back, bus shelter relocations and car parking.

### **Summary**

It should be noted that the major contributing projects to the revote total are subject to funding through grants and loans. The combination of these projects amounts in total to \$7.4m of the proposed \$12.5m carry over. The balance of \$5.1m represents approximately 4% of total annual expenditure which is considered satisfactory.

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**Officer's Recommendation**

That the expenditure listed in the attachment, which was originally funded in the 2011-2012 budget and subsequent financial reviews, be reallocated for expenditure during 2012-2013.

**Committee's Recommendation: (Hawker/Chanthivong)**

That the Officer's Recommendation be adopted.

**CARRIED**

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## ATTACHMENT 1

		Listing of Recommended Revote of Funds from 2011-2012 Financial Year					TOTAL
		Funding Source					
Cost Centre	Description	Loans	Grants	Contribs	Reserves	Revenue	
1228	Environmental Projects	0	690,112	0	96,873	20,000	806,985
1235	Environmental Studies	0	0	0	0	259,393	259,393
1361	Waste Performance Improvement Prog	0	0	949,735	0	0	949,735
1395	Sanitary Waste Management	0	0	0	0	17,000	17,000
1530	Airds/Ctown Family Centre	0	21,422	0	0	0	21,422
1575	Children's Services Projects	0	12,318	0	0	0	12,318
1670	Community Options Programs	0	669,214	0	0	0	669,214
1690	Community Services Projects	0	35,237	125,455	0	0	160,692
1738	Youth Services Projects	0	8,810	0	0	0	8,810
1765	Aged Services Projects	0	5,000	0	0	0	5,000
1810	Arts Centre Projects	0	66,550	0	0	0	66,550
1925	Ctown Swim Centre - Refurbishment	0	0	0	0	30,000	30,000
1930	M/F Swim Centre - Refurbishment	0	0	0	1,100,000	0	1,100,000
1935	Department Sport & Recreation Projects	283,634	5,920	64,060	0	0	353,614
1940	Healthy Lifestyles Projects	0	0	0	0	19,550	19,550
2020	Library Services Projects	0	0	0	0	100,000	100,000
2262	Assets Services Projects	0	59,087	20,000	0	130,700	209,787
2310	RFS Renovation/Hazard Reduction	0	99,733	0	0	41,000	140,733
2415	Airds Youth Centre Refurbishment	0	0	31,618	0	0	31,618
2435	Community Infrastructure Projects	0	10,318	11,150	0	0	21,468
2504	St Helens Park Skate Park	0	0	573,871	0	0	573,871
2515	Building Asset Maintenance Program	0	0	0	0	323,400	323,400
2832	Section 94 Projects	0	0	229,725	0	9,400	239,125
2989	Land Acquisition	1,406,583	0	0	0	0	1,406,583
3010	Flood Mitigation Study	0	8,843	0	0	31,435	40,278
3025	Flood Mitigation & Drainage	139,008	133,921	0	0	0	272,929
3027	Stormwater Management	0	0	0	407,754	0	407,754
3035	Cycleway Construction	11,938	0	0	0	0	11,938
3040	Footpath Construction	65,081	0	0	0	0	65,081
3050	Major Works Program	3,331,040	99,089	25,254	0	267,406	3,722,789
3055	Minor Works Program	199,958	23,988	0	0	0	223,946
3065	Road Safety Officer Projects	0	33,096	87,351	0	0	120,447
3242	Regional Promotion	0	0	0	0	14,000	14,000
3755	Learning & Development	0	0	0	0	70,000	70,000
		5,437,242	1,982,658	2,118,220	1,604,628	1,333,283	12,476,030

## 4.5 Sundry Debtors Write Off Report

### Reporting Officer

Manager Financial Services

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### Attachments

Nil

### Purpose

To provide a report detailing the amount of debts determined uneconomical to recover.

### Report

At a recent interim audit four debts totalling \$13,475.04 was presented and examined by Council's external Auditors, Morse Group Accountants and Advisors. The Auditors expressed an opinion that further action by Council is unlikely to realise recovery of costs and will only incur further fees which will subsequently require write-off.

Three of the debts relate to costs incurred by Council in conducting repairs, cleaning and ensuring public safety following motor vehicle accident damage, plus costs incurred to recover the unpaid amounts. These debts total \$10,881.76 and are outlined below:

1. \$5,059.45 – Repairs to Henderson Road bridge after damage by uninsured driver. The owner of the vehicle was not present however has been located due to a Police report being filed and included in formal recovery action with the driver. The vehicle owner is in receipt of a Commonwealth issued pension and has since relocated without advising Council of her new address. All attempts to locate both debtors have been unsuccessful.
2. \$1,632.00 – Costs incurred to repair Council owned vehicle due to a traffic collision. The driver admitted fault and provided details at the time, no Police report was filed. The offending vehicle is company owned and the company has supplied a declaration that it was not in the Campbelltown area on the day of the accident.
3. \$4,190.31 – Costs incurred to repair Council owned vehicle due to a traffic collision. The driver admitted fault and provided details at the time, no Police report was filed. The owner appears to have supplied out of date or false details at the time of the accident and attempts to locate the driver have been unsuccessful.

The remaining debt has accrued over three restaurants owned by the same company that has since had receivers appointed and been deregistered without any dividends payable. Costs have been incurred performing Council's statutory health inspections that are payable subsequent to an inspection being carried out. These charges had not been paid for a number of years and together with formal legal recovery costs the total due has accrued to \$2,593.28.

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It should be noted, Council's authorisation to write off bad debts does not prevent recovery of the debt if future circumstances change. Once written off, the debtor accounts are noted within Council's financial system ensuring they are easily identifiable should the individual or company attempt to transact with Council in the future.

In accordance with accounting standards, Council is required to create a provision for doubtful debts and review that provision at the end of each financial year. For the financial year ending 30 June 2012, the provision balance remains at \$15,000.

**Officer's Recommendation**

That the amount of \$13,475.04 be written off as uneconomical to recover.

**Committee's Recommendation: (Borg/Lake)**

That the Officer's Recommendation be adopted.

**CARRIED**

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## **4.6 Local Infrastructure Renewal Scheme - Round One**

### **Reporting Officer**

Manager Financial Services

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### **Attachments**

Nil

### **Purpose**

To advise Council of the outcome of Round One Local Infrastructure Renewal Scheme application.

### **History**

At the Ordinary Meeting of 13 March 2012, Council resolved to submit a formal application for \$5m of subsidised borrowings under the Local Infrastructure Renewal Scheme (the Scheme).

The Scheme provides a 4% interest subsidy to fund Council infrastructure backlog borrowing. The funding can only be utilised for infrastructure renewal projects of a capital nature that would effectively extend the useful life of Council's assets.

Council's application focussed on the Road Infrastructure backlog and consisted of 25 segments of high profile local roads assessed in poor condition and requiring rehabilitation. The funding will elevate approximately one third of Council's 'poor' conditioned roads to an 'average to good' condition.

### **Report**

On the 16 July 2012, the Division of Local Government issued a Circular informing councils of the outcome of round one of the Scheme whereby Campbelltown City Council was listed amongst the projects approved. A total of 95 applications were assessed by an Assessment Panel in accordance with the funding criteria set out in the Schemes Guidelines. The Chief Executive Officer of the Division of Local Government, Department of Premier and Cabinet endorsed the recommendation by the Panel that 82 projects put forward by 62 councils totalling \$430m be approved.

The approval is subject to a satisfactory financial assessment of the councils by TCorp estimated to be completed by September 2012.

As an indication, a loan of \$5m with a 4% subsidised interest rate would save in the vicinity of \$1.2m in interest over the life of the loan.

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All councils are encouraged to apply for funding in round two of the Scheme, which will be called later this year.

**Officer's Recommendation**

That the information be noted.

**Committee's Recommendation: (Borg/Hawker)**

That the Officer's Recommendation be adopted.

**CARRIED**

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## 5. BUSINESS ASSURANCE

### 5.1 Actuarial Report 2012

#### Reporting Officer

Manager Business Assurance

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#### Attachments

Nil

#### Purpose

This report is to provide Council with information on the actuarial assessment completed for the 2011-2012 financial year as it relates to Council's Self-Insurance Licence for Workers Compensation.

#### Report

Campbelltown City Council enacted its Self-Insurance Licence for Workers Compensation on 1 July 2000. Under condition 3.4(a) of the licence, Council is required to have an actuarial report prepared by a qualified actuary, estimating Council's potential outstanding liability for its Workers Compensation claims each financial year. An independent external consultant (actuary) is contracted by Council to provide the actuarial report in meeting the requirements developed by WorkCover.

The 2012 report has been prepared in accordance with the Institute of Actuaries Professional Standard (PS300) relating to outstanding claims in general insurance as issued by The Institute of Actuaries of Australia. This report also provides results intended for accounting standards AASB137 as it related to the disclosure of provisions.

Statistics provided are as follows:

Claims Experience			
Year	No of Claims	No of Claims Outstanding	Estimated Ultimate Claim Costs (\$)
Earlier	506	4	288,000
2005-2006	91	0	0
2006-2007	92	5	101,000
2007-2008	74	2	113,000
2008-2009	76	6	770,000
2009-2010	88	5	561,000
2010-2011	74	7	117,000
2011-2012	88	18	257,000
Total	1089	47	2,207,000

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In the 2011-2012 financial year, 88 claims were reported and 18 claims remain outstanding. Council's outstanding liability has increased significantly this financial year due to the uncertainty of three claims, one of these claims has an outstanding liability range of \$568,000 to \$860,000 due to civil action being taken by the employee. This has contributed by increasing the overall amount required to be held by Council to cover all liabilities.

Actuarial Liability of Outstanding Claims as at 30 June 2012	
Current Component	\$890,000
Non Current Component	\$3,060,000
Provision as at 30 June 2012	\$3,950,000

Security Deposit 2012-2013	
Estimated liabilities	\$4,140,000
50% Prudential Margin	\$2,070,000
Security Deposit	\$6,210,000

Council is required to lodge a bank guarantee or an investment with NSW Treasury Corporation (TCorp) to represent the security deposit for the Workers Compensation Licence. The Licence also contains provisions to allow an exemption for certain Licence holders from the deposit being held with TCorp. Council is currently investigating the exemption criteria which may allow Council to directly manage the security deposit. This will provide better returns on the investment compared to the conservative rate of return with a Treasury Corporation managed investment. The investment that Council will hold will now increase to an amount of \$6.21m from \$4.25m.

Every effort is made to ensure a safe working environment for staff and this is reflected by Council's commitment to Work Health and Safety. Council continues to provide safety awareness, increased training and improvements in identifying risk profiles associated with all work activities undertaken.

In the finalisation of the 2011-2012 financial accounts, an amount of \$6.21m has been restricted for future liabilities in accordance with the legislation. This restriction is required to be fully cash backed. There is also an internal restriction for future unforeseen potential liabilities of \$1.5m.

The Workers Compensation vote in the budget has not increased for several years and provides for all expenses associated with the administration of the Workers Compensation Licence and also provides for three Safety Officers within Council's Work Health and Safety Unit.

Council continues to review its claims management process to comply with changes in legislative requirements. This year has seen some significant reforms to Workers Compensation Legislation. Council is currently reviewing the impact of the changes on the current portfolio and new claims.

### **Officer's Recommendation**

That Council restrict funds of \$6.21m as per legislative requirements developed by WorkCover.

### **Committee's Recommendation: (Chanthivong/Lake)**

That the Officer's Recommendation be adopted.

**CARRIED**

## **5.2 Audit Committee Annual Report 30 June 2012**

### **Reporting Officer**

General Manager

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### **Attachments**

Audit Committee Annual Report to Councillors for the period ending 30 June 2012 (distributed under separate cover)

### **Purpose**

To report to Council the activities of the Audit Committee for the period ending 30 June 2012.

### **History**

The Audit Committee Charter sets out the Committee's composition, roles and responsibilities, and reporting requirements. The Charter was adopted by Council on 19 October 2010 and was approved by the Audit Committee at its inaugural meeting on 25 February 2011.

Under Section 5 of the Charter, Internal Audit, via the General Manager, is to provide a performance report for consideration to the Audit Committee annually. This report is to be included with the Committee's annual report to Council.

### **Report**

The Audit Committee is required to provide a report to Council on its activities each year. The attached report covers both Internal Audit and the Audit Committee's activities for the period February 2011 to 30 June 2012. The report outlines some of the Committee's key achievements since its inception including the implementation of Council's first Annual Internal Audit Plan. In future years the report will be provided annually covering each financial year.

This Annual Report covers such areas as:

- Audit Committee meetings and attendance
  - Cost of internal audit related activities
  - Performance against the approved Internal Audit Plan
  - Audit Committee coverage against roles and responsibilities in the Charter.
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### **Officer's Recommendation**

That the information be noted.

**Committee Note:** Audit Committee Chairperson, Mr Bruce Hanrahan addressed the Committee.

### **Committee's Recommendation: (Lake/Borg)**

That the Officer's Recommendation be adopted.

**CARRIED**

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**6. HUMAN RESOURCES**

**No reports this round**

**7. INFORMATION MANAGEMENT AND TECHNOLOGY**

**No reports this round**

**8. GENERAL BUSINESS**

Nil.

**21. CONFIDENTIAL ITEMS**

**No reports this round**

There being no further business the meeting closed at 5.52pm.

G Greiss  
CHAIRPERSON

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