

# **Reports of the Corporate Governance Committee Meeting held at 5.30pm on Tuesday, 11 August 2015.**

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## **APOLOGIES**

## **ACKNOWLEDGEMENT OF LAND**

## **DECLARATIONS OF INTEREST**

### **Pecuniary Interests**

### **Non Pecuniary – Significant Interests**

### **Non Pecuniary – Less than Significant Interests**

<b>ITEM</b>	<b>TITLE</b>	<b>PAGE</b>
<b>1.</b>	<b>GOVERNANCE AND RISK</b>	<b>3</b>
<b>1.1</b>	<b>Disaster Relief Donation Policy</b>	<b>3</b>
<b>1.2</b>	<b>Actuarial Report 2015</b>	<b>8</b>
<b>2.</b>	<b>PROPERTY SERVICES</b>	<b>11</b>
	<b>No reports this round</b>	<b>11</b>
<b>3.</b>	<b>FINANCIAL SERVICES</b>	<b>11</b>
<b>3.1</b>	<b>Investment report - June 2015</b>	<b>11</b>
<b>3.2</b>	<b>Monthly Rates Summary - June 2015</b>	<b>15</b>
<b>3.3</b>	<b>Sundry Debtors Report - June 2015</b>	<b>20</b>
<b>3.4</b>	<b>2014-2015 General Purpose Financial Report and 2014-2015 Special Purpose Financial Report</b>	<b>26</b>
<b>3.5</b>	<b>Debtors write off of bad debts 2014-2015</b>	<b>29</b>
<b>4.</b>	<b>HUMAN RESOURCES</b>	<b>32</b>
	<b>No reports this round</b>	<b>32</b>
<b>5.</b>	<b>INFORMATION MANAGEMENT AND TECHNOLOGY</b>	<b>32</b>
	<b>No reports this round</b>	<b>32</b>
<b>6.</b>	<b>GENERAL BUSINESS</b>	<b>32</b>
<b>23.</b>	<b>CONFIDENTIAL ITEMS</b>	<b>32</b>
<b>23.1</b>	<b>Proposed Sub Lease 12 Browne St</b>	<b>32</b>

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**Minutes of the Corporate Governance Committee held on 11 August 2015**

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**Present**

Councillor C Mead (Chairperson)  
Councillor F Borg  
Councillor S Dobson  
Councillor P Hawker  
Councillor R Kolkman  
Acting General Manager - Ms L Deitz  
Director Business Services - Mr M Sewell  
Director City Works - Mr W Rylands  
Acting Manager Assets and Supply Services - Mr W Miller  
Manager Emergency Management and Facility Services - Mr R Blair  
Manager Executive Services - Mr N Smolonogov  
Manager Financial Services - Mrs C Mears  
Manager Governance and Risk - Mrs M Dunlop  
Manager Human Resources - Mr B Clarence  
Manager Information Management and Technology - Mrs S Peroumal  
Manager Operational Services - Mr A Davies  
Manager Property Services - Mr J Milicic  
Manager Waste and Recycling Services - Mr P Macdonald  
Executive Assistant - Mrs K Peters

**Apology (Mead/Kolkman)**

That the apology from Councillor Chanthivong and Greiss be received and accepted.

**CARRIED**

**Acknowledgement of Land**

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

**DECLARATIONS OF INTEREST**

There were no Declarations of Interest at this meeting.

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## **1. GOVERNANCE AND RISK**

### **1.1 Disaster Relief Donation Policy**

#### **Reporting Officer**

Manager Governance and Risk

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#### **Attachments**

Draft Disaster Relief Donation Policy (contained within this report)

#### **Purpose**

To seek Council's endorsement of the Draft Disaster Relief Donation Policy.

#### **History**

Council at its meeting on 19 May 2015 resolved that Council develop a policy that establishes criteria for the consideration of disaster relief at a national and international level.

#### **Report**

In the past, Council has resolved to donate relief funding to those communities affected by the Asian tsunami (2005), Victorian bushfires (2009), Queensland floods (2011) and the Philippines typhoon (2013).

The Campbelltown community has throughout each disaster, expressed its significant compassion and desire to support the victims of disaster stricken areas, and has supported Council's decision to provide financial aid.

Based on advice from government departments, financial support is the most immediate and effective way of offering assistance to those affected by disaster. In some instances in-kind aid may also be beneficial to the recovery efforts where skilled staff are able to volunteer their time and knowledge to the affected community.

This Policy has been developed to provide a framework to guide Council's decision to respond to humanitarian crises created by natural disasters by way of a financial or in-kind contribution to disaster stricken areas, locally, nationally and internationally.

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The Policy ensures that Council's contribution to affected areas is made in a timely and efficient manner and that any donations given are accountable and transparent to the Campbelltown community.

### **Officer's Recommendation**

1. That the Draft Disaster Relief Donation Policy be adopted by Council.
2. That the Policy review date be set at 30 August 2018.

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

That the Officer's Recommendation be adopted.

### **CARRIED**

### **Council Meeting 18 August 2015 (Mead/Hawker)**

That the Officer's Recommendation be adopted.

### **Council Resolution Minute Number 156**

That the Officer's Recommendation be adopted.

Councillor Mead asked for his name to be recorded in opposition to the resolution for Item 1.1 – Disaster Relief Donation Policy.

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## ATTACHMENT 1

 campbelltown city council		<b>POLICY</b>
Policy Title	Disaster Relief Donation Policy	
Related Documentation	Council's Sponsorship of Community Activities and Facilities Policy	
Relevant Legislation	<i>Local Government Act 1993</i>	
Responsible Officer	Manager Governance and Risk	

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

### Objectives

This Policy has been developed to provide a framework to guide Council's decision to respond to humanitarian crises created by natural disasters by way of a financial or in-kind contribution to disaster stricken areas, locally, nationally and internationally.

The Policy ensures that Council's contribution to affected areas is made in a timely and efficient manner and that any donations given are accountable and transparent to the Campbelltown community.

### Policy Statement

Campbelltown City Council acknowledges the needs of other communities, locally, nationally or internationally in times of humanitarian crises created by natural disaster.

Council may wish to respond to a natural disaster by making a donation to a charity or charities which provide humanitarian assistance to communities affected by a natural disaster.

The amount to be contributed will be determined by resolution of Council and will be limited to financial or in-kind aid, unless specifically requested by the relevant aid agency.

An early decision to donate either financial aid or in-kind aid is essential and most effective when made within the immediate stages following the disaster to assist with rescue efforts and minimise human loss.

### Scope

This Policy applies to all natural disasters recognized by the State and Federal Government.

Contributions will be limited to financial and in-kind aid. Other fundraising events and activities will be dealt with outside of this policy.

Donations should generally be made to aid agencies recognised by:

- Emergency Management NSW for local disasters
- Department of Human Services (DHS) for national disasters
- Australian Agency for International Development (AusAid) or Australian Council for International Development (ACFID) for international disasters. The Australian Red Cross and Salvation Army are both members of ACFID.

Council is responsible for approving all disaster relief donations.

#### **Definitions**

**Natural Disaster** is the effect of a natural hazard, that is, flood, drought, fire, tsunami, hurricane, earthquake, or tornado, which leads to financial, environmental and/or human losses.

**Humanitarian Crisis** is an event or series of events which represents a critical threat to the health, safety, security or wellbeing of a community or other large group of people, usually over a wide area. Armed conflicts, epidemics, famine, natural disaster and other major emergencies may all involve or lead to a humanitarian crisis.

**Event** for the purpose of this policy, will describe a disaster that is so catastrophic that it overwhelms the normal social and material support systems of those affected.

#### **Principles**

##### **Determining the Eligibility of a Natural Disaster/Humanitarian Crisis**

Following the occurrence of a natural disaster/humanitarian crisis, a Councillor may submit a written request to the General Manager to make a donation to a Natural Disaster or humanitarian crisis. The General Manager will assess whether the event meets the criteria of this policy and where it is determined that the nature of the event meets the criteria, the request will be presented to the next Council Meeting as Notice of Motion for consideration.

##### **Funding Resources**

As natural disasters are not foreseeable, donations will be sourced from Council's Section 356 Contributions/Donations budget.

##### **Financial Contribution**

Financial contribution will be based on the severity of the disaster and at the discretion of Council and will generally provide for a contribution of up to \$20,000. The actual amount is to be decided by Council on a case by case basis.

##### **In-kind Contribution**

Donations of in-kind support will require the resolution of Council and for logistical purposes is best limited, but not restricted to disasters that occur within Metropolitan and Regional New South Wales.

In-kind support may include time, personal or organisational expertise, advice or other organisational resources.

##### **Material aid**

It is not generally recommended that material aid such as non-perishable food items, clothing, medical supplies, etc. are donated as they are often found impractical or inappropriate for the climate and culture and do not meet the priority needs of those affected. Research shows that material aid, unless specifically requested, has proven costly in time, money and labour as it requires sorting, storing and transporting.

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### **Criteria for donation**

The following is to be considered when deciding on an appropriate donation:

- the scale of the disaster
- the capacity of other government agencies and organisations to respond to the disaster
- the need for ongoing support that is rebuilding disaster stricken areas once the initial crises has been dealt with
- the impact of any such crises on our immediate region and community
- the affected areas relationship to Campbelltown
- the affected areas connection to the cultural origin of residents of Campbelltown.

The preferred charity should be recognized by the Australian Government Aid program (AusAID) or Australian Council for International Development (ACFID), Australian Government Department of Human Services or LGNSW to ensure the aid agency's credibility.

### **Responsibility**

The **General Manager** is responsible for undertaking an initial assessment against the policy, having regard to the nature of the event and the donation criteria, and where required submitting that assessment to the next Council Meeting for consideration in conjunction with the request.

**Council** is responsible for approving all donations by resolution of Council.

**Communications and Marketing** is responsible for providing a media release to the community informing them of Council's decision to provide financial or in-kind aid, ensuring that community confidence is maintained in the use of community contributions to relief aid, and the provision of regular updates to Council and the Community on additional support that can be offered once a recovery plan has been established.

**Governance and Risk** is responsible for coordinating the correspondence and contribution to the relief aid organisation and maintaining a register of relief aid donations.

### **Effectiveness of this Policy**

This Policy will be reviewed in accordance with Council's adopted procedure for Policy Development and Review to ensure the criteria and general requirements comply with the relevant legislative requirements.

**END OF POLICY STATEMENT**

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## 1.2 Actuarial Report 2015

### Reporting Officer

Manager Governance and Risk

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### Attachments

Nil

### Purpose

This report is to provide Council with information on the actuarial assessment completed for the 2014-2015 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 2015 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	839	2	150,000
2009-2010	88	1	480,000
2010-2011	80	2	155,000
2011-2012	93	4	120,000
2012-2013	66	1	40,000
2013-2014	66	5	125,000
2014-2015	58	18	490,000
Total	1290	33	1,560,000

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In the 2014-2015 financial year, 58 claims were reported and 33 claims remain outstanding. 18 of the claims relate to 2014-2015 and 15 relate to earlier years. Of the 18 claims, 8 have a precautionary estimate. The 10 remaining are not considered serious and are just waiting finalisation.

Based on these claims figures, Council's outstanding liability has increased in this financial year due to ongoing claims in each of 2009-2010 and 2014-2015 years.

Actuarial Liability of Outstanding Claims as at 30 June 2015	
Current Component	\$730,000
Non-Current Component	\$2,080,000
Provision as at 30 June 2015	\$2,810,000

Security Deposit 2015-2016	
Estimated liabilities	\$2,810,000
50% Prudential Margin	\$1,400,000
Security Deposit	\$4,210,000

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. In the past Council was only in a position to accept the interest rates offered by TCorp, which were conservative when compared to those offered by other financial institutions. The Licence now contains provisions to allow TCorp to source interest rates from other approved financial institutions, giving Council the capacity to earn better returns on these invested funds. The investment that Council is required to hold for 2015-2016 is \$4.21m.

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 2014-2015 financial accounts, an amount of \$4.21m 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 \$1.3m respectively.

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.

### **Officer's Recommendation**

That Council restrict funds of \$4.21m as per legislative requirements developed by WorkCover.

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

That the Officer's Recommendation be adopted.

**CARRIED**

**Council Meeting 18 August 2015 (Mead/Hawker)**

That the Officer's Recommendation be adopted.

**Council Resolution Minute Number 156**

That the Officer's Recommendation be adopted.

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## **2. PROPERTY SERVICES**

**No reports this round**

## **3. FINANCIAL SERVICES**

### **3.1 Investment report - June 2015**

#### **Reporting Officer**

Manager Financial Services

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#### **Attachments**

Investment portfolio performance for the month of June 2015 (contained within this report)

#### **Purpose**

To provide a report outlining Council's investment portfolio performance for June 2015.

#### **Report**

Council invests any surplus funds that become available through the financial instrument designated by the Ministerial Order from the Office 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 30 June 2015 stood at approximately \$104m. Funds are currently being managed both by Council staff and Fund Managers and are in accordance with the *Local Government Act 1993*, *Local Government (General) Regulation 2005* and Council's Investment Policy.

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## Portfolio Performance

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

Monthly annualised return	June
Council Managed Funds	3.27%
Benchmark: AusBond Bank Bill Index	2.32%

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 12 months.

Rolling year to date return	June
Council Managed Funds	3.66%
Benchmark: AusBond Bank Bill Index	2.55%

Council's portfolio as at 30 June 2015 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, 24% in floating rate deposits which gives Council a set margin above either 30 or 90 day bank bills, 6% in fixed rate bonds, 1% in funds in a short term at call account.

Maturity profile	30 June
Short term at call	\$1,006,041
0 – 3 months	\$30,585,740
3 – 6 months	\$21,450,400
6 – 12 months	\$24,807,098
12 months +	\$26,000,000

All investments are placed with approved deposit taking institutions. No funds are placed with any unrated institutions.

Credit exposure	30 June
AAA to AA-	66%
A+ to A-	26%
BBB+ to BBB-	8%
Other approved deposit taking institutions	0%

### **Economic outlook**

The Board of the Reserve Bank of Australia (RBA) left the cash rate unchanged at the present level of 2% at its meeting 7 July 2015 which was as the market expected.

The accompanying statement of monetary policy was neutral citing that the economy has grown over the last 12 months albeit at a rate below the longer term average. The unemployment rate while elevated also has not changed significantly recently. Overall it is anticipated that inflation will remain within target in the near future. The Board reiterated that information on economic and financial conditions will allow them to assess the outlook and whether the current stance on monetary policy will foster continued growth and contain inflation.

### **Summary**

Council's investment portfolio continues to outperform the benchmark of the AusBond 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: (Mead/Borg)**

That the Officer's Recommendation be adopted.

### **CARRIED**

### **Council Meeting 18 August 2015 (Mead/Hawker)**

That the Officer's Recommendation be adopted.

### **Council Resolution Minute Number 156**

That the Officer's Recommendation be adopted.

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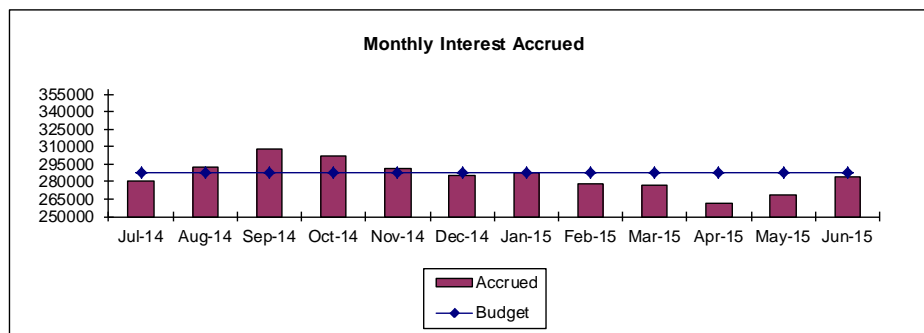
## ATTACHMENT 1

### CAMPBELLTOWN CITY COUNCIL INVESTMENT PORTFOLIO

Summary June 2015

Benchmark AusBond Bank Bill Index  
Portfolio Balance \$103,849,279.25

Monthly Performance	Return (mth)	Return (pa)
AusBond Bank Bill Index	0.19%	2.32%
Total Portfolio	0.27%	3.30%
<i>Performance to Benchmark</i>	+ 0.08%	+ 0.98%
Portfolio - Direct Investments	0.27%	3.27%
<i>Performance to Benchmark</i>	+ 0.08%	+ 0.95%
Short Term Call Account	0.20%	2.40%

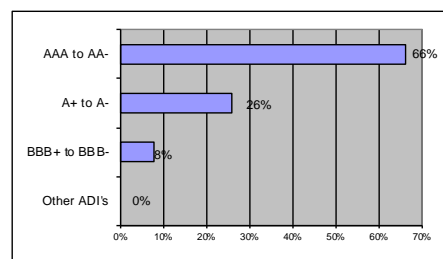


#### Year to Date Performance

#### Credit Exposure (S&P Long Term Rating)

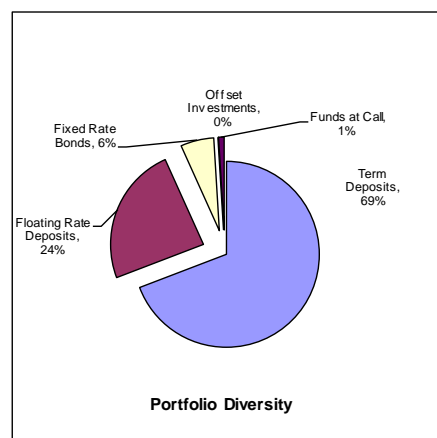
Rolling 12 Month Period  
3.66% Council Managed Funds  
2.55% Benchmark

Interest Budget to Actual  
Average Budget to Period \$3,450,000  
Actual Accrued to Period \$3,414,429



#### Securities

#### Institutions



	Amount Invested	% Portfolio
NAB Funds at Call	\$ 1,006,040.92	1%
NSW Treasury	\$ 2,225,000.00	2%
National Australia Bank	\$ 33,845,446.50	33%
ANZ Bank	\$ 3,500,000.00	3%
Westpac Bank	\$ 5,318,811.20	5%
Commonwealth Bank	\$ 6,500,000.00	6%
Bank Western Australia	\$ 16,418,818.99	16%
AMP Bank	\$ 5,000,000.00	5%
Suncorp Metway	\$ 8,035,161.64	8%
Macquarie Bank	\$ 3,000,000.00	3%
ING Bank	\$ 2,000,000.00	2%
Rural Bank	\$ 2,000,000.00	2%
Bank of Queensland	\$ 7,000,000.00	7%
Peoples Choice CU	\$ 2,000,000.00	2%
Credit Union Aust	\$ 3,000,000.00	3%
ME Bank	\$ 3,000,000.00	3%
	<b>\$ 103,849,279.25</b>	<b>100%</b>

## **3.2 Monthly Rates Summary - June 2015**

### **Reporting Officer**

Manager Financial Services

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### **Attachments**

1. Monthly rates summary (contained within this report)
2. Actual to budget result (contained within this report)
3. Rates statistics (contained within this report)

### **Purpose**

To provide details of the 2014-2015 rates and charges levy and cash collections for the period ending 30 June 2015.

### **Report**

Rates and charges levied for the year ending 30 June 2015 totalled \$93,734,951 representing 99.98% of the annual budget forecast.

Receipts collected to the end of June totalled \$92,531,236. In percentage terms this amount represents 97.04% of all rates and charges due to be paid. In comparison, the amount collected in the same period last year was 96.86%. This ratio returns a result of 2.96% in unpaid rates and charges which is the lowest amount in the last 19 years and exceeds the previous best result last year of 3.14%. This ratio is a measure of the effectiveness of Council's debt recovery policies and the willingness and or capacity of the community to pay their land rates and charges.

A process to identify and assist ratepayers experiencing difficulties in meeting the instalment deadlines was conducted early in June. This process commenced with the issue of 2074 letters of demand to ratepayers with a balance exceeding \$500 and two or more instalments outstanding. The letters were issued on 16 June 2015 on Council letterhead requesting payment or suitable payment arrangements in writing by 26 June 2015. During this period, 1493 defaulters paid the amount due, therefore requiring no further action.

Recovery action taken by Council's agent, Executive Collections involved the issue of 581 letters of demand to ratepayers that had either not paid the amount due made arrangements to pay their account over an extended period. Aside from penalty interest charges these ratepayers do not incur and additional costs unless they fail to maintain their arrangement to pay. During the month a number of accounts escalated in the formal recovery process, this involved service of 11 Statements of Claim, 28 Judgments and 41 Writs.

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Ratepayers who purchased property after the fourth instalment notice and a balance remained due to be paid are issued a 'notice to new owner' letter. During the month, five letters were sent providing information on the annual rate amount and the balance due.

### **Officer's Recommendation**

That the information be noted.

### **Committee's Recommendation: (Dobson/Mead)**

That the Officer's Recommendation be adopted.

### **CARRIED**

### **Council Meeting 18 August 2015 (Mead/Hawker)**

That the Officer's Recommendation be adopted.

### **Council Resolution Minute Number 156**

That the Officer's Recommendation be adopted.

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## ATTACHMENT 1

### RATES SUMMARY

#### STATEMENT OF ALL OUTSTANDING RATES AND EXTRA CHARGES

RATE - CHARGE	NET ARREARS 1/7/2014	NET LEVY FOR YEAR	PENSION REBATES	EXTRA CHARGES	TOTAL RECEIVABLE	CASH COLLECTED	NET AMOUNT DUE	POSTPONED RATES & INTEREST	GROSS AMOUNT DUE
RESIDENTIAL	2,229,478.24	52,425,242.87	1,421,720.34	711,378.06	53,944,378.83	51,501,154.18	2,443,224.65	311,082.27	2,754,306.92
BUSINESS	505,760.07	17,253,530.72		79,071.94	17,838,362.73	17,402,305.24	436,057.49		436,057.49
BUSINESS - IND	2,596.47	0.00		19.15	2,615.62	2,515.32	100.30		100.30
FARMLAND	9,799.71	722,268.05	887.10	16,109.98	747,290.64	766,792.39	-19,501.75	118,624.10	99,122.35
MINING	0.00	25,844.26		0.00	25,844.26	25,844.26	0.00		0.00
LOAN	221,327.81	-1,253.28		3,254.34	223,328.87	147,688.36	75,640.51	30,182.02	105,822.53
INFRASTRUCTURE	0.00	5,487,690.85		8,933.39	5,496,624.24	5,289,854.43	206,769.81	9,871.23	216,641.04
F5 ACCESS RAMPS	719.65	0.00		2.88	722.53	343.31	379.22		379.22
TOTAL	\$2,969,681.95	\$75,913,323.47	\$1,422,607.44	\$818,769.74	\$78,279,167.72	\$75,136,497.49	\$3,142,670.23	\$469,759.62	\$3,612,429.85
GARBAGE	672,970.21	17,148,398.84	824,839.40	39,851.37	17,036,381.02	16,361,606.68	674,774.34		674,774.34
STORMWATER	48,658.95	1,033,798.72		451.10	1,082,908.77	1,033,131.85	49,776.92		49,776.92
GRAND TOTAL	\$3,691,311.11	\$94,095,521.03	\$2,247,446.84	\$859,072.21	\$96,398,457.51	\$92,531,236.02	\$3,867,221.49	\$469,759.62	\$4,336,981.11

Total from Rates Financial Transaction Summary	3,319,828.28
Overpayments	-1,017,152.83
Difference	0.00

### ANALYSIS OF RECOVERY ACTION

Rate accounts greater than 6 months less than 12 months in arrears	832,373.59
Rate accounts greater than 12 months less than 18 months in arrears	113,374.35
Rate accounts greater than 18 months in arrears	22,989.56
TOTAL rates and charges under instruction with Council's agents	\$968,737.50

## ATTACHMENT 2

### COMPARISON OF BUDGET TO ACTUAL

DESCRIPTION	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	BALANCE STILL REQD.	% RAISED
RESIDENTIAL	51,874,900	52,469,900	52,425,243	44,657	99.91%
BUSINESS	17,321,100	17,253,100	17,253,531	(431)	100.00%
FARMLAND	407,200	407,200	722,268	(315,068)	177.37%
MINING	15,200	25,200	25,844	(644)	102.56%
INFRASTRUCTURE	5,414,300	5,485,300	5,487,691	(2,391)	100.04%
TOTALS	75,032,700	75,640,700	75,914,577	(273,877)	100.36%
INTEREST CHARGES	348,200	272,200	237,003	35,197	87.07%
LEGAL COSTS RECOVERED	840,000	840,000	622,069	217,931	74.06%
PENSIONERS - Sec 575	(1,774,400)	(1,819,400)	(1,866,458)	47,058	102.59%
PENSIONERS - Sec 582	(370,000)	(370,000)	(380,989)	10,989	0.00%
PENSIONERS SUBSIDY	975,920	975,920	1,026,552	(50,632)	105.19%
SUB TOTAL	75,052,420	75,539,420	75,552,754	(13,334)	100.02%
DOMESTIC WASTE CHARGES	16,805,600	16,805,600	16,715,565	90,035	99.46%
COMMERCIAL WASTE CHARGES	372,600	372,600	432,834	(60,234)	116.17%
STORMWATER MNGMNT	897,000	1,032,000	1,033,799	(1,799)	100.17%
GRAND TOTALS	93,127,620	93,749,620	93,734,951	14,669	99.98%

### COLLECTIONS AS A % OF:

	TOTAL RECEIVABLE	TOTAL LEVIED	TOTAL RECEIVABLE	TOTAL LEVIED
RESIDENTIAL	95.47%	98.24%		
BUSINESS	97.56%	100.86%	RATES	98.98%
FARMLAND	102.61%	106.16%	WASTE	95.41%
INFRASTRUCTURE	96.24%	96.39%	STORMWATER	99.94%
ALL RATES	95.99%	98.98%	TOTAL RATES & CHARGES	99.42%

## ATTACHMENT 3

### RATES STATISTICS

No. of documents Issued	July	August	September	October	November	December	January	February	March	April	May	June	Jun-14
Rate Notices	50,437	77		279			165						
Electronic - DoH	5,499												
Instalment Notices				43,095			42,533			41,000			
Electronic - DoH				5,499			6,237			5,371			
Missed Instalment Notices			7,695			7,734			6,705			8,514	6,605
- Pensioners > \$15.00			507			485						641	497
Notice to new owner	202	86	37	80	38	41	51	26	22	48	29	5	7
7-day Letters - Council issued			1,818			2,058						1,887	1,709
- Pensioners > \$500.00			138			97			134			187	161
7-day Letters - Agent Issued			583				553		635			581	555
Statement of Claim	213	34	14	231	17	13	229	19	26	237	28	11	13
Judgments	18	63	22	14	72	6	18	32	41	21	112	28	36
Writs	17	39	23	5	13	21	17	4	49	35	49	41	53
eRates	1,356	1,359	1,361	1,364	1,366	1,367	1,367	1,368	1,369	1,370	1,372	1,374	1,353
Arrangements	364	303	395	406	473	391	381	313	412	458	311	416	422

### 3.3 Sundry Debtors Report - June 2015

#### Reporting Officer

Manager Financial Services

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#### Attachments

1. Debtors summary to 30 June 2015 (contained within this report)
2. Ageing of sundry debts to 30 June 2015 (contained within this report)

#### Purpose

To provide a report detailing the amount outstanding by type and age for sundry and miscellaneous debts for the period ending 30 June 2015.

#### Report

Debts outstanding to Council as at 30 June 2015 are \$1,669,985, reflecting a decrease of \$1,604,944 since May 2015. The ratio of outstanding debts to current invoices has decreased from 71% in May to the current level of 15%. This debtor management ratio is a measure of the effectiveness of recovery efforts, however is impacted by Council policies as well as economic and social conditions.

#### Invoices raised – June 2015

During the month, 1076 invoices were raised totalling \$1,272,560. The majority of these are paid within a 30 day period. The most significant invoices raised during the month have been in the following areas:

Government and other Grants – \$491,413 – the main invoices relate to:

Campbelltown Warriors Football Club - Community Building Partnership Program power upgrade	\$143,000
Environment Protection Authority - Regional coordinator support for the implementation of Waste Less, Recycle More to 30 June 2017	\$132,000
Australian Council For The Arts - Appin Project Funding	\$55,000
Campbelltown Harlequins Junior Rugby Union Football - showground canteen fit out and security upgrade	\$40,207
Office of Local Government - Pensioner rates subsidy part claim	\$35,468
Department of Family and Community Services - partially fund a collective coordination project	\$35,000
Ruse Football Club Inc - Community Building Partnership Program, Jackson Oval amenities block awning	\$25,773

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Land and Building Rentals – \$158,100 – the main invoices relate to:

Telstra Corporation Limited - monthly rental Eschol Park	\$36,853
Aldi Foods Pty Ltd - monthly rental at Macquarie Fields	\$24,750
Nuvezo Pty Ltd - monthly rental Dumaresq Street Cinema	\$23,797
Glenquarie Hotel Pty Ltd - monthly rental Macquarie Fields	\$20,438
Mycorp Group Pty Ltd - monthly rental Macquarie Fields	\$13,696

Waste Collection Services – \$142,433 – the main invoices relate to:

G & G Waste Services - effluent removal for April and May 2015	\$69,547
Remondis Australia Pty Ltd - effluent removal for April 2015 and weekend opening fees for 19 and 25 May 2015	\$66,472

Road and Footpath Restorations - \$107,557 - the main invoices relate to:

Silcar Pty Ltd and Thiess Services Pty Ltd - road restorations in various areas within the Local Government Area	\$52,712
Petra Construction Group Pty Ltd - road restorations in Ingleburn	\$29,846
Sydney Water Corporation - road and footpath restorations in various areas within the Local Government Area	\$22,767

Receipts to the value of \$3,358,823 have been received during the period, the most notable in the following areas:

Government and other Grants	\$2,615,048
Land and Building Rentals	\$199,696
Road and Footpath Restorations	\$129,438
Various Sundry Items	\$71,697
Sportsground and Field Hire	\$67,919

### Sundry debts outstanding – 30 June 2015

Debts exceeding 90 days of age totalled \$233,127 as at 30 June 2015. The major invoices relating to this balance include:

Description	Date Invoiced	Balance at 30 June 2015
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	09/06/10	\$7,907
Casper's Baseball Club - electricity charges. Club is experiencing financial difficulty, however have been making irregular payments to reduce the debt. Council continues to meet with club and Macarthur Baseball to resolve debt	17/12/12 to 17/06/15	\$7,339

Caltex Oil Australia Pty Ltd - independent assessment has been received, Council is currently making adjustments to account and will submit final reconciliation to Caltex	08/02/13 to 02/01/15	\$8,930
Insight Mercantile Pty Ltd – abandoned motor vehicle, unable to locate owner of the vehicle. Finance company acknowledges Council's power to sell an encumbered vehicle. The vehicle has gone to the auctioneer and was not sold at first auction, however will be put up for further auction in an attempt to sell the vehicle and recover the costs	18/07/14	\$2,799
GE Automotive – abandoned motor vehicle, unable to locate owner of the vehicle. Finance company acknowledges Council's power to sell an encumbered vehicle. The vehicle has gone to the auctioneer and was not sold at first auction, however will be put up for further auction in an attempt to sell the vehicle and recover the costs	05/07/12	\$5,709
74366.6 - motor vehicle accident at the Animal Care Facility, no response to letters sent. Debtor has now been located and is in discussion with Council's agent	05/06/14	\$1,981
Master Woodturning - Land value associated with walkway closure adjoining 37 Lancaster Street, Ingleburn. Payment made to Council's solicitors and held in trust until finalisation of transfer	20/11/14	\$54,129 (paid)
McDonalds Australia Limited - additional rent payable for the period 20 December 2013 to 19 December 2014 for Glenquarie McDonalds. Payment expected by 31 July	24/02/15	\$93,293

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

All debts that age by 90 days or more are charged a statement administration fee of \$5.50 per statement. Debtors are contacted by telephone, email or in writing to make suitable arrangements for payment of the overdue debt. Where a suitable arrangement is not achieved or not maintained as agreed, a seven day letter is issued referencing referral to Council's debt recovery agents.

Matters referred to Council's recovery agent are conducted in accordance with relevant legislation and the *Civil Procedures Act 2001*. Formal legal recovery commences with a letter of demand (or letter of intent) providing debtors with at least 14 days to respond. In the event that no response is received, instructions are given to proceed to Statement of Claim allowing a further 28 days to pay or defend the action. Failing this, the matter will automatically proceed to judgment and continue through the *Civil Procedures Act 2001* process.

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

During the month, 10 accounts 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 agent.

Council's agents were instructed to proceed with one Examination Notice and one Examination Order for unpaid licence fees and one Judgment for unpaid meeting room hire.

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: (Kolkman/Borg)**

That the Officer's Recommendation be adopted.

### **CARRIED**

### **Council Meeting 18 August 2015 (Mead/Hawker)**

That the Officer's Recommendation be adopted.

### **Council Resolution Minute Number 156**

That the Officer's Recommendation be adopted.

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## ATTACHMENT 1

### ***DEBTORS SUMMARY 1 June 2015 to 30 June 2015***

DEBTOR TYPE/DESCRIPTION	ARREARS AT 31/05/2015	RAISED THIS PERIOD	RECEIVED THIS PERIOD	BALANCE AT 30/06/2015	% DEBT RATIO
Corporate Administration	240,537	82,637	39,481	283,692	16.99%
Abandoned Items	6,662	0	0	6,662	0.40%
Education and Care Services	18,710	4,571	0	23,282	1.39%
Community Bus	762	56	168	650	0.04%
Sportsground and Field Hire	49,962	82,366	67,919	64,409	3.86%
Government and other Grants	2,393,048	491,413	2,615,048	269,413	16.13%
Public Hall Hire	25,910	56,573	36,562	45,920	2.75%
Health Services	350	0	0	350	0.02%
Land and Building Rentals	160,665	158,100	199,696	600,388	35.95%
Healthy Lifestyles	4,582	32,361	29,393	7,550	0.45%
Library Fines and Costs	0	0	0	0	0.00%
Licence Fees	52,472	23,070	24,976	50,566	3.03%
Pool Hire	18,822	21,202	16,951	23,073	1.38%
Private Works	12,134	0	450	11,684	0.70%
Road and Footpath Restoration	132,696	107,557	129,438	110,814	6.64%
Shop and Office Rentals	35,460	50,960	65,601	20,819	1.25%
Various Sundry Items	153,156	19,262	71,697	100,722	6.03%
Waste Collection Services	8,436	142,433	61,442	89,427	5.35%
	<b>3,274,929</b>	<b>1,272,560</b>	<b>3,358,823</b>	<b>1,669,985</b>	<b>100%</b>



## ATTACHMENT 2

### AGEING OF SUNDRY DEBTOR ACCOUNTS - 30 June 2015

Description	Current Charges	Total 30 Days	Total 60 Days	Total 90+ Days	Balance Due
Corporate Administration	81,966	183,755	935	17,037	283,692
Abandoned Items	0	0	0	6,662	6,662
Education and Care Services	23,282	0	0	0	23,282
Community Bus	145	505	0	0	650
Sportsground and Field Hire	38,784	15,989	1,802	7,834	64,409
Government and other Grants	269,413	0	0	0	269,413
Public Hall Hire	37,503	3,552	1,970	2,895	45,920
Health Services	0	0	0	350	350
Land and Building Rentals	505,228	933	933	93,294	600,388
Healthy Lifestyles	5,431	66	369	1,684	7,550
Licence Fees	18,831	9,815	2,860	19,060	50,566
Pool Hire	21,265	108	263	1,437	23,073
Private Works	0	0	0	11,684	11,684
Road and Footpath Restoration	107,680	2,359	523	252	110,814
Shop and Office Rentals	11,137	4,802	4,880	0	20,819
Various Sundry Items	21,306	7,660	818	70,938	100,722
Waste Collection Services	89,427	0	0	0	89,427
	<b>1,191,962</b>	<b>229,544</b>	<b>15,352</b>	<b>233,127</b>	<b>1,669,985</b>
					<i>Previous Month</i> 90+ days 260,357

### **3.4 2014-2015 General Purpose Financial Report and 2014-2015 Special Purpose Financial Report**

#### **Reporting Officer**

Manager Financial Services

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#### **Attachments**

Nil

#### **Purpose**

To inform Council of its requirement to form an opinion relating to its General Purpose Financial Report and resolve to refer the accounts for audit as per Section 413(2c) of the *Local Government Act 1993*.

#### **Report**

In accordance with Section 413(1) of the *Local Government Act 1993*, Council must prepare financial reports for each year and must refer them for audit as soon as practicable after the end of that year. The 2014-2015 General Purpose Financial Reports and Special Purpose Financial Reports have been completed and Council's independent auditor, Intentus Chartered Accountants contacted to commence the end of year audit.

Section 416 of the *Local Government Act 1993* stipulates that council's financial reports for the year must be prepared and audited within a four month period after the end of each financial year. Council is then required to conduct an Annual General Meeting to present the audited financial reports, together with the auditor's reports to the public. This must be done not more than five weeks after receipt of the auditor's reports. The Annual General Meeting has been scheduled for Tuesday 6 October 2015.

The actual operational result on an accruals basis (excludes capital expenditure) is a surplus exceeding \$18m after capital grants and contributions and a surplus of around \$7m before capital grants and contributions. This is a preliminary result pending some minor valuation changes to fixed assets and any accrual adjustments, however is not expected to materially change. The major factors contributing to the operational result include the following:

- increase in rates income due to the special rate variation principally, with \$5.5m dedicated directly to infrastructure renewal
  - operating grants of \$5.8m directly related to the timing of Financial Assistance Grant payments
  - increase in other revenues of \$3m. Primarily due to land sales in the One Minto project and surplus land in Parkhill Avenue, Leumeah
  - increase of \$5m in depreciation as a result of fair valuation adjustments.
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### 3.4 2014-2015 General Purpose Financial Report And 2014-2015 Special Purpose Financial Report

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Depreciation of Council's fixed assets has now stabilised to its present levels of approximately \$25m as all asset classes are now valued in accordance with Australian Accounting Standard (AASB) 116 which has been implemented over the last several years. The change to Australian Accounting Standards requires assets to be re-valued at fair value using market based evidence where available and is undertaken by professionally qualified valuers. Assets with insignificant changes in fair value need only be re-valued every three to five years. The details of the original budget variations are reported in Note 16 to the General Purpose Financial Reports.

Note 13 to the General Purpose Financial Reports provides several financial performance measures of Council for the year. An indicator of significance is the unrestricted current ratio which assesses the adequacy of Council's working capital to satisfy obligations in the short term. The ratio has increased to 3.66:1 which continues to be above the benchmark of 2.0:1 reflecting Council's commitment to responsible budget management.

Council maintained a balanced budget throughout the 2014-2015 financial year with minor adjustments reported as part of the quarterly financial reviews. The actual funded result shows a surplus of approximately \$50,000 which is an excellent outcome in light of the current economic and financial environment. This result includes carry over works of some \$33m to be revoted in 2015-2016 representing an increase of \$9m on the previous year. This is largely attributable to grant funding of \$15m for road widening of Eagle Vale Drive, \$1m in unspent sustainability projects (WaSIP), \$850,000 for Waste and Recycling projects, and \$1.6m in sport and recreation projects (Lynwood Park and Minto Indoor Sports Centre). A report detailing the carry over works will be submitted in September 2015.

A significant effort from all staff has been made to ensure the end of year accounts were prepared particularly when considering the increased resources required to comply with the ongoing fair value accounting requirements.

The 2014-2015 Financial Reports have been prepared in accordance with the *Local Government Act 1993*, the regulations made thereunder, Australian Equivalents of the International Financial Reporting Standards and professional pronouncements, the Local Government Code of Accounting Practice and Financial Reporting and the Local Government Asset Accounting Manual. These statements are considered to fairly represent Council's financial position and operating result for the period.

Council is now required to refer the Financial Reports to the external auditor, Intentus Chartered Accountants for audit. Council is also required to convene an Annual General Meeting within five weeks of receipt of the Auditor's Reports and as reported above, the Annual General Meeting will be held on Tuesday 6 October 2015.

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### **Officer's Recommendation**

1. That the 2014-2015 General Purpose Financial Reports and the 2014-2015 Special Purpose Financial Reports be referred to audit.
2. That the Mayor, Deputy Mayor, General Manager and Responsible Accounting Officer sign the statements as required by Section 413(2) of the *Local Government Act 1993*.
3. That the audited results of the financial year be presented to Council at an Annual General Meeting to be held on Tuesday 6 October 2015.

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

That the Officer's Recommendation be adopted.

### **CARRIED**

### **Council Meeting 18 August 2015 (Mead/Hawker)**

That the Officer's Recommendation be adopted.

### **Council Resolution Minute Number 156**

That the Officer's Recommendation be adopted.

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### **3.5 Debtors write off of bad debts 2014-2015**

#### **Reporting Officer**

Manager Financial Services

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#### **Attachments**

Total debts recommended for write off (contained within this report)

#### **Purpose**

To provide a report outlining the amount in debts determined uneconomical to recover.

#### **Report**

As part of Council's end of year audit, debts totalling \$12,067.83 were presented and examined by Council's external Auditors, Intentus Chartered Accountants. 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.

The debts submitted have undergone extensive recovery procedures with every avenue available to Council being explored and eventually exhausted, prior to being referred to the auditors for consideration. The list includes four casual staff corporate uniform debts, 15 learn to swim class fees, six miscellaneous fees (child care, gymnastics and hall or meeting room hire) and seven shop licence inspection fees.

In many of these cases, the debtors are no longer contactable, rendering recovery of the debt unattainable or at significant costs that may, in future, also not be recoverable. It should be noted, Council's authorisation to write off bad debts does not prevent recovery of the debt in future, if circumstances change. Once written off, debtors are noted as bad debtors within Council's corporate systems 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 2015, the provision balance remains at \$12,100.

#### **Officer's Recommendation**

That the sundry debtors as listed in the attachment totalling \$12,067.83 be written off as uneconomical to recover.

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

That the Officer's Recommendation be adopted.

**CARRIED**

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**Council Meeting 18 August 2015 (Mead/Hawker)**

That the Officer's Recommendation be adopted.

**Council Resolution Minute Number 156**

That the Officer's Recommendation be adopted.

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## ATTACHMENT 1

Account	Comments	Total Due
4 Various	Corporate uniforms purchased by casual staff. These staff have not returned for any shifts and have not responded to requests for payment	\$18.00
15 Various	Invoices raised for learn to swim classes. Debtors have not responded to requests for payment and attempts to locate have been unsuccessful	\$1,448.00
712174	Library Meeting Room Hire - cannot locate debtor, information provided on hire is no longer current	\$206.50
700773	Costs and fees incurred in the recovery of unpaid shop licence inspection fees. Shop has closed and debtor unable to be located	\$363.60
738385	Child Care fees, debtor is a pensioner and no longer attends centre and legal recovery uneconomical	\$249.36
685438	Gymnastic fees, uneconomical to recover	\$247.00
667816	Costs and fees incurred in the recovery of unpaid shop licence inspection fees, company deregistered with no assets of value	\$1,616.56
739730	Hire Eagle Vale Hall - permanent hire arrangement invoiced each month which has been ceased. Debtor appears to have moved and can't be located	\$239.51
720516	Sportsground hire: Fullwood Reserve Field No. 1 for two hours hire, club has folded and been dissolved	\$150.00
726307	Food premises shop licence inspection fees - unable to locate debtor	\$255.00
727206	Food premises shop licence inspection fees - unable to locate debtor	\$230.00
733709	Food premises shop licence inspection fees - unable to locate debtor	\$290.00
701631	Food premises shop licence inspection fees - matter referred through Local Court to Writ. Payment arrangement defaulted, company de-registered with no assets of value	\$3,293.00
734590	Food premises shop licence inspection fees - debtor has filed for bankruptcy	\$1,248.80
707570	Food premises shop licence inspection fees - matter referred through Local Court to Writ and cannot locate debtor	\$2,212.50
<b>TOTAL</b>		<b>\$12,067.83</b>

#### **4. HUMAN RESOURCES**

**No reports this round**

#### **5. INFORMATION MANAGEMENT AND TECHNOLOGY**

**No reports this round**

#### **6. GENERAL BUSINESS**

Nil.

##### **Confidentiality Motion: (Hawker/Dobson)**

That the Committee in accordance with Section 10A 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**

#### **23. CONFIDENTIAL ITEMS**

##### **23.1 Proposed Sub Lease 12 Browne St**

##### **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.

##### **Motion: (Mead/Kolkman)**

That the Committee in accordance with Section 10 of the *Local Government Act 1993*, move to re-open the meeting to the public.

**CARRIED**

There being no further business the meeting closed at 5.38pm.

C Mead  
CHAIRPERSON

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