9 December 2013

The Mayor and Councillors
Uralla Shire Council

DATE: 16 DECEMBER 2013

10:00 AM – VISIT TO OPERATIONAL LAND PLANNING PROPOSAL

11:00 AM – MORNING TEA AND ABORIGINAL FLAG RAISING

12 NOON – ORDINARY MEETING OF COUNCIL

Notice is hereby given that a meeting of the Council of Uralla will be held at Council Chambers, Salisbury Street, Uralla on **Monday, 16 December 2013 commencing at 12 noon.**

Lunch will be provided for Councillors at 1:00pm with the meeting resuming at 1:30pm.

1:30 PM – PRESENTATION OF FINANCIAL STATEMENTS

Presentation of the Audited Annual Financial Statements and Auditor's Reports, for the Financial Year ending 30 June 2013, will be made at **1:30pm** by Forsyths Chartered Accountants Principal, Mr Paul Cornall.

Tom O'Connor
GENERAL MANAGER

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Report to Ordinary Meeting of Council

16 DECEMBER 2013

Prayer

Acknowledgement to Country

Apology

Confirmation of Minutes

- Ordinary Meeting held 25 November 2013
- Closed Session of the Ordinary Meeting held 25 November 2013
- Matters arising from the Minutes

Declarations of Conflict(s) of Interest

Questions On-Notice Received and from Previous Meetings

Minutes of Committees

- Received Minutes of Meeting for Council and Community Committees

Mailout to Councillors

- Mailouts to Councillors for Period 22 November 2013 to 6 December 2013

Mayor's Report

- Mayor, Cr M Pearce

General Manager's Report

- Governance and Administration
- Health and Building Services

Lunch Break (1.00pm)

Have Your Say (1.30pm)

- Presentation of the 'Audited Annual Financial Statements and Auditor's Reports'

Director of Administrative Services' Report

- Administration and Finance
- Community Services

Director of Engineering Services' Report

- Environment and Waste Management
- Technical Services

General Manager's Report

- Planning Services Information
- Planning Matters for Determination

Have Your Say (3:45pm)

- Presentation on the Subject of 'South Kentucky Sports Ground'
- Presentation of Uralla Visitor Information Centre Review and Development Options

Delegate Reports

Questions On-Notice for Next Meeting

Closed Session

- Matters for Consideration in Closed Session

The Reports in this Business Paper are those referred to in the Minutes of the Ordinary Meeting of Uralla Shire Council held 16 December 2013

.....

MAYOR

RESPONSES

TO

QUESTIONS ON – NOTICE

16 December 2013

Questions Received and from Previous Meetings

QUESTIONS ON - NOTICE

Questions Received and from Previous Meetings

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'Stop, Relax and Enjoy' 2

RESPONSES TO QUESTIONS RECEIVED ON-NOTICE 2

Questions Received for the 16 December 2013 Meeting of Council: 2

No Questions On-Notice were received as at the 4 December 2013 closure of Submissions to the 16 December Business Paper. 2

LATE RECEIVED QUESTIONS ON-NOTICE 2

Late Received Questions for the 16 December 2013 Meeting of Council: 2

No Late Questions were Received. 2

RESPONSES TO QUESTIONS RAISED ON-NOTICE

Questions Raised at the 25 November 2013 Meeting of Council:

At the 25 November 2013 Meeting, Councillors raised the following "Questions On-Notice" for response at the 16 December 2013 Meeting of Council:

Action:

Cr K Dusting
QUESTION:
'Stop, Relax and Enjoy'
*Can Council incorporate into its Visitor Information and Tourism Marketing initiatives, a promotional slogan **'Stop, Relax and Enjoy'**, as inferred by the 9 - 15 November 2013 Daily Telegraph 'Best Weekend' Magazine article regarding the Uralla based New England Brewing Company?* **GM**

RESPONSE:
Staff have researched the use of "Stop, Relax and Enjoy" and have found two instances of its use by localities in Spain (Combs of the Wind near Playa de Ondaretta – Donastia-San Sebastian and Paseo Cotobro, Almunecar).

Staff will need to do further research before Council can freely use the slogan. If it is not registered elsewhere the slogan can by used as a supplementary phrase to branding "Find --------- in Uralla" currently in use.

RESPONSES TO QUESTIONS RECEIVED ON-NOTICE

Questions Received for the 16 December 2013 Meeting of Council:

The following "Questions On-Notice" were submitted by Councillors for inclusion in the Business Paper to the 16 December 2013 Meeting of Council:

Action:

No Questions On-Notice were received as at the 4 December 2013 closure of Submissions to the 16 December Business Paper.

LATE RECEIVED QUESTIONS ON-NOTICE

Late Received Questions for the 16 December 2013 Meeting of Council:

The "Late Questions On-Notice", detailed below, were submitted by Councillors following the 4 December 2013 closure of Submissions to the 16 December 2013 Business Paper:

Action:

No Late Questions were Received.

MINUTES OF MEETING

FOR

COUNCIL AND COMMUNITY COMMITTEES

16 December 2013

Received Minutes of Committee Meetings

MINUTES OF COMMITTEES

MINUTES OF COUNCIL AND COMMUNITY COMMITTEES

16 December 2013

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MINUTES OF COMMITTEES REPORT TO COUNCIL

Mayor and Councillors
Uralla Shire Council

SECTION:	**Minutes of Committees**
ITEM NUMBER:	**Item 1**
SUBJECT:	**Minutes of Council Committees**
File Reference:	Various
Reason:	Tabling of Received Minutes of Meeting for Committees of Council
Objective:	For Council's Information and Advice
Budget Implication:	Nil
Operational Plan:	Part 3, Principal Activity 1.1

INFORMATION

Copies of received Minutes of Meetings for Committees of Council are enclosed as per the Index of Attachments.

Prepared by: Executive Assistant

RECOMMENDATION

That Council note the following Minutes of Meeting for Committees of Council:

- Minutes of the 14 November 2013 Meeting of the McMaugh Gardens Aged Care Centre Advisory Committee.

ATTACHMENTS TO THE REPORT

INDEX OF INCLUDED ATTACHMENTS

The Following Documents are Included as Attachments to the Preceding Report

	Attachment Name:	Page Count:
A:	Minutes of the 14 November 2013 Meeting of the McMaugh Gardens Aged Care Centre Advisory Committee.	2

SECTION:	**Minutes of Committees**
ITEM NUMBER:	**Item 2**
SUBJECT:	**Minutes of Community Committees**
File Reference:	Various
Reason:	Tabling of Received Minutes of Meeting for Community Committees
Objective:	For Council's Information and Advice
Budget Implication:	Nil
Operational Plan:	Part 3, Principal Activity 1.1

INFORMATION

There were no Minutes of Meeting for Community Committees received prior to closure of the Business Paper for the 16 December 2013 Ordinary Meeting.

Attachment: A

MCMAUGH GARDENS AGED CARE CENTRE

Minutes of the Advisory Committee Meeting held at 39 King Street Uralla

on 14 November 2013, commencing 6.05 pm.

PRESENT: Cr. D Field, M. Hedges, Cr. I. Strutt, D. McRae, Cr. L Cooper, K Smith, Cr. K Ward, Peta Cooper, R Filmer and G. Bryant.

APOLOGIES: A Hutchison, S Hudson, J Taylor, Robyn Tribe & J Michie.

Resolved I Strutt / R Filmer that apologies be accepted. ***CARRIED***

MINUTES:-

Resolved L Cooper / D Field that minutes of the meeting held on 10 October 2013 be accepted.
CARRIED

BUSINESS ARISING FROM THE MINUTES:-

- Previously mentioned bequest to McMaugh Gardens may be nearer to $300,000.00, finalisation may be prior to Christmas.

Correspondence:

Inwards – Nil

Outwards - Nil

Reports: Manager:

Manager's Report was tabled and a copy provided to all present.

- Facility remains fully occupied.
- Square dancing was a popular event during November, along with Melbourne Cup Day celebrations
- Isobel Strutt enquired as to what proportion of occupants are local and otherwise.
- Recently had to put more casual staff on to avoid constant staff shortages, due largely to sick leave absences.

Moved Peta Cooper / K Smith that report be accepted. **CARRIED**

Finance:

In the absence of Jane Michie, Isobel Strutt provided a brief overview.

- That funding of $105,000.00 previously not received at last meeting has since been received.
- Staff costs are up and Manager's Report explains this in part, i.e. need to hire more casual staff.

- Trading position at present indicates a slight deficit after 4 months of the current financial year.

Friends of McMaugh Gardens

- AGM held, new Convenor Marj Gream, Maureen Watson is Secretary.
- Profit from Thunderbolt Festival $1691.00, the majority of this i.e. $1200.00 coming from $1.00 raffle ticket sales. Proceeds from the rodeo are still to come.
- Total funds on hand are presently around $23,000.00 and Peta is seeking quotes to complete a pathway (currently known as the pathway to nowhere). Also looking at a hydrotherapy bath, the cost of which is around $5,000.00, in addition to which there would be installation and drainage costs etc.
- Friends have no further activities planned until Australia Day 2014 activities.

Moved L Cooper / R Filmer that our Committee convey congratulations to Friends of McMaugh Gardens on their great fundraising efforts.

General Business:

- Discussion centred largely round the future direction and role of our Advisory Committee.

It was moved I Strutt / D McRae that our Council delegates together with Kevin Ward meet with Jane Michie on 25 November 2013 to discuss further. **CARRIED**

- Residents meetings (bi-monthly) to be re-commenced and both Leanne Cooper and Daphne Field have expressed an interest and availability to attend, possibly on the morning (10.30 - 10.45 am) of Council meeting dates, commencing on 24 February 2014.
- Daphne Field puts in her apology for December meeting due to a prior engagement.

There being no further business, the meeting closed at 6.50 pm. Next meeting 12 December 2013.

WEEKLY MAILOUT TO COUNCILLORS

MAILOUT

16 December 2013

Mailout to Councillors Report

ORDINARY MEETING OF COUNCIL

16 December 2013

- MAILOUT TO COUNCILLORS -

SECTION:	**Mailout to Councillors**
ITEM NUMBER:	**Item 1**
SUBJECT:	**Mailouts forwarded to Councillors for the Period Friday, 22 November 2013 to Friday, 6 December 2013**
File Reference:	U07/23
Reason:	To provide details of Mailouts forwarded to Councillors
Objective:	Confirmation of Mailout information provided to Councillors
Budget Implication:	Nil
Operational Plan:	Part 3, Principal Activity 1.1

INFORMATION

Copies of Coversheets are attached for Weekly Mailouts forwarded to Councillors for the Period Friday, 22 November 2013 to Friday, 6 December 2013

Prepared by: Executive Assistant

RECOMMENDATION

That the Mailouts forwarded to Councillors for the Period Friday, 22 November 2013 to Friday, 6 December 2013 which includes MANEX Meeting Minutes for Thursday 28 November 2013 be noted.

00017

Mailout to Councillors

22 November 2013

CONFIDENTIAL ITEMS:

1. MANEX

- Minutes of Management Executive Meeting/s held:
  - ☑ No Meeting scheduled for Week ending 22 November 2013.

2. November 2013 Ordinary Meeting

- Governance and Administration Late Report to Closed Session:
  - ☑ Report to Council on the 18 November 2013 Meeting of Mayors, Deputy Mayors and General Managers.

OTHER ITEMS:

3. Member for Northern Tablelands, Adam Marshall MP

- Local Member's Weekly E-Mail Column:
  - ☑ Column Edition issued Friday 22 November 2013 by Member for Northern Tablelands.
- Uralla Shire Council Receives Crown Reserves Funding:
  - ☑ Media Release issued Thursday 21 November 2013 by Member for Northern Tablelands.
- Call for NSW Upper House MPs to Provide Certainty for Graziers:
  - ☑ Media Release issued Tuesday 19 November 2013 by Member for Northern Tablelands.
- Bundarra Showground Receives Crown Reserves Funding:
  - ☑ Media Release issued Monday 18 November 2013 by Member for Northern Tablelands.

4. Commendations

- Council Maintenance and Upkeep of Alma Park:
  - ☑ Letters dated 11 November 2013 from St John's Anglican Church Vicar, Revd Gordon Stewart.

5. Publications

- Local Government NSW (LGNSW) Weekly Magazine:
  - ☑ Table of Contents for Magazine Edition 46/13, dated 15 November 2013.

REMINDERS:

6. Ordinary Meeting for November 2013

- Scheduled 12 noon, Monday 25 November 2013 in Council Chambers.

7. Next Mayor and Councillor Briefing (MCB)

- Scheduled 9:00am, Monday 2 December 2013 in Council Chambers.

8. Deferral of November and December 2013 Councillor Workshops

- Workshops are deferred to January and February 2014 (dates TBA).

CC: Senior Staff, Uralla Shire Council

00018

Mailout to Councillors

29 November 2013

CONFIDENTIAL ITEMS:

1. MANEX

- Minutes of Management Executive Meeting/s held:
  - ☑ Minutes for the Meeting of MANEX held Thursday 28 November 2013 at 2:00pm.
- Minutes of Council Meeting/s Held:
  - ☑ Closed Session Minutes for the 25 November 2013 Ordinary Meeting of Council.

OTHER ITEMS:

2. Meetings of Council

- Minutes of Council Meeting/s Held:
  - ☑ Minutes for the 25 November 2013 Ordinary Meeting of Council.

3. Uralla Shire Council Annual Financial Statements

- Presentation of Audited Annual Financial Statements:
  - ☑ Public Notice published in Friday 29 November 2013 edition of Armidale Express Newspaper.
  - ☑ Audited Financial Statements and Auditor's Reports for Financial Year ending 30 June 2013.

4. Crown Lands Amendment (Multiple Land Use) Bill 2013

- End to uncertainty regarding secondary tenures issued over Crown Reserves:
  - ☑ Letter to Mayor, dated 25 November 2013, from Deputy Premier, Hon Andrew Stoner MP.

5. Member for Northern Tablelands, Adam Marshall MP

- Local Member's Weekly E-Mail Column:
  - ☑ Weekly Edition issued Friday 29 November 2013 by Member for Northern Tablelands.
- Possible Heritage Listing for Armidale Cathedrals:
  - ☑ Media Release issued Thursday 28 November 2013 by Office of Member for Northern Tablelands.

6. Have Your Say

- Presentation Request - Proposal to establish a South Kentucky Sports Ground:
  - ☑ Email response from General Manager sent Friday 29 November 2013, enclosing 'Presentation Request' to Mayor, dated 27 November 2013 from Ms Frances Speer, 'Shambani' Kentucky.

7. Arts North West Regional Arts Board

- Annual General Meeting held Saturday 23 November 2013:
  - ☑ Advice to General Manager, from Arts North West Executive Officer, Dr Jane Kreis MA, enclosing Arts North West 2012-2013 Financial Reports, 2013 President's Report and Overview.

Continued /...

CC: Senior Staff, Uralla Shire Council

Mailout to Councillors

29 November 2013

OTHER ITEMS (continued):

8. Invitations

- Southern New England Landcare, 12 December 2013 Christmas Drinks:
  - ☑ Invitation to Mayor and Councillors received 25 November 2013.

9. Thanks Received

- Uralla Seniors and Pensioners Association:
  - ☑ Copy of Christmas Card and enclosed note of thanks, received 25 November 2013.

10. Publications

- Local Government NSW (LGNSW) Weekly Magazine:
  - ☑ Table of Contents for Magazine Edition 47/13, dated 22 November 2013.

REMINDERS:

11. Next Mayor and Councillor Briefing (MCB)

- Scheduled 9:00am, Monday 2 December 2013 in Council Chambers.

12. Ordinary Meeting for November 2013

- Scheduled 12 noon, Monday 16 December 2013 in Council Chambers.

13. Deferral of November and December 2013 Councillor Workshops

- Workshops now deferred to January and February 2014 (dates TBA).

CC: Senior Staff, Uralla Shire Council

Mailout to Councillors

6 December 2013

CONFIDENTIAL ITEMS:

1. MANEX

- Minutes of Management Executive Meeting/s held:
  - ☒ No Meeting of MANEX scheduled for week ending Friday 6 December 2013.

OTHER ITEMS:

2. Monthly Calendar

- Calendar of Council Related Events and Activities:
  - ☑ Calendar for the Month of December 2013.

3. Council Meeting Dates

- Schedule of Ordinary Meeting Dates:
  - ☑ Schedule of Council Meeting Dates for the 2014 Calendar Year.

4. State Member for Northern Tablelands, Adam Marshall MP

- Local Member's Weekly E-Mail Column:
  - ☑ Weekly Edition issued Friday 6 December 2013 by Member for Northern Tablelands.
- Local Government Minister's Message to Northern Tablelands Councils:
  - ☑ Media Release issued Wednesday 4 December 2013 by Member for Northern Tablelands.

5. Federal Member for New England, Hon Barnaby Joyce MP

- $9.3 Million for Local Projects under new Community Development Grants Programme:
  - ☑ Media Release issued Thursday 5 December 2013 by Federal Member for New England.

6. Publications

- Local Government NSW (LGNSW) Weekly Magazine:
  - ☑ Table of Contents for Magazine Edition 48/13, dated 29 November 2013.

REMINDERS:

7. Ordinary Meeting for December 2013

- Scheduled 12 noon, Monday 16 December 2013 in Council Chambers.

8. Next Mayor and Councillor Briefing (MCB)

- Scheduled for January 2014 (date TBA).

9. Deferral of November and December 2013 Councillor Workshops

- Workshops now deferred to January and February 2014 (dates TBA).

CC: Senior Staff, Uralla Shire Council

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MAYORAL REPORT

Mayor, Councillor Michael Pearce

MAYORAL

REPORT

TO

COUNCIL

16 December 2013

Report from Mayor, Cr Michael Pearce

MAYORAL REPORT TO COUNCIL

16 December 2013

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Councillors
Uralla Shire Council

SECTION:	**Report from Mayor, Cr M Pearce**
ITEM NUMBER:	**Item 1**
SUBJECT:	**National Local Roads and Transport Congress 12-14 November 2013**
File Reference:	U12/199
Reason:	To Inform Council
Objective:	To provide Council with a summary of proceedings from the 2013 National Local Roads and Transport Congress held 12-14 November in Alice Springs.
Budget Implication:	The Mayor is Council's appointed Delegate to the National Local Roads and Transport Congress.
Operational Plan:	Part 3, Principal Activity 10.7

INFORMATION

As Mayor and Council's appointed Delegate to the National Local Roads and Transport Congress, I attended the 2013 Roads Congress held in the Alice Springs Convention Centre from 12 to 14 November 2013.

My Report to Council in relation to Proceedings of the Congress, including summaries of Speakers and Addresses delivered, is enclosed as follows:-

National Local Roads and Transport Congress 2013

- SUSTAINING OUR ROADS -

GOOD BUSINESS / GOOD GOVERNANCE / GOOD BOTTOM LINE

Tuesday 12 November

Congress Welcome Reception

Transport Hall of Fame, Alice Springs. Although over 250 delegates attended this year's Congress, numbers were down from last year's event.

Welcome to Delegates by Alice Springs Mayor, Cr Damien Ryan and Australian Local Government Association (ALGA) President, Mayor Felicity-ann Lewis.

Wednesday 13 November

Congress Opens.

Welcome by ALGA President, Mayor Felicity-ann Lewis, who spoke about:-

- New Government, new Ministers.
- Acknowledged new Prime Minister together with Warren Truss and Barnaby Joyce.
- Dates were crossed with Parliament sitting, resulting in both Speakers, Warren Truss and Anthony Albanese unable to attend in person (instead sending Video Messages to the Congress).
- ALGA President attending Standing Council on Transport and Infrastructure (SCOTI) Meeting in Brisbane on Thursday 14 November – will take issues to the Prime Minister at this meeting.
- Changes to Government – better changes / chances providing opportunities.
- Importance of local roads, sustaining roads, core business – road infrastructure.
- More help to Local Government, better support and funding from State and Federal Governments.
- Regional Airports.
- Prime Minister wants to be known as the Infrastructure Prime Minister.
- ALGA working for Local Government – supports evidence based policies.
- Importance of Asset Management.

AUSTRALIAN GOVERNMENT VIDEO MESSAGES:
Minister for Infrastructure and Regional Development, Hon Warren TRUSS MP
The Minister spoke on a number of points including:-

- Sustaining Roads with a clear definite plan.
- Good Governance, good business practices.
- New challenges, new ideas.
- Value for money for investments.
- Importance of Local Government to communicate.
- Local solutions to local problems.
- New National stronger regional funds.
- Mineral Resource Rate Tax.
- Road Infrastructure, Highway capacities, R2R funding, Importance of Black Spot funding.
- Road reliability, Road connectivity
- Mining issues and transport
- Safer roads, safer vehicles, safer road users.
- Bridges renewal program – Councils unable to afford upkeep.
- Regional Development Australia Funding (RDAF) to be cancelled, but will commit to current deals.

Opposition Spokesperson for Infrastructure, Hon Anthony ALBANESE MP
Mr Albanese spoke on a number of points including:-

- Previous government had better funding for local roads.
- Doubled Black Spot funding whilst in government.
- Saved lives whilst in government.
- Importance of working with local government.
- Spoke about good work undertaken by local government.
- Disappointed RDAF funding has been cancelled by current government.
- Local jobs, local communities, local support.
- Current government is now saying "no to jobs".
- Local government needs to be recognised.
- Proud of his government whilst in power.

SPEAKERS:
ALGA President, Mayor Felicity-ann Lewis.
The President spoke following the Video Messages on a number of points including:-

- Bridges funding.
- Black Spot funding
- R2R funding
- $3.6 Billion R2R funding so far.
- ALGA push to retain R2R and importance of same.
- Timber Bridges – Bridges Renewal Program.

CEO, National Heavy Vehicle Regulator, Mr Richard Hancock.
Mr Hancock spoke on the following points:-

- Reform implementation.
- Road Access.
- Important linkage to road infrastructure.
- Hope to commence promotion early 2014.
- Implementation possibly Feb/March 2014.
- NHVR relationship with ALGA, States and Territories and local government.
- Working with Road Transport agencies across all states.
- Working with Police across all states.
- Road Infrastructure.
- Correct data placed into the right areas.
- Routes of Heavy Vehicle traffic.
- Road funding, road pricing.
- Productivity, connectivity, enforcement and compliance.
- Picking-up the right priorities.
- Access to information.
- Route assessment tool classifications for Heavy Vehicle Routes.
- Data collection – approvals/refusals for permits.
- National heavy vehicle law.
- Single source of nation wide permits.
- National approach to driver fatigue and vehicle standards.
- Local government recognised in legislation as road managers.
- Capture of up top date data for local government.
- Roles of Road and State Authorities (eg.RMS)
- Single point of contact for managements of permit applications from start to finish – Journey Planners.
- Third Party entities – Police, Rail infrastructure managers.
- Level of support (NHVR) support mechanism expertise.

STATE OF THE ASSET REPORT - LAUNCH
CEO, Jeff Roorda and Associates (JRA), Mr Jeff Roorda.
Mr Roorda spoke on a number of points including:-

- Roads Infrastructure.
- Local government works very well. They look after the needs and wants of the Community.
- Cost shifting by both state and federal governments.
- Funding infrastructure is a whole of government responsibility.
- AMP – Asset Management Plans.
- LTFP – Long Term Financial Plans.
- Survey on AMPs - 344 local government areas participated – 200 did not respond.
- According to survey, 12% of all transport infrastructure is in poor condition across Australia.

- 30% timber bridges across Australia in poor condition.
- 10% concrete bridges across Australia in poor condition.
- Need for up to date AMPs for local government.
- Grant funding assessment – need for payment ratio to change.

INTERNATIONAL SPEAKER
Senior Policy Analyst, Canada West Foundation, Mr Casey G. Vander Ploeg.
Mr Vander Ploeg, considered an expert on Canada's Municipal Finances and Infrastructure, spoke on a number of points including:-

- Similarities between Australia and Canada, as in Geography, Demography, Economy, and political bodies (government system).
- In Canada, all major infrastructure was laid down between 1950-1970
- Like Australia, Canada now has ageing population and ageing infrastructure (including water, roads, waste management and park infrastructure).
- Need to commit to innovations.
- Finance funding and delivery.
- Taxation – general property tax.
- Tax sharing – importance of productivity and growth in productivity.
- Economy through investment.
- Investments boost to economy.
- Infrastructure Canada – new Federal department – shared federal gas tax with states for transport.
- Covers grants programs for bridges, border crossings and roads.
- ***Low taxes are no guarantee to achievement of economic gains.***
- ***Economic Future relies on extended/expanded trade with emerging countries, ie. Asian Markets.***
- ***This involves need / improvement for airports and seaport infrastructure upgrades..***
- ***Thought of employing new tactics, eg. User Pay schemes with regard to Tax.***

THE LOCAL GOVERNMENT CHALLENGE:
A Council's experience – the last mile.

General Manager, Rural City of Murray Bridge (SA), Mr Simon Bradley.
Mr Bradley spoke on a road infrastructure project.

Murray Bridge is 60Kms east of Adelaide, covering an area approx 1800 square Kilometres with a population of about 20,000. The Shire has about 800Km sealed rural roads and 100Km sealed urban roads with approx 200KM unsealed roads.

The project involved the sealing / realignment of 12km of unsealed road at a cost of $5.1m with R2R and Council funding.

Alice Springs Town Council (NT), Cr Liz Martin.
Cr Martin spoke of the Council Road Infrastructure being the hottest, oldest, flattest and biggest road network in the Northern Territory. The Shire area covers a distance of approx 1 million square Kilometres.

Cr Martin spoke about their poor road network, the burden on local government (road infrastructure), vast distances, diversity of geography, tyranny of distance, no city skylines, etc. The CBD of Alice Springs was not designed for heavy vehicle traffic (B Doubles, Road Trains, etc), is the 3rd largest town

in the Territory and everything in Australia revolves around / through Alice Springs.

Cr Martin spoke about the 2,800Km outback highway project which will link Perth to Cairns. She spoke of the importance of the project, financial stability through mineral / minerals industries and tourism.

The current road infrastructure cannot cope with the heavy vehicles now driven on these roads – thus the need for change.

Ararat Council (VIC), Cr Fay Hull.
Cr Hull spoke on the Eversley Crowlands Bridge Project. Ararat is a small Council with under 12,000 population and approx 1,200Km road network with about 74 bridges.

Joint project with neighbouring Shire (Pyranees Shire) produced a 3 span bridge which re-established a bus service route. Cost approx $1m and was significant for a small regional Council. They relied heavily on both State and Federal funding grants.

GHD – GLOBAL ENGINEERING, ARCHITECTURAL AND ENVIRONMENTAL CONSULTANCY.
Bridge Services Customer Officer, Mr Mathew Carol.
Mr Carol spoke on a Bridge project in the Taree City Council local government area. Duffs Bridge was a project with initial estimates between $5-9 million. This was a two year project during which another timber bridge was identified as needing urgent attention (Marlee Bridge).

Both Bridges were replaced under time and under Budget, with a contract price of approx $12 milion for both.

Factors in this project looked at cost, functionality and traffic impacts and the use of super 'T' girders. Timber and other parts of the old Bridge structures were re-used and re-cycled by Council (sustainability).

A time-lapse video was played, showing the repair / replacement of both Bridges crossings.

FREIGHT CRITICAL CHALLENGES FOR ROAD INFRASTRUCTURE.
Director, Heavy Vehicle Reform and Technology (HVRT), Mr Andrew Hyles.
Mr Hyles spoke on a number of points including:-

- Asian economic growth.
- Australia's decline in productivity.
- Population growth.
- Ageing population.
- Emissions.
- Safety.
- ***By 2030, Australia's population will be approx 30 million. One in five Australians will be over age of 65. Freight tasks will be up by 80%. Heavy vehicle truck traffic will be up by 60%. Rail freight will increase by 90%.***
- Need for better use of existing assets / infrastructure.
- Decision making process – best choice.
- Heavy Vehicle Charging and Investment (HVCI) Reform.
- Long term planning.
- Better use of ports / freight data and performance measures.
- Community engagement.
- Technology in heavy vehicles.
- Infrastructure investment.

- R2R Black Spot funding, Bridges renewal and extra reststop areas for heavy vehicles.
- Need to prepare now.
- Reforms will be complex and take time.

HEAVY VEHICLE CHARGING AND INVESTMENT (HVCI) REFORM
HVCI Project Director, Meena Naidu
Meena Naidu spoke on a number of points including:-

- Productivity report on heavy vehicle / transport.
- Strategic directions.
- Productivity and the work road freight task
- Productivity has now plateaued.
- ***Local government do not benefit from revenue generated by heavy vehicle charges.***
- ***Local government do not get enough funding to maintain road infrastructure.***

What do HVCI do?

- Coordinated planning framework
- Better road access – reduced infrastructure bottlenecks
- Sustainable funding – linked charges to road funding, capitol and maintenance expenditure.
- Fairer charging (transparency) reflect the cost of road use and infrastructure required to improve access.
- Greater assurance road spending is efficient and what industry needs / wants.
- Economic regulations and independent review of the setting of charges.

Technology:

- Telematics in heavy vehicles gives information like location, route, weight of load, vehicle type, etc.
- MDL (Mass/Distance/Location) charging.
- Possibility of new funding for local government to receive revenue back from heavy vehicle charges.
- Currently heavy vehicle charges go directly to commonwealth / state governments.
- Need for local government to work together with other levels of government.
- Local government will be consulted regarding HVCI reforms.

AUSTRALIAN AIRPORT ASSOCIATION (AAA)
General Manager, Alice Springs / Tennant Creek Airports, Ms Katie Cooper
Ms Cooper spoke on a number of points including:-

- AAA voice of Airports for past 30 years.
- Over 260 airport members across Australia.
- Aviation is all about networks.
- Over 2000 landing sites across Australia – not all have public access.
- All Airports across Australia owned / run by local government.
- Importance of fly-in / fly-out (FI/FO) passengers.
- National increase in airport traffic up to 20% across Australia in next 10 years
- Land use planning for future airports should be addressed by local government (eg. Adjacent Landfill / waste management sites increase potential for bird impact /damage to aircraft and risk to

passengers).

- Aircraft noise exposure forecast (ANEF).
- Airfreight (High cost compared to rail / road).

PANEL SESSION - The Last Mile
Local Roads; State and Federal Highways all begin and end on Local Roads.

Meena Naidu
Meena Naidu spoke on a number of points including:-

- Inadequate funding.
- Infrastructure bottlenecks.
- Cost recovery – repayments over a longer timeframe.
- Vehicle description – size/mass/weight.
- State road agendas and others – on same playing field.
- Community expectations / input.
- Local government / relationships.

Alice Springs Mayor, Cr Damian Ryan
The Mayor spoke on a number of points including:-

- Freight efficiency.
- Local roads critical in the Northern Territory for freight .
- Health issues – medical assistance.
- Outback Way Highway – sealed road between Western Australia and Queensland.
- Remote indigenous communities.
- Road infrastructure issues in the Northern Territory.

Casey Vander Ploeg
Mr Vander Ploeg spoke on a number of points including:-

- ***Be a big-picture manager, not a micro-manager.***
- Spoke about Canadian history – Inter continental Railway system – Birth of a Nation in Canada.
- Responsibilities of Canadian Federal / Provincial / State Highways, local governments, local roads.
- Biggest challenges to Canadian Road infrastructure include weather – cold/frozen climate causes severe damage to roads.

Tim Knowles (Speedie Contractors, Heavy Vehicle Transport Company)
Mr Knowles spoke on a number of points including:-

- Industry perspective.
- Heavy vehicle charges and roads.
- HVCI.
- Freight flow, heavy vehicle use, road use
- Many heavy vehicles are over 15 years old.

Sue Price (Deputy Mayor, Moree Plains Shire Council))
Ms Price spoke on a number of points including:-

- Member of Australian Rural Roads Group (ARRG).
- Rural Road issues – Moree Area.
- Local products of area.
- Black soil good for food, not for roads.
- Managing funding gaps let to ARRG with Gwydir Shire.
- Asset management skills and plans.
- Road asset reports.
- Priority freight routes, greater rural freight efficiency needs improved rural road infrastructure.
- Load limits on heavy vehicles.
- There is no silver bullet.

Feedback from Audience / Delegates
- Non-rateable land?
- Where are we at as local government?
- Need to lobby both state / Federal members.

Thursday 14 November
Congress Continues.

LOCAL GOVERNMENT CHALLENGE
A Council's Experience – Local Government Infrastructure

Anzac Highway Upgrade
Adelaide City Council Asset Manager, Mr Steve Watson
Mr Watson spoke on a number of points including:-

- 40,000 vehicles per day.
- Road resurfacing program cost $1.25 million (with R2R Funding).
- Council owns last 700 metres.

Mitchell Road Bridge
William Road Bridge
Benalla Rural City Council (north east Victoria), Asset Manager, Mr Brian Campbell
Mr Campbell spoke about the repair / realignment of the Mitchell and William Road Bridges and the option to buy land in the immediate vicinity.

Canley Heights Town Centre Car Park and Canley Vale Link Road
Fairfield City Council (NSW), Asset Manager, Roshan Aryal
Roshan Aryal spoke on a number of points including:-

- Fairfield has four (4) Motor-Ways.
- Current Population of 200,000 predicted to rise to 1.3 million by 2031.
- 130 different nationalities.
- Challenge for the Canley Heights Town Centre Car Park and Canley Vale Link Road projects was to find sufficient funding.

PANEL SESSION - Innovative Infrastructure Funding
Local Government Funding Agency (LGFA) New Zealand.

LGFA CEO, Mr Phil Coombs
Mr Coombs spoke on a number of points including:-

- Company started in November 2011.
- Owned by Councils (Share holders).
- Supply funding to Local Government.
- Tax exempt under Local Government Borrowing Act 2011 (NZ).
- Company started with 18 member councils. Now have 42 members out of 78 councils in New Zealand.
- Issue Bonds by Tender.
- AA+ Domestic Rating (same as NZ Central Government).
- Able to borrow more cheaply.
- Charge credit margins.
- Similar agencies in Norway, Sweden, and Finland.

NATIONAL HEAVY VEHICLE REGULATOR (NHVR) WORKSHOP
Mr Matt Elcher (Mechanical Engineer)
Mr Peter Capriolli
Mr Damien Hense (ARRB)
The Panel spoke on a number of points including:-

- Administer one set of rules for vehicles over 4.5 tonnes.
- Improve safety and productivity.
- Provide efficient road transport of goods and passengers by heavy vehicles.
- Route Assessment.
- Appropriate vehicle type for roads / bridges, etc.

NVHR:-
- Will issue permits.
- Accreditation to heavy vehicles.
- Consistency.
- Fatigue management.
- Vehicle inspection standards.
- Vehicle work diaries.
- Single contact point for all permits – 'one stop shop'.
- Road managers – local government, RMS, Police.
- Issue permits / notices / reject letters.

LOCAL GOVERNMENT ROAD MANAGERS:-
- Consent from all parties before permit is issued.
- Accountability of road managers.
- Time limits will apply (eg. 28 days).
- Conditions imposed by NHVR on behalf of Road Managers.
- Road Authorities can / may over-ride Road Managers.

- Access decisions and restricted access vehicles, eg. B Doubles, Cranes, Agricultural Vehicles.
- Conditions on roads, travel route, vehicle type.
- Notice applies to categories.
- Permit applies to specific vehicle type.

ROUTE ASSESSMENT TOOL (RAT)
The Presenter spoke on a number of points including:-

- Enter data of route.
- Assess the ability of the road infrastructure to facilitate the safe and efficient operation of performance based standards (PBS) for heavy vehicles.
- Assist local government in classification of heavy vehicle routes according to PBS guidelines.

A computer based demonstration of Route Assessment Tool functionality was also provided.

ROADS AT THE HEART OF THE COMMUNITY
National Local Roads and Transport Policy Agenda

1. Finance and technical capacity
2. Better integrated transport
3. }Mobility for all Australians – Road / Rail / Air
4. }
5. Road safety
6. Freight

Australia has an integrated and safe transport system that enhances the social, environmental and economic well being of local communities.

Feedback from Audience / Delegates

- Funding issues.
- Government grants.
- Local government finances.

Followed by a brief Session on the ***Congress Communiqué***.

Congress Conclusion and Closure.

RECOMMENDATION
That Council note the Report from Mayor, Cr Michael Pearce, in relation to proceedings of the National Local Roads and Transport Conference held 12-14 November 2013 in Alice Springs.

MAYORAL REPORT
(continued)

ATTACHMENTS TO THE MAYORAL REPORT

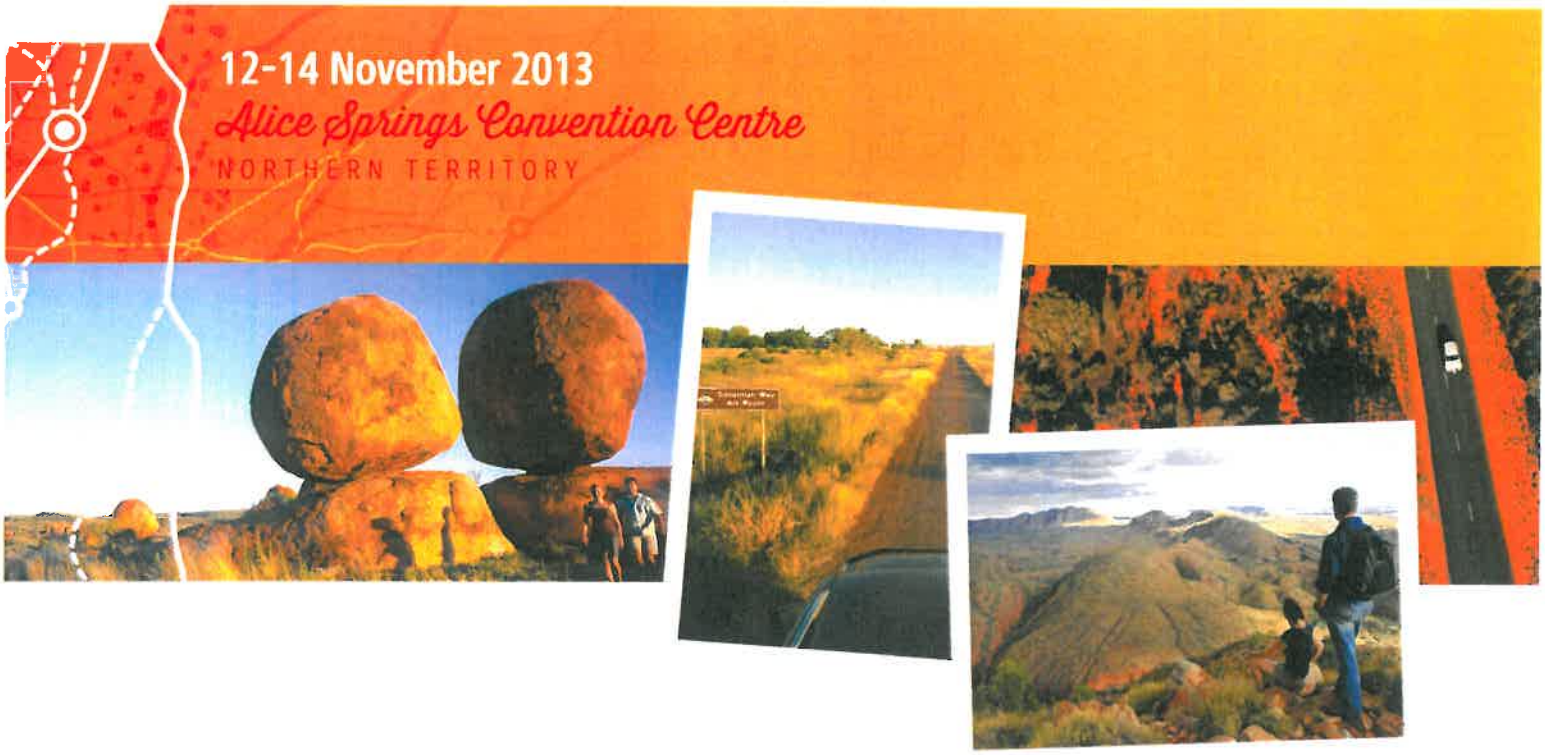
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Cr Michael Pearce
Mayor, Uralla Shire Council

Attachment : A
00034



2013 / NATIONAL LOCAL ROADS AND TRANSPORT CONGRESS

SUSTAINING OUR ROADS

Good Business / Good Governance / Good Bottom Line

SPONSORS

McArthur Best People Fit

Australian Government
Department of Infrastructure and Regional Development

GHD

Austroads

UD TRUCKS

AUS SPEC

NHVR National Heavy Vehicle Regulator

Australian Rural Road Group

2013 / NATIONAL LOCAL ROADS AND TRANSPORT CONGRESS

SUSTAINING OUR ROADS

Good Business / Good Governance / Good Bottom Line

00035

PROGRAM

Tuesday 12 November

5.00-7.00pm WELCOME DRINKS
Venue: Transport Hall of Fame

Wednesday 13 November

9.00am OPENING CEREMONY

9.05am ALGA President's Welcome

9.30am Australian Government, Minister for Infrastructure and Regional Development, ***The Hon Warren Truss MP*** (video)

9.45am Opposition Spokesperson for Infrastructure, ***The Hon Anthony Albanese MP*** (video)

10.00am National Heavy Vehicle Regulator (NHVR), ***Richard Hancock***

10.30am MORNING TEA

11.00am State of the Asset Report Launch, ***Jeff Roorda***

11.30am International Speaker, ***Casey G. Vander Ploeg***

12.00noon The Local Government Challenge: A Council's Experience - The Last Mile

12.30pm LUNCH

1.30am Freight: Critical Challenges for Road Infrastructure, ***Andrew Hyles***, Federal Department of Infrastructure and Regional Development

2.00pm Heavy Vehicle Charging and Investment Reform (HVCI), ***Meena Naidu***

2.30pm Australian Airports Association, ***Katie Cooper***

3.00pm AFTERNOON TEA

3.30pm Panel Session: The Last Mile

- ***Meena Naidu***
- ***Damien Ryan***
- ***Casey G. Vander Ploeg***
- ***Tim Knowles***
- ***Sue Price***

5.00pm Close

7.00pm DINNER
Venue: The Outback Quarry

Thursday 14 November

9.00am Local Government Challenge: A Councils Experience - Local Government Infrastructure

9.30am Panel Session: Innovative Infrastructure Funding

10.30am MORNING TEA

11.00am Concurrent Sessions

1. National Heavy Vehicle Regulator Workshop
2. Regional Airport Workshop

12.30pm LUNCH

1.30pm Roads at the Heart of the Community

2.30pm Communiqué

2.50-3.00pm PRESIDENT'S CLOSE

Thursday 14 November

3.30-5.00pm ***Post Congress Tour*** - Desert Knowledge Australia

THIS PROGRAM IS PROUDLY SUPPORTED BY AUS SPEC

00036

GENERAL MANAGER'S REPORT

TO

COUNCIL

16 December 2013

1. Governance and Administration

GENERAL MANAGER'S REPORT

Governance and Administration

Page No.

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GENERAL MANAGER'S REPORT TO COUNCIL

Mayor and Councillors
Uralla Shire Council

SECTION:	**Governance and Administration**
ITEM NUMBER:	**Item 1**
SUBJECT:	**New England Tablelands (Noxious Plants) County Council Annual Report**
File Reference:	U12/162
Reason:	The Annual Report, including the Annual Audited Financial Statements, of the New England Tablelands (Noxious Plants) County Council was presented at the County Council meeting of Wednesday 30 October 2013
Objective:	To inform Councillors of the Activities of the New England Tablelands (Noxious Plants) County Council for the year ended 30 June 2013 as disclosed in the Annual Report.
Budget Implication:	The Uralla Shire Council contributed $67,961 towards the operations of the New England Tablelands (Noxious Plants) County Council for the year 2012/2013 and has made a payment of $70,271.68 for the 2013/2014 year.
Operational Plan:	Part 3 Principal Activities 1.1 – Governance and .3.2 Noxious Plants Control

INFORMATION

New England Tablelands (Noxious Plants) County Council Meeting

The meeting of above County Council held on Wednesday 30 October 2013 received the Annual Report for the financial year ending 30 June 2013 (Resolution 40/13). A copy of the Annual Report is attached.

The Principal Items from the meeting were:

- Chairman's Report on the 17th Biennial Weeds Conference held in Corowa from 10 to 12 September 2013, Noxious Weeds Advisory Committee meeting, Inaugural Local Government NSW Conference in October and the recent announcement by the Minister fro Primary Industries, Hon Katrina Hodgkinson, into the Review of Weed Management in New South Wales.
- Election of Chairperson (Cr M Woods) and Deputy Chairperson (Cr M Dusting).
- Appointment of Committees and Delegates.
- Meeting Dates for 2014.
- Paymant of Expenses and Provision of Facilities for Chairperson and Staff.
- Internal Reporting Policy – Public Interest Disclosure Act 1994.
- 17th Biennial Weeds Conference Report.
- Annual Report 2012/2013
- Council Contribution to New England Weeds Authority – Uralla Shire Council.
- Invested Funds Report and September 2013 Budget Review.
- General Manager's Performance Review.
- Review of Weeds Management in NSW.

The Review of Weeds Management in NSW being conducted by the Natural Resources Commission is one of concern for the Weed Authority and Councils. The General Manager of New England Tablelands (Noxious Plants) County Council, Mr Wayne Deer, is to prepare a report and submission for the Weed County Council's endorsement following the consideration of the Issues Paper into Review.

The New England Tablelands (Noxious Plants) County Council resolution in respect to the Uralla Shire Council's request for the County Council to re-consider its previous decision to continue to require a single annual contribution of Council Contributions by the end of August; indicated that the members did not understand that the request was for all Councils not just Uralla. However it would appear that there will be no change in the method of payment and further requests would not be useful.

New England Tablelands (Noxious Plants) County Council Annual Report

The Annual Report provides useful information in respect to the activities of the New England Weed Authority, the trading arm of New England Tablelands (Noxious Plants) County Council.

Summaries of measurable outcomes achieved during 2012/2013 are reported on pages 22 to 28.

The Annual Financial Statements for the year ending 30 June 2013 were part of the Annual Report Section 4 of the Annual Report and the Cover, page 1 and pages 3 to 10 of the Financial Statements and the Auditors Report on those statements are also attached.

Uralla Shire Council weed control costs through the New England Tablelands (Noxious Plants) County Council

The Uralla Shire Council subscribes to the New England Tablelands (Noxious Plants) County Council for the control of weeds within the Shire. The cost for the control of weeds in the Shire was $67,961.00 for the 2012/2013 year. The cost for the 2013/2014 year at $70,271.68 (3.4% more than 2012/2013) is the less than the cost of one full time employee plus a vehicle to carry out all of the duties of weed education and control.

The Uralla Shire Council's involvement in New England Tablelands (Noxious Plants) County Council is thus providing the Uralla Community with an efficient service at a minimal cost.

Prepared by: General Manager

RECOMMENDATION

That Council

(1) note the minutes of the New England Tablelands (Noxious Plants) County Council meeting of Wednesday 30 October 2013.

(2) note activities and outcomes for 2012/2013 as outlined in the New England Tablelands (Noxious Plants) County Council Annual Report.

(3) acknowledge the continuing benefits arising from Council's involvement in New England Tablelands (Noxious Plants) County Council thus providing the Uralla Community with an efficient service at a minimal cost.

ATTACHMENTS TO THE ITEM 1 REPORT

INDEX OF INCLUDED ATTACHMENTS

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C:	Annual Financial Statements of New England Tablelands (Noxious Plants) County Council pages 1, 2 and 3 to 10 for the year ending 30 June 2013	10
D:	Auditors Reports for the Annual Financial Statements of New England Tablelands (Noxious Plants) County Council year ended 30 June 2013	6

Attachment: A

MINUTES OF THE ORDINARY MEETING OF THE NEW ENGLAND TABLELANDS (NOXIOUS PLANTS) COUNTY COUNCIL HELD IN THE ARMIDALE OFFICE, 129 RUSDEN STREET, ARMIDALE ON WEDNESDAY, 30TH OCTOBER 2013 COMMENCING AT 8:40AM

00041

PRESENT: Councillor M. Woods-Chairperson, Councillor H. Beyersdorf, Councillor D. Heagney and Councillor A. Murat.

Invasive Species Officer, NSW DPI, Mr Phil Blackmore joined the meeting at 8.50am.

IN ATTENDANCE: General Manager Mr W. Deer and Senior Weeds Officer Mr J Browning.

LEAVE OF ABSENCE

The General Manager tabled a letter from Councillor M. Dusting requesting leave of absence from Council for the period from 9th October 2013 to 5th November 2013.

32/13 RESOLVED on the motion of Councillors Beyersdorf and Heagney that Councillor M. Dusting be granted a Leave of Absence for the period 9th October 2013 to 5th November 2013.

APOLOGIES

Nil

DECLARATIONS OF INTEREST

There were no declarations of interest.

CONFIRMATION OF MINUTES OF THE ORDINARY MEETING HELD ON WEDNESDAY 28 AUGUST 2013

33/13 RESOLVED on the motion of Councillors Heagney and Murat that the Minutes of the Ordinary Meeting of the New England Tablelands (Noxious Plants) County Council held on 28th August 2013, copies of which have been distributed to all members, are taken as read and confirmed a true record.

BUSINESS ARISING FROM THE MINUTES OF THE ORDINARY MEETING HELD ON WEDNESDAY 28 AUGUST 2013

There were no matters arising.

CHAIRMAN'S REPORT

The Chair advised the following:

- The successful 17th Biennial NSW Weeds Conference held at Corowa from 10th to 12th September 2013 that Council staff as well as Councillor Dusting and herself attended. It was an excellent conference that provided the opportunity for staff to network with members of other organisations. The conference also provided the venue for other meetings to take place with the Natural Resources Commission Weed Management Review Panel, North Coast Weeds Advisory Committee on the Innovative weed mapping project and a meeting of key staff from other Weed County Councils.

A letter of appreciation will be forwarded to the Mayor of Corowa Shire Council and the Conference Organising Committee congratulating them on a successful conference.

- Of the recent meeting of the Noxious Weeds Advisory Committee that included presentations made by the General Manager, Wayne Deer, District Weeds Officer, Josh Biddle and the NIWAC Regional Coordinator, Heather Apps. All presentations were well received.

- Of the inaugural Local Government NSW Conference held in Sydney in October and of the formation of the new Board. The Board will be looking at new business activities in the future. The Chair advised of her election to the Local Government NSW Board. Councillor Beyersdorf extended his congratulations to Councillor Woods on being elected to this position.

- Of the recent announcement by the Minister for Primary Industries, the Hon. Katrina Hodgkinson into the Review of Weed Management in NSW. A Steering Committee headed by the Commissioner for Natural Resources, Dr John Keniry AM will oversight the review process. The Chair referenced the late report on this matter to be considered by Council.

The Chair thanked Councillors for their support during the last term as the Chair of New England Weeds Authority.

1. ELECTION OF CHAIRPERSON (ITEM 7.1)

34/13 RESOLVED on the motion of Councillors Murat and Beyersdorf that in the event that there is more than one Councillor nominated for each of the positions of Chairman or Deputy Chairman, then the method of election to determine the position(s) be by Ordinary Ballot **AND FURTHER THAT** the Returning Officer destroy all documentation following such elections.

The General Manager, Mr W. Deer acting as Returning Officer then called for nominations for the position of Chairperson. On receiving only one nomination that of Councillor M. Woods, the Returning Officer, declared Councillor Woods elected Chairperson for the ensuing twelve month period unopposed.

The Returning Officer then called for nominations for the position of Deputy Chairperson. On receiving only one nomination that of Councillor M. Dusting, the Returning Officer declared Councillor Dusting elected Deputy Chairperson for the ensuing twelve month period unopposed.

2. COMMITTEES AND DELEGATES (ITEM 7.2)

35/13 RESOLVED on the motion of Councillors Heagney and Murat that the Chairperson of the New England Tablelands (Noxious Plants) County Council, Councillor M. Woods be Council's delegate for:

- Local Government NSW
- New England Local Government Group.
- Northern Inland Weeds Advisory Committee.

3. MEETING TIMES (ITEM 7.3.1)

36/13 RESOLVED on the motion of Councillors Murat and Heagney that Council adopt the following meeting dates for 2014.

5 February 2014	**2nd Quarterly Review.** **Councillors Tour.**
23 April 2014	**3rd Quarterly Budget Review.** **Draft Annual Operational Plan 2014/15 and updating of 4 Year Delivery Program and Budget.**
25 June 2014	**Adopt Annual Operational Plan and Budget 2014/15 and update 4 Year Delivery Program and 10 year Financial Plan**
27 August 2014	**4th Quarterly Budget Review.** **Refer Accounts to Audit.** **Pecuniary Interests Returns**
22 October 2014	**Present Audited Financial Statements and Annual Operational Plan Report**

4. PAYMENT OF EXPENSES AND THE PROVISION OF FACILITIES FOR CHAIRPERSON, COUNCILLORS AND STAFF (ITEM 7.3.2)

37/13 RESOLVED on the motion of Councillor Heagney and Murat that Council, in accordance with Section 252 of the Local Government Act 1993, reaffirm the Policy for Payment of Expenses and the Provision of Facilities for Chairpersons, Councillors and Staff as attached to the report.

5. INTERNAL REPORTING POLICY-PUBLIC INTEREST DISCLOSURES ACT 1994 (ITEM 7.3.3)

38/13 RESOLVED on the motion of Councillors Murat and Heagney that Council adopt Internal Reporting Policy No: 02/13, as attached to the Report, which reflects the changes to the NSW Ombudsman's guidelines.

6. 17TH BIENNIAL WEEDS CONFERENCE-COROWA NSW (ITEM 7.3.4)

39/13 RESOLVED on the motion of Councillor Beyersdorf and Heagney that the report on the 17th Biennial Weeds Conference 2013 be received and noted.
It was noted that Councillor Dusting had provided a report on the Conference which was circulated separately to Councillors.

7. ANNUAL REPORT 2012-13 (ITEM 7.3.5)

40/13 RESOLVED on the motion of Councillors Beyersdorf and Heagney that:

(1) That the Annual Report for the financial year ending 30 June 2013 be received and adopted.

(2) That a copy of the Council's Annual Report 2012-13 be forwarded to constituent member Councils.

8. FINANCIAL REPORTS 2012/2013 (ITEM 7.4.1)

41/13 RESOLVED on the motion of Councillors Murat and Heagney that the Financial Report for the financial year ending 30th June 2013 be received and adopted.

9. COUNCIL CONTRIBUTION TO NEW ENGLAND WEEDS AUTHORITY-URALLA SHIRE COUNCIL (ITEM 7.4.2)

42/13 RESOLVED on the motion of Councillors Heagney and Murat that Uralla Shire Council be advised that Council adheres to its previous decision not to agree to the request to change the method of payment of their contribution from a single payment to quarterly instalments.

10. INVESTED FUNDS REPORT (ITEM 7.4.3)

43/13 RESOLVED on the motion of Councillors Heagney and Murat that:

1. The report indicating Council's Fund Management position be received and noted.

2. The Certificate of the Responsible Accounting Officer be noted and the report adopted.

11. SEPTEMBER 2011 QUARTERLY BUDGET REVIEW (ITEM 7.4.4)

44/13RESOLVED on the motion of Councillors Beyersdorf and Murat that Council adopt the September 2013 Quarterly Budget review and approve the budget variations.

12. 2013/2014 WEEDS ACTION PLAN (7.5.1)

45/13 RESOLVED on the motion of Councillors Murat and Beyersdorf that Council adopt the quarterly report on the 2013/2014 Weeds Action Plan.

MATTERS OF URGENCY

12. GENERAL MANAGER'S ANNUAL PERFORMANCE REVIEW

The Chairman, Councillor M Woods advised of the General Manager's Annual Performance Review, which was conducted with all Councillors present except Councillor Dusting, prior to the commencement of the Council meeting.

Further information was provided on the endorsement of the General Manager's Performance Agreement for 2013/14 based on the Annual Operational Plan of Council and in accordance with the General Manager's Contract of Employment.

46/13 RESOLVED on the motion of Councillors Beyersdorf and Heagney that Council:

1. Note the above satisfactory performance of the General Manager, Mr W. Deer following the performance review undertaken on the 30th October 2013.

2. Endorse the Performance Agreement 2013/14 as presented at the General Manager's performance review.

LATE REPORT-REVIEW OF WEEDS MANAGEMENT IN NSW

47/13 RESOLVED on the motion of Councillors Beyersdorf and Murat that Council:

1. Receive and note the report into the current Review of Weed Management in NSW being conducted by the Natural Resources Commission.

2. That the General Manager prepare a report and submission for Council's endorsement following consideration of the Issues Paper into the Review of Weed Management in NSW.

EXECUTIVE CERTIFICATE FOR ELECTED MEMBERS

The Chair advised that Local Government NSW has joined with the University of Technology (Centre for Local Government) and TAFE NSW to provide an accredited training program for Councillors, called the Executive Certificate for Elected Members. The cost of the program is $3,500 per participant.

The Chair expressed interest in attending the course noting the benefits including raising the level of professionalism of elected members.

48/13 RESOLVED on the motion of Councillors Beyersdorf and Murat that approval be given to Councillor M. Woods to attend the Executive Certificate for Elected Members at a cost of $3,500, to be funded from the Members Expenses and Training votes in the Budget.

NEXT MEETING:

The next meeting will be held on Wednesday, 5 February 2014 at 8:30 am.

THERE BEING NO FURTHER BUSINESS THE CHAIR DECLARED THE MEETING CLOSED AT 9:21 AM

ATTACHMENT: B

New England Tablelands County Council
Trading as

New England Weeds Authority

Annual Report 2012-2013











Our Environment

Our Community

Our Council

Our Responsibility

NEW ENGLAND WEEDS AUTHORITY

ARMIDALE DUMARESQ COUNCIL Building the Future

GUYRA SHIRE COUNCIL

URALLA SHIRE COUNCIL

WALCHA COUNCIL

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	ABBREVIATIONS
BASP	Business Activity Strategic Plan
CAP	Catchment Action Plan
CLR	Councillor
DPI	Department of Primary Industries
DWO	District Weeds Officer
EEO	Equal Employment Opportunity
GIPA	Government Information (Public Access Act) 2009
GM	General Manager
NEWA	New England Weeds Authority
NIWAC	Northern Inland Weeds Advisory Committee
PO	Project Officer
SOE	State of the Environment
SWO	Senior Weeds Officer
UNE	University of New England
WO	Weed Officer
WoNS	Weeds of National Significance

2. CHAIRMAN'S MESSAGE



I am very honoured to have represented the New England Tablelands (Noxious Plants) County Council as Chairman during 2012–2013 and I am delighted to present Council's 2012-2013 Annual Report.

This year has been both challenging and rewarding for our Council. As one of the Group 3 Councils it has been our first year implementing the new Integrated Planning and Reporting Framework with the preparation of the 10 year Business Activity Strategic Plan 2012 – 2022 that included our Four Year Delivery Program (2012 – 2016), Annual Operational Plan (2012 - 2013) and Resourcing Strategy.

Our success is measured on how well we achieve the objectives and operational tasks set out in the Business Activity Strategic Plan, Delivery Program and Annual Operational Plan. Our Plan was developed being mindful of the processes our member Councils of Armidale Dumaresq, Guyra, Uralla and Walcha undertook in developing their Community Strategic Plans and of the significance of community consultation.

In our first year of implementing our Delivery Program and Annual Operational Plan I am pleased to report that our Council has preformed very well, being proactive in approaching and meeting the objectives of the programs for weed management and control in the New England region.

This of course has not been without challenges and I would like to thank Council's General Manager and our staff for their support of Council, and for their dedication and commitment to their work in delivering weed management and control services to Council's area.

During the reporting year it became apparent that there are many challenges currently occurring for local government including Weed County Councils such as ours. These proposed radical shifts are as a result of the Independent Local Government Review Panel's investigation into a program of review and reform of Local Government in NSW.

Coupled with this was the announcement by the Minister for Primary Industries, the Hon. Katrina Hodgkinson M.P of the formation of the new Local Land Services.

The finalisation of both these processes could see a significant impact on the future of our County Council. Our Council has taken the strong view that we play a vital role in weed management and control throughout the State and should remain under the responsibility of local government.

Council will closely scrutinize the outcomes of these reviews and will look to strongly advocate for the best services for our community in regard to weed management and control in the New England region.

Finally, I extend my sincere thanks to my fellow Councillors for their support and their work both within this and their constituent Councils and in the community.

I am proud to introduce the New England Tablelands (Noxious Plants) County Council Annual Report for 2012 – 2013.

Clr Maria Woods
Chairperson

3. GENERAL MANAGER'S MESSAGE



I am pleased to present the 2012-2013 Annual Report on behalf of the New England Tablelands (Noxious Plants) County Council trading as New England Weeds Authority (NEWA).

During the reporting period Council has adopted its first 10 Year Business Activity Strategic Plan 2012 – 2022, under the Integrated Planning and Reporting Framework, which highlights Council's commitment to carrying out effective and efficient weed management and control on behalf of our constituent member Councils of Armidale Dumaresq, Guyra, Walcha and Uralla, covering an area of some 18,255 km².

The Plan identifies Council's and the communities' main priorities and aspirations for the future, by taking action to address weeds on behalf of our member Councils to improve agricultural sustainability, primary industry productivity and to deliver broad environmental outcomes for the New England region.

Concentrated efforts have continued in relation to the many noxious weeds found in our area with a focus on Tropical Soda Apple and Serrated Tussock, both of which pose a significant threat to the agricultural viability of the region. An extensive control program has been supplemented by planned extension and education programs which have been well received by landholders and the wider community.

Our roadside control program remained extremely effective again over the past twelve months due in the main to the dedication of staff, which is one of the reasons why NEWA is so highly regarded throughout the region.

NEWA works closely with other like Authorities including the three Catchment Management Authorities (CMA's), three Livestock Health & Pest Authorities as well as the National Parks and Wildlife Service, covering our region. NEWA through its close working relationships with the CMA's and with a reputation for good management, as well as getting the job done, has been able to secure further funds from the Border Rivers-Gwydir and Namoi CMA's.

The Authority continues to act as Lead agency on behalf of the ten member Councils of the Northern Inland Weeds Advisory Committee (NIWAC)for the implementation of the State Government's (through the NSW Dept of Primary Industries) NSW Weeds Action Program. The second year objectives, activities and funding allocations have been achieved in accordance with the measurable outcomes under the regional Weeds Action Program and the NIWAC Weeds Action Business Plan 2010-2015.

The Authority continues to seek improvement in its administration and operational areas with a concerted effort in the past twelve months in regard to reviewing, updating and preparing new policies and procedures. In addition the organization has embarked on a risk management process that will lead to further enhancing the co-ordination of activities towards an enterprise wide approach to risk management.

The Authority's staff structure has remained stable over the reporting period with Weeds officers operating in each of the constituent Council areas. My appreciation is extended to Council's officers for their continued hard work, dedication, professional and courteous approach to their many duties.

The Authority continues to be recognized as a leader in the management and control of noxious and invasive weeds not only in the region in which it operates but throughout the State, and all looks well for the future viability of the organization. However, as indicated in the Chairman's message, there are many concerns within local councils for the future of weed management and control as a result of the recommendations of the Local Government Review and Local Land Services Reference Panel on the formation of the new Local Land Services to become operational from 1 January 2014.

It is considered that no matter what the outcomes of these reviews may be, our Council is in a stable and sound financial situation to meet the challenges of the future and to continue to provide the best possible service to our member Councils and the wider community in regard to weed management and control.

In conclusion, I would like to express my gratitude to Councillors for their leadership and the staff for their professionalism, valued efforts and commitment that have made the 2012-2013 achievements possible.

Wayne Deer
General Manager



Typical New England grazing property.

4. INTRODUCTION – ANNUAL REPORTING ON PROGRESS

Annual reporting to the community is an important part of transparent and accountable local government. Council is required under the legislation to prepare an Annual Report as one of the key points of accountability between Council, its member Councils and the community.

The Annual Report focuses on Council's implementation of the Delivery Program and Operational Plan. The report also includes information that is prescribed by the Local Government (General) Regulation 2005, including provisions relating to the content of Council's annual statement of revenue policy.

The Business Activity Strategic Plan must be reviewed every four years. From 2012, each newly elected Council must complete the review by 30 June in the year following the local government elections and roll the planning period forward by at least 4 years so that it is always a 10 year minimum plan.

A report on the progress on implementation of the Business Activity Strategic Plan must be presented at the final meeting of an outgoing Council, on the implementation and effectiveness of the Plan in achieving its environmental, economic, social and civic leadership/governance objectives over the past four years.

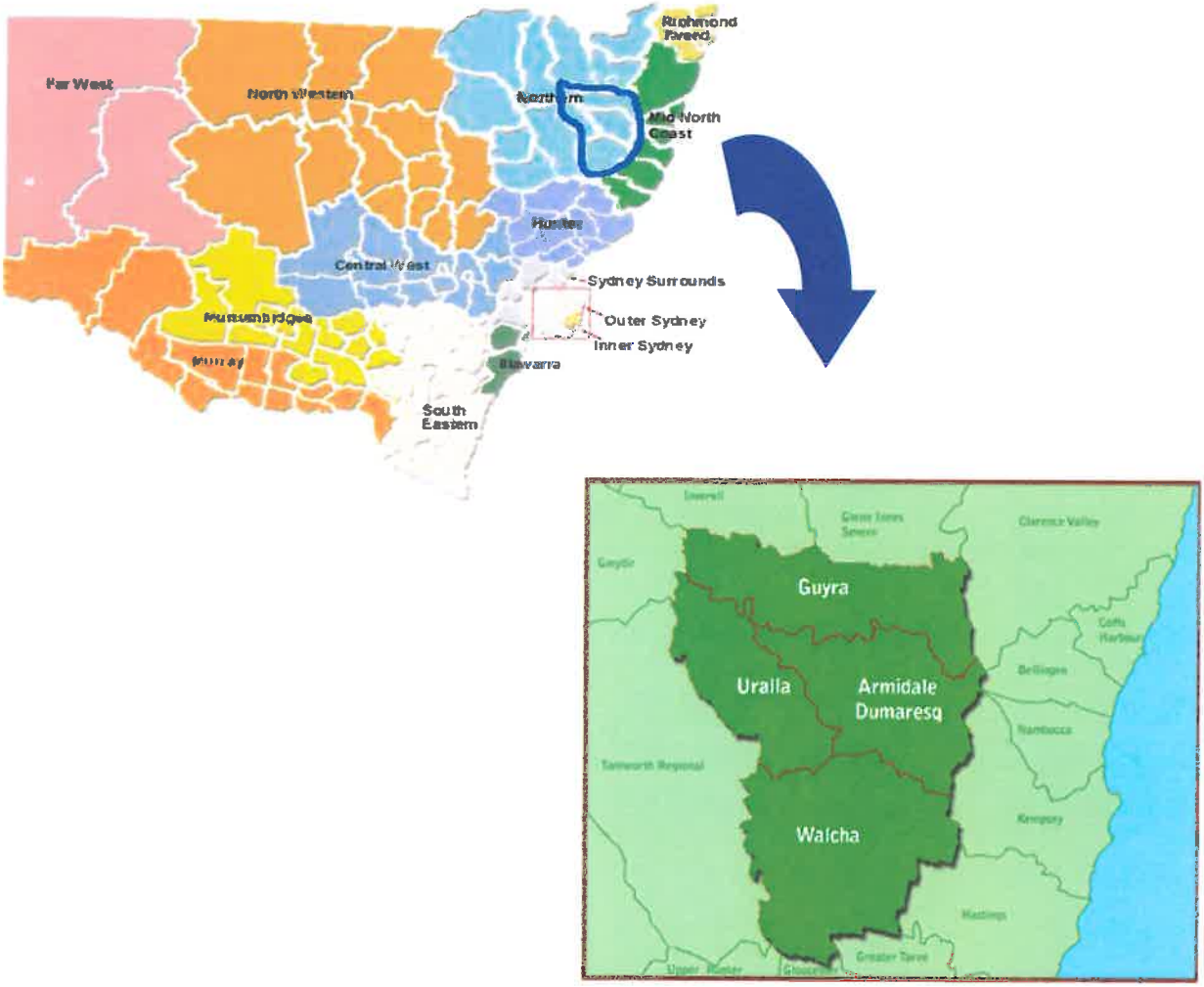


Walcha township

5. NEW ENGLAND WEEDS AUTHORITY REGION – PROFILE

The New England Tablelands (Noxious Plants) County Council (trading as the New England Tablelands (Noxious Plants) County Council) area comprises the constituent member local government areas of Armidale Dumaresq, Guyra Shire, Uralla Shire and Walcha Council which forms part of the Great Dividing Range and New England Plateau.

The following Map 1 indicates the County Council's member councils and adjoining council areas.



Map 1: NSW Local Government regions and Member Councils of the New England Tablelands (Noxious Plants) County Council

a. Area

The New England Tablelands (Noxious Weeds) County Council area covers some 18,255 km² (Armidale Dumaresq 4,235km², Uralla 3,215 km², Walcha 6,410 km² and Guyra 4,395 km²) stretching from Ben Lomond in Guyra Shire in the north to Nowendoc in the Walcha Council in the south, west to Bundara in Uralla Shire and east to Ebor in the Armidale Dumaresq Council area.

b. Climate

Climatic conditions in the region range from sub humid temperate to cool temperate climates with snow falling on some occasions. Elevation ranges from just below 1,000m to just over 1,300m above sea level, with pleasant warm summers, extended spring and autumn seasons and a long cold winter period.

Rainfall in the region ranges from 700mm to 1,200mm annually with approximately 60% falling in the summer and 40% falling in the winter.

c. Population breakdown

The total population for the County Council's area is 39,195[1] which is broken down into member Council areas of Armidale Dumaresq 25,270, Guyra 4,543, Uralla 6,260 and Walcha 3,122.

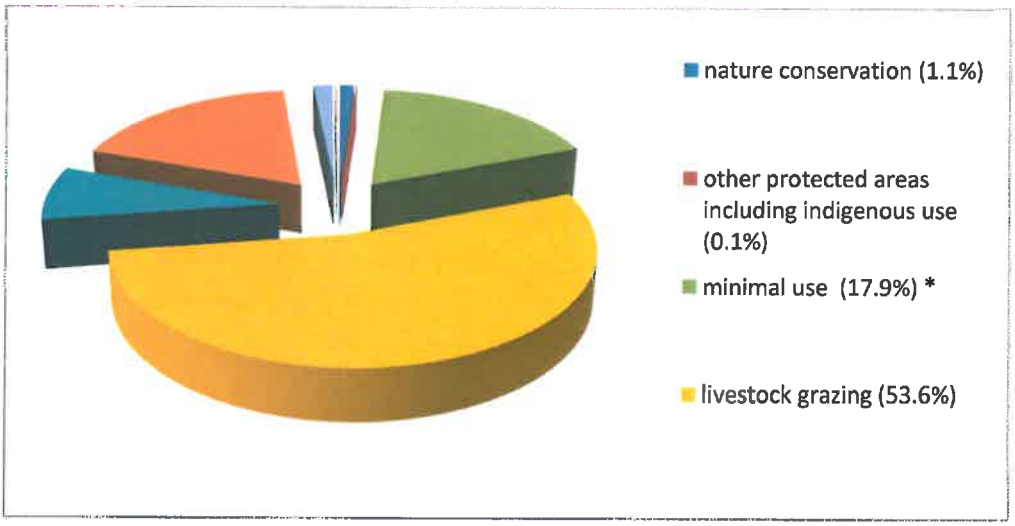


Armidale city

[1] 2011 Census

d. Landuse patterns

The following chart summarises the landuse patterns according to the Australian Natural Resources Atlas for the County Council region. The majority is devoted to livestock grazing (53.6%) and dryland agriculture (18%), reinforcing the significance of the regions economy being based on agricultural pursuits and highlighting the importance to the area of weed management and control. Only a small portion of this land area (0.1%) is devoted to urban and residential use.



**Minimal use: encompasses reserved crown land (stock routes, defence reserves and mine reserves) and vacant and institutional crown land. Also includes private land with open or closed native forest with unknown use (most likely remnant native cover).*

Chart 1: Land use patterns in the New England Weeds Authority area.



Guyra township

6. COUNCIL'S VISION, MISSION AND VALUES

a. Council's Vision

To protect the natural environment, agricultural activities, the economy and community from the impacts of noxious and invasive weeds within the New England and Northern Tablelands region of NSW.

b. Council's Mission

To be recognised as a leader in the weed management and control industry by our member Councils and the community.

c. Council's Corporate Values

Our Business & Partnerships – managing all aspects of our business in a transparent and sustainable manner while providing best value for money to our member Councils, the community and partners.

Our Community – providing a weed management and control service in a way that is accountable to the community/stakeholders and supports our constituent Councils' regional community plans in natural resource management.

Our Employees – developing staff committed to quality, professional team work and safety, while striving for continuous improvement and accepting personal responsibility.

Our Customers – meeting the needs and expectations of our customers.

Our Relationships – being open, supportive and constructive in all our relationships.

Our Environment – conserving resources, protecting and enhancing our agricultural and natural environment.



A regional rapid response to a Tropical Soda outbreak in the Macleay, 2011

7. COUNCIL'S RESPONSIBILITIES

As an organisation the County Council is constituted under the Local Government Act 1993 and is specified as a local control authority under the *Noxious Weeds Act 1993*. It is a single purpose authority formed to administer and control declared noxious and invasive weeds, and has been operating since 1947. The County Council is fundamentally responsible for weed control of gazetted or declared noxious weeds including:

- Ensuring landholders/occupiers of private land fulfil their obligations under the *Noxious Weeds Act 1993*.
- inspection of land within their area in connection with noxious and invasive weeds;
- enforcing the control of noxious weeds as per the control class;
- weed management on land occupied by the council and on roads in their area;
- publicity about weeds declared in the area;
- proposing changes to noxious weed declarations;
- developing, implementing and co-ordinating local strategies and policies;
- providing on-going approved training and professional development for weed staff and
- providing adequate resources to implement noxious and invasive weed programs.



Uralla township

In addition, the County Council is the lead agency on behalf of the Northern Inland Weeds Advisory Committee (NIWAC) for the implementation of the NSW Weeds Action Program funded by the NSW Department of Primary Industries (NSW DPI). This region covers the 10 member local government areas of the NIWAC region (Glen Innes Severn, Gunnedah, Gwydir, Inverell, Liverpool Plains, Moree Plains, Narrabri, NEWA [Armidale Dumaresq, Guyra Shire, Uralla Shire and Walcha Council], Tamworth Regional, and Tenterfield), comprising some 100,000 km² of the New England and North West region of NSW, as detailed in the NIWAC Weed Action Business Plan 2010 -2015, these duties have been extended within the region to build a capacity to:

- identify and manage high risk weed species and entry pathways;
- develop and implement early weed detection capabilities;
- assist in the timely detection of new weed incursions;
- affect a quick response to eradicate or contain new weeds;
- identify and prioritise weed management programs to where benefits are greatest;
- provide effective and targeted on-ground weed control;
- increase community acceptance of, and involvement in effective weed management;
- integrate weed management into education programs;
- improve the knowledge base for weed management Officers by providing current educational material and opportunities and by setting a public example;
- monitor progress of the NSW Invasive Species Plan's implementation and
- encourage the use of cost-sharing arrangements.

Central to meeting the abovementioned duties and responsibilities is the implementation of a consistent, co-ordinated and co-operative approach to regional weed inspection and control programs.



Northern New England Grazing Property

8. MEMBERS OF COUNCIL 2012-2013

The New England community is represented by five Councillors from the constituent Councils of Armidale Dumaresq (2 members), Guyra Shire (1 member), Uralla Shire (1 member) and Walcha Council (1 member), under the leadership of an annually elected Chairperson.

The Councillors have provided strong leadership in the development of the County Council's Business Activity Strategic Plan 2012 - 2022 as part of their commitment towards achieving the strategic objectives contained within the Plan.

ARMIDALE DUMARESQ COUNCIL:	Councillor Herman Beyersdorf Councillor Bruce Whan to Sep 2012 Councillor Andrew Murat from Sept 2012
GUYRA SHIRE COUNCIL:	Councillor Dean Heagney
URALLA SHIRE COUNCIL:	Councillor Mark Dusting
WALCHA COUNCIL:	Councillor Maria Woods

Authority Chair: Councillor Maria Woods **Deputy Chair**: Councillor Mark Dusting



Councillors of the New England Tablelands (Noxious Plants) County Council 2012-2013 From left: Clr Dean Heagney, Clr Andrew Murat, Clr Herman Beyersdorf, Clr Mark Dusting, Clr Maria Woods (seated).

a. Facilities provided to Councillors

The following fees and expenses with regard to the Chairperson and Councillors were paid during 2012-2013:

Fees and Expenses	Amount
Chairpersons Allowance	**$5,253.00**
Councillor Fees	**$11,675.70**
Miscellaneous expenses (conferences, accommodation & catering)	**$3,772.96**
Interstate and Overseas Travel	**0**
Total	**$20,701.66**

All costs associated with attendance at conferences and seminars are in accordance with Council's adopted Payment of Expenses Policy.

No vehicle, equipment or communication expenses were incurred by the Chairperson or Councillors during the reporting period.

b. Councillor attendance at Council Meetings 2012-2013

Councillor	Ordinary Meetings (5 held)
Clr Maria Woods	**5/5**
Clr Mark Dusting	**5/5**
Clr Herman Beyersdorf	**5/5**
Clr Dean Heagney	**5/5**
Cr Bruce Whan	**1/1**
Clr Andrew Murat	**4/4**

9. OUR ORGANISATION

New England Tablelands (Noxious Plants) County Council trades as the New England Weeds Authority (NEWA). The General Manager, whose position is part-time, is the most senior employee of Council. The General Manager is selected and appointed by Councillors on a renewable fixed-term performance based contract for a maximum of three years.

The following chart shows the organisational structure.

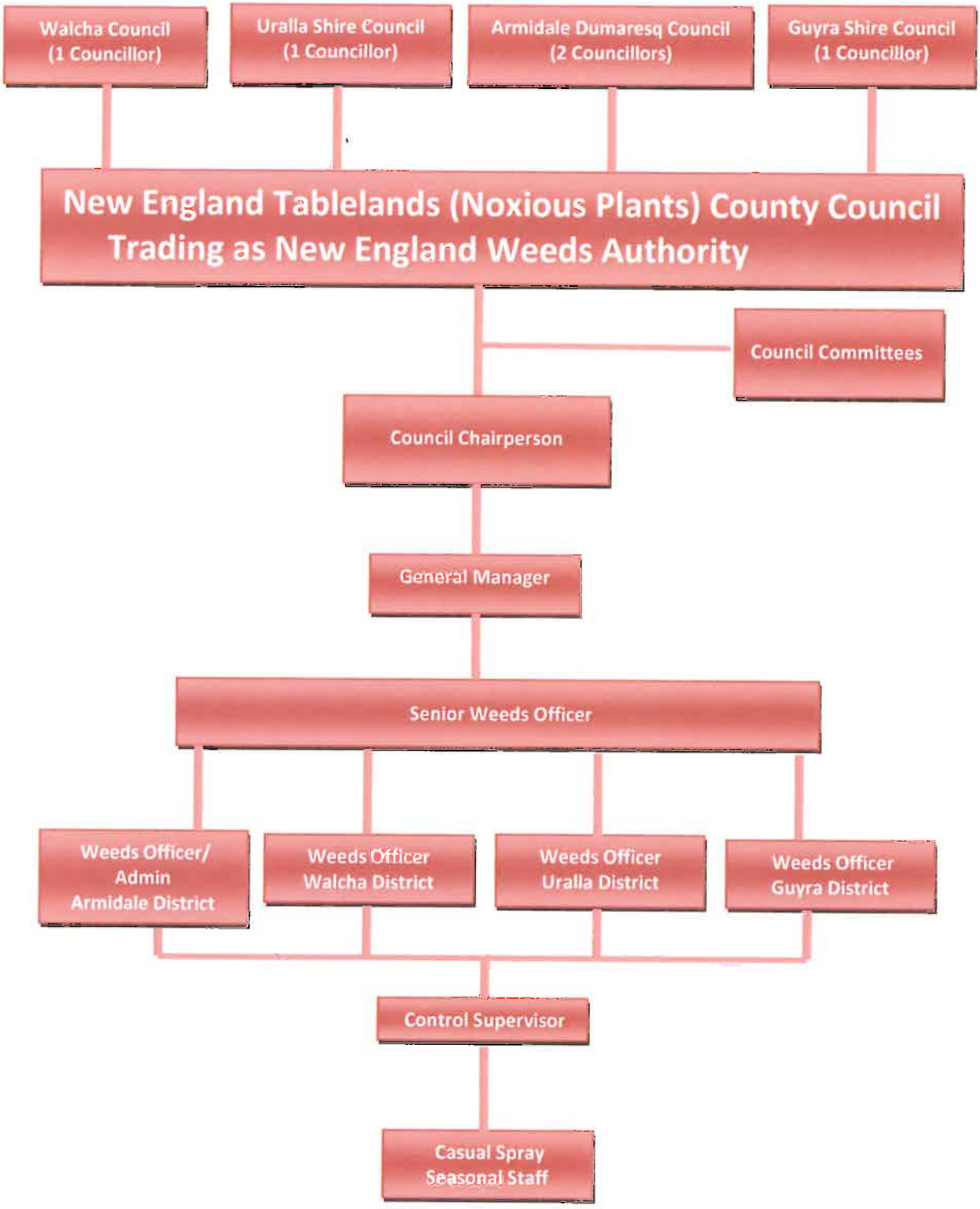


Chart 2: Organisational Structure

10. THE BUSINESS ACTIVITY STRATEGIC PLAN 2012 – 2022 OVERVIEW

The Business Activity Strategic Plan (the Plan) identifies Council's and the communities main priorities and aspirations for the future, addressing strategies for achieving the objectives in relation to noxious and invasive weeds management and control across our constituent member Council areas, so as to improve agricultural sustainability, primary industry productivity and to deliver broad environmental outcomes for the New England region for the next ten years.

The Plan is the foundation for the Annual Operational Plan, Four Year Delivery Program and Resourcing Strategy comprising the Ten Year Financial Plan, Workforce Strategy and the Asset Management Plan.

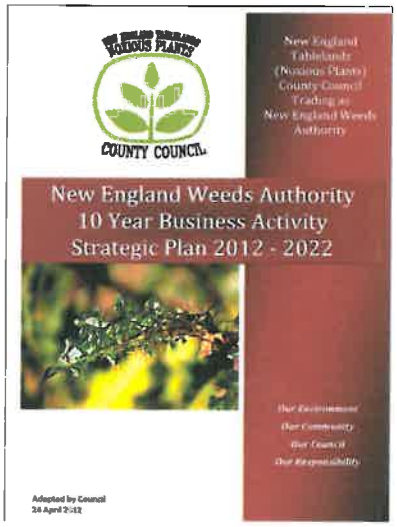
In meeting the outcomes of our Plan, Council has a long term focus that addresses issues about environmental, economic, social and civic leadership objectives as well as reflecting the community engagement processes that have been undertaken by our constituent Councils.

Early on in their processes, formal approaches were made to each Council to be involved in their respective community engagement activities and appropriate input to the environment sections in the development of their Community Strategic Plans. This partnering in the community engagement process has been most helpful in developing Council's Strategic Business Plan.

Council, as a small single purpose organisation has been mindful of its resource capacity and has acted prudently to deliver the outcomes identified in the first year of its plan.

Annual reporting to the community is an important part of transparent and accountable Local Government. Council is required under the legislation to prepare an Annual Report as one of the key points of accountability between Council, its member Councils and the community.

Council undertook a review of its Business Activity Strategic Plan after the Council elections held in September 2012 and the revised Plan will be finalised and adopted by Council by 30 June 2013.



New England Weeds Authority 10 Year Business Activity Strategic Plan 2012 - 2022

11. THE DELIVERY PLAN REPORT 2012-2013

The dynamic nature of noxious and invasive weed species means that Council's approach to weed management and control is constantly evolving. Through its strategic objectives and principal activities, Council will continue to improve the services it provides to the community in a range of ways including effective governance, strategic planning, environmental management and economic sustainability.

Council's approach to weed management and control also reflects the objectives of the NSW Invasive Species Plan 2008 – 2015 and NSW Weed Action Program. As a result, the Business Activity Strategic Plan provides the following direction as to how our resources will be employed to achieve the following four strategic objectives:

STRATEGIC OBJECTIVE S.O.1
PREVENTING THE ESTABLISHMENT OF NEW WEED SPECIES IN OUR REGION - EXCLUDE

STRATEGIC OBJECTIVE S.O.2
ELIMINATE OR PREVENT THE SPREAD OF EXISTING AND NEW WEED SPECIES IN OUR REGION – ERADICATE OR CONTAIN

STRATEGIC OBJECTIVE S.O.3
REDUCE THE IMPACTS OF WIDESPREAD INVASIVE WEED SPECIES – EFFECTIVELY MANAGE

STRATEGIC OBJECTIVE S.O.4
ENSURE COMMUNITY, INDUSTRY AND GOVERNMENT STAKEHOLDERS HAVE THE ABILITY AND LONG-TERM COMMITMENT TO MANAGE INVASIVE SPECIES – BUILD CAPACITY

To achieve these strategic objectives our actions were centered on the following strategies:

- identification and management of high-risk weed species and the pathways they utilize within our region;
- formulation of weed detection systems to improve our capacity to find new weeds early;
- ensuring we have the resources and procedures in place to undertake strategic weed control measures and rapid response against new weed incursions;
- continual analysis of our weed management programs to ensure we are directing resources to where benefits will be the greatest and
- increasing the community commitment and involvement in proactive weed management and control approaches.

Our approach to weed management and control has strong linkages with the Australian Weeds Strategy, the NSW Biodiversity Strategy, NSW Invasive Species Strategy and the NSW Weeds Action Program.

At a regional level our Business Activity Strategic Plan is interconnected with the Northern Inland Weeds Advisory Committee Weed Action Business Plan 2010 – 2015 and regional Management Plans developed for specific weeds.

Our regional Weed Action Program has established a co-ordinated approach with the Local Government areas of the Northern Inland Weeds Advisory Committee (Glen Innes Severn, Gunnedah, Gwydir, Inverell, Liverpool Plains, Moree Plains, Narrabri, NEWA [Armidale Dumaresq, Guyra Shire, Uralla Shire and Walcha Council], Tamworth Regional, and Tenterfield).

Our Council acts as the lead agency for NIWAC in the implementation of the NSW Weed Action Program. 00055

Successful weed management relies on co-ordinated effort, strong partnerships and pro-active approaches. Our Council is working in unison with other organisations to ensure our limited resources are utilized more efficiently and effectively. Leading this approach are our staff who are committed towards achieving success in a wide range of integrated weed management and control programs.

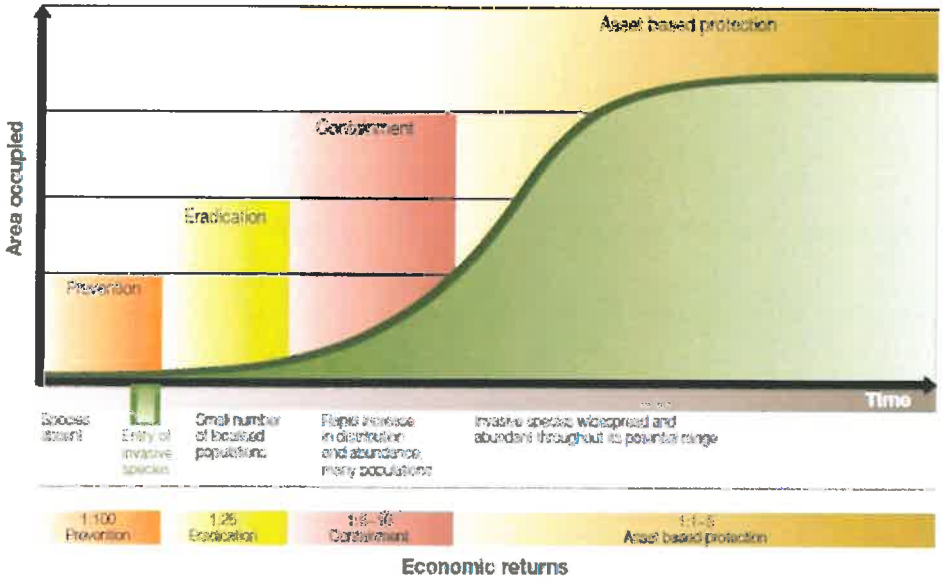


Chart 3: Weed Invasion Curve[2]

The diagram above shows the application of these goals to a stylised weed invasive curve, demonstrating that return for investment is highest in the early stages of weed invasion when management is focussed on prevention and eradication. For example, there is an estimated return on investment of $100 for every $1 spent in the prevention stage of management.



Helicopter aerial spraying

[2] NSW DPI



Serrated Tussock



St Johns Wort



Nodding Thistle



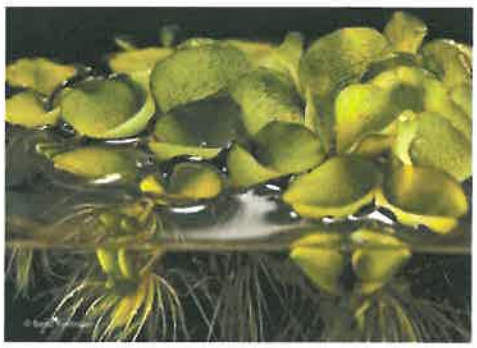
Blackberry



Chilean Needle Grass



Tropical Soda Apple



Salvinia



Bridal Creeper

Some of the noxious weeds in the NEWA region

12. PRINCIPAL ACTIVITIES

The Business Activity Strategic Plan principal activities provide a framework for the co-ordinated and co-operative management and control of noxious and invasive weeds across our County Council area for the ten year period of the Plan 2012 – 2022.

The Strategic Objectives are translated into actions through the principal activities to be undertaken by the Council to implement the strategies established by the Plan within the resources available under the Resourcing Strategy.

A summary of principle activities undertaken by Council and the objective/s under each are detailed as follows.

PRINCIPAL ACTIVITY - P.A.1. CIVIC LEADERSHIP/GOVERNANCE / ADMINISTRATION / FINANCE / RISK MANAGEMENT

Civic Leadership/Governance

To provide effective, relevant civic leadership and local governance through community consultation, availability of information to the public and Council, public assess to Councillors and liaison with member Councils and relevant government agencies.

Administration

To implement financial and administrative policies and procedures to allow the management of all Council activities in a manner that ensures the economic sustainability of the Council and protects Council and community assets.

Finance

To provide the framework for Council to undertake its activities in a financially responsible and economically sustainable manner that protects Council and community assets.

Risk Management

To minimise Council's exposure to risk and provide a safe working environment for staff, contractors and for county landholders.

PRINCIPAL ACTIVITY- P.A.2 ENVIRONMENT - NOXIOUS WEED MANAGEMENT AND CONTROL

Noxious Weed Management and Control

To act in a regulatory and advisory role to stakeholders and landholders to improve the agricultural and natural environment through a reduction in noxious and invasive weeds species.

PRINCIPAL ACTIVITY- P.A 3 ECONOMIC AFFAIRS – PRIVATE WORKS AND OTHER BUSINESS UNDERTAKINGS

Private Works

To provide a contract spraying and inspectorial service to generate revenue and to assist landholders and government agencies to control noxious and invasive weeds.

Other Business Undertakings

To promote the interests of County Council stakeholders through active interaction and participation with other authorities (such as Northern Inland Weeds Advisory Committee, Local Government Shires Association and CMAs) through advocacy and political pursuits.

PRINCIPAL ACTIVITY- P. A 4 NSW WEEDS ACTION PROGRAM – NIWAC

To act as the lead agency for the implementation of the NSW Weeds Action Program for the member Councils of the Northern Inland Weeds Advisory Committee (including NEWA) region.



Hereford Cattle near Walcha

DELIVERY PROGRAM 2012 - 2013

Principal Activity - P.A.1. Civic Leadership/Governance / Administration / Finance / Risk Management

Functional Objective: (Civic Leadership/Governance)

To provide Council with the knowledge, skills, information and opportunity to make informed, relevant and timely decisions.

Strategic Tasks: To assist and inform the Chair and Councillors so that they can be proactive spokespeople on noxious and invasive weed issues affecting the Council and community.

Summary of Measurable Outcomes achieved 2012 - 2013

- Reports for Council's consideration prepared in a concise and timely manner with recommendations.
- All statutory financial plans and returns completed and lodged by due date.
- Councillors informed of legislative changes in a timely manner.
- Media releases and invitations to public events circulated to Councillors.
- Council's Annual Report distributed to member Councils.

Functional Objective: (Administration)

To promote and improve public awareness of Council's activities and operations.

Strategic Tasks: To increase the public use of Council's office in Armidale and contact with property owners/ Stakeholders.

Summary of Measurable Outcomes achieved 2012 - 2013

- Target contact with new property owners achieved.
- Attendance at field days, agricultural shows, Landcare and regional events exceeded targets.
- Council office in Armidale manned during business hours.
- Media release targets exceeded.
- Staff directly involved in implementing regional CMA projects with community.

Functional Objective: (Administration)

To work with elected members and staff to ensure the development and effective implementation of Council's Business Activity Strategic Plan, policies and decision making.

Strategic Tasks: To provide well informed Councillors, Council staff and community in relation to Council's business activities, policies and strategic directions.

Summary of Measurable Outcomes achieved 2012 - 2013

- Review of Council's policies undertaken as identified by internal audit process with new policies adopted by Council.
- Annual Operational Plan, Four Year Delivery Program and Long Term Resourcing Strategy reviewed and updated.
- Public notification of Business Activity Strategic Plan 2013 -2023 review.
- Public notification of relevant policies.

000053

Functional Objective: (Administration)

To maintain a stable, secure administrative structure with supporting internal controls, reporting systems, training plans, record keeping and documentation to ensure that human and physical resources needed to deliver Council's services are available and accountable.

Strategic Tasks: To provide ongoing training for Council staff to raise the standard of service provided to the community and to enhance their working experience.

Summary of Measurable Outcomes achieved 2012 - 2013

- Corporate Training Plan reviewed, updated and implemented.
- Monthly staff meetings held.
- Work Health and Safety Procedures and systems reviewed and updated.
- Work Health and Safety Management Policy and handbook adopted by Council.
- Council's Workforce strategy reviewed and updated.

Functional Objectives: (Finance)

To ensure finance, accounting and administration requirements are performed in a professional and timely manner.
To ensure the provision of finances to the Council are received from relevant sources.

Strategic Tasks: Accounting practices carried out to meet statutory requirements and relevant accounting standards.
Ongoing financial support is provided from member Councils and other appropriate agencies.

Summary of Measurable Outcomes achieved 2012 - 2013

- Statutory Financial Plans and returns completed and lodged by due date in accordance with accepted accounting standards.
- Constituent member Councils provided with Annual Budget and Financial Statements.
- Annual grant funding secured from NSW Department of Primary Industries under the NSW Weeds Action Program.
- Annual Financial Statement and Acquittal documents provided to DPI within set time frame.

Functional Objectives: (Risk Management)

To minimise the risk associated with all functions of Council.

Strategic Tasks: Management of Council's risks in order to control, minimise or eliminate all forms of potential loss.

Summary of Measurable Outcomes achieved 2012 - 2013

- Enterprise Risk Management process undertaken in conjunction with Armidale Dumaresq and Guyra Councils. Enterprise Risk Management Policy and Strategy adopted by Council and Enterprise Risk Management Matrix developed for organisation.
- Council's Investment and Long Term Financial Strategies reviewed and updated.

DELIVERY PROGRAM 2012 – 2013
Principal Activity- P.A.2 Environment - Noxious Weed Management and Control

Functional Objective: (Noxious Weed Management & Control)

To inspect private properties for noxious and invasive weeds and support property owners and managers to encourage them to work with Council to identify and control noxious weeds.

Strategic Tasks: To improve natural resource management within the region relating to noxious and invasive weeds and maintain the viability of agricultural and high conservation value land.

Summary of Measurable Outcomes achieved 2012 - 2013

- Annual Inspection and weed control program achieved.
- As part of the Authority's three year rolling inspection program inspections of high risk sites, high risk pathways and high risk inspections were carried out over one third of the Authority's area. As a result no new weed incursions were found, however, new infestations of high risk species already present within the Authority's area were the subject of control programs (eg Tropical Soda Apple in the Macleay Valley).
- Chairman's Annual tour conducted.

Functional Objective: (Noxious Weed Management & Control)

To ensure that property owners appreciate the importance of weed control and reinforce Council's resolve to achieve property owner support for weed control.

Strategic Tasks: Through compliance with the provisions of the Noxious Weeds Act 1993 be proactive in reducing the threat of noxious weeds to agricultural land and high conservation areas.

Summary of Measurable Outcomes achieved 2012 - 2013

- Council again adopted a policy of engagement, education and co-operation with landholders and land managers to have work carried out on their land to manage weeds, this has resulted in there being no requirement to issue Notices, on the spot fines or instigate legal proceeding.
- There were 19 Control reports issued during the reporting period and 41 Section 64 Certificates were issued.

Functional Objective: (Noxious Weed Management & Control)

To use efficient record keeping and reporting techniques that support Council's weed inspection and control operations and fulfill Council's grant performance-target obligations.

Strategic Tasks: To maximise the use of current and new software and IT hardware to record and map weed inspections.

Summary of Measurable Outcomes achieved 2012 - 2013

- Council continued to take advantage of the existing Weed tracer software to record electronically weed management, inspections and control data.
- Upgrade of Weed tracer software was carried out during the year.

T7 009

Functional Objective: (Noxious Weed Management & Control)

To raise the skill & knowledge base of land owners so that they understand the importance of weed control and are more competent in the identification and control of noxious weeds.

To find effective ways to manage and control noxious weeds.

To investigate and develop better ways to manage and control noxious weeds.

Strategic Tasks: To increase landowner knowledge and awareness of noxious weed issues in the region through extension based activities.

Summary of Measurable Outcomes achieved 2012 - 2013

NEWA staff carried out landholder capacity building and extension activities at:

- 4 agricultural shows in the area;
- 7 field days;
- 2 School visits;
- 7 CMA and Landcare groups and
- Presentation to UNE students.

There were 345 contacts made with Landholders to give advice and information in relation to weed management and control matters.

Functional Objective: (Noxious Weed Management & Control)

To develop plans, policies, procedures and guidelines for noxious weed management and control that are in keeping with industry best practice, meet State Government requirements and provide staff with a standard and consistent process for weed management.

Strategic Tasks: To identify areas of Council's operation and processes that need to be reviewed or where documentation needs to be written.

Summary of Measurable Outcomes achieved 2012 - 2013

- A review of Council's weed management plans, policies and procedures manual was undertaken, with updating of safety data sheets, engagement of contractors and safe workplace method statements.

27/000

Functional Objective: (Noxious Weed Management & Control)
To treat weeds on Council controlled or managed land in a programmed manner.

Strategic Tasks: To improve the natural environment and agricultural viability of land through a reduction in noxious weeds.

Summary of Measurable Outcomes achieved 2012 - 2013

The following activities were carried out within the Authority's area:

- The inspection of 106 High Risk Sites;
- 441 High Risk Inspections Completed covering 186,974 hectares;
- 797 Private Property Inspections completed covering 296,638 hectares;
- 2,650 kms of High Risk Roadside inspections completed covering 5,573 hectares;
- 12 High Risk Waterway inspections completed covering 2,370 hectares;
- 4,500kms of Roadside inspections completed covering 22,500 hectares and
- 60 inspections of National Parks, Railways, Travelling Stock Routes, Recreational areas were carried out covering 14,299 hectares.

The Authority's regional inspection program fully supported the NSW Weeds Action Program to eradicate or contain high risk species within the Authority's area.

The following highlights the ongoing weed control activities carried out within the Authority's area during the period:

- All known Nodding Thistle sites treated in November;
- All known Chilean Needle Grass roadways treated in November;
- All known St Johns Wort roadways treated in November/ December;
- 4,000 kms of roadways treated for Blackberries;
- The Macleay Valley, Tropical Soda Apple roadways treated every two months;
- All known Giant Parramatta Grass sites treated and
- Coolatai and African Lovegrass control programs carried out on roadways where these species are not widely established.

87.000

DELIVERY PROGRAM 2012 - 2013

Principal Activity- P.A 3 Economic Affairs – Private Works and Other Business Undertakings

Functional Objectives: (Private Works)

- To generate additional revenue.
- To maximise the use of Council's resources when not required for core business activity.
- To provide owners of small holdings with an affordable option for noxious weed control.

Strategic Tasks:

To carry out control works that reduces noxious and invasive weeds on private property.
To investigate and develop ways to increase the revenue of Council from sources other than the annual State Government Grants.

Summary of Measurable Outcomes achieved 2012 - 2013

- During 2012 – 2013 the Authority was successful in funding applications to Border Rivers-Gwydir and Namoi Catchment Management Authorities, and Southern Landcare groups amounting to a total of $260,104 (refer Other Projects page 29 for a detailed breakdown).
- Private works were carried out on behalf of Constituent member Councils, National Parks and Wildlife Service and smaller property owners who are not otherwise equipped to carry out the spray control programs. The total of private works for 2012 – 2013 period amounted to $225,405, which exceed budget expectations.

Functional Objective: (Other Business Activities)

To facilitate inter-governmental relations to ensure maximum cooperation between the County Council, Federal, State and Local Governments and their agencies.

Strategic Tasks: Promote and develop relationships with constituent Councils, Federal, State and other agencies and comply with statutory requirements.

Summary of Measurable Outcomes achieved 2012 - 2013

- Constituent member Councillors provided with Council Business Papers, Agendas and Minutes.
- General Manager's of each constituent Council provided with minutes of Council meetings.
- Constituent Councils provided with Business Activity Strategic Plan 2012 – 2022.
- Constituent Councils provided with Annual Report.
- Joint exercise with Armidale Dumaresq and Guyra Council in developing Enterprise Risk Management Program.
- Applications to Catchment Management Authorities for natural resource management projects.
- Letters to State and Federal Members on weed management and control issues.
- Letters to State Member and NSW Government commenting on Local Land Services and Local Government reviews.
- Input to Constituent member Councils State of Environment reports.
- Participated in joint staff training activities with Constituent Councils where appropriate.

DELIVERY PROGRAM 2012 - 2013

Principal Activity- P. A 4 NSW Weeds Action Program – NIWAC

Functional Objectives: (NSW WAP)

To work with inter and intra regional organisations that are involved in weed management and control to minimise the impact of noxious and invasive weeds within the region.

Strategic Tasks: Implement the NIWAC Weeds Action Business Plan 2010 – 2015 as it relates to Council's responsibility.

Summary of Measurable Outcomes achieved 2012 - 2013

- All functional activities, support and auspicing of the NIWAC Weeds Action Program and Project Officer were completed in accordance with the outcomes set for 2012 – 2013.
- Report to the NSW DPI on NIWAC WAP activities completed on time.

Functional Objectives: (NSW WAP)

To act as Lead Agency in the implementation of the NSW Weeds Action Program for member councils for the NIWAC region

Strategic Tasks: Oversee the operation and implementation of the NSW Weeds Action Program in the NIWAC region.

- As part of the NIWAC Weeds Action Program all high risk weeds species and high risk pathways have been documented and inspected within the New England Weeds Authority area.

The following activities were carried out within the NIWAC region:

- The inspection of 630 High Risk Sites over 1,763 hectares
- 1,995 High Risk Private Property Inspections completed covering 543,565 hectares
- 3,983 Private Property Inspections completed covering 901,191 hectares
- 24,202 kms of High Risk Roadside inspections completed covering 77,359 hectares
- 709 High Risk Waterway inspections completed covering 42,247 hectares
- 5,811 Roadside inspections completed covering 125,942 hectares
- 12,961 inspections of National Parks, Railways, Travelling Stock Routes, Recreational areas were carried out covering 688,891 hectares

13. OTHER PROJECTS

The New England Weeds Authority continues to work closely with the local Landcare and Catchment Management Authority's in regards to weed control projects within the region.
During 2012 – 2013 year the following projects were carried out to the value of $260,104:

- The continuation of the Strategic implementation of Weeds of National Significance (WoNS) Containment lines and Outlier Infestation Control Program in partnership with Border Rivers Gwydir Catchment Management Authority - $160,000.
- Boorolong Creek Willows control program in partnership with Border Rivers-Gwydir Catchment Management Authority - $20,000.
- Upper Macleay Vine Weeds Stage 1 in conjunction with Macleay Valley Landcare - $23,000.
- WONS Weeds Control Program in conjunction with Southern New England Landcare - $2500.
- Invasive Western Weeds and Weeds of National Significance Educational Tour for the Northern Inland Weeds Advisory Committee in partnership with Border Rivers Gwydir Catchment Management Authority - $14,679.
- Sub Tropical Weeds Tour for Northern Inland Weeds Advisory Committee in partnership with Border Rivers-Gwydir and Namoi Catchment Management Authority - $14,925.
- Produce a WONS/Environmental/Noxious Weeds Educational DVDs in partnership w Namoi Catchment Management Authority $8000
- Produce a Weeds DVD to educate the community about key emerging weeds species in partnership with the Border River Gwydir Catchment Management Authority - $12,000.
- Tropical Soda Apple Surveillance and eradication program in partnership with the Namoi Catchment Management Authority - $500.



Photo: NIWAC Regional Weeds Extension/Education trailer

14. EQUAL EMPLOYMENT OPPORTUNITY (EEO)

Council is committed to the principles of equal opportunity for all of its employees and this is reflected in its Equal Employment Opportunity Policy (EEO Policy).

The EEO Policy recognises the right of employees to be treated fairly and without discrimination in the workplace. This includes situations such as applying for a position, selection for a position, training, promotion, transfers and dismissal. It provides that people should be selected on merit, regardless of race, sex, marital status, disability or sexual preference.

15. EMPLOYEE RELATIONS

New England Weeds Authority seeks to encourage a co-operative and harmonious working environment for its staff. Interactive staff meetings deal with a wide cross section of issues relating to work and management practices, education and extension programs and matters arising from the implementation of the Local Government State Award and the Work Health and Safety Act.

A Corporate Training Program was developed in 2012 so as staff can develop to a highly competent and professional standard.

Staff training included risk assessment, four wheel drive training, recognising water weeds, identifying grasses, vegetation survey and assessment, pest management course, Chemcert refresher course, senior first aid, traffic control programs and legal training.



Serrated Tussock Field Day with local graziers and landholders

16. MISCELLANEOUS REPORTING REQUIREMENTS

a. Major Contracts and Tenders awarded by Council 2012 - 2013

There were no contracts of service or contracts awarded by Council during the reporting year.

b. Legal costs incurred by Council

There were no legal proceedings either taken by or against the Council in 2012 – 2013.

c. Work carried out on Private Land

Council undertook various private works in relation to weed control on private land in 2012 – 2013, with all costs being borne by the property owner.

Council sets out separate charges for private works that are outlined in Council's fees and charges schedules. These rates are generally similar to contractor rates as Council does not wish to unfairly compete with private enterprise.

d. External Bodies exercising functions delegated by Council

Council did not delegate the exercise of functions to any external body during the reporting year.

e. Partnerships, Corporations, Trusts or other Joint Ventures

Council did not participate in or hold any controlling interests during the year in any Corporation, Partnerships, Trust or Joint Venture.

f. Remuneration of General Manager

The General Manager, whose position is part-time, is the only senior staff member and remuneration for the period 2012 – 2013 was $ 30,668.

The General Manager's responsibilities include:

- Efficient and effective operation of the Council organisation and day to day management. This includes ensuring Council's decisions and policies are implemented;
- Appointing, directing and dismissing staff in accordance with the organisation structure and resources approved by the Council;
- Exercising other functions as delegated by the Council and
- The General Manager may, in turn, delegate functions to other staff.

g. Requests made to Council under the Government Information (Public Access) Act 2009

Council did not receive any requests for the release of information under the Government Information (Public Access) Act 2009 (GIPA) during the 2012 – 2013 period.

h. Public Interest Disclosures Report

The six monthly and Annual reports were provided to the NSW Ombudsman in accordance with the Public Interest Disclosures Act 1994.

There were no public interest disclosures either made or received during the reporting period 2012 – 2013.

i. Code of Conduct

Council adopted a new Model Code of Conduct and Procedures in early 2013 based on the Division of Local Government's new Model Code of Conduct.

There were no Code of Conduct complaints made about Councillors or the General Manager during the reporting period 2012 – 2013.



Winter in the New England

17. STATE OF THE ENVIRONMENT REPORT

State of the Environment (SoE) reporting is a key mechanism for assessing progress towards sustainability and implementing Ecologically Sustainable Development Principles, as Councils play an important role in environmental management.

Our Council in its 10 Year Business Activity Strategic Plan has recognised the importance of ecologically sustainable development principles in its principle activities relating to the management and control of noxious and invasive weed species.

As required by legislation, each of our constituent Councils has prepared a comprehensive SoE report addressing the eight environmental sectors of land, air, water, biodiversity, waste, noise, Aboriginal heritage and non-Aboriginal heritage on a four year basis with supplementary SoE reports in intervening years.

Whilst our Council does not prepare a comprehensive SoE report, it does however, have direct connections with each of our constituent member Council's SoE reports and provides information on an annual basis for their reporting requirements in relation to the management of noxious and invasive weed species.



Northern New England grazing property

18. GENERAL PURPOSE FINANCIAL STATEMENTS – YEAR ENDED 30 JUNE 2013

00032
Attachment: C

New England Weeds Authority

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

To be a high performing and respected Noxious Weeds Authority

NEW ENGLAND WEEDS AUTHORITY

New England Weeds Authority

General Purpose Financial Statements
for the financial year ended 30 June 2013

Statement by Councillors and Management
made pursuant to Section 413(2)(c) of the Local Government Act 1993 (as amended)

The attached General Purpose Financial Statements have been prepared in accordance with:

- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these Financial Statements:

- present fairly the Council's operating result and financial position for the year, and
- accords with Council's accounting and other records.

We are not aware of any matter that would render the Reports false or misleading in any way.

Signed in accordance with a resolution of Council made on 28 August 2013.

Maria Woods
CHAIRPERSON

Mark Dusting
COUNCILLOR

Wayne Deer
GENERAL MANAGER

Wayne Deer
RESPONSIBLE ACCOUNTING OFFICER

New England Weeds Authority

General Purpose Financial Statements
for the financial year ended 30 June 2013

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Overview

(i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for New England Weeds Authority.

(ii) New England Weeds Authority is a body politic of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

Council's Statutory Charter is detailed in Paragraph 8 of the LGA and includes giving Council;

- the ability to provide goods, services & facilities, and to carry out activities appropriate to the current & future needs of the local community and of the wider public,
- the responsibility for administering regulatory requirements under the LGA and
- a role in the management, improvement and development of the resources in the area.

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

(iii) All figures presented in these financial statements are presented in Australian Currency.

(iv) These financial statements were authorised for issue by the Council on 28 August 2013. Council has the power to amend and reissue these financial statements.

New England Weeds Authority

Income Statement
for the financial year ended 30 June 2013

Budget 2013 (1)	$ '000	Notes	Actual 2013	Actual 2012
	Income from Continuing Operations			
	Revenue:			
117	User Charges & Fees	3b	273	176
35	Interest & Investment Revenue	3c	44	40
3	Other Revenues	3d	6	5
800	Grants & Contributions provided for Operating Purposes	3e	753	660
	Other Income:			
-	Net gains from the disposal of assets	5	-	7
955	Total Income from Continuing Operations		1,076	888
	Expenses from Continuing Operations			
417	Employee Benefits & On-Costs	4a	628	535
126	Materials & Contracts	4c	223	147
53	Depreciation & Amortisation	4d	86	57
355	Other Expenses	4e	111	123
5	Net Losses from the Disposal of Assets	5	-	-
955	Total Expenses from Continuing Operations		1,047	882
0	Net Operating Result for the Year		28	26
0	**Net Operating Result for the year before Grants and Contributions provided for Capital Purposes**		28	26

(1) Original Budget as approved by Council - refer Note 16

New England Weeds Authority

Statement of Comprehensive Income
for the financial year ended 30 June 2013

$ '000	Notes	Actual 2013	Actual 2012
Net Operating Result for the year (as per Income statement)		28	26
Other Comprehensive Income:			
Total Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the Year		28	26
Total Comprehensive Income attributable to Council		28	26

New England Weeds Authority

Statement of Financial Position
as at 30 June 2013

$ '000	Notes	Actual 2013	Actual 2012
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	611	730
Receivables	7	159	15
Inventories	8	9	10
Other	8	11	10
Total Current Assets		790	765
Non-Current Assets			
Infrastructure, Property, Plant & Equipment	9	274	292
Total Non-Current Assets		274	292
TOTAL ASSETS		1,065	1,057
LIABILITIES			
Current Liabilities			
Payables	10	47	56
Provisions	10	79	90
Total Current Liabilities		126	146
Non-Current Liabilities			
Payables	10	-	-
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		126	146
Net Assets		939	911
EQUITY			
Retained Earnings	20	939	911
Revaluation Reserves	20	-	-
Total Equity		939	911

New England Weeds Authority

Statement of Changes in Equity
for the financial year ended 30 June 2013

$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2013						
Opening Balance (as per Last Year's Audited Accounts)		911	-	911	-	911
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/12)		911	-	911	-	911
c. Net Operating Result for the Year		28		28	-	28
d. Other Comprehensive Income						
- Other Movements	20b (ii)	-	-	-	-	
Other Comprehensive Income		-	-	-	-	-
Total Comprehensive Income (c&d)		28	-	28	-	28
Equity - Balance at end of the reporting period		939	-	939	-	939

$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2012						
Opening Balance (as per Last Year's Audited Accounts)		885	-	885	-	885
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/11)		885	-	885	-	885
c. Net Operating Result for the Year		26	-	26	-	26
d. Other Comprehensive Income						
- Other Movements	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	-	-	-	-
Total Comprehensive Income (c&d)		26	-	26	-	26
Equity - Balance at end of the reporting period		911	-	911	-	911

New England Weeds Authority

Statement of Cash Flows
for the financial year ended 30 June 2013

Budget 2013	$ '000	Notes	Actual 2013	Actual 2012
	Cash Flows from Operating Activities			
	Receipts:			
117	User Charges & Fees		273	176
35	Investment & Interest Revenue Received		44	40
800	Grants & Contributions		591	661
3	Other		24	48
	Payments:			
(417)	Employee Benefits & On-Costs		(630)	(525)
(126)	Materials & Contracts		(222)	(146)
(355)	Other		(130)	(105)
58	**Net Cash provided (or used in) Operating Activities**	11b	(50)	149
	Cash Flows from Investing Activities			
	Receipts:			
71	Sale of Investment Securities		-	-
-	Sale of Infrastructure, Property, Plant & Equipment		-	37
	Payments:			
(58)	Purchase of Investment Securities		-	-
(71)	Purchase of Infrastructure, Property, Plant & Equipment		(68)	(98)
(58)	**Net Cash provided (or used in) Investing Activities**		(68)	(61)
	Cash Flows from Financing Activities			
	Receipts:			
	Nil			
	Payments:			
	Nil			
-	**Net Cash Flow provided (used in) Financing Activities**		-	-
0	**Net Increase/(Decrease) in Cash & Cash Equivalents**		(118)	88
650	plus: **Cash & Cash Equivalents - beginning of year**	11a	730	642
650	**Cash & Cash Equivalents - end of the year**	11a	612	730

Please refer to Note 11 for information on the following:
- Non Cash Financing & Investing Activities.
- Financing Arrangements.
- Net cash flow disclosures relating to any Discontinued Operations

New England Weeds Authority

Notes to the Financial Statements
for the financial year ended 30 June 2013

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Attachment: 1)

Forsyths
Chartered Accountants

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Forsyths Business Services Pty Ltd
ABN 66 182 781 401

INDEPENDENT AUDIT REPORT
Section 417(2) – Report on the general purpose financial statements

To New England Weeds Authority

SCOPE

The financial statements comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements, and the Statement by Councillors and Management in the approved form as required by Section 413(2)(C) of the *Local Government Act 1993* for New England Weeds Authority (the Authority), for the year ended 30th June 2013.

Authority's responsibility for the financial statements
The Authority is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Local Government Act 1993* and regulations and the Local Government Code of Accounting Practice and Financial Reporting. This responsibility includes establishing and maintaining internal control necessary to enable the preparation of the financial statements that is free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements of the Authority based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Audit Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements is free from material misstatement. Our audit responsibility does not extend to the Original Budget figures included in the Income Statement and Statement of Cash Flows and the Original Budget disclosures in Notes 2(a) and 16 to the financial statements and accordingly, we express no opinion on them.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Authority, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

AUDIT OPINION

In our opinion:

(a) the accounting records of the Authority have been kept in accordance with the requirements of Division 2 of Part 3 of the *Local Government Act 1993*;

(b) the general purpose financial statements:

  (i) have been prepared in accordance with the requirements of Division 2 of Part 3 of the *Local Government Act 1993*;

  (ii) are consistent with the Authority's accounting records; and

  (iii) present fairly, in all material respects, the Authority's financial position as at 30th June 2013 and the results of its operations for the year then ended;

(c) we have been able to obtain all information relevant to the conduct of our audit; and

(d) no material deficiencies in the records or the financial statements were detected in the course of the audit.

Forsyths

Forsyths Business Services Pty Ltd

PRM

Paul Cornall
Principal

28th August 2013

92 Rusden Street, Armidale

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Forsyths
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Armidale

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Forsyths Business Services Pty Ltd
ABN 66 182 781 401

28th August 2013

Ms M Woods
Chairperson
New England Weeds Authority
PO Box 881
ARMIDALE NSW 2350

Dear Councillor Woods

AUDIT OF ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013

We are pleased to report that we have completed the audit of New England Weeds Authority's ("the Authority") records for the year ended 30th June 2013 and have reported on the general purpose financial statements as required by the provisions of Section 417(2) of the *Local Government Act 1993*.

Under Section 417(3) of the *Local Government Act 1993* we are also required to report on the conduct of the audit.

Audit Objectives

The overall objectives of the audit were to enable us to form an opinion as to whether, in all material respects, the financial statements:

- present fairly the Authority's financial position as at 30th June 2013 in accordance with the requirements of the *Local Government Act 1993* and prescribed Regulations and the Australian Accounting Concepts and Standards; and
- present a view which is consistent with our understanding of the Authority's financial position, the results of its operations and its cash flows.

Scope of the Audit

Audit procedures were primarily aimed at achieving audit objectives and did not seek to confirm for management purposes the effectiveness of all internal controls. The planning of the audit procedures was based on an assessment of the risk of the existence of errors and/or irregularities, which could materially affect the financial statements.

The Authority is responsible for preparing financial statements which give a true and fair view of the financial position and performance of the Authority and that comply with Accounting Standards in Australia, in accordance with the *Local Government Act 1993*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

We conducted an independent audit of the financial statements in order to express an opinion on them to the Authority. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our audit responsibility does not extend to the Original Budget figures included in the Income Statement and Statement of Cash Flows and the Original Budget disclosures in Notes 2(a) and 16 to the financial statements and accordingly, we express no opinion on them. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial statements present fairly, in accordance with the *Local Government Act 1993*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Authority's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and

- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Authority.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial statements. These and other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the Authority.

In accordance with Section 417(3) of the *Local Government Act 1993* we make the following comments in relation to the results and financial trends.

Operating Result

The Authority recorded an operating surplus of $28,000 for the year ended 30 June 2013 (2012: surplus of $26,000), after taking into account depreciation of $86,000. Income increased by $188,000 from the prior year due an increase in grant monies received. There was an increase in User charges and fees of $97,000 which is reflected in the increase in Materials and contracts expenses of $76,000. Employee benefit and on-cost expense increased due to a one-off additional superannuation payment obligation for the 2013 financial year.

Budget Result

The budget amounts included in the Income Statement are those adopted in the original budget and exclude revotes from the previous year and variations to the budget during the year.

The actual operating surplus for the year of $28,000 exceeds the original budget result of $0 due to an increases in revenue. The Authority normally budgets for a break even result each year as the main objective of the Authority is to utilise all of the revenue allocated each year and maintain static reserves.

Working Capital

The Net Current Asset position as at year end is an important financial indicator as it discloses the working capital available to the Authority to fund day to day operations. However, included in Current Assets are assets which are "Restricted" by regulation or other externally imposed requirements and, therefore, are not available for other than their restricted purpose. The table below reconciles net current assets after external restrictions:

	$'000 2013	$'000 2012
Current Assets	790	765
LESS: Current Liabilities (excluding Leave expected to be paid greater than 12 months)	126	90
Net Current Assets	664	675
LESS: Restricted Cash & Investments		
Regional banking funds	0	1
NIWAC funds	0	31
Unexpended grants	18	181
Net funds after restrictions	$646	$462

The above analysis shows that the Authority presently has unrestricted funds of $646,000 to fund working capital needs and is in a strong financial position.

Performance Indicators

The Code of Accounting Practice requires the mandatory disclosure of certain performance indicators. These financial indicators are useful in assessing performance and financial position of the Authority.

The key financial indicators disclosed in the consolidated financial statements are:

		2012/13	2011/12
UNRESTRICTED CURRENT RATIO	To assess the adequacy of working capital and the ability to satisfy obligations in the short term for the unrestricted activities of the Authority.	9.55 : 1	9.52 : 1

The performance indicators above reflect the strong financial position of the Authority.

It is pleasing to report that the Authority's systems and records have been well maintained during the year and the audited financial statements will be submitted to the Division of Local Government well within the prescribed time provided for in Division 2 of the *Local Government Act 1993*.

Under Section 419 of the *Local Government Act 1993*, the Authority is required to call a public meeting for the purpose of presenting the audited financial statements and the auditor's report. A Principal of this firm is available to attend this meeting to address any questions in respect of the audit report or the conduct of the audit.

We take this opportunity of thanking the Authority staff for their co-operation and assistance during the course of the audit.

Yours faithfully
Forsyths Business Services Pty Ltd

Paul Cornall
Principal

SECTION: **Governance and Administration**

ITEM NUMBER: **Item 2**

SUBJECT: **State Cover Mutual Limited Capital Levy**

File Reference: U12/73-02

Reason: StateCover has advised that the Capital Levy, in place for a number of years, is to be discontinued from 30 June 2013.

Objective: To inform Council

Budget Implication: The Capital Levy of approximately $14,000 per annum has been included in each year's employees benefits and on-costs. The reduction will offset the increases anticipated due to a large workers compensation claim in 2012/2013.

Operational Plan: Part 3 Principal Activities 1.1 – Governance and 1.2 Administration - Corporate Support.

INFORMATION

Since the financial year 2004/2005; Council has contributed $119,838.71 in Capital Levies to State Cover Mutual as follows:

Financial Year		Amount
2004/2005		$20,396.30
2005/2006		$10,225.25
2006/2007		$10,595.97
2007/2008		$12,009.77
2008/2009		$12,868.20
2009/2010		$12,565.26
2010/2011		$13,334.93
2011/2012		$13,763.42
2012/2013		$14,079.61

The capital contributions, in addition to workers compensation insurance premiums, were required to ensure that StateCover Mutual Limited met the capital requirements of the Australian Prudential Regulation Authority (APRA) and WorkCover NSW for State Cover's General and Specialised Insurance Licences. StateCover have advised, in the attached letter, that the annual capital contributions would cease from 30 June 2013.

Whilst these amounts are in fact capital invested in StateCover Mutual Limited and investments are normally valued and included in Cash and Investments in an entities Balance Sheet; the Uralla Shire Council has recorded the asset as a contingent rather than an actual asset. The contingent Asset is recorded in Note 18 to the Annual financial Statements.

The reason for recording the $119,838.71 as a Contingent Asset is because the General Manager, as the Principal Accounting Officer, is of the opinion that, as a mutual company, there is insufficient certainty of recovery of capital to qualify for recognition of an asset. There is no market for the "Capital" of a mutual and capital is normally repaid on de-mutualisation of a mutual company.

Prepared by: General Manager

RECOMMENDATION

The Council note the amount of $119,838.71 invested in StateCover Mutual Limited over the financial years 2004/2005 to 2012/2013 and the advice that future contributions of capital will not be required from the 30 June 2013, unless adverse conditions in the future require additional contributions to meet Australian Prudential Regulation Authority (APRA) and WorkCover NSW for State Cover's General and Specialised Insurance Licences conditions.

ATTACHMENTS TO THE ITEM 2 REPORT

INDEX OF INCLUDED ATTACHMENTS

The Following Documents are Included as Attachments to the Preceding Report

Attachment Name:		Page Count:
A:	Letter dated 4 November 2013 from Linda Bostock, Chief Executive Officer, StateCover Mutual Limited advising of the discontinuance of the Capital Levy from 30 June 2013.	1

00099
Attachment: A

StateCover Mutual Limited
Local Government's Workers Compensation Insurer

File U12/73-02
Record U1/13/5950

4 November 2013

Tom O'Connor
General Manager
Uralla Shire Council
PO Box 106
URALLA NSW 2358

Dear Tom

Re: Capital Levy - Discontinuance

When establishing StateCover Mutual Limited, on behalf of NSW Local Government, there were initial and ongoing capital requirements imposed by the Australian Prudential Regulation Authority (APRA) and WorkCover NSW under the terms of our General and Specialised Insurer Licences.

To ensure these capital requirements could be consistently met, an annual Member levy was introduced, with the funds specifically allocated to capital. On an annual basis, the Board of StateCover, with assistance from the appointed actuary, and in accordance with the organisation's internal capital adequacy assessment process, reconsiders the need for this levy.

I am delighted to announce that this year's assessment has confirmed that current capital and future projections are adequate to meet StateCover's regulatory obligations and future liabilities, and provide protection from any downside risks which may emerge in the medium to longer term. Accordingly, with effect for policies with a renewal date of 30 June 2013 and beyond, the levy will be discontinued.

This decision is a major milestone in StateCover's history and a reflection of the efforts and contribution of all stakeholders to the organisation's success. On behalf of the Board of StateCover I would like to thank you for your ongoing support and we look forward to our continued partnership.

Should you have any queries regarding this matter, please do not hesitate to contact myself on 8270 6001 or Jane Hunt on 8270 6011.

Yours sincerely

LBostock

Linda Bostock
CEO

StateCover Mutual Limited
ABN 36 090 394 755
Telephone: 02 8270 6001 Fax: 02 9262 6605
PO Box H25, Australia Square, Sydney NSW 1215

JLT3004

SECTION:	**Governance and Administration**
ITEM NUMBER:	**Item 3**
SUBJECT:	Rate Pegging Percentage for 2012/2013
File Reference:	U12/73-02
Reason:	The Independent Pricing and Regulatory Tribunal (IPART) announced the rate pegging percentage for Council's General Rates for the year 2014/2015 on Monday 2 December 2013.
Objective:	To have Council determine whether or not to consider a rate variation for the 2014/2015 year.
Budget Implication:	
Operational Plan:	Part 3 Principal Activities 1.1 – Governance and 1.2 Administration - Corporate Support.

INFORMATION

For the past three years; the Independent Pricing and Regulatory Tribunal (IPART) has been empowered to make the determination of the rate pegging percentage to be applied to the general rates raised by councils in New South Wales. This took over from the procedure in prior years when the decision was made by the Minister for Local Government.

Within the Attachments are the Media Release of 2 December 2013, Rate peg for NSW councils for 2014/2015 Fact Sheet and the Local Government Rate Peg 2014/2015 Information Paper December 2013.

The rate pegging percentage for 2014/2015 has been set at 2.3%.

IPART uses a Local Government Cost Index (LGCI) in a similar manner to the Australian Bureau of Statistics' CPI with the following major components:

Employee benefits and on-costs (weighted 41.8%)
Construction works – roads, drains, footpaths, kerbing and bridges (weighted 13.8%)
Non-Dwelling Buildings (weighted 6.5%)
Other business services – such as contractors and consultancy costs (weighted 8.6%)
Plant and equipment – machinery (weighted 1.3%)
Road, footpaths, kerbing, bridges and drain building materials (weighted 3.%)

IPART has applied the following increases to the above components of the LGCI:

Electricity prices – 14.9%
Insurance costs – 10.5%
Construction works – roads, drains, footpaths, kerbing and bridges – 3.2%
Employee benefits and on-costs - 2.6%

The percentage increase of the LGCI is calculated on the movement of prices in the basket of inputs for the year to September 2013 and summarised in Table 2.1 on page 4 of the Local Government Information Paper. For September 2013 this percentage was 2.81% rounded down to 2.8%.

For the third year IPART has applied a 0.2% (or 7.14% of the increase) productivity factor. IPART justify its position and how the productivity factor is calculated on pages 8 and 9 of the Information Paper. Nonetheless the explanation does not explain how a factor can be justified for a 7.14% decrease of the LGCI index after 33 years of rate pegging and the widespread acknowledgment that councils are underfunded and that there is an infrastructure backlog.

In 2011 the IPART media release stated "The advance for the carbon price (4%) is included in the 2012/2013 rate peg only and will be reversed from the rate pegs over 2013/2014 and 2014/2015. This is because the actual impact of carbon price will be reflected in the local government cost index from the September 2012 quarter. By reversing the advance, we will ensure that the impact of the carbon price is not counted twice in our rate peg decisions."

IPART has now deducted 0.1% for 2013/2014, in 2012, and 0.3% for the 2014/2015 year in 2013 to remove the 0.4% increase of 2012/2013.

The adjustments from the 2.8% Local Government Cost Index to the 2.3% of the rate peg are the deductions of 0.3% for the carbon tax adjustment and 0.2% for the productivity factor.

The Uralla Shire Council ten year financial plan forward estimates for 2014/2015 rates included a 3.5% increase in rates. Therefore Council will need to determine whether or not it wishes to make a rate variation application to make up the difference.

The following Table provides the summary of effect of the lower increase:

Category	2013/2014		2014/2015	
	Budget	Actual	3.5% increase	2.3% increase
Residential	$716,698	$717,316	$741,782	$750,576
Rural Residential	$695,978	$696,817	$720,337	$716,977
Business	$95,278	$95,278	$98,613	$98,989
Farmland	$1,920,220	$1,919,302	$1,987,428	$1,939,234
Total	$3,428,174	$3,428,714	$3,548,160	$3,505,775

The effect on the Council's budget from the forward estimates is a reduction of $42,385 or 1.19% of the forward estimate. Before Council makes any decision on applying for a rate variation; there are two other factors to be considered.

The first is the increase in Financial Assistance Grants received for 2013/2014 above budget, which will flow through to the 2014/2015 budget as outlined in the following table:

Category	2013/2014		2014/2015	
	Budget	Actual	Forward Estimates	Budget Estimates
General	$1,300,000	$1,330,964	$1,345,500	$1,385,000
Subtotal - Untied	**$1,300,000**	**$1,330,964**	**$1,345,500**	**$1,385,000**
Sealed Roads				
Local Urban	$29,788		$30,830	
Regional Rural	$66,541		$68,870	
Local Rural	$391,113		$404,802	
Unsealed Roads				
Local Rural	$380,716		$394,042	
Subtotal - Roads	**$868,158**	**$899,859**	**$898,544**	**$922,000**
Total	**$2,168,158**	**$2,230,823**	**$2,244,044**	**$2,307,000**

The effect on the untied component of the Financial Assistance Grant of the budget estimate over the forward estimate due to the 2013/2014 increase of the General component is estimated to be $39,500. There is expected to be an additional $23,456 for roads, however this will flow to an increase in road expenditure.

The second factor to be considered is the experience of councils that have already made rate variation applications. The general rule of thumb is that it costs roughly 1%, which is roughly the amount that the rate revenue with a 2.3% rate pegging increase is less than the Council's forward estimate for 2014/2015 in the ten year financial plan.

Therefore with an increase of Financial Assistance Grant General component of $39,500 offsetting the rate reduction of $42,385; there is no significant issue to support taking a rate variation for 2014/2015 to the public.

The General Manager tabled a series of options that were to be put to Council for consideration in this report the Finance Committee meeting of Thursday 5 December 2013.

The ten year financial plan provides for surpluses for 2014/2015 in the Water and Sewer Funds of $183,987 and $101,229 respectively. These surpluses together with the above budget income for water in 2012/2013; with user fees of $421,130.50 compared to a budget of $350,050; provides the opportunity to reduce the Annual charge for Water Access.

The suggestion is to increase the base rate to an amount that will recover 48.92% of the residential rate income (the control category) and just over 100% of the local authority wide activities; Governance and Public Order and Safety expenditure.

There is a need to increase the Domestic Waste Collection cost as the Domestic Waste Collection has suffered deficits for the past two years. In addition, if Council is to continue its environmental activities, there is a need for a substantial increase in the Environmental Levy.

The reduction of the water access and rural residential recycling annual charges will offset the increases, above the rate pegging percentage, for the base rate, domestic waste collection in Uralla and Bundarra and the environmental levy.

The principal changes from 2013/2014 to 2014/2015 rates and annual charges are set out in the table below:

Rates/ Annual Charges	2013/2014	2014/2015	Increase (Decrease)
General Rate in the $	$0.003977	$0.004	0.6%
Base Rate	$238.00	$259.25	8.9%
Water Access	$283.00	$250.00	(11.7%)
Water Usage (Per kl)	$2.00	$2.10	5.0%
Residential Sewer Service connection	$495.00	$505.00	2.0%
Stormwater Levy	$25.00	$25.00	0.0%
Domestic Waste Collection			
Uralla	$100.00	$130.00	30.0%
Rural Residential (Invergowrie)	$125.00	$140.00	12.0%
Bundarra	$125.00	$135.00	8.0%
Recycling Annual Charge			
Uralla	$75.00	$80.00	6.7%
Rural Residential (Invergowrie)	$150.00	$125.00	(16.7%)
Bundarra	$75.00	$85.00	13.3%
Environmental Levy	$225.00	$200.00	12.5%

Within the attachments (Attachment E) are schedules indicating the gross effects of the above suggested changes, which will provide an overall increase of rates and annual charges of 3.02% for 2014/2015 compared to 2013/2014.

The effect on individual ratepayers, as always, depends upon the valuation of the property combined with what services are accessed that have annual charges that are not subject to rate pegging.

The increases are; for Uralla Residential (3.2% to 3.7% with an average at 3.53); Bundarra (2.9% to 3.5% with an average at 3.4%), Rural Residential (2.7% to 3.3% with an average at 2.9%) and Farmland (1.0% to 5.45 with an average of 1.8%).

Prepared by: General Manager

RECOMMENDATION

That Council

- adopt the rate pegging percentage of 2.3% to be applied to the general rates for the 2014/2015 rating year; consisting of 2.8% local government cost index increase to September 2013 less 0.3% recovery of the 2012/2013 advance for the introduction of the carbon price and a further 0.2% productivity factor announced by the Independent Pricing and Regulatory Tribunal (IPART) on Monday 2 December 2013
- advise IPART and the Minister for Local Government, Hon Don Page, that Council considers the continued 0.2% (or 7.14%) reduction for a productivity factor to be inappropriate after 33 years of rate pegging especially when no consideration appears to be given to the knowledge that local government, as a sector, is underfunded and that there is an infrastructure backlog.
- have the General Manager prepare a submission to the Minister for Local Government, Hon Don Page, on a proposal that the automatic rate pegging percentage be the higher of the IPART rate peg percentage and the rate increase disclosed in the Council's Delivery Program and backed by balanced ten year financial plans that have been subjected to Community Consultation in the Community Strategic Planning process within the Integrated Planning and Reporting framework.
- adopt, for the purposes of the 2014/2015 budget estimates calculations, the following:

- General Rates	0.4 cents in the $ valuation	an increase of 0.6%
- Base Rate	$259.25	an increase of 8.9%
- Water Access	$250.00	a decrease of 11.7%
- Sewer Access	$505.00	an increase of 2.02%
- Stormwater Levy	$25.00	no change
- Environmental Levy	$230.00	an increase of 15.0%
Domestic Waste Management for:		
- Uralla	$130.00	an increase of 30.0%
- Bundarra	$135.00	an increase of 8.0%
- Rural residential	$140.00	an increase of 12.0%
Recycling Annual Charge for:		
- Uralla	$80.00	an increase of 6.7%
- Bundarra	$85.00	an increase of 13.3%
- Rural residential	$125.00	a decrease of 16.7%
and the user pay charge of:		
- Water Use	$2.10 per kilo litre	an increase of 5.0%

ATTACHMENTS TO THE ITEM 3 REPORT

INDEX OF INCLUDED ATTACHMENTS

The Following Documents are Included as Attachments to the Preceding Report

Attachment Name:		Page Count:
A:	Media Release from the Independent Pricing and Regulatory Tribunal issued on the 2 December 2013	2
B:	Rate peg for NSW councils for 2014/2015 Fact Sheet	3
C:	Local Government Rate Peg 2014/2015 Information Paper December 2013	17
D:	Calculation of Rates and Annual Charges Revenue as at 4 December 2013	4
E:	Calculation of sample rates, over a range of valuations, for Uralla, Bundarra, Rural Residential (Invergowrie) and Farmland.	4

00105

Attachment: A

Media Release - 2014/15 rate peg for NSW local councils - 2 December 2013

Media Release

2 December 2013

Increases in local council general income will be capped at 2.3% in 2014/15 under a decision on the annual rate peg announced today by the Independent Pricing and Regulatory Tribunal (IPART).

The rate peg sets the maximum increase of 2.3%, slightly below inflation, to apply to general income collected by NSW councils. The main component of general income is rates revenue, but it also includes some annual user charges. It excludes stormwater, waste collection, water and sewerage charges.

If a council decides to increase residential rates in line with the rate peg, it would mean an additional $20 for the year, or slightly less than $0.40 per week, for the average household. The average residential rate assessment in NSW will be around $910 in 2014/15.

IPART Chairman, Peter Boxall, said this year's rate peg, down from 3.4% in 2013/14, reflects the lowest rise in public sector wage costs in a decade, along with the final adjustment of the carbon price advance, which was included in the rate peg in 2012/13. The adjustment for the carbon price advance was to avoid double counting of the impact of the carbon price on council services.

"The Local Government Cost Index (LGCI) increased by 2.8% in the year to September 2013, and we deducted a 0.2% productivity improvement factor to arrive at the underlying rate peg of 2.6%, before adjusting for the 0.3% carbon price advance provided in 2012/13," Dr Boxall said.

The rate peg sets the maximum increase in a council's general income. It is up to each council to determine the impact on individual rate assessments.

Councils intending to apply for a special variation to address financial sustainability, infrastructure backlogs or increasing demand for services are required to advise IPART of their intent to apply by 13 December 2013.

A fact sheet and information paper on the rate peg are available on IPART's website: www.ipart.nsw.gov.au.

Media contact: Julie Sheather 02 9290 8403 or 0409 514 643

Local Government rate peg 2013/14 – fast facts

- There are 152 local councils in NSW. The rate peg applies to most councils, except those with special variations covering the 2014/15 year.
- The IPART rate peg is a maximum allowable increase to council general income. Individual councils determine how that maximum increase is applied. For example, some rates might increase by more than 2.3% and others may increase by less as long as the total increase in general income does not exceed 2.3%.
- The underlying 2014/15 rate peg of 2.6% consists of two components: (1) the increase in the Local Government Cost Index (LGCI) in the year to September 2013 of 2.8%; (2) less a productivity adjustment of 0.2%.
- The Local Government Cost Index (LGCI) measures price movements of a representative 'basket' of inputs that are used to deliver local council services, in a similar way the Australian Bureau of Statistics (ABS) measures the Consumer Price Index (CPI). The main components of the index and their percentage share of the overall index are:
  - Employee benefits and on-costs (42.0%)
  - Construction works – roads, drains, footpaths, kerbing, bridges (13.8%)
  - Buildings – non-dwelling (6.3%)
  - Other business services – including items such as contractor and consultancy costs (5.9%)
  - Plant and equipment – machinery (3.8%)
  - Road, footpath, kerbing, bridge and drain building materials (3.1%)
  - Electricity (3.4%).
- In addition we have to remove the final part of the carbon price advance of 0.4% that was included in the rate peg in 2012/13. This reduces the rate peg by a further 0.3%. The carbon price advance was included in the rate peg for 2012/13 as an advance to allow councils to increase their general income in line with higher prices resulting from the introduction of the carbon price from 1 July 2012. As announced at the time of setting the 2012/13 rate peg, the carbon price advance would be withdrawn in 2 steps (0.1% in 2013/14 and 0.3% in 2014/15), as the actual impact of the carbon price flowed through to the LGCI. This was to ensure that the impact of the carbon price would not be counted twice in the rate peg.
- Councils may seek approval to increase their general income by more than the rate peg by applying to IPART for a special rate variation. Councils wishing to apply for special variations must notify IPART by 13 December 2013.

00106

DOWNLOAD DOCUMENT

Full Document	**Media Release - 2014/15 rate peg for NSW local councils - 2 December 2013**	PDF	DOWNLOAD *39.41KB*

Attachment: B

IPART Independent Pricing and Regulatory Tribunal

FACT SHEET

Rate peg for NSW councils for 2014/15

2 December 2013

IPART is responsible for setting the maximum increase in general income councils can receive each year. Known as the rate peg, IPART has set the cap at 2.3% for 2014/15 based on movements in indices reflecting council costs, a productivity factor and the withdrawal of the carbon price advance.

What is the rate peg?

The rate peg determines the maximum percentage amount by which a council may increase its general income for the year. Since 2011/12, it has been set by IPART under a delegation by the Minister for Local Government. Before that, the Minister for Local Government set the rate peg.

The rate peg is mainly based on the Local Government Cost Index (LGCI), which measures price movements over the past year for goods, materials and labour used by an average council. We also deduct a productivity factor.

The rate peg in 2012/13 was 3.6% (including the carbon price advance of 0.4%), and in 2013/14 was 3.4% (including a withdrawal of part of the carbon price advance of 0.1%).

Over the past 5 years to 2014/15, the rate peg has averaged 2.9%.

How did we set the rate peg for 2014/15?

In setting the rate peg, we seek to strike a balance between ensuring that councils can meet the increased costs of delivering services resulting from price changes and ensuring that councils share productivity gains with ratepayers.

We calculated the rate peg for 2014/15 by:

- taking the increase in the LGCI for the year to September 2013 of 2.8%
- deducting a productivity factor of 0.2%.

This resulted in an underlying rate peg of 2.6% in 2014/15.

We then deducted 0.3% to adjust for the remainder of the 0.4% carbon price advance that was brought forward into the 2012/13 rate peg.

What is the Local Government Cost Index (LGCI) and how do we measure change?

The LGCI is a price index for councils in NSW. It is similar to the Local Government Price Index used in South Australia and similar in principle to the Consumer Price Index (CPI), which is used to measure changes in prices for a typical household.

The LGCI is designed to measure the average change in prices of a fixed 'basket' of goods and services that are purchased by councils, relative to the prices of the same basket in a base period. The index has 26 cost components, such as employee benefits and on-costs, and building materials for roads, bridges and footpaths. We constructed the index in 2010, following a survey of councils in NSW about their expenditure in 2008/09 and 2009/10.

We use the change in the LGCI in the year to September 2013 to inform the rate peg for 2014/15. This is the latest available information at the time we set the rate peg. The change in the LGCI in the year to September 2013 was 2.8%.

The most important contributors to the change in the index were:

- A 2.6% increase in Employee benefits and on-costs, measured by the ABS wage price index for the NSW public sector. This makes up 1.10% of the change in the index.
- A 3.2% increase in Construction works, measured by the ABS producer price series for Road and Bridge Construction in NSW. This makes up 0.44% of the change in the index.
- A 14.9% rise in Electricity prices. This makes up 0.50% of the change in the index.

How did we determine the productivity factor for the 2014/15 rate peg?

The rate peg includes a productivity factor to allow ratepayers to share in council productivity gains. We have retained the same level of productivity factor of 0.2% as in the previous 3 years.

Last year we developed a methodology for determining a long term productivity factor. We used the latest ABS National Accounts data for market sector multifactor productivity as a whole over the last 15 years. We found that productivity gains were equivalent to 0.3% per annum over the last 15 years in the market sector.

We discounted this number to 0.2% in light of the factors that may cause productivity growth to be higher in the market sectors of the economy than in the local government sector.

What is the carbon price advance and why is it being reversed?

In 2012/13 we included a carbon price advance of 0.4%. This year we have completed the adjustment for this advance.

The carbon price advance was included in the 2012/13 rate peg because the LGCI in the year to September 2011 did not include the impact of the carbon price on council costs (since it was based on price data up to the September 2011 quarter and the carbon price was introduced from July 2012). We included the carbon price advance to bring forward the councils' ability to pay for the increased costs. It meant that councils were not out of pocket during the time lag between the carbon price being introduced and its effects being captured in the LGCI.

The 0.4% advance is being backed out over two years, by adjusting the rate peg by 0.1% for 2013/14 and the remaining 0.3%in the rate peg for 2014/15. We have made these adjustments to the rate peg to avoid double counting the impact of the carbon price which will have flowed through to the LGCI over the past 2 years.

What does the rate peg mean for ratepayers?

The rate peg sets the maximum increase in each council's general income for the 2014/15 financial year. The average residential rate per assessment in NSW in 2013/14 is around $890. The rate peg decision implies an average rate increase of around $20 in 2014/15.

Because the rate peg applies to general income in total, and not to individual ratepayers' rates, councils have significant discretion to determine how to allocate this increase between different ratepayer categories. Individual rates are also affected by other factors, such as land valuations.

Therefore, an individual ratepayer's rates may increase by more or less than the rate peg amount.

What does the rate peg mean for councils?

Councils must increase general income by no more than the rate peg.

Councils requiring additional general revenue to address financial sustainability, infrastructure backlogs or increasing demand for services may apply to IPART for a special variation.

Councils who apply for a special variation must satisfy the criteria listed in the Division of Local Government's Guidelines. The Guidelines require that councils must establish a need for a special variation through the Integrated Planning and Reporting (IP&R) process. This includes undertaking long term financial planning and community consultation to establish the need for and the extent of the special variation required. In addition, councils must meet criteria related to productivity savings.

See the IPART website for information on the special variation requirements and councils that have applied in recent years.

http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt/Special_Variations_and_Minimum_Rates

Want more information?

See the IPART website for the related information paper on the 2014/15 Rate Peg.

http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt/Rate_Peg

For more detail on the Local Government Cost Index see our Information Paper, *Local Government Cost Index* published in December 2010. This is also available on our website.

www.ipart.nsw.gov.au/Local_Govt/local-government-cost-index

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Attachment: C

IPART
New South Wales

Independent Pricing and Regulatory Tribunal

Local Government Rate Peg 2014/15

Local Government — Information Paper
December 2013

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ISBN 978-1-925032-50 5

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1 Executive summary

The Independent Pricing and Regulatory Tribunal (IPART) is responsible for setting the rate peg each year. For 2014/15, we have set the rate peg at 2.3%.

The rate peg determines the maximum allowable percentage increase in general income for most local councils in NSW for 2014/15. Only councils with a special variation for 2014/15 may increase rates by more than the rate peg.[1]

We calculated an underlying rate peg of 2.6% using the Local Government Cost Index and deducting a productivity factor. We then deducted 0.3% to adjust for the remainder of the carbon price advance that was already included in the 2012/13 rate peg.

This information paper describes how we calculated the rate peg for 2014/15.

1.1 The components of the 2014/15 rate peg

Under the terms of reference from the Premier, IPART is required to have regard to a Local Government Cost Index (LGCI) and a productivity factor when setting the rate peg.

We calculated the rate peg for 2014/15 as follows:

- we took the increase in the LGCI for the year to September 2013 of 2.8%, and
- deducted from it a productivity factor of 0.2%.

This results in an underlying rate peg of 2.6% in 2014/15. We then deducted 0.3% to adjust for the remainder of the carbon price advance that was brought forward into the 2012/13 rate peg.

The underlying rate peg of 2.6% for 2014/15 mainly reflects low inflation and low public sector wages growth in the year to September.

Table 1.1 shows the components of the 2014/15 rate peg.

[1] Under the *Local Government Act 1993*, councils may seek approval to increase their general income by more than the rate peg by applying to IPART for a 'special rate variation'. Currently there are 11 councils that may increase their rates by more than the rate peg amount in 2014/15. Other councils may apply for a special rate variation to take effect from 1 July 2014.

Table 1.1 The 2014/15 rate peg and its components

Component	Percentage change
Local Government Cost Index (LGCI)	2.81
Less Productivity factor	-0.20
Underlying rate peg (LGCI less productivity factor)	2.61
Underlying rate peg (rounded to one decimal place)	**2.6**
Less adjustment for earlier carbon price advance	-0.3
Rate peg	**2.3**

In the remainder of this paper we explain the main components of the 2014/15 rate peg in more detail. In section 2 we highlight the principal features of the LGCI and its increase in the year to September 2013. Then we explain how we determined the productivity factor in section 3 and discuss the second and final adjustment of the carbon price advance in section 4.

2 The rate peg and the LGCI

2.1 What is the rate peg?

Rate pegging is a policy in NSW which limits the allowable increase in councils' 'general income'. General income mainly comprises rates revenue, but also includes certain annual user charges. It excludes stormwater and waste charges, and water and sewerage charges.

The rate peg determines the maximum percentage by which a council may increase its general income in a particular financial year, unless the council has obtained approval for a special variation.

IPART sets the rate peg and approves special variations under a delegation from the Minister for Local Government.[2] In setting the rate peg, we use a local government cost index and deduct a productivity factor to ensure that councils share efficiency gains with ratepayers.

[2] Councils with a need for rate increases that exceed the rate peg may apply to IPART for a special variation. For details, see our website at http://www.ipart.nsw.gov.au.

2.2 What is the LGCI?

The LGCI is the chief component of the rate peg. It is a measure of the annual average change in the prices paid for inputs for ordinary council activities that are funded, in part, from general rate revenue.

The LGCI measures the average change in the prices of a fixed 'basket' of goods and services purchased by councils. The basket of goods and services we use is based on a survey of NSW councils' expenditure, undertaken in 2010.[3]

We calculated the LGCI using price data from the ABS for the year to the September quarter 2013, compared with the year to the September quarter 2012. This is the latest published ABS data available to us when setting the rate peg.

Table 2.1 shows for each item in the index, its weighting, the change in price for the year to September 2013 and its contribution to the LGCI. The overall change in the LGCI over the year to September quarter 2013 was an increase of 2.81%. The main contributors to this increase were:

- A 2.6% increase in employee benefits and on-costs, measured by the ABS wage price index for the NSW public sector.
- A 3.2% increase in construction costs for works, measured by the ABS producer price series for Road and Bridge Construction in NSW.
- A 14.9% increase in electricity prices, most of which occurred in the September quarter 2012. The increase reflects the impact of the carbon price and higher regulated network charges. Our recent retail electricity price determination foreshadowed moderate price increases on 1 July 2013 and 2014, which will be captured in the ABS measures used in next year's rate peg decision.[4]
- A 10.5% increase in insurance costs reflecting in part the impact of the NSW and Victorian bushfires and the Queensland floods.

The Emergency Services Levy - for which we construct our own price index (as explained in Appendix B) – increased by 0.3%, which had no measurable effect on the LGCI this year.

---

3 The survey collected information on actual council expenditure in 2008/09 and 2009/10. For more information, see *Local Government Cost Index - Information Paper*, December 2010, p 24.

4 See IPART, *Final Report - Review of Regulated Retail Prices for Electricity – From 1 July 2013 to 30 June 2016*, p 2.

Table 2.1 Calculating the rise in LGCI for the year ended September 2013

Cost items	Effective weights as at end Sep 2012 (%)	Price change to end Sep 2013 (% annual average)	Contribution to index change (percentage points)
Operating costs			
Employee benefits and on-costs	41.8	2.6	1.10
Plant & equipment leasing	0.4	-2.4	-0.01
Operating contracts	1.3	1.0	0.01
Legal & accounting services	1.1	4.2	0.05
Office & building cleaning services	0.2	2.7	0.01
Other business services	5.9	1.5	0.09
Insurance	1.8	10.5	0.19
Telecommunications, telephone & internet services	0.5	1.7	0.01
Printing publishing & advertising	0.5	-4.1	-0.02
Motor vehicle parts	0.5	0.6	0.00
Motor vehicle repairs & servicing	0.7	3.7	0.03
Automotive fuel	1.2	1.5	0.02
Electricity	3.4	14.9	0.50
Gas	0.1	13.4	0.01
Water & sewerage	0.5	1.4	0.01
Road, footpath, kerbing, bridge & drain building materials	3.1	3.2	0.10
Other building & construction materials	0.8	0.0	0.00
Office supplies	0.4	-2.0	-0.01
Emergency services levies	1.4	0.3	0.00
Other expenses[a]	8.6	2.5	0.21
Capital costs			
Buildings – non-dwelling	6.3	0.1	0.00
Construction works - road, drains, footpaths, kerbing, bridges	13.8	3.2	0.44
Construction works - other	1.4	3.2	0.04
Plant & equipment – machinery	3.8	1.3	0.05
Plant & equipment – furniture etc	0.2	0.7	0.00
Information technology & software	0.3	-8.1	-0.02
Total change in LGCI	**100.0**		**2.81**

a Includes miscellaneous expenses with low weights in the Index, eg, councillor and mayoral fees.

Notes: Figures may not add due to rounding. Percentage changes are calculated from unrounded numbers.

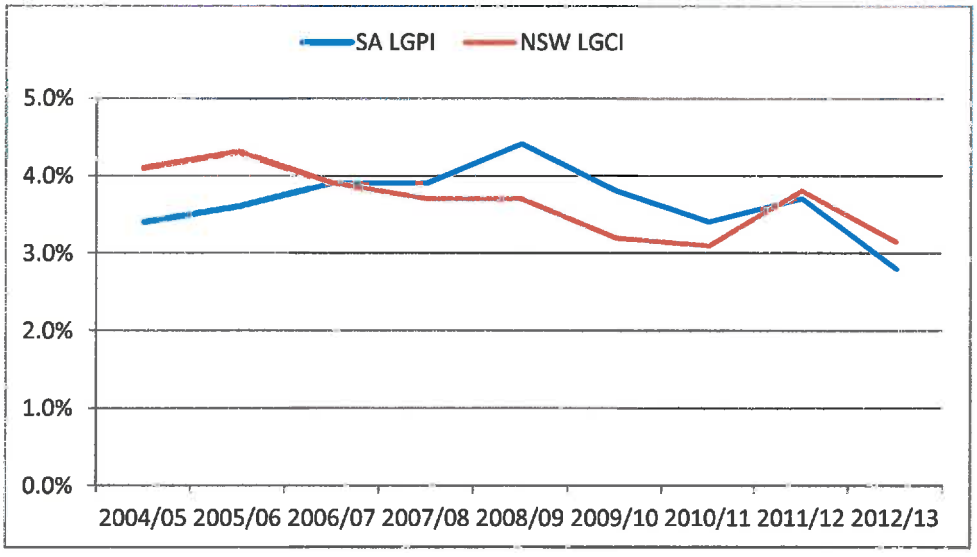
2.3 Comparing the rise in the LGCI with inflation and other relevant indices

The design of the LGCI is similar to the design of the Consumer Price Index (CPI) and the South Australian Local Government Price Index (SA LGPI). But they each measure the average price change of a different basket of goods and services: therefore their annual rates of change will be different.

The CPI 'basket' is based on the spending patterns of households in Australia's capital cities. The LGCI 'basket' is based on the spending patterns of NSW councils. The South Australian LGPI measures a similar basket for South Australian councils.

Figure 2.1 shows the annual percentage changes in the NSW and SA council cost indices since 2004/05. The indices are not identical, but they are both based on a representative range of council costs and can therefore be expected to move more consistently over time than indices that rely on only 1 or 2 price series. Over the 9 years to 2012/13, the average annual rise in both indices has been around 3.7%

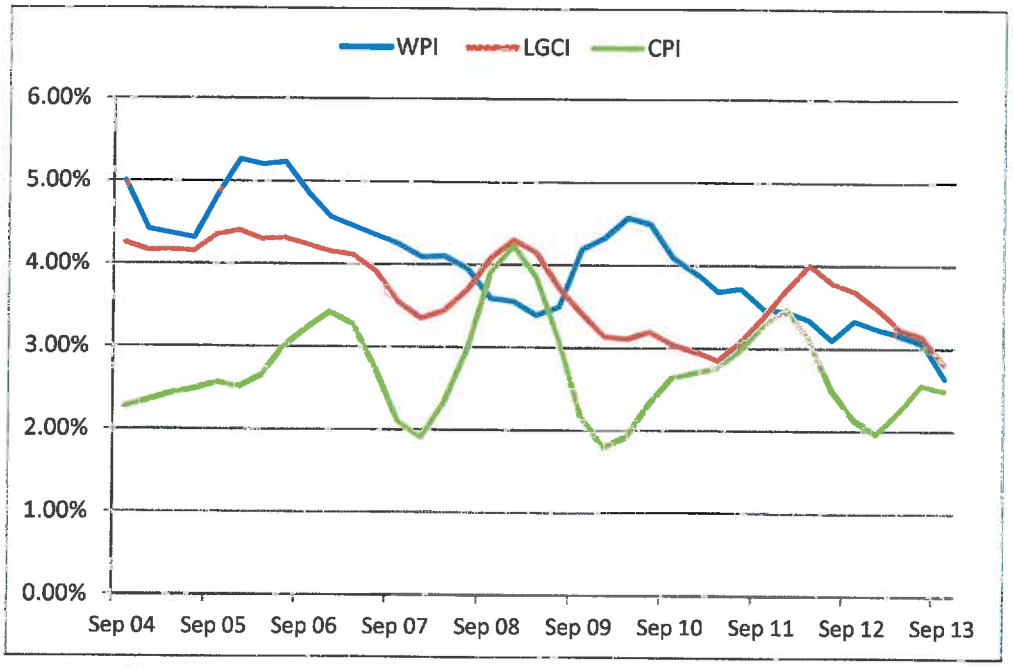
Figure 2.1 Annual average changes in local government cost indices in NSW and SA, years to end-June 2013



Note: To aid comparison we have measured the changes in both indices in financial years.
Sources: IPART and www.adelaide.edu.au/saces/economy/lgpi/.

Figure 2.2 shows the increases in the LGCI, CPI and the NSW public sector Wage Price Index (WPI). For the year to September 2013, the annual average increase in the Sydney CPI was 2.5% compared with a 2.8% rise in the LGCI.

Figure 2.2 Rolling annual change for each quarter for the LGCI, WPI and CPI



Source: ABS, various data release for consumer, producer and labour prices; and IPART.

Annual increases in the LGCI have usually been higher than the increases in the Sydney CPI because the LGCI includes labour costs, and these generally rise faster than inflation.

Over the past 5 years, the average annual increase in the WPI has been 3.5%. Over the same 5 years, the average annual increase in the LGCI was 3.3% and, in the Sydney CPI, it was 2.5%.

2.4 Comparing the historical LGCI and rate peg with CPI levels

Table 2.2 compares the rate peg (and its adjustments) with the actual annual increases that have occurred in the Sydney CPI since 2008/09. The rate peg is usually higher than the annual increase in consumer prices.

Table 2.2 Historical increases in the LGCI, rate peg and the CPI

Year	LGCI[a]	Productivity factor	Underlying Rate Peg	CPA	Rate Peg	CPI[b]
2008/09[c]	na		na		3.2	3.1
2009/10[c]	na		na		3.5	2.3
2010/11[c]	na		na		2.6	3.0
2011/12	3.0	-0.2	na		2.8	2.5
2012/13	3.4	-0.2	3.2	+0.4	3.6	2.5
2013/14	3.7	-0.2	3.5	-0.1	3.4	na
2014/15	2.8	-0.2	2.6	-0.3	2.3	na

[a] Calculated as the rise in the year to the September quarter in the year prior to the rate peg year. For example, for 2011/12 the LGCI rose 3.0% in the year to September 2011 and the rate peg for 2011/12 was 2.8%.

[b] The CPI is the actual CPI as measured by the ABS for the year ended June.

[c] Prior to 2011/12, the rate peg was set by the Minister of Local Government on advice from the Department of Local Government (DLG) and NSW Treasury. The LGCI was first used when IPART set the 2011/12 rate peg.

2.5 What the LGCI does not measure

The LGCI measures the average change in prices for a basket of inputs that councils purchase. The LGCI does not measure the following factors, which are important to individual councils:

- the effect of cost and price changes on an individual council's expenditure pattern, because the weights in the LGCI reflect the average spending pattern across all NSW councils
- local price impacts eg, competition with local mining companies may cause higher wages for certain staff, or natural disasters may lift local building material prices
- the effects of population growth
- any council or community desires to increase the quality of existing services or provide new services or increase expenditure on infrastructure renewal.

2.6 Re-examining the price series used in the LGCI

During 2013 we re-examined the ABS price indices we used last year to ensure that they remain the most relevant in relation to movements in council cost items. We did not find any published price series to be more suitable than those we used last year and have therefore retained the same series listed in Appendix A.

We intend to survey councils and undertake a comprehensive review of the LGCI in late 2014.

3 The productivity factor

The rate peg includes a productivity factor to allow ratepayers to share the efficiency gains made by councils. The productivity factor of 0.2% has not changed in recent years.

We have determined a productivity factor of 0.2% for 2014/15. As explained in section 3.2 below, the productivity factor has been informed by the long-term average of multifactor productivity in the market sector and a consideration of specific factors affecting local government.

The following sections outline the rationale for including a productivity factor in the rate peg and explain how we set the productivity factor for 2014/15.

3.1 Rationale for a productivity factor

IPART's terms of reference from the Premier require us to have regard to the LGCI and a productivity factor when setting the rate peg. This follows from a recommendation we made in our 2009 report, *Revenue Framework for Local Government,* that the rate peg should allow ratepayers to share in the efficiency gains made by their councils, since this is what happens in competitive markets.

In market-oriented sectors of the economy, the pressures of competition usually provide sufficient incentive for a business to share any potential productivity (or efficiency) improvements with consumers through lower prices.

As local councils have suggested, they seek to make, and do make, efficiency and productivity gains over time, as do other sectors of the economy. Such gains may come from various sources, such as higher educational and skills levels of council staff and contractors, or from improved technology that is built into the latest capital equipment.

Evidence from other sectors of the economy shows that productivity improvements tend to occur over time. However, a rise in the LGCI makes no allowance for the higher productivity that result as councils make more efficient use of their inputs. We therefore take account of both economy-wide productivity trends as well as specific factors affecting local government when we determine an appropriate productivity factor for local government.

3.2 How is the size of the productivity factor determined?

This year we have maintained the productivity factor for local government at 0.2%. This is the same productivity factor we applied to the 2013/14 rate peg.

Last year we derived a benchmark productivity factor across all the industry sectors that we regulate using a cost index of inputs.[5] This productivity factor focused on *multifactor* rather than *labour* productivity and took industry-specific factors into account.

We took the long-term annual average increase in the ABS measure of aggregate gross output market-sector multifactor productivity. Based on a 15-year annual average rise, we calculated a benchmark productivity factor of 0.3%.[6] We then considered factors that are specific to the industry and discounted the productivity factor that we applied to local government to 0.2%.[7]

The ABS no longer publishes the measure of aggregate gross output market-sector multifactor productivity. We will therefore review the methodology for determining a benchmark productivity factor during 2014.

4 Final adjustment of the carbon price advance

The introduction of a carbon price from 1 July 2012 affected the prices that local councils paid for some of their inputs. Because the LGCI is a lagged index, the 2012/13 rate peg did not reflect the introduction of the carbon price. Therefore, we included a carbon price advance in the 2012/13 rate peg of 0.4% to assist councils to meet higher prices arising from its introduction.

Our decision to include a carbon price advance in the 2012/13 rate peg was an exception to our practice of basing the LGCI on past, known increases in prices. We decided to provide councils with additional cash flow in the 2012/13 rate peg to help them meet the higher expenditure as a result of the carbon price.

At the time of setting the 2012/13 rate peg we announced that the carbon price advance would be reversed once the effect of the carbon price started flowing through to prices used in the LGCI. We would be double-counting the effect of the introduction of the carbon price if we did not adjust in later years for the advance given in the 2012/13 rate peg.

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5 For a detailed explanation of the methodology see IPART, *Adjusting Industry Cost Indices to Share Productivity Gains with Customers*, October 2012, available on the IPART website at http://www.ipart.nsw.gov.au.

6 Source: ABS Cat no. 5260.0.55.002 *Experimental Estimates of Industry Multifactor Productivity, Australia: Detailed Productivity Estimates*, 7 December 2011, Table 15.

7 IPART, *2013/14 Rate Peg, Local Government - Information Paper*, November 2012, pp 8-9.

We have adjusted for the carbon price advance in 2 steps. In accordance with our announcement, the first adjustment of 0.1% occurred last year in the 2013/14 rate peg. The second and final adjustment of 0.3% is included this year in the 2014/15 rate peg.[8]

4.1 Repeal of the carbon price

The newly elected Australian Government has introduced legislation into Parliament to repeal the current carbon price.[9] If the carbon price were to be abolished from 1 July 2014, the lagged nature of the LGCI means that any effect on prices of goods and services of the abolition would be captured in the 2015/16 rate peg at the earliest.

As noted in the previous section, in 2012/13 we included an additional increase of 0.4% in anticipation of the carbon price. This effectively brought forward councils' ability to pay for the increased costs. It meant that councils were not out of pocket during the time lag between the carbon price being introduced and its effects being captured in the LGCI. We have adjusted for this 0.4% advance over 2 years as the effects of the carbon price flows through to the calculation of the rate peg.

This approach has added additional complexity over a number of years which has not always been well understood by stakeholders.

In the event of the carbon price being repealed by the Government, we have decided to allow the price effects to be reflected in the calculation of the rate peg in the normal way. That is, over time, price effects will be captured in the calculation of the LGCI and flow through to the rate peg in the same way as any other changes in prices.

8 For more detail, see IPART, *Rate Peg 2012/13 – Information Paper*, December 2011. The LGCI does not capture the effect on council costs of the rise in prices for fuel used in non-transport and off-road transport. This effect was too small to alter the size of the first CPA withdrawal.

9 The Australian Government introduced the Clean Energy Legislation (Carbon Tax Repeal) Bill 2013 into Parliament on 13 November 2013.

Appendices

A Component Price Indexes

Table A.1 LGCI cost items and the price indexes that measure their changes

Recurrent cost items	Component price indexes[a]
Employee benefits and on-costs	WPI - Public sector, NSW
Plant & equipment leasing (excluding waste management)	PPI - 663 Other goods & equipment rental and hiring
Operating contracts (excluding waste management)	PPI - 729 Other administrative services
Legal & accounting services	PPI - 693 Legal & accounting services
Office & building cleaning services	PPI - 7311 Building & other industrial cleaning services
Other business services	PPI - 7299 Other administrative services n e c
Insurance	CPI - Insurance Services, Sydney
Telecommunications, telephone & internet services	CPI - Telecommunications, Sydney
Printing publishing & advertising	PPI - 16 Printing (including reproduction of recorded media)
Motor vehicle parts	CPI - Spare parts and accessories for motor vehicles, Sydney
Motor vehicle repairs & servicing	CPI - Maintenance and repair of motor vehicles, Sydney
Automotive fuel	CPI - Automotive fuel, Sydney
Electricity	CPI - Electricity, Sydney
Gas	CPI - Gas & other household fuels, Sydney
Water & Sewerage	CPI - Water & sewerage - Sydney
Road, footpath, kerbing, bridge & drain building materials	PPI - 3101 Road & bridge construction, NSW
Other building & construction mats	PPI - 3020 Non-residential building construction, NSW
Office supplies	CPI - Audio, visual & computer media & services, Sydney
Emergency services levies	IPART index of council ESL per rateable property
Other expenses	CPI - All groups, Sydney
Capital cost items	
Buildings – non-dwelling	PPI - 3020 Non-residential building construction, NSW
Construction works - road, drains, footpaths, kerbing, bridges	PPI - 3101 Road & bridge construction, NSW
Construction works - other	PPI - 3101 Road & bridge construction, NSW
Plant & equipment – machinery	PPI - 231 Motor vehicle & motor vehicle part manufacturing
Plant & equipment – furniture etc	PPI 24 Machinery & equipment manufacturing
Information technology & software	CPI - Audio, visual & computer equipment & services, Sydney

[a] Detailed data sources are set out in IPART, *Local Government Cost Index – Information Paper*, December 2010. 'WPI' = ABS Wage Price Index, 'PPI' = Producer Price Index and 'CPI' = Consumer Price Index.

B Emergency Services Levies

The local government sector, the insurance industry and the state government contribute to the cost of maintaining the 3 emergency service agencies: Fire & Rescue NSW, the Rural Fire Service and the State Emergency Service. The statutory contributions are called 'emergency services levies' (ESL).

Of the total cost of running the emergency services, the insurance industry funds 73.7%, NSW local councils 11.7% and the state government funds the balance.

There is no ABS price series that estimates the cost movements in this sector, so we have used the change in the ESL rate paid by councils per rateable property to calculate a price series for use in the LGCI.

To estimate the ESL per rateable property payable by councils in NSW, we divide the total ESL payable by councils (data supplied by NSW Treasury) by the number of rateable properties (data supplied by DLG) to derive an 'effective rate of council ESL'. For the latest year, we use Treasury's budget estimates for the councils' share of the cost of providing emergency services and reasonable estimates about the growth in the number of rateable properties.

Table B.1 estimates the average council ESL per property over the past 5 years.

Table B.1 Percentage change in the effective rate of the council ESL

	2009/10	2010/11	2011/12	2012/13	2013/14[a]
NSW rateable properties	2,906,613	2,932,273	2,948,744	2,965,215	2,996,650
Council contributions to:					
Fire & Rescue NSW ($m)	64.0	69.6	69.9	68.9	70.5
Rural Fire Service ($m)	23.5	29.7	31.8	30.5	33.3
SES ($m)	5.5	7.0	7.5	9.5	10.0
Total contributions ($m)	**93.1**	**106.2**	**109.1**	**109.0**	**113.7**
Effective rate of council ESL (contribution per property) ($)	32.0	36.2	37.0	36.8	37.9
Change in effective rate of council ESL (%)	-0.7	13.2	2.1	-0.7	3.2

a. The latest year of councils' ESL contributions are based on Treasury budget estimates. The number of rateable properties is extrapolated by 0.6% using their actual growth rate in 2012/13.

Notes: Numbers may not add due to rounding.

Source: NSW Treasury, DLG and IPART calculations.

Attachment: D

URALLA SHIRE COUNCIL
RATES AND ANNUAL CHARGES FROM RATE FORECASTING FOR THE REVENUE POLICY
CALCULATION OF RATES FOR 2014/2015

	Number		Value	Percent	2013/2014	Compare	Percent
Ad valorum rate			0.004000		0.003977	100.6%	
Base Rate			259.25		238	108.9%	
Farmland							
Ad Valorem	576	447,476,400	1,789,906	92.30%	1,781,194	100.5%	
Base Rate	576	259.25	149,328	7.70%	137,802	108.4%	
Total			**1,939,234**	***55.32%***	**1,918,996**	**101.1%**	**55.99%**
Residential							
Ad Valorem							
Uralla							
Bundarra							
	1,395	97,230,500	388,922	51.82%	386,258	100.7%	
Base Rate							
Uralla							
Bundarra							
	1,395	259.25	361,654	48.18%	331,058	109.2%	
Total			**750,576**	***21.41%***	**717,316**	**104.6%**	**20.93%**
Rural residential							
Ad Valorem	787	128,236,720	512,947	71.54%	509,148	100.7%	
Base Rate	787	259.25	204,030	28.46%	186,830	109.2%	
Total			**716,977**	***20.45%***	**695,978**	**103.0%**	**20.31%**
			1,467,552		**1,413,294**		
Business							
Ad Valorem							
	160	14,442,100	57,768	58.36%	57,436	100.6%	
Base Rate							
	159	259.25	41,221	41.64%	37,842	108.9%	
Total			**98,989**	***2.82%***	**95,278**	**103.9%**	**2.78%**
Total Rates	2,917	687,385,720	**$3,505,775**	**63.62%**	**$3,427,568**	**102.3%**	**64.08%**
Increase in % and $				**2.28%**	**$78,207**		

Summar	General Ad Valorem rates	687,385,720	2,749,543	0.004000
	Farmland over 20%		0	
	Base rates	2,917	756,232	259.25
			3,505,775	
Variation of Total to 2013/2014				
	Final Land Valution for SOC		687,462,020	(Land value on page 2 of Schedule 2 of SOC)
or	Revaluation Amount		0	(i.e. one of these fields must be 0)
	Variation to estimate from 2013/2014		-380	(
Notional value 2014/2015			3,427,568	(agrees to page 1 Schedule 2 of the SOC)
Notional 2013/2014 plus increase $-380 short raised			3,505,717	2.3%
	Variation to estimate		-58	

URALLA SHIRE COUNCIL
RATES AND ANNUAL CHARGES FROM RATE FORECASTING FOR THE REVENUE POLICY

CALCULATION OF RATES FOR 2014/2015 (continued)

	Number		Value	Percent	2012/2013	Compare
Uralla Water						
Access Charge	1,172	$250.00	293,000	98.57%	330,261	88.7%
N/R Access	17	$250.00	4,250	1.43%	4,811	88.3%
Total			**297,250**	**5.39%**	**335,072**	88.7%
				-11.29%		
Bundarra Water						
Access Charge	226	$250.00	56,500	97.41%	63,958	88.3%
N/R Access	6	$250.00	1,500	2.59%	1,698	88.3%
Total			**58,000**	**1.05%**	**65,656**	88.3%
				-11.66%		
			355,250		**400,728**	
				-11.35%		
Uralla Sewer						
Access Charge	943	$505.00	476,215	87.37%	466,290	102.1%
N/R Access	96	$354.00	33,984	6.24%	33,312	102.0%
Vacant land	55	$505.00	27,775	5.10%	24,750	112.2%
Non rateable Acces	14	$505.00	7,070	1.30%	6,930	102.0%
Urinal Charge	0	$354.00	0	0.00%	0	0.0%
Total			**545,044**	**9.89%**	**531,282**	102.6%
				2.59%		
Stormwater Levy						
Charge	924	$25.00	23,100	79.14%	23,100	100.0%
Business	237	$25.00	5,925	20.30%	5,925	100.0%
Strata	13	$12.50	163	0.56%	175	92.9%
Total			**29,188**	**0.53%**	**29,200**	100.0%
				-0.04%		
Domestic Waste	1,696		**384,885**	**6.98%**	349,625	110.1%
				10.09%		
Waste Management	3,103		**690,375**	**12.53%**	610,600	113.1%
				13.07%		
Total Rates and Annual Charges			**$5,510,517**	**100.00%**	**$5,349,003**	103.0%
				3.02%		
Variation of Total over 2012/2013			**3.02%**		**$161,513**	

Prior Year Total plus rate pegging increase	**$5,472,031**
Net addition (reduction) from expansion	**$38,486**
Expansion Percentage	**0.72%**

URALLA SHIRE COUNCIL
RATES AND ANNUAL CHARGES FROM RATE FORECASTING
FOR THE REVENUE POLICY

00126

CALCULATION OF BASE RATE FOR ASSESSMENTS

2007/2008 Base Rate	2,855		585,275	205.00	
2008/2009 Base Rate	2,857	0.07%	552,830	193.50	-5.6%
2009/2010 Base Rate	2,836	-0.74%	589,888	208.00	7.5%
2010/2011 Base Rate	2,858	0.78%	605,896	212.00	1.9%
2011/2012 Base Rate	2,867	0.31%	622,139	217.00	2.4%
2012/2013 Base Rate	2,899	1.12%	652,275	225.00	3.7%
2013/2014 Base Rate	2,914	0.52%	693,532	238.00	5.8%
2014/2015 Estimated Base	2,917	0.62%	756,232	259.25	8.9%

BASIS FOR QUANTUM OF BASE RATE

	2014/2015	2013/2014
Governance		
Net Cost from Budget Estimates 2014/2015	582,511	584,190
	582,511	584,190
Public Order and Safety		
Net Cost from Budget Estimates 2014/2015	200,411	194,401
Less: Depreciation	34,962	33,944
Less: Depreciation	111	108
	165,338	160,349
Expenditure for base rate	747,849	744,539
Percentage of expenditure covered by base rate	101.1%	93.1%

Base Rate Totals for 2014/2015

Farm land	149,328	
Residential	361,654	
Rural Residential	204,030	
Business	41,221	
		756,232
Increase (decrease) in total base rate		9.0%

Base Rate Totals for 2013/2014

Farm land	137,802	
Residential	331,058	
Rural Residential	186,830	
Business	37,842	
		693,532

URALLA SHIRE COUNCIL
DOMESTIC AND WASTE MANAGEMENT CHARGES FROM RATE FORECASTING
FOR THE REVENUE POLICY

Calculations of Domestic Waste and Waste Management Income
2014/2015

Code	WASTE CHARGE	RECYCLING CHARGE	ENVIRO LEVY	TOTAL	NUMBER	WASTE TOTAL	RECYCLE TOTAL	ENVIRO TOTAL	YEILD
Uralla	130.00	80.00		210.00	1034	134,420	82,720	0	**217,140.00**
Uralla									
Uralla		80.00		80.00	3	0	240	0	**240.00**
Rural	140.00	125.00		265.00	490	68,600	61,250.0	0	**129,850.00**
Rural		125.00		125.00	-5	0	-625.0	0	**-625.00**
Bundarr	135.00	85.00		220.00	174	23,490	14,790.0	0	**38,280.00**
					1,696	**226,510**	**158,375**	**0**	**384,885.00**

Code	WASTE CHARGE	RECYCLING CHARGE	ENVIRO LEVY	TOTAL	NUMBER	WASTE TOTAL	RECYCLE TOTAL	ENVIRO TOTAL	YEILD
Envro le	0.00	0.00	225.00	225.00	2,913	0	0	655,425	**655,425.00**
Uralla	150.00			150.00	48	7,200	0	0	**7,200.00**
	200.00			200.00	116	23,200	0	0	**23,200.00**
Bundarr	175.00			175.00	26	4,550	0	0	**4,550.00**
					3,103	**34,950**	**0**	**655,425**	**690,375.00**

Uralla	30.00%	6.67%	12.50%
Rural	12.00%	-16.67%	12.50%
Bundarr	8.00%	13.33%	12.50%

Total Collection Income	**261,460**	**158,375**	**655,425**	**1,075,260.00**
Increase over previous year	**22.02%**	**-3.05%**	**12.50%**	**11.98%**

Calculations of Domestic Waste and Waste Management Income
2013/2014

Code	WASTE CHARGE	RECYCLING CHARGE	ENVIRO LEVY	TOTAL	NUMBER	WASTE TOTAL	RECYCLE TOTAL	ENVIRO TOTAL	YEILD
Uralla	100.00	75.00		175.00	1034	103,400	77,550	0	**180,950.00**
Uralla									
Uralla		75.00		75.00	2	0	150	0	**150.00**
Rural	125.00	150.00		275.00	489	61,125	73,350.0	0	**134,475.00**
Rural		150.00		150.00	-5	0	-750.0	0	**-750.00**
Bundarr	125.00	75.00		200.00	174	21,750	13,050.0	0	**34,800.00**
					1,694	**186,275**	**163,350**	**0**	**349,625.00**

Code	WASTE CHARGE	RECYCLING CHARGE	ENVIRO LEVY	TOTAL	NUMBER	WASTE TOTAL	RECYCLE TOTAL	ENVIRO TOTAL	YEILD
Envro le	0.00	0.00	200.00	200.00	2,913	0	0	582,600	**582,600.00**
Uralla	110.00			110.00	48	5,280	0	0	**5,280.00**
	160.00			160.00	116	18,560	0	0	**18,560.00**
Bundarr	160.00			160.00	26	4,160	0	0	**4,160.00**
					3,103	**28,000**	**0**	**582,600**	**610,600.00**

Total Collection Income	**214,275**	**163,350**	**582,600**	**960,225.00**

URALLA SHIRE COUNCIL
CALCULATIONS OF VARIOUS INDIVIDUAL RATE AMOUNTS FOR VARIOUS RATE CLASSIFICATIONS

		2014/2015			2013/2014				
		Valuation /Number	Rate /Charge	Value	Valuation /Number	Rate /Charge	Value	Land Value Increase	$ INCREASE -$ DECREASE
Uralla									
	Ad Valorem	52,000	0.00400000	208.00	52,000	0.00397700	206.80	0.00%	1.20
	Base Rate	1	259.25	259.25	1	238.00	238.00		21.25
				467.25			444.80	***5.05%***	22.45
	Uralla Water	1	250.00	250.00	1	283.00	283.00	-11.66%	-33.00
	Uralla Sewer	1	505.00	505.00	1	495.00	495.00	2.02%	10.00
	Uralla Stormwater	1	25.00	25.00	1	25.00	25.00	0.00%	0.00
	Environmental Levy	1	225.00	225.00	1	200.00	200.00	12.50%	25.00
	Domestic Waste	1	210.00	210.00	1	175.00	175.00	20.00%	35.00
				1,682.25			1,622.80	***3.66%***	$59.45
Uralla	**Average**								
	Ad Valorem	70,700	0.00400000	282.80	70,700	0.00397700	281.17	0.00%	1.63
	Base Rate	1	259.25	259.25	1	238.00	238.00		21.25
			-	542.05		-	519.17	***4.41%***	22.88
	Uralla Water	1	250.00	250.00	1	283.00	283.00	-11.66%	-33.00
	Uralla Sewer	1	505.00	505.00	1	495.00	495.00	2.02%	10.00
	Uralla Stormwater	1	25.00	25.00	1	25.00	25.00	0.00%	0.00
	Environmental Levy	1	225.00	225.00	1	200.00	200.00	12.50%	25.00
	Domestic Waste	1	210.00	210.00	1	175.00	175.00	20.00%	35.00
				1,757.05			1,697.17	***3.53%***	$59.88
Uralla	**9322 9**								
	Ad Valorem	100,000	0.00400000	400.00	100,000	0.00397700	397.70	0.00%	2.30
	Base Rate	1	259.25	259.25	1	238.00	238.00		21.25
			0.00	659.25		0.00	635.70	***3.70%***	23.55
	Uralla Water	1	250.00	250.00	1	283.00	283.00	-11.66%	-33.00
	Uralla Sewer	1	505.00	505.00	1	495.00	495.00	2.02%	10.00
	Uralla Stormwater	1	25.00	25.00	1	25.00	25.00	0.00%	0.00
	Environmental Levy	1	225.00	225.00	1	200.00	200.00	12.50%	25.00
	Domestic Waste	1	210.00	210.00	1	175.00	175.00	20.00%	35.00
				1,874.25			1,813.70	***3.34%***	$60.55

Attachment: E

URALLA SHIRE COUNCIL
CALCULATIONS OF VARIOUS INDIVIDUAL RATE AMOUNTS FOR VARIOUS RATE CLASSIFICATIONS

		2014/2015			2013/2014				
		Valuation /Number	Rate /Charge	Value	Valuation /Number	Rate /Charge	Value	Land Value Increase	$ INCREASE -$ DECREASE
Uralla	**10601 3**								
	Ad Valorem	124,000	0.00400000	496.00	124,000	0.00397700	493.15	0.00%	2.85
	Base Rate	1	259.25	259.25	1	238.00	238.00		21.25
			0.00	755.25		0.00	731.15	***3.30%***	24.10
	Uralla Water	1	250.00	250.00	1	283.00	283.00	-11.66%	-33.00
	Uralla Sewer	1	505.00	505.00	1	495.00	495.00	2.02%	10.00
	Uralla Stormwater	1	25.00	25.00	1	25.00	25.00	0.00%	0.00
	Environmental Levy	1	225.00	225.00	1	200.00	200.00	12.50%	25.00
	Domestic Waste	1	210.00	210.00	1	175.00	175.00	20.00%	35.00
				1,970.25			1,909.15	***3.20%***	$61.10
Uralla	**Business (9241)**								
	Ad Valorem	170,000	0.00400000	680.00	170,000	0.00397700	676.09	0.00%	3.91
	Base Rate	1	259.25	259.25	1	238.00	238.00		21.25
			0.00	939.25		0.00	914.09	***2.75%***	25.16
	Uralla Water	1	250.00	250.00	1	283.00	283.00	-11.66%	-33.00
	Uralla Sewer	1	505.00	505.00	1	495.00	495.00	2.02%	10.00
	Uralla Stormwater	1	25.00	25.00	1	25.00	25.00	0.00%	0.00
	Commercial 240 ltr	1	200.00	200.00	1	122.25	160.00	25.00%	40.00
	Commercial 120 ltr	1	150.00	150.00	1	87.00	110.00	36.36%	40.00
	Environmental Levy	1	225.00	225.00	1	200.00	200.00	12.50%	25.00
				2,294.25			2,187.09	***4.90%***	$107.16

00131

URALLA SHIRE COUNCIL
CALCULATIONS OF VARIOUS INDIVIDUAL RATE AMOUNTS FOR VARIOUS RATE CLASSIFICATIONS

	2013/2014			2012/2013				
	Valuation /Number	Rate /Charge	Value	Valuation /Number	Rate /Charge	Value	Percentage Increase	$ INCREASE -$ DECREASE
Bundarra								
Ad Valorem	9,800	0.00400000	39.20	9,800	0.00397700	38.97	0.58%	0.23
Base Rate	1	259.25	259.25	1	238.00	238.00	8.93%	21.25
			298.45			276.97	**7.75%**	21.48
Bundarra Water	1	250.00	250.00	1	283.00	283.00	-11.66%	-33.00
Domestic Waste	1	135.00	135.00	1	125.00	125.00	8.00%	10.00
Recycling charge	1	85.00	85.00	1	75.00	75.00	13.33%	10.00
Environmental levy	1	225.00	225.00	1	200.00	200.00	12.50%	25.00
			993.45			959.97	**3.49%**	33.48
Bundarra	**Average**			**Average**				
Ad Valorem	14,500	0.00400000	58.00	14,500	0.00397700	57.67	0.58%	0.33
Base Rate	1	259.25	259.25	1	238.00	238.00	8.93%	21.25
			317.25			295.67	**7.30%**	21.58
Bundarra Water	1	250.00	250.00	1	283.00	283.00	-11.66%	-33.00
Domestic Waste	1	135.00	135.00	1	125.00	125.00	8.00%	10.00
Recycling charge	1	85.00	85.00	1	75.00	75.00	13.33%	10.00
Environmental levy	1	225.00	225.00	1	200.00	200.00	12.50%	25.00
			1,012.25			978.67	**3.43%**	33.58
Bundarra								
Ad Valorem	26,880	0.00400000	107.52	26,880	0.00397700	106.90	0.58%	0.62
Base Rate	1	259.25	259.25	1	238.00	238.00	8.93%	21.25
			366.77			344.90	**6.34%**	21.87
Bundarra Water	1	250.00	250.00	1	283.00	283.00	-11.66%	-33.00
Domestic Waste	1	135.00	135.00	1	125.00	125.00	8.00%	10.00
Recycling charge	1	85.00	85.00	1	75.00	75.00	13.33%	10.00
Environmental levy	1	225.00	225.00	1	200.00	200.00	12.50%	25.00
			1,061.77			1,027.90	**3.29%**	33.87
Bundarra								
Ad Valorem	77,900	0.00400000	311.60	77,900	0.00397700	309.81	0.58%	1.79
Base Rate	1	259.25	259.25	1	238.00	238.00	8.93%	21.25
			570.85			547.81	**4.21%**	23.04
Bundarra Water	1	250.00	250.00	1	283.00	283.00	-11.66%	-33.00
Domestic Waste	1	135.00	135.00	1	125.00	125.00	8.00%	10.00
Recycling charge	1	85.00	85.00	1	75.00	75.00		10.00
Environmental levy	1	225.00	225.00	1	200.00	200.00	12.50%	25.00
			1,265.85			1,230.81	**2.85%**	35.04

URALLA SHIRE COUNCIL
CALCULATIONS OF VARIOUS INDIVIDUAL RATE AMOUNTS FOR VARIOUS RATE CLASSIFICATIONS

		2014/2015			2013/2014				
		Valuation /Number	Rate /Charge	Value	Valuation /Number	Rate /Charge	Value	Land Value Increase	$ INCREASE -$ DECREASE
Rural Residential									
Invergowrie	**8569 6**								
	Ad Valorem	125,000	0.00400000	500.00	125,000	0.00397700	497.13	***0.00%***	2.88
	Base Rate	1	259.25	259.25	1	238.00	238.00		21.25
				759.25			735.13	***3.28%***	24.13
	Environmental Levy	1	225.00	225.00	1	200.00	200.00	12.50%	25.00
	Domestic Waste	1	265.00	265.00	1	275.00	275.00	-3.64%	-10.00
				1,249.25			1,210.13	***3.23%***	$39.13
Rural Residential									
Invergowrie	**Average**								
	Ad Valorem	164,730	0.00400000	658.92	164,730	0.00397700	655.13	***0.00%***	3.79
	Base Rate	1	259.25	259.25	1	238.00	238.00		21.25
			0.00	918.17		0.00	893.13	***2.80%***	25.04
	Environmental Levy	1	225.00	225.00	1	200.00	200.00	12.50%	25.00
	Domestic Waste	1	265.00	265.00	1	275.00	275.00	-3.64%	-10.00
				1,408.17			1,368.13	***2.93%***	$40.04
Rural Residential									
Invergowrie	**High value**								
	Ad Valorem	200,000	0.00400000	800.00	200,000	0.00397700	795.40	***0.00%***	4.60
	Base Rate	1	259.25	259.25	1	238.00	238.00		21.25
			0.00	1,059.25		0.00	1,033.40	***2.50%***	25.85
	Environmental Levy	1	225.00	225.00	1	200.00	200.00	12.50%	25.00
	Domestic Waste	1	265.00	265.00	1	275.00	275.00	-3.64%	-10.00
				1,549.25			1,508.40	***2.71%***	$40.85

00133

URALLA SHIRE COUNCIL
CALCULATIONS OF VARIOUS INDIVIDUAL RATE AMOUNTS FOR VARIOUS RATE CLASSIFICATIONS

		2014/2015			2013/2014				
		Valuation /Number	Rate /Charge	Value	Valuation /Number	Rate /Charge	Value	Land Value Increase	$ INCREASE -$ DECREASE
Farmland	**51544 5**								
	Ad Valorem	277,000	0.00400000	1,108.00	277,000	0.00387000	1,071.99	***0.00%***	36.01
	Base Rate	1	259.25	259.25	1	225.00	238.00		21.25
	Environmental levy	1	225.00	225.00	1	179.75	200.00	12.50%	25.00
				1,592.25			1,509.99	***5.45%***	82.26
Farmland	**8782 5**								
	Ad Valorem	443,000	0.00400000	1,772.00	443,000	0.00397700	1,761.81	***0.00%***	10.19
	Base Rate	1	259.25	259.25	1	238.00	238.00		21.25
	Environmental Levy	1	225.00	225.00	1	200.00	200.00	12.50%	25.00
				2,256.25			2,199.81	***2.57%***	56.44
Farmland	**Average**								
	Ad Valorem	776,000	0.00400000	3,104.00	776,000	0.00397700	3,086.15	***0.00%***	17.85
	Base Rate	1	259.25	259.25	1	238.00	238.00		21.25
	Environmental Levy	1	225.00	225.00	1	200.00	200.00	12.50%	25.00
				3,588.25			3,524.15	***1.82%***	64.10
Farmland	**51210 3**								
	Ad Valorem	1,500,000	0.00400000	6,000.00	1,500,000	0.00397700	5,965.50	***0.00%***	34.50
	Base Rate	1	259.25	259.25	1	238.00	238.00		21.25
	Environmental Levy	1	225.00	225.00	1	200.00	200.00	12.50%	25.00
				6,484.25			6,403.50	***1.26%***	80.75
Farmland	**10380 4**								
	Ad Valorem	2,800,000	0.00400000	11,200.00	2,800,000	0.00397700	11,135.60	***0.00%***	64.40
	Base Rate	1	259.25	259.25	1	238.00	238.00		21.25
	Environmental Levy	1	225.00	225.00	1	200.00	200.00	12.50%	25.00
				11,684.25			11,573.60	***0.96%***	110.65

00134

SECTION:	**Governance and Administration**
ITEM NUMBER:	**Item 4**
SUBJECT:	**Local Land Services Funding Review**
File Reference:	U13/276
Reason:	The President of Local Government NSW, Cr Keith Rhoades, sent out a letter expressing concern regarding the IPART Draft Report "Review of Funding Framework for Local Land Services (LLS).
Objective:	To have Council provide direction in regard to a submission to IPART.
Budget Implication:	IPART issued a Draft Report on the "Review of funding framework for Local Land Services NSW" which has been responded to by the Local Land Services Board of Chairs with the recommendation that the exemption for public landholders (i.e. including local Authorities) will have unknown cost to Council.
Operational Plan:	Part 3 Principal Activities 1.1 – Governance and 1.2 Administration - Corporate Support.

INFORMATION

The Local Land Services Act 2013 (No 52 of 2013) passed the both houses of the NSW Parliament on Thursday 27 June 2013 and was assented to on Wednesday 20 November 2013. This Act brings together the Livestock Health and Pest Authorities, Catchment Management Authorities and part of the NSW Department of Primary Industry into a single entity. The new organisation, LLS, will operate from 1 January 2014.

IPART were charged; in a letter dated 22 February 2013 from the Minister for Primary Industries, Hon Katrina Hodgkinson MP; with the task of recommending how the costs of the services to be provided by the Local Land Services Boards should be recovered. IPART was requested to:

1. Develop an efficient and transparent Cost Recovery Framework that LLS boards can use to set service fees for the different categories of services they provide to the different groups of beneficiaries. In undertaking this task, IPART will assess the strengths and weaknesses of cost recovery frameworks used by other similar service providers.
2. Advise on an efficient rating base for compulsory fee collection and an efficient fee collection mechanism.
3. Develop an appropriate audit methodology for assessing the extent to which efficient cost recovery pricing has been applied to the services offered by LLS boards.

The letter also instructed "In relation to compulsory service fees, important issues will be the determination of the most appropriate rating base and fee collection mechanism. In terms of the rating base, options to be assessed include rateable land above a certain area or value, the stock carrying capacity or productive capacity of land and the unimproved land value. How well each of these aligns with risk creators and service beneficiaries should be taken into account."

The Draft Report on the "Review of funding framework for Local Land Services NSW" was issued on Tuesday 10 September 2013 with submissions closing on Tuesday 15 October 2013.

At the close of submissions there were only 25 submissions including the Local Government NSW, three councils – Cootamundra, Eurobodalla and Gloucester Shire Councils – four Livestock Health and Pest Authorities (LHPA) – Cumberland, North Coast, North West and Western – 9 Individuals, 6 Government and Related Industry Groups and NSW Farmers. Examples of four of these submissions are in Attachment E.

The Uralla Shire Council did not make a submission to the IPART Draft Report on the "Review of funding framework for Local Land Services NSW" as the release of the Report was missed in the preparation of the September 2013 Business Paper and the annual leave of the General Manager from Thursday 20 September 2013.

The State Government has made four appointments to the Northern Tablelands Local Land Services Board; the Chairman, Cr Hans Hietbrink of Guyra (3 October 2013), and three Government appointed Board members Leanne Savage of Guyra, Graham Marriott of Inverell, and Cr Maria Woods of Walcha (21 November 2013). Nominations for the three elected members of the Local Land Services Boards opened on Tuesday 3 December 2013 and close on Friday 31 January 2014. Given the importance of the Local Land Services to the Uralla Community, it is recommended that Council advertise the nomination for election (Friday 31 January 2014), enrolment to vote (Monday 17 February 2014) and the voting, which closes on Wednesday 12 March 2014.

The Local Land Services Board of Chairs responded to the IPART Draft Report on the "Review of funding framework for Local Land Services NSW". This response is Attachment D.

The Board of Chairs' response, with a submission period of Tuesday 3 to Friday 20 December 2013, includes :

- Endorsement of the approach that IPART has outlined and its attempt to design a transparent and repeatable process for recovering reasonable costs from parties who create the need and benefit from the services provided.
- Support for the 5 step cost framework as a sound and logical process.
- Support for the notion of a base rate and special purpose rates being levied against those who are risk creators and/or beneficiaries of services that LLS provides, directly or through contractual arrangements, to manage those risks.
- Requests that the system, to be implemented, be easy to administer and reduce high transactional costs.
- A request for the State and Federal Government funding to be continued to fund services and on ground works that have a mostly public benefit and assist to meet government priorities.
- A desire to have the capacity to utilise rate income (and other multiple income streams) to deliver its broad suite of services. There is also a request to be able to utilise rate income to leverage additional funding from government, industry or local organisations for special purpose projects.

The Local Land Services Board of Chairs made five recommendations, that:

1. a parallel rating system for intensive agriculture which would be accessed by a simple gateway question. "Is the enterprise engaged in intensive agriculture"? If YES, then a simple risk mitigation / revenue matrix would be applied based on the nature of the enterprise being conducted (as illustrated in Table 1 – page 5 of Attachment D).
2. all risk creators are subject to the Local Land Services rate including land holdings below 2 ha, excluding commercial and industrial land.
3. all industry exemptions be removed and that Local Land Services engages in a process with key industry groups to define the LLS service offering to their industry, how they will manage their risk creation obligations and contribution to Local Land Services.
4. IPART ensures that the final framework is sufficiently flexible to allow for regional variations, while recognising that the process for setting rates by the Local Land services Boards needs to be transparent and repeatable.
5. exemptions for public landholders are removed and that the Local Land Services engages in a process with these land managers to determine how they will manage their risk management obligation and contribution to Local Land Services.

The Uralla Shire Council needs to provide a submission, by 20 December 2013, to IPART on the Local Land Services Board of Chairs Response to IPART Draft Report on the "Review of funding framework for Local Land Services NSW" (Attachment D) ensuring that the negative impacts for local government contained in Chapters 6 to 8 of the IPART Draft Report on the "Review of funding framework for Local Land Services NSW" are also covered.

In preparing the submission; it will be imperative that:

- firstly, the contribution from State and Federal Governments should be first level of funding and not "as the funder of last resort, where it is in-efficient or inappropriate to target actual impactors or beneficiaries with a fee or levy" (Recommendation 7 of the Draft Report).
- Secondly, that local government should not be used as a collection agency of special purpose rates even for a fee (Recommendation 8 of the Draft Report).
- Thirdly, that there should be no base rate, only a minimum rate, and not the recommended Local Land Services rates should include a fixed and variable component (recommendation 10 of the Draft Report).
- Fourthly, that the expansion of the flood mitigation levy, like the Hunter flood mitigation levy, not be made to other Local Lands Service Boards (Recommendation 14 of the Draft Report).
- Fifthly the expansion of the Local Lands Boards revenue into environmental levies on rateable properties should be opposed, even though the recommendation has a condition that it does not duplicate any rate/services provided by local government (Recommendation 16 of the Draft Report).
- Sixthly, Council oppose the reduction of the minimum rate size from the current 10 hectares to 2 hectares by 1 July 2017 (Recommendation 17 of the Draft Report).
- Seventhly, Council oppose the concept that all risk creators are subject to the Local Land Services rate including land holdings below 2 ha, excluding commercial and industrial land (Recommendation 2, Board of Chairs Response).
- Eighthly, Council oppose the concept that exemptions for public landholders are removed (Recommendation 5, Board of Chairs Response).

In addition to the eight elements of the submission listed above; the submission should include a comment in respect to Board of Chairs' expressed desire to have the capacity to utilise rate income (and other multiple income streams) to deliver its broad suite of services as it is counter to the basic premise of rates being applied on the basis of cost recovery when fee-for-service is not feasible, efficient or effective. Similarly rates should not be used for the non-general leverage of additional funding from government, industry or local organisations for special purpose projects.

Prepared by: General Manager

RECOMMENDATION

That Council

1. have the General Manager prepare and submit a submission to IPART on the Local Land Services Board of Chairs Response to IPART Draft Report on the "Review of funding framework for Local Land Services NSW" incorporating the identified eight elements in the General Manager's Report Governance and Administration Item 4.
2. provide copies of Council's submission to Local Government NSW, the Chair of the Northern Tablelands Local Lands Services Board, Cr Hans Hietbrink, and appointed local member of the Northern Tablelands Local Lands Services Board, Cr Maria Woods.
3. advertise the nomination for election (Friday 31 January 2014), enrolment to vote (Monday 17 February 2014) and the voting, which closes on Wednesday 12 March 2014 for the three to be elected Northern Tablelands Local Lands Services Board in the January 2014 Council Newsletter.
4. invite the Chair of the Northern Tablelands Local Lands Services Board, Cr Hans Hietbrink, to address the Council's meeting of Monday 24 February 2014 on the role of the Local Lands Services in the Uralla Shire Council area.

ATTACHMENTS TO THE ITEM 4 REPORT

INDEX OF INCLUDED ATTACHMENTS

The Following Documents are Included as Attachments to the Preceding Report

Attachment Name:		Page Count:
A:	Section 4 of the Local Land Services Act 52 of 2013 defining the meaning of "local land services" and "state priorities for local land services".	1
B:	Letter dated 6 December 2013 from the President of Local Government NSW, Cr Keith Rhoades, regarding LGNSW objections to a number of recommendation contained in the Local Land Services Board of Chair's response to the IPART Draft Report on the "Review of funding framework for Local Land Services NSW"	1
C:	Letter dated Wednesday 9 October 2013 from the Local Land Services Chair of the Board of Chairs listing the 11 regional Local Land Services Chairs, including Cr Hans Hietbrink for Northern Tablelands.	1
D:	Local Land Services Board of Chairs Response to IPART Draft Report on the "Review of funding framework for Local Land Services NSW"	5
E:	Four example submissions of the 25 submissions; Local Government NSW, Gloucester Shire Council, Cootamundra Shire Council and NSW Farmers' Association; to the IPART Draft Report on the "Review of funding framework for Local Land Services NSW"	15
F:	IPART Draft Report on the "Review of funding framework for Local Land Services NSW" pages i to vi and 1 to 9 covering Cover, Contents and Executive Summary, including a Summary of Recommendations (1.5 – pages 5 to 9)	15
G:	Chapters 8 and 9 of the IPART Draft Report on the "Review of funding framework for Local Land Services NSW" on Use of rates and levies (pages 61 to 75) and Most efficient rating base for LLS and other rating issues (pages 76 to 90).	30

00139
Attachment: A

New South Wales Consolidated Acts

LOCAL LAND SERVICES ACT 2013 - SECT 4

Meaning of "local land services" and "State priorities for local land services"

4 Meaning of "local land services" and "State priorities for local land services"

(1) In this Act,
"local land services" means programs and advisory services associated with agricultural production, biosecurity, natural resource management and emergency management, including programs and advisory services associated with the following:

(a) agricultural production,

(b) biosecurity, including animal pest and disease and plant pest and disease prevention, management, control and eradication,

(c) preparedness, response and recovery for animal pest and disease and plant pest and disease emergencies and other emergencies impacting on primary production or animal health and safety,

(d) animal welfare,

(e) chemical residue prevention, management and control,

(f) natural resource management and planning,

(g) travelling stock reserves and stock watering places,

(h) control and movement of stock,

(i) related services and programs.

(2) In this Act,
"State priorities for local land services" includes any State-wide standards and targets, and any State and national priorities, for agricultural production, biosecurity, natural resource management or emergency management:

(a) identified in a State Government policy or plan or an intergovernmental agreement, or

(b) as advised by the Minister.

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LOCAL GOVERNMENT NSW

00146

Attachment: B

Our ref: R13/0002 Out - 22168

6 December 2013

Dear Mayors and General Managers

Re: Local Land Services Board of Chairs' Response to IPART Draft Report *Review of Funding Framework for Local Land Services* (LLS).

I write to bring to your attention a disturbing development relating to Local Land Services.

Local Government NSW (LGNSW) objects to a number of the key recommendations made in the LLS Board of Chairs' response which was released for comment this week.

LGNSW strongly objects to a proposal by the LLS Board of Chairs that councils be required to collect or pay LLS rates in respect of land below 2 hectares. LGNSW also objects to the proposal to make council land holdings subject to LLS rates.

LGNSW will be raising our objections in a submission to IPART on the LLS Board of Chairs' response and strongly encourages councils to do the same. Submissions close 20 December 2013

We would also appreciate receiving copies of council submissions.

A copy of the LLS Board of Chairs response is attached. The response along with the IPART draft report and previous submissions, including that made by LGNSW, are available from the IPART website:
http://www.ipart.nsw.gov.au/Home/Industries/Other/Reviews/Land_Services/Review_of_a_funding_framework_for_Local_Land_Services_NSW

If you require further information please contact Shaun McBride, ph 9242 4000 or email shaun.mcbride@lgnsw.org.au

Yours sincerely

Cr Keith Rhoades AFSM
President

LOCAL GOVERNMENT NSW
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ABN 49 853 913 882

NSW GOVERNMENT | Local Land Services

Attachment: C

00141

Re: Leadership of the new regional services delivery organisation, Local Land Services.

I am writing to you as the inaugural Chair of the Local Land Services (LLS) Board of Chairs.

I am delighted to have the opportunity to lead LLS, which will bring together a wealth of technical and advisory knowledge from Livestock Health and Pest Authorities, Catchment Management Authorities and some extension services from the Department of Primary Industries.

LLS will be a locally-empowered organisation that operates under a state-wide governance structure and an aligned strategic direction. With 11 regions across the State, it is critical to get the right people into local leadership roles.

The 11 regional LLS Chairs, listed below, are now in place and I look forward to holding the first meeting of the Board of Chairs later this month. I am confident that these local leaders have the right skills to get the job done.

- Ian Armstrong - Central Tablelands
- Tom Gavel - Central West
- Terry Charlton - Greater Sydney
- Susan Hooke - Hunter
- Alex Anthony - Murray
- Kent Lee - North Coast
- Conrad Bolton - North West
- Hans Hietbrink - Northern Tablelands
- Sam Archer - Riverina
- David Mitchell - South East
- Tom Hynes - Western

We are also moving quickly through a process of finalising the appointment of board members, who will be announced in the coming weeks, and recruiting General Managers with applications for their roles closing on 20 October 2013.

LLS is on track to kick-off in January 2014, and I look forward to working with you to ensure that LLS can deliver the best possible outcomes for you.

More information on LLS is available at www.dpi.nsw.gov.au/locallandservices.

Yours sincerely,

JOHN MACARTHUR-STANHAM
Local Land Services Chair of the Board of Chairs

Wednesday, 9 October 2013

PO Box 865 DUBBO NSW 2830 AUSTRALIA
www.dpi.nsw.gov.au/locallandservices

Attachment: D

00142

Local Land Services Board of Chairs
Response to IPART Draft Report
Review of funding framework for Local Land Services NSW
December 2013

Introduction

Thank you for the opportunity to submit a response on behalf of the Local Land Services Board of Chairs (LLS BoC) to the draft Review of funding framework for Local Land Services NSW (the paper).

Firstly, the LLS BoC endorses the approach that IPART has outlined in the paper, and its attempt to design a transparent and repeatable process for recovering reasonable costs from the parties who create the need and benefit from the services that LLS provides.

Secondly, the LLS BoC supports the 5 step cost framework identified by IPART as a sound and logical process.

Thirdly, the LLS BoC supports the notion of a base rate and special purpose rates being levied against those who are risk creators and/or beneficiaries of services that LLS provides (either itself or through contractual arrangements) to manage those risks.

While understanding IPART's logic around not using sliding scales or grouping people too loosely around risk creation and benefit, the LLS BoC also recognises that the system must be easy to administer and reduce high transactional costs.

This short submission offers some general comments, key principles and recommendations from the LLS BoC perspective as the primary implementer of the rating framework into the future.

Overview and general comments

The LLS BoC considers that one of the key factors in developing a rating framework is that LLS will be accountable for multiple income streams based on investor preferences. LLS will receive funding from:

- A rate based levy for services that have a private, collective or quasi public benefit in rural, semi rural and possibly urban settings (determined through processes outlined in this paper.
- The NSW Government for NRM, biosecurity, food security and community resilience public outcomes in rural, semi rural and urban settings.
- The Australian Government for NRM, biosecurity and food security priorities.

- The private sector to assist them to meet their statutory obligations and "social licence to operate" responsibilities in relation to the above.

The NSW and Australian Government's should continue to fund services and on ground works that have a mostly public benefit and assist to meet government priorities.

LLS needs the capacity to impose a legislated fee to enable service capacity to meet purely private needs in the short term, where legitimate market failure exists.

LLS must have the capacity to integrate the funds it receives from rates with multiple income streams to deliver its broad suite of services. In future, LLS may be able to use its rate funds to leverage additional funding from government, industry or local organisations for special purpose projects.

The LLS BoC recognises the need to be transparent and accountable to investors however, continued siloing of the investment streams will prevent LLS from reaching its full potential. The LLS BoC request that the rating framework does not seek to cement principals that will inhibit LLS from maximising the effectiveness of multiple investor income streams.

Key issues and recommendations

The LLS BoC supports a broad based rating framework where all risk creators and or benefactors share the cost of mitigating the biosecurity risk on an equitable basis. A basis that is consistent with sending appropriate market signals, lessens "free rider" effects, and reduces friction over artificial boundaries.

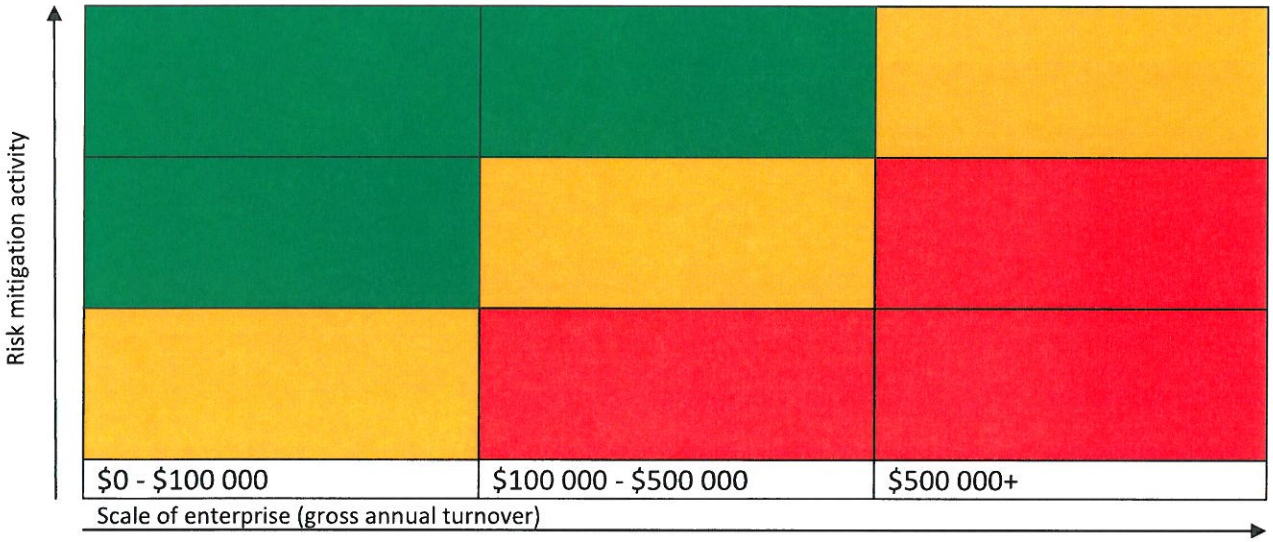
The LLS BoC has identified five key issues on which it would like to make recommendations. These recommendations are, with the exceptions of recommendations 1 and 2, largely consistent with IPART's proposed approach as indicated in the paper.

1 *The Biosecurity risk that is created by intensive agriculture (including poultry and horticulture and other intensive industries), is not adequately or equitably addressed by IPART in the existing paper. This is largely due to the risk profile of intensive agriculture not being well correlated to the area of land occupied by the enterprise (i.e. on small lots).*

Recommendation:

The LLS BoC recommends a parallel rating system for intensive agriculture which would be accessed by a simple gateway question. "Is the enterprise engaged in intensive agriculture"? If YES, then a simple risk mitigation / revenue matrix would be applied based on the nature of the enterprise being conducted (as illustrated in Table 1).

TABLE 1: Potential framework for risk mitigation in intensive agricultural enterprises



Under this scenario, risk is represented on the vertical axis and recognises both the type of enterprise and the ability of the enterprise to internally mitigate risk through management practices.

The horizontal axis represents the benefit of LLS risk mitigation activity to the enterprise, based on the value of their enterprise.

The rate could potentially be set based on risk posed, using a stepped scale.

2 *Consistent with the testimony provided by a number of bodies at the IPART Roundtable, the LLS BoC believes that many risks are created from activities conducted on small areas of land.*

Recommendation:

LLS BoC recommends that all risk creators are subject to the LLS rate including land holdings below 2 ha (excluding commercial and industrial land).

While recognising IPART's concerns surrounding both administrative efficiency and education of risk creators (which in itself is a mitigation strategy), the LLS BoC would like to propose the concept that for areas below 2 ha, Councils utilise their existing processes and databases to collect the rates. Table 2 identifies the components of the proposed rate.

During the implementation phase (i.e. first 2 years), the LLS BoC proposes that a large proportion of the rate collected by Councils for areas below 2ha would be expended on the education of the group paying the rate. Who performs this education service would be subject to negotiations between Councils and LLS.

Table 2 highlights at a simplified level the proposed components of the rates which would be collected by Councils on areas below 2 ha and which rates would be collected by LLS, consistent with IPART's recommendations.

TABLE 2: Components and collection agents for LLS rates

Rate category	Who should pay			Potential basis of the rate
	Other land below 2Ha	Intensive agriculture below 2ha	Commercial rural landholders/primary producers over 2 ha	
Base Rate	√	√	√	Flat fee
Animal Health/Welfare		See proposal at Table 1.	√*	Land area and/or NCC
Biosecurity (Animals)			√*	Land area and/or NCC
Biosecurity (Plant)			√**	Land area
NRM/environment rate	√	√	√	Flat fee
MLA, PL, other	As per agreements inc. collection fee			
Collector	Councils	Local Land Services (by Region)		

* If they pose an animal health/ biosecurity risk
**If they pose a plant biosecurity risk

3 The removal of industry exemptions.

The LLS BoC supports the IPART recommendation to remove all industry exemptions.

The current exemptions belong to the previous legacy systems and are out of step with the creation of a four pillar LLS business.

The LLS BoC both recognise and applaud the significant and specific programs that some industries self-fund to mitigate the risks that LLS seeks to reduce. LLS will not seek to duplicate or replace these services.

Recommendations:

That all exemptions are removed.

That LLS engages in a process with key industry groups to define the LLS service offering to their industry, how they will manage their risk creation obligations and contribution to LLS.

4 *Flexibility for LLS in the implementation of the framework.*

One of the key principles behind LLS is regional flexibility to meet local customer needs.

Recommendation:

That IPART ensures that the final framework is sufficiently flexible to allow for regional variations, while recognising that the process for setting rates by the Local Boards needs to be transparent and repeatable.

5 *Nil tenure approach to rating land holders and managers.*

The current rating system is inequitable in the way it treats private and public land managers.

All land managers both pose or mitigate risk through their management practices. For landscape scale risk management activities to be implemented, all land must be subject to the action and therefore contribute to the cost of implementation.

Recommendations:

That exemptions for public landholders are removed.

That LLS engages in a process with these land managers to determine how they will manage their risk management obligation and contribution to LLS.

Next steps

LLS BoC recommends that IPART predominantly seeks to address the key questions of **who should pay and why** in their final rating framework development.

The questions of **how much people should pay** will developed by LLS in the lead up to the implementation of the rating framework.

The LLS BoC accepts the view of IPART and legacy organisations about the difficulty of educating and rating small land holders however, this is seen as a necessary objective to achieve the broadly based rating system preferred by the LLS BoC.

More information

John Macarthur-Stanham [redacted]

Jessica Brown [redacted]

LOCAL GOVERNMENT NSW

00147

Attachment: E



Our ref: R13/0002 Out-22028

9 October 2013

Dr Peter J Boxall AO
Chairman
Independent Pricing and Regulatory Tribunal of NSW
PO Box Q290
QVB Post Office NSW 1230

Dear Mr Boxall

Review of Funding Framework for Local Land Services NSW

Thank you for your invitation to make a submission to IPART's Draft Report of its Review of a Funding Framework for Local Land Services NSW (LLS).

Local Government NSW commends IPART on this comprehensive report and supports in principle the cost recovery framework proposed in it. Local Government NSW already made a substantive submission to IPART's issues paper and would like to provide some additional comments as follow:

- Further analysis should be undertaken with respect to the potential impact of reducing the LLS rate base threshold to 2 hectares of land area on the ability of councils to raise rates and on the community's capacity to pay. This is particularly relevant where the lowering of the threshold results in an encroachment of LLS rates into urban and peri-urban areas.

- Service level decisions by LLS boards determined through their strategic planning process should include consideration of councils' community strategic plans and delivery programs (these council instruments should be listed on page 103 of the draft report). Councils' community strategic plans and delivery programs are likely to contain various objectives relevant to the activities of LLS boards. LLS activities should not impinge on, duplicate, or charge for, environmental programs that are already undertaken (and funded) by councils in urban and peri-urban areas. For that reason, Local Government NSW does not support any further lowering of the land area threshold below 2 hectares.

- Further clarification is needed as to the treatment of council owned land and Crown land under council management both in terms of the potential liability to pay LLS rates and charges and in terms of coordination of public land management between councils and LLS boards. This is particularly relevant where councils already undertake natural resource management and/or manage biosecurity threats on their land (e.g. bushland reserves) or on Crown land (e.g. conservation areas, caravan parks). This is also relevant for other larger council landholdings such as open spaces or parks in urban areas. It is also important that charges, levies and rents already paid to the NSW Government in relation to such lands are taken into account. These issues could be dealt with by way of an adequate exemption and discount regime.

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- Further clarification is needed as to the treatment of land owned by Aboriginal Land Councils both in terms of the potential liability to pay LLS rates and charges as well as in terms of coordination of public land management.

- The final report should make it very clear that councils would need to agree to any request from LLS boards to collect LLS rates on their behalf. Currently, the draft report states that LLS boards *"...should be able to seek the services of local government to collect some...rates..."*. However, there should not be any automatism. Collection services should only be undertaken by councils if they agree to it.

For further information on Local Government NSW's comments please contact Mr Shaun McBride, Senior Strategy Manager on 9242 4072 or shaun.mcbride@lgsa.org.au.

I hope our comment are of assistance and look forward to the implementation of an adequate funding framework for Local Land Services.

Yours sincerely

Shaun McBride per

Noel Baum
Director – Policy

Gloucester Shire Council

00149

Reference: LW

Contact: Danny Green

23 October 2013

Review of Funding Framework for Local Land Services NSW
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230

Dear Sir/Madam

Submission

Council supports the review into funding LLS and recognises the significant community benefits to be derived from the proposed functions of this new regional service delivery body and appreciates this opportunity to make comments with regard to the Review.

The hierarchical principles behind the funding model are endorsed but need to give due regard to existing planning already developed such as Community Strategic Plans (LGA derived) and the consultation and work carried out on Catchment Action Plans; both of these have been through a lengthy and wide engagement process.

This Council, along with many others, faces revenue challenges with one major option for resolution being rates – their quantum and impact on our community. There is concern of a potential double up between rating on properties to fund LLS and to fund local government and hence on a community's ability to pay. This is particularly pertinent at present due to our commencement of SRV discussions. A further query here is how non-farming users might be impacted.

Council notes that local government has been suggested as one option for fee collection and whilst we agree in principle, we would need to understand the fuller particulars before considering further.

Thank you for allowing this late submission.

Yours faithfully

Danny Green
GENERAL MANAGER

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Cootamundra Shire Council

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00150



Ken Trethewey
182356 / REC-131016-KJT-163626.doc

Ms Alison Milne
Independent Pricing and Regulatory Tribunal of NSW
PO Box Q290 QVB Post Office

Sydney NSW 1230

Dear Ms Milne

RE: IPART Draft Report on Funding Framework For Local Land Services

---

Thank you for your correspondence of 11 October 2013.

Council considered the Draft Report at its 14 October 2013 meeting and resolved the following.

That Council make a submission to IPART opposing Recommendation 8 and suggesting that all LLS fees and charges should be the responsibility of an efficient, centralised billing system developed by LLS.

During the initial LLS proposal stage Council resolved that it would be opposed to councils collecting LLS rates or charges on the basis that it would create the illusion that LLS had a financial relationship with local government and would draw local government into the inevitable arguments about the level of tax/rate levied by and level of service provided by LLS.

Whilst IPART are not recommending that Council be required to collect LLS special purpose rates IPART is suggesting that LLS Boards could come to a fee for service arrangement with councils if the councils agreed.

On the surface this would seem to be a reasonable opportunity for a commercial arrangement. However, experience with other 'collection' for State Agencies such as the Builders Long Service Levy (LSL) and Plan First Levy (PFL) indicates that the payer does not differentiate between the collection agency (Council) and the ultimate beneficiary (the State) when paying these fees.

This creates an animosity towards Council for charging the fee and an expectation of some type of service from Council which cannot be provided.

A secondary consideration for Council was the propensity for 'voluntary' arrangements with State Agencies to become a permanent council responsibility when the State Agency ceases to offer or undertake the service.

Should you require further information or wish to discuss the matter please contact the undersigned on (02) 6940-2100.

Yours faithfully

Ken Trethewey
General Manager

16 October 2013

00152

IPART review
The development of a funding framework for Local Land Services

October 2013

NSW Farmers' Association
Level 6, 35 Chandos Street
St Leonards, NSW, 2065

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Ph: (02) 9478 1076
Email: gidleybairda@nswfarmers.org.au

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4. Use of rates and levies 6
5. Most efficient rating base 8
6. Implementation and auditing 9

DRAFT

1. Introduction

NSW Farmers welcomes the opportunity to provide input to the IPART draft report on the development of a funding framework for the Local Land Services (LLS). The establishment of the LLS is one of the biggest structural changes to support and service delivery in NSW agriculture for over 60 years. The merger of the three organizations, the Livestock Health and Pest Authorities, Catchment Management Authorities and Department of Primary Industries extension services also combines a number of different services, providing benefits to a range of consumers and raising revenues from different sources. It will be the balance of these services and how the revenues are raised that will be of major concern for the farmers in NSW.

NSW Farmers recognizes that IPART has been given a terms of reference to develop a funding framework. As such much of the content in the issues paper is reflective of theoretical funding frameworks, to an extent based on the assumption of autonomy of the local boards and flexibility and freedom to set funding arrangements according to a decision matrix. The reality however is that there will be limitations and externalities that will affect the ability of the local boards to fully employ the funding framework. Furthermore the government funding allocations have already been identified and a commitment has been provided that rates will remain unchanged. This raises the question of how influential this funding model will be and the extent to which local boards will have the ability to apply the framework.

Interestingly chapter 2 of the draft report contains a break down of the current revenues and expenses for the three organizations that will form the LLS. Information on the Livestock Health and Pest Authorities is clear on the revenues and expenses for the organization. Information on the Catchment Management Authorities is much more general without an aggregated expense or revenue line item. Revenues and expenses for the DPI extension component however are non existent. NSW Farmers would expect in the interests of transparency this information would be made available to allow for comparison between the current and future arrangements.

As part of this submission, NSW Farmers has made comments pertaining to the content and in particular the recommendations of the draft report produced by IPART. The comments made by the NSW Farmers in its original submission to the review still remain current.

2. Draft Funding Framework

The cost recovery framework as outlined in Table 4.1 of the draft report appears reasonable. However at this stage it is theoretical and the full comprehension of its effects will not be understood until the new boards conduct the recommended review of existing activities and implement the cost recovery framework. Only at that time, and following the application of the framework will we be able to fully comprehend the effectiveness and accuracy of the framework. Generally costs should be apportioned by a foundation arrangement or by recourse to established plans such as the biosecurity plan or the local LLS strategic plan.

It is expected there will be some limitations on the ability to implement the cost recovery framework completely. Given the historically defined regulatory functions that will be performed by LLS and the prescribed funding commitments from government in their budget forward estimates which are based on previous contributions, available funds and cost savings

exercises, it is expected that there will be limited flexibility in assigning cost recovery to some functions.

NSW Farmers is comforted that IPART draws the distinction between the regulatory and the non regulatory approaches for the draft funding framework. However we note that the design phase outlined in the funding framework are exactly the same for the regulatory and non regulatory approaches. Commentary provided on pages 30 and 31 explains that in the case of the regulatory approach the hierarchy of funder categories will be more focused towards risk creators where as the non regulatory approach would focus more on the beneficiary.

While noting IPART's position, we draw attention to the Productivity Commission's[1] comments on cost recovery and that "the case for recovering the costs of administering regulation is complex." Furthermore the Commission also states that,

> *The complex issues surrounding cost recovery for both information and regulatory activities suggest that the onus should be on the government and its agencies to demonstrate that there would be net benefits to the community from introducing cost recovery for particular products or activities.*

As such it should be recognized that the regulated functions could just as easily be attributed to the beneficiaries. It would only appear fair that if the community imposes some productive limiting regulation such as native vegetation legislation that they should be required to bear some of the costs. It would be unfair for a landholder who bears the opportunity costs of the legislative instrument through foregone production to also bear the regulatory costs associated with implementing and enforcing it.

NSW Farmers does have a general concern surrounding all cost recovery frameworks applicable to government agencies and statutory organizations. The draft report states on page 21 that "the main objective of cost recovery . . . is to improve the allocation of resources in the economy, thus contribute to allocative efficiency". While improving the information and cost transparency of a monopolistic market, externalities or public goods, for truly efficient allocative efficiency there is a presumption that cost recovery frameworks are using competitive cost structures. Traditionally allocative efficiency is determined by the intersection of marginal costs and marginal benefits. Under a competitive market situation these costs are competed down. However under a regulated environment in the provision of a public good or accounting for an externality there is no such competition. How does the payee know that the cost recovery structure is based on the most competitive costing?

NSW Farmers recognizes that a cost recovery framework is possibly the most appropriate system under a regulated market however the onus is on the service provider to justify these costs and demonstrate they are reflective of competitive markets.

The examples of public goods provided on page 36 are useful in the explanation of the definitions. However it would be of even further value if examples of LLS functions could be used as part of the explanation. For example how would the IPART classify the management and provision of property identification codes (PICs)? PICs provide benefits to industry as a management of health and disease. As an individual number they could be considered rivalry as only one property can have one PIC, however as a system it could be considered non-rival as the use of the information (through the appropriate agencies) by one party does not exclude

[1] Productivity Commission, *Cost recovery by Government Agencies*, Report no. 15, AusInfo, Canberra, August 2001 (p. 32)

use by another party. It may be argued that there is excludability in the sense that it is a database of information held by an authority and therefore access is restricted however as it is set up for the public benefit it is unclear whether there would be price excludability given there is no charge in accessing the information.

3. Funding and Costing

In considering the IPART proposal that LLS boards follow a hierarchy approach in regards to who should pay the costs of regulatory and non-regulatory activities, thought should be given to the interpretation between risk creator and beneficiary. Depending on personal persuasion either side could see the other as the risk creator. For example paddock trees in native vegetation. The legislation could be interpreted such that the risk creator is the farmer for possibly clearing trees and therefore they should pay for the native vegetation services. On the other hand the landholder might see the legislation as the risk creator. The same could be applied in assessing the beneficiary scenario. It is very generic to apply the assumption that because there is a legislated requirement, the landholder or protery right holder, generate a cost on others and therefore as the impactor should have the costs internalised.

The comments in the draft report on the allocation of costs presuppose the ability of LLS boards to have a degree of persuasion over government funding on behalf of the community. It is expected that there will be a range of activities undertaken by the LLS that will infringe on the nexus between direct landholder benefits and indirect community benefits. As such there will be times where certain activities might need government funding to proceed however predetermined government contributions may restrict this. It would be favourable if the IPART are recommending the cost recovery framework with a hierarchy approach to assigning benefits and costs then all parties to the funding mechanism must have sufficient funding flexibility so as not to impose severely limiting revenue streams on the LLS activities and therefore their ability to meet their defined plans.

Government should fund the cost of governance that arises from regulatory requirements placed upon the LLS.

NSW Farmers has some concerns about IPARTs comments on the costing the activities of the LLS. It is noted that on page 54 of the draft report the Productivity Commission's position is cited that "a regulatory agency should recover the full cost of administering regulation". It is not noted however that the Commission goes on to state in justifying the beneficiary and risk creator application that "firms can then pass on some or all of this charge to purchasers, down the production chain to final consumers."[2] This does not occur in a primary production industry where the price taking situation of farming does not allow the costs to be passed on to the consumer. In a sense this is creating a perverse effect in that the beneficiary does not appreciate the costs of their requirements. For example Australia has one of the highest wage rates in the international economy. Along with the other workplace relations costs associated with our standard of living this adds to the cost of producing agricultural produce yet consumers of food and fibre expect our food prices to be competitive with the rest of the world who do not

[2] Productivity Commission, *Cost recovery by Government Agencies*, Report no. 15, AusInfo, Canberra, August 2001 (p. 173)

have these same costs. Without consumers being aware of the impact their expectations and standards of living impose there will not be a true reflection of the cost of regulation.

Notwithstanding the comments in the draft report about the fact that the regulatory functions of the LLS contribute to its existence and that without internalizing the costs the risk creator will continue to consume, it should be noted that many of the regulated functions serve to benefit the community. As stated above, without the ability to pass these costs on to the beneficiary, the community will not suitably pay for these regulations. It should also be noted that the LLS had its origins in localism with the eradication of pests and disease which has since evolved into a much more regulatory orientated role.

While recognizing IPARTs terms of reference and the discussion on page 58 of the draft report, there remains a concern amongst NSW Farmers and our members that the recommendation that government be a funder where they are an identified beneficiary or impactor or as a funder of last resort potentially alleviates some of the duties of the government and their funding commitments to LLS. NSW Farmers is concerned that through the application of the risk creator approach and full costing there will be opportunities for the government to reduce current and past funding commitments it has provided to LLS and its predecessors.

The State Government should provide appropriate and sufficient financial assistance to LLS. This financial assistance would help to fund the increasing regulatory functions required by on-going State legislation which are imposed on LLS and consequently on farmers and land managers.

4. Use of rates and levies

NSW Farmers agrees that LLS boards should retain the ability to charge a general rate and specific purpose rates. However in the discussion through chapter 7 of the draft report, in addition to the current general rate, animal health rate and specific purpose rates pest insect and meat industry rate, it is proposed that local boards also have the ability to charge flood mitigation levies, biosecurity rates and natural resource management rates. NSW Farmers cautions that while acknowledging the points on page 70 about the approach for establishing specific purpose rates, too many rates may become cumbersome, confusing and administratively difficult in a centralised rating collection system. Furthermore it could lead to transparency issues with complexity possibly compromising the matching of revenue collection and expenditure allocations. Consideration must be given to the regulated roles of the LLS and the functions performed under that role and therefore what actions would be captured under the collection of a general rate.

Recommendation 9 should not be allowed to be an open invitation for the LLS boards to develop a range of specific purpose rates to simply collect additional revenue. Rather as the cost recovery principles apply due consideration must be given to the services performed and the justified revenue collection.

In regards to recommendations 15 and 16 on the establishment of a biodiversity rate and a natural resource management rate, NSW Farmers flags that it may be difficult to disaggregate activities and costs between the general community and the individual therefore possibly making it more difficult to use the rates to target a specific section of the ratepayer base and should possibly be more focused on the wider community.

On page 64 of the draft report it notes that "ideally the variable amount should be linked to the risk created or benefit received by identified impactors or beneficiaries". Given the statements in chapter 6 about full cost recovery, does IPART have any position on the allocation of the capital or fixed costs versus marginal costs and how they might apply to a rating structure that include fixed and variable amounts?

NSW Farmers would like the statement on page 66 stating that "NSW Farmers proposed that . . . intensive livestock operations should pay a higher variable amount" to be corrected. In our original submission we stated that "intensive industries should have a separate rate that accommodates that they have large numbers of livestock but relatively small parcels of land." In making a separate rate it does not necessarily mean that it should be a higher rate. This rate, as per the IPART rating framework, should reflect the relative risk creation or benefits received from LLS services for intensive industries.

NSW Farmers suggests that there should be a review of the allocation of notional carrying capacity to intensive industries. We have suggested that intensive industries have a separate rate to acknowledge the different circumstances under which they operate compared to traditional extensive livestock operations. Trying to apply a notional carrying capacity based on dry sheep equivalent to an intensive operation involving pigs or chickens may be an unreasonable process.

NSW Farmers welcomes the recommendations that in the case of the meat industry levy and the pest insect levy, the LLS be able to recover an administration charge for the collection of these funds. However transparency must prevail to ensure that any administration costs are not simply passed back to the levy payer through higher levies.

NSW Farmers welcomes the recommendation that the minimum ratable land area should be reduced to 2 hectares. Smaller properties have just as much responsibility as larger properties in the management of pests and diseases and therefore should contribute to the LLS. It is noted however as recorded in the IPART report that these landholders need to be engaged in this process to understand their responsibilities. Further that this engagement needs to be in proportion to their funding contribution and risk creation.

An equitable rating system for LLS should have the following principles:
a. That notional carrying capacity be used as the preferred primary function for determining rates
b. That all holdings greater than 2 ha pay a base rate
c. That all holdings less than 10 ha pay a base rate only as determined by each Authority
d. That all public land managers pay rates
e. That the rate structure be:
- A base rate
- Animal health rate
- Pest animal rate
- Intensive livestock industries rate

LLS should be able to recoup expenses from the NSW Food Authority for the collection of the Meat Industry Levy.

The Government fund the plague locust control program and that no charges are recovered through the LLS

The NSW Government should pay for NSW contribution to the Australian Plague Locust Management Commission, as happens in Victoria, South Australia and Queensland, as opposed to funding this through the Pest Insect Levy. If continued funding through LLS ratepayers occurs, this should:
(a) Be applied as a special rate upon all LLS ratepayers across all regions of NSW
(b) Should not accrue as a debt against the LLS
(c) Provide income to the LLS to recoup expenses from Government spent in collecting the Pest Insect Levy.

5. Most efficient rating base

NSW Farmers believes that rates should be based on the notional carrying capacity of the land. Different land types will have different carrying capacities depending on their pasture, soil type, rainfall and other characteristics regardless of their size. For example a 50 hectare property on the coast with improved pastures could carry 1,250 sheep (dry sheep equivalent). A 50 hectare property on the northern plains area with natural pasture could carry 100 sheep. The different carrying capacities mean different shares of the risk or benefits, particularly those related to livestock. As a minimum, all rating referencing livestock or revenue raising operations for livestock related matters, the NCC should be used as an indicator of the landholders risk created or benefit received.

It is recognised that through the formation of 11 new LLS areas there will be a transition from the 14 LHPAs and 11 CMAs. While cognisant that rates will possibly be different within the boundary of a new LLS as a legacy of previous structures, NSW Farmers questions the process of standardising rates before implementing the cost recovery process. Will this result in two changes of rates for some landholders and possibly a longer process? Would it not be simpler to standardise all the rates under the IPART cost recovery proposed process?

Given the size of the LLS boards has IPART given consideration to different specific rates or different ad valorem rates within general rates across an LLS area? It may be the case that landholders have different issues in different areas and therefore LLS boards may see fit in application of the cost recovery framework that there could be reason for different rates within an LLS area, particularly in reference to the larger LLS areas in the west of the state.

NSW Farmers position is that there should be a separate intensive livestock industries rate. However at the current point in time the poultry meat industry have requirements under the *Poultry Meat Industry Act 1986* that set out food safety, biosecurity and environmental requirements of poultry meat growers.

The *Poultry Meat Industry Regulations 2008* state that:

- *The processor is to develop and implement effective quality assurance procedures relating to food safety, environmental management, animal welfare and biosecurity.*

- *The grower is to develop and implement effective quality assurance procedures relating to food safety, environmental management, animal welfare and biosecurity, having regard to any information provided to the grower by the processor in relation to those procedures.*

These activities are funded through the formation of the poultry growing agreements. The Poultry *Meat Industry Act 1986* states that

8(1) within one month after a processor and a grower enter into a poultry growing agreement, the processor:

(b) must pay a notification fee to the Director-General.

(3) The notification fee referred to in subsection (1) (b) is to be of an amount determined in accordance with a scheme established by the Director-General.

The procedures that poultry meat growers currently perform under the act are in line with the procedures under the LLS act. As such, while the Poultry Meat Act is in place it is understandable that the poultry meat industry is exempt from LLS rates given the same procedures they perform under their own legislation.

NSW Farmers would also like to clarify the statement included in the draft report on page 87. The statement currently reads that:

> *NSW Farmers held a similar view to the LHPA, arguing that exemptions would impact both the efficiency and transparency of the system*

While it is true that NSW Farmers believes that exemptions lead to complications and impact on efficiency and transparency. It is not the case that we hold the same view of the LHPA as reported in the draft report as opposing exemptions. There may be some justifiable reasons why exemptions should be provided such as the poultry meat example above or in the case of drought where exemptions may be provided on the basis of reduced services or hardships.

NSW Farmers recognise the need to encourage people to complete the stock returns however there will be scepticism that increasing the penalty is a revenue raising opportunity. LLS boards should be encouraged to demonstrate the benefits to landholders of completing the return and therefore provide incentives rather than penalties to encourage people to complete the returns.

6. Implementation and auditing

NSW Farmers is generally supportive of the proposed implementation timeframes. Although we do propose that landholders be widely consulted and heavily involved in this process to ensure consideration of local issues and support local understanding on rating decisions.

In line with recommendation 26, NSW Farmers supports the conducting of a comprehensive third party specialist review to address rating issues from a technical and economically sound position. Through this process it is hoped that the operation of the LLS is transparent and accountable.

In addition to the audit process identified by IPART NSW Farmers believes that there should be an independent oversight committee which is mandated to ensure that any cost shifting

between NSW Government and LLS be reported to ratepayers annually with public disclosure of steps taken for rectification.

As the information contained in chapter 2 of the draft report illustrates the level of reporting for the 3 agencies that will make up the LLS has made the compilation of information and accountability difficult. The lack of financial information on the costs of services provided and income received prevents landholders and ratepayers from gaining a full understanding of the services provided and therefore having confidence in the bodies and their administration. It is imperative that this reporting be clear, accurate and regular to afford ratepayers full disclosure. Furthermore during this time of transition efforts must be made to provide an annual comparison of previous funding and service provision to provide clarity of ongoing services and charges.

Local Land Services must be made accountable to ratepayers

Authorities be required to make readily available to ratepayers annual reports and budgets for levies raised from LLS ratepayers including the Pest Insect Levy

An independent ombudsman type body be established to audit the effectiveness of the newly formed LLS

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Attachment : F

IPART

Independent Pricing and Regulatory Tribunal

Review of funding framework for Local Land Services NSW

Other Industries — Draft Report
September 2013

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ISBN 978-1-925032-29-1 S9-88

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Invitation for submissions

IPART invites written comment on this document and encourages all interested parties to provide submissions addressing the matters discussed.

Submissions are due by 15 October 2013.

We would prefer to receive them electronically via our online submission form <www.ipart.nsw.gov.au/Home/Consumer_Information/Lodge_a_submission>.

You can also send comments by mail to:

Review of funding framework for Local Land Services NSW
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230

Submissions will be posted as soon as possible after the closing date on our website <www.ipart.nsw.gov.au>. Late submissions might not be accepted and in that event will be returned to the submitter.

If you wish to view copies of submissions but do not have access to the website, you can make alternative arrangements by telephoning one of the staff members listed on the previous page.

We may choose not to publish a submission—for example, if it contains confidential or commercially sensitive information. If your submission contains information that you do not wish to be publicly disclosed, please indicate this clearly at the time of making the submission. IPART will then make every effort to protect that information, but it could be disclosed under the *Government Information (Public Access) Act 2009* (NSW) or the *Independent Pricing and Regulatory Tribunal Act 1992* (NSW), or where otherwise required by law.

If you would like further information on making a submission, IPART's submission policy is available on our website.

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1 Executive Summary

1.1 Overview

The State is highly dependent on a viable rural sector. The success of farm businesses is closely linked to animal and plant health. In addition, farm productivity can be improved through sharing best practices and targeted research. The community, including farmers, requires a healthy and sustainable environment.

These outcomes are interdependent and the NSW Government is establishing a new entity, Local Land Services NSW (LLS) to meet these needs. There will be 11 regional LLS boards drawing together functions from 3 existing bodies - being Livestock Health and Pest Authorities, Catchment Management Authorities and parts of the Department of Primary Industries. The LLS boards will deliver a variety of related services including:[1]

- advice on production for farm businesses
- biosecurity including plant and animal health
- plant and animal pest control
- natural resource management, and
- emergency response.

The organisation will operate from January 2014.

LLS will supply these services in response to either regulatory requirements or demand from stakeholders.

The NSW Government asked IPART to recommend how the costs of these services should be recovered, as well as to advise on an efficient rating base and fee collection mechanism. The full terms of reference are found in Appendix A.

1 http://www.dpi.nsw.gov.au/locallandservices

Our primary objective is to provide Local Land Service boards (LLS boards) with a step-by-step process they could apply to determine:

- if LLS needs to act to address a particular problem
- what activities to undertake
- who should pay for any activities undertaken
- how much they should pay
- on what basis they should pay
- how should service fees, where charged, be collected.

In addition, we have developed a methodology to assess how well LLS boards implement these steps.

This document is our Draft Report presenting our recommendations and explaining how we reached these recommendations. It will be accompanied by a manual for use by LLS boards to assist in implementing the recommendations.

1.2 Our approach

We released an Issues Paper in May 2013, called for submissions by 2 July, held public seminars in Wagga Wagga, Tamworth and Penrith in June/July and met separately with key stakeholders including the authors of past reports to the NSW Government on the delivery of key services to the rural community. We conducted our own extensive research and consulted with other jurisdictions on their approach to cost recovery.

Our approach was to:

1. Research and analyse cost recovery in general, and assess the cost recovery frameworks used by service providers similar to LLS to determine whether any existing framework provides a model for the LLS funding framework.
2. Decide what objectives the LLS funding framework should meet, and the key principles its design should reflect, taking account of our research and analysis and stakeholder comments.
3. Develop a draft cost recovery framework that meets these objectives and principles and is tailored to LLS' needs.
4. Review the current funding arrangements, and form our advice on the specific rating issues we were asked to address.
5. Develop an audit methodology for assessing the extent to which LLS boards comply with the framework.

1.3 Key issues

The draft cost recovery framework is targeted at recovering costs from those parties responsible for LLS undertaking an activity.

LLS boards should follow a hierarchy when determining who should fund a service. Firstly, where identifiable the party causing the adverse impact to which the LLS activity is directed should fund that activity. Secondly, where there is no adverse impact being addressed, or where the impactors/risk creators are too diffuse to charge, then those benefitting from the activity should pay. As a last resort, the taxpayer should fund the activity where clearly identifying the impactor or beneficiary is difficult, or where it is administratively inefficient to charge either the impactor or the beneficiary.

An impactor or a beneficiary may be either a private party or a government agency (such as one managing public land). The proposed hierarchy does not distinguish between them.

LLS boards will engage in both regulatory and non-regulatory activities. Regulatory activities relate to the monitoring and enforcement of legislative requirements imposed on land owners and occupiers eg, conducting inspections or eradicating pests. Non-regulatory activities provide additional services often driven by demand from stakeholders eg, providing programs and advisory services as well as selling products.

It is most likely that impactors will pay for LLS regulatory activities and beneficiaries pay for non-regulatory activities.

Fees-for-service should be the default mechanism for charging for LLS services. They best link the impactor/beneficiary with the demand for the service. Circumstances will arise where the link to an individual is difficult to establish or may create a disincentive to comply. In these circumstances a broad based rate should be charged to a wider group of landholders.

Where a broad based rate is applicable a decision is required on the rating base. The rate base should link to the impact caused or the benefit received. Notional stock carrying capacity can be linked with rates targeted at the livestock industry. It is less relevant to activities unrelated to the number of livestock. Land area is an alternative in this case. Notional stock carrying capacity, however, has a long history as a rating base, although it is best understood by parties owning large landholdings.

Therefore, we recommend LLS boards should in setting non-livestock related rates:

- Use land area as the rate base, where the minimum rateable land area is set at less than 10 ha.
- Have the option of using either land area or notional stock carrying capacity where the minimum rateable land area is 10 ha or greater.

Strong arguments were made in submissions and at our public seminars that the biosecurity risks posed and the benefits received by small landholdings were not taken into account with a minimum rateable land area of 10 ha or greater. On this basis, we are recommending the minimum rateable land area is reduced to 2 ha by no later than 2017, with LLS boards having the discretion to set a higher minimum where justified, eg, for the Western LLS.

Landholders may take action that reduces or eliminates the need for an LLS service. An exemption or discount may then be warranted.

Specific purpose rates provide transparency for ratepayers by linking the rate charged with the activity undertaken. These should continue. For the same reason, additional specific purpose rates may be justified for any new activity undertaken by LLS boards.

In general, service fees should be collected by LLS for the activities it undertakes. Collection by local government of the Hunter flood mitigation levy should continue as the rate base is identical to that used by local government for its general rates.

To avoid duplication, auditing of compliance by LLS boards with the framework should be combined with statutory audits of strategic plans. This should be complemented by LLS boards issuing an annual compliance certificate.

1.4 Structure of this report

This following chapters and appendices explain our findings and recommendations in detail:

- Chapter 2 describes what functions LLS will provide, how these services are provided at present and other reviews into government provision of these services. It also introduces the concepts of impactors/risk creators and beneficiaries for the purpose of identifying who should be paying for the services
- Chapter 3 sets out how we approached the task and the objectives and principles we adopted in the development of the framework

- Chapter 4 outlines our findings and recommendations for an efficient and transparent cost recovery (funding) framework for LLS. It also details steps 1 and 2 of the funding framework
- Chapter 5 discusses step 3 of the framework - who should fund the activities of LLS and what proportion of the costs they should fund
- Chapter 6 details step 4 of the framework - what costs should be recovered and the choice between fees-for-service and rates, and step 5 - how the funding option chosen will be collected
- Chapter 7 sets out our findings and recommendations on rate types and structures, the establishment of new levies, and the appropriate minimum rateable land area for LLS rates
- Chapter 8 outlines our findings and recommendations for the most efficient rating base for LLS and other rating issues
- Chapter 9 discusses implementation of the framework including the timeframe and flexibility to be allowed LLS boards
- Chapter 10 outlines the findings and recommendations for developing an audit methodology to ensure compliance with the funding framework.

1.5 Summary of Recommendations

A summary of our recommendations and the corresponding page number they are found on is shown below.

1. LLS boards should adopt the 5-step cost recovery framework summarised below. 36

Phase	Step
Review	1. Understand the problem, and confirm that LLS should take action
	2. Specify the activity required to address the problem
Design	3. Determine who should fund and allocate costs: – Select appropriate funder using hierarchy – Allocate costs to selected funder(s) – Cost-benefit analysis and consultation
	4. Decide how to cost the activity and which funding approach (fee, rate or levy) to use
Implementation	5. Decide how the fee, rate or levy will be collected

2 Each LLS board should use the cost recovery framework to assess its operations at the activity level. These activities are determined by the strategic plans developed by the LLS Board of Chairs and LLS boards. The LLS Board of Chairs can also apply the cost recovery framework at the strategic level to assess if there are economies of scale between the LLS boards. 38

3 LLS boards should follow a hierarchy approach to identify who should pay the cost of a regulatory and non-regulatory activity: 50

- impactor or risk creator, (including land managed by government), the cost of the activity should be allocated to the impactor(s) or risk creator(s) in proportion to their contribution to the impact or risk created, where it is efficient and cost effective to charge them 50
- beneficiary, where it is efficient and cost effective to charge them, subject to the following hierarchy: 50
  - Where the direct beneficiary captures sufficient benefits to meet the costs of the activity, indirect beneficiaries should not pay. 50
  - Where the direct beneficiary is unable to capture sufficient benefits to meet the cost of the activity, the direct beneficiary should pay up to the point where benefits equal costs and the indirect beneficiary should pay the residual to meet the cost of the activity for the additional benefits, where it is efficient for them to do so. 50
- the taxpayer, as funder of last resort, where risk creators or beneficiaries have not been identified, and a public land management agency does not enter the hierarchy as an impactor/risk creator or beneficiary. 50

4 A sliding scale approach should be considered as a method of last resort for determining cost shares of non-regulatory activities where it is administratively inefficient to identify specific cost allocations. 53

5 Fees-for-service should be the default funding mechanism for LLS. 59

6 Rates and levies should be considered when a fee-for-service has been ruled out on the grounds that it is not feasible, efficient or effective. 59

7 Government funding be available to the LLS as a funding mechanism where: 59

- a public land management agency has been identified as the primary impactor or beneficiary of the activity, or 59
- as the funder of last resort, where it is inefficient or inappropriate to target actual impactors or beneficiaries with a fee or levy. 59

8 LLS should develop an efficient, centralised billing system and charge each LLS board its share of the costs of the system. However, LLS boards should be able to seek the services of local government to collect some special purpose rates, where the benefits outweigh the costs. In these instances, LLS boards should pay local government a fee that reflects its marginal costs in collecting the rate on LLS' behalf. 60

9 LLS boards should retain the ability to charge a general rate, and specific purpose rates (including the current animal health rate) 64

10 LLS rates should comprise a fixed and a variable component. 65

11 LLS boards should continue charging the animal health rate, and should widen the group liable to pay this rate to include all landholders with a rateable land area and 30 or more stock units. This includes continuing to attribute additional notional stock carrying capacity to intensive livestock operations. 67

12 LLS should continue to collect the meat industry levy from rate payers liable to pay the animal health rate on behalf of the NSW Food Authority. Once it has established its rate collection mechanism, LLS should charge the Food Authority a fee that reflects the marginal cost of collecting the meat industry levy. 67

13 If LLS is to continue to collect the pest insect levy on behalf of DPI: 68

- the Department should amend the areas from which fees are collected to be consistent with the Draft cost recovery framework, and 68
- once LLS has established its rate collection mechanism, it should charge the Department a fee that reflects the marginal cost of collecting the pest insect levy. 68

14 The relevant LLS board should continue to charge the Hunter flood mitigation levy as a specific purpose levy. In addition, other LLS boards should be allowed to implement a levy like the Hunter flood mitigation levy to fund flood mitigation activities where it can be clearly demonstrated that stakeholders support and are willing to pay for those activities. 69

15 LLS boards should charge a biosecurity levy separate from the animal health levy if they can demonstrate through the funding framework that such a levy is consistent with the funding framework, including that it does not cross-subsidise activities funded via the animal health rate (or vice versa). 72

16 LLS boards should be allowed to charge a natural resource management or environmental levy on rateable properties if they can demonstrate: 73

- through the funding framework that such a levy is consistent with the framework, including that the levy does not duplicate any rates/services provided by State or local government, and 73
- has community support. 73

17 The minimum rateable land area should be reduced from the current 10 hectares to 2 hectares. The reduction should occur no later than 1 July 2017, to give LLS boards time to educate and inform small landholders. Individual LLS boards should retain the ability to set a minimum above the proposed 2 hectare minimum. 75

18 Land area should be used as the rating base for any general or broad-based rate (such as those that target all LLS ratepayers as the beneficiary). Where the minimum rateable land area is below 10 hectares, LLS boards should be required to use land area as the rating base for general rates. However, where a board has chosen to maintain the minimum rateable land area at 10ha or above, it should have the option to use notional stock carrying capacity instead of land area for general rates if it considers this is more consistent with the draft cost recovery framework. 86

19 NCC should be used as the rating base for specific purpose rates that target the livestock industry as the risk creator or the beneficiary (such as the animal health rate and the meat industry levy). 86

20 LLS boards should be allowed to standardise their current rates before implementing IPART's recommendations and avoid different landholders paying different rates for the same service. 86

21 All current exemptions from rates for sugar cane growers and intensive poultry should be removed. 87

22 LLS should establish a policy for assessing applications and granting individual landholders exemptions or discounts from specific fees, rates or levies in line with the principles in section 8.3.3, having regard to practical issues that might arise for LLS boards. 90

23 LLS should set the penalty for failure to submit an annual return on time so that it is higher than the cost of any rate the submitter could be required to pay based on the content of the return. 91

24 The LLS boards should prepare for implementation of a new cost recovery framework by conducting a review into existing and new activities from 1 July 2014. Implementation of the cost recovery framework should begin by no later than 1 July 2016. 93

25 The cost recovery framework, rating bases and fee collection mechanism specified in this report should be adopted as the audit criteria for assessing the extent to which efficient cost recovery pricing has been applied to the services offered by LLS boards. 104

26 An audit of the extent to which efficient cost recovery pricing has been applied to the services offered by LLS boards should be rolled into the audit of local strategic plans. 104

27 Each LLS board should publish an annual compliance statement affirming their charges are set in accordance with efficient cost recovery pricing. 104

28 A cost recovery impact statement should be developed at the time of preparation of the draft strategic plan. It should be published in a form and at a time to enable stakeholders to effectively engage in the service fee setting process. 106

29 The audit should be conducted in accordance with the Standard on Assurance Engagements, ASAE 3100. 106

1.6 Providing input to this review

Stakeholders are invited to provide a written submission to this paper via the IPART website. Submissions close on **15 October 2013**. Late submissions **might** not be accepted. We will post accepted submissions on our website as soon as possible after the closing date. We will hold a public roundtable in October 2013 with interested stakeholders to work through specific issues.

We will provide our Final Report to the NSW Government by end of November 2013.

Attachment: G

00176

7 Use of rates and levies

In addition to recommending a broad funding framework for LLS, our terms of reference asked us to provide specific advice in relation to the use of rates and levies. To develop our advice, we assessed the current LHPA rating system, as prescribed in the *Rural Lands Protection Act 1998* (NSW) (RLP Act) and *Rural Lands Protection Regulation 2010* (NSW) (RLP Regulation), and the current flood mitigation levy charged by the Hunter Central Rivers CMA. In particular, we considered:

- the current rate types and rate structure, and whether these are appropriate and efficient for LLS
- each of the 4 existing specific purpose rates[101], and whether LLS should continue charging these rates
- the establishment of new LLS levies, such as a biosecurity levy or a natural resource management levy, and
- the appropriate minimum rateable land area for LLS rates.

We note that this legislation will be repealed by the *Local Land Services Act 2013* (NSW) in January 2014 (LLS Act). However, many of the existing functions will be carried forward in the new legislative framework.

To guide us in making our assessment and forming our advice, we established a set of assessment criteria, shown in Box 7.1. These criteria closely reflect the general principles for cost recovery discussed in Chapter 3, but are more specifically relevant to assessing rating options and issues. In developing these criteria, we drew on the Australian Government's 'Cost Recovery Guidelines',[102] the OECD's 'Best Practice Guidelines for User Charging for Government Services',[103] and the PC's Cost Recovery Guidelines for government departments.[104]

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101 A 'specific purpose' rate or levy may refer to:
- the animal health rate, the pest insect eradication rate and any other special purpose rate under the *Rural Lands Protection Act 1998* (NSW) or the *Local Land Services Act 2013* (NSW);
- the meat industry levy under the *Meat Industry Act 1978* (NSW); and
- catchment contributions under the *Catchment Management Authorities Act 2003* (NSW) or the *Local Land Services Act 2013* (NSW).

102 Commonwealth of Australia, *Australian Government Cost Recovery Guidelines*, Canberra, 2005.

103 Organisation for Economic Co-operation and Development, *Best Practice Guidelines for User Charging for Government Services*, PUMA Policy Brief No.3, March 1998.

104 Productivity Commission, Cost Recovery by Government Agencies, 16 August 2001.

We assessed each rating option against these criteria, and considered stakeholders' comments and the PC's Cost Recovery Guidelines. The sections below provide an overview of our draft decisions, and then discuss each decision in more detail. Chapter 8 discusses several further issues related to rates, including the most efficient rating base for LLS.

Box 7.1 Criteria for assessing rating options

LLS' rates and rating system should be:

- efficient, to minimise distortions in economic activity
- targeted to an actual beneficiary or impactor group (ie, the appropriate funder(s) selected in Step 3)
- simple and cost effective to administer
- compliant with statutory and legal constraints
- clear and easily understood
- able to be consistently applied by all LLS boards.

7.1 Overview of draft decisions on rating base

We consider that LLS should continue to use the current Livestock Health and Pest Authority (LHPA) rating system and rate structure. This includes a general rate, animal health rate and the ability to set additional specific purpose rates.[105] Each rate should comprise a fixed and a variable component, unless it can be demonstrated that a purely fixed or variable rate would provide a clearer price signal or more efficient outcome.[106]

We consider that LLS should continue to charge the LPHA's general rate and continue to collect 3 specific purpose rates – the animal health rate, the meat industry levy and the pest insect levy. In addition, it should reduce the threshold for paying the animal health rate from 50 to 30 stock units,[107] to recognise the risk associated with smaller properties with few animals (such as small properties with horses). It should also adjust the level of meat industry levy and pest insect levy to incorporate the marginal cost of collecting these rates.

105 We note that this structure is carried forward in the LLS Act, Schedule 9, cl 5.
106 This may require legislative amendment: LLS Act, Schedule 9, cl 6.
107 LLS Act, Schedule 9, cl 14.

In addition, we consider that the relevant LLS board should continue to charge the Hunter flood mitigation levy[108] currently charged by Hunter Central Rivers Catchment Management Authority (CMA). Further, all LLS boards should be able to charge a similar levy to recover the costs of flood mitigation activity if they can demonstrate that this is consistent with the draft funding framework and that such a levy has stakeholder support.

In relation to new specific purpose levies, we consider that LLS boards should charge a biosecurity rate, separate from the animal health rate, if they can demonstrate through the framework that this rate targets separate impacts and benefits than the animal health rate. Boards should also be allowed to charge a natural resource management rate (for properties above 2 ha), but only if they can demonstrate that there is significant stakeholder support for such a rate and there is no duplication with State Government or local government charges and services.

To establish landholder liability to pay the LLS rates, the minimum rateable land area should be reduced from the current 10 hectares to 2 hectares.[109] This change recognises that smaller properties contribute to biosecurity risk, and therefore should help fund activities to manage this risk. This is consistent with the draft funding framework for LLS and NSW Biosecurity Strategy 2013-2021. The new minimum rateable land area should be introduced at the latest by 1 July 2017. This is sufficient time for LLS boards to engage and inform landholders affected by the change. Individual LLS boards should also retain the ability to set a minimum rateable land area above 2 hectares similar to the current practice of the Western LHPA.

An alternative approach, not adopted in the draft recommendations, would be to set the minimum rateable land area at 2 ha for all boards and any board that wished to vary from the 2 ha could apply for an exemption.

7.2 Rating system

The RLP Act currently empowers LHPA to charge 3 types of rates:[110]

- a general rate, which all LHPAs are required to charge and is paid by all landholders
- an animal health rate, which is a specific purpose rate that all LHPAs are required to charge and is paid by landholders in prescribed circumstances
- other specific purpose rates, which LHPA can charge for specified purposes.

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[108] This is the same as the "Hunter Catchment Levy" referred to in the terms of reference. We consider the name "Hunter flood mitigation levy" is more self-explanatory.

[109] RLP Regulation , Schedule 3. See also: LLS Act, Schedule 9, cl 3(2).

[110] RLP Act 1998 (NSW), s 61. This structure is continued under the new legislative framework: LLS Act, Schedule 9, cl 5.

We consider that both general rates and specific purpose rates are consistent with our criteria for LLS rating options, provided they are designed and used to target the appropriate funder for the activity. For example, a general rate should be used when it is appropriate to fund core LLS activities that are broadly applicable to all LLS ratepayers. A specific purpose rate should be used to fund specific activities that address a specific issue applicable to either the entire LLS ratepayer base or a clearly defined subset to address a specific issue.

We note that stakeholders expressed significant support for LLS retaining the ability to charge a general rate.[111] They also expressed strong support for LLS retaining the ability to create and charge specific purpose rates. The LHPA also argued that this ability is essential to ensure LLS has the flexibility to respond to the changing needs of regional communities over time.[112]

Some stakeholders expressed concerns about the appropriateness of current specific purpose rates, and how new specific purpose rates would be determined and approved.[113] This issue is discussed in sections 7.4 and 7.5 below.

Draft recommendation

9 LLS boards should retain the ability to charge a general rate, and specific purpose rates (including the current animal health rate).

7.3 Current rate structure

The RLP Act specifies that LHPA rates must comprise a fixed amount and a variable amount.[114] The fixed amount applies to each holding of rateable land, while the variable amount is calculated on a per unit basis. Currently, the variable amount is calculated based on the notional carrying capacity of each holding.

We consider that this rate structure is generally consistent with the criteria for rating (Box 7.1). We recognise the merit in using both a fixed and variable component for rates allowing for a more efficient outcome and a clearer price signal. For example, PC notes that a flat fee structure may have a greater impact on a small firm than a levy on turnover or sales.[115] Therefore, a rate structure with fixed and variable components allows an agency to target smaller properties by setting a high fixed amount, or target larger properties by setting a high variable amount.[116] Ideally the variable amount should be linked to the risk created or benefit received by identified impactors or beneficiaries.

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111 We note that this structure is carried forward in the LLS Act, Schedule 9, cl 5.

112 LHPA submission, pp 1-2.

113 Ms Paton-Blackwell, Wagga Wagga Transcript, p 59.

114 RLP Regulation, cl 7. This requirement is continued under the new legislative framework: LLS Act, Schedule 9, cl 6.

115 Australian Productivity Commission, *Cost Recovery by Government Agencies - Part 1*, p XL.

116 Australian Productivity Commission, *Cost Recovery by Government Agencies - Part 1*, p 170.

Stakeholders submitted few comments on the appropriate structure for LLS rates.

Draft recommendation

10 LLS rates should comprise a fixed and a variable component.

7.4 Existing specific purpose rates

As part of our terms of reference for this review, the Minister for Primary Industries asked us to provide advice on the appropriateness and efficiency of current specific purpose rates in NSW, including:

- the animal health rate, levied by LHPAs
- the meat industry levy, collected by LHPAs on behalf of NSW Food Authority[117]
- the pest insect levy, collected by LHPAs on behalf the Department of Primary Industries
- the Hunter flood mitigation levy, levied by the Hunter Central Rivers CMA.

We assessed each of these rates against the criteria in Box 7.1, giving consideration to stakeholder comments and the PC guidelines.

7.4.1 Animal health rate

Currently, an animal health rate is levied on the livestock industry.[118] Section 62 of the RLP Act requires each LPHA board to levy an animal health rate.

The regulations may:[119]

- specify the purposes for which any specific purpose rate or animal health rate may be levied, and
- exempt rateable land on which less than a specified number of stock are kept from liability for any animal health rate, currently 50 stock units (eg, 50 sheep or 5 cattle).

In assessing the notional carrying capacity of rateable land used for intensive livestock production, an LHPA must have regard to specified considerations.[120]

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117 Section 59A(1) of the *Meat Industry Act 1979* (NSW) states that "In respect of a year commencing on 1 January, a meat industry levy shall be payable to the Food Authority by every occupier of land liable to pay an annual health rate in respect of that year under the *Rural Lands Protection Act 1998*." LLS will take over this function when the RLP Act is repealed: LLS Act, Schedule 7.

118 LHPA, *Annual Report, 2011/12*, p 11.

119 RLP Act, s 62(5).

120 RLP Regulation, cl 10(5) and LLS Act, Schedule 9, cl 17(6).

In general, stakeholders supported LLS continuing to charge the animal health rate (AHR).[121] However, some expressed concern about possible cross subsidisation of the AHR from non-livestock industries. For example, the Australian Macadamia Society stated that only those industries that create the risk and capture the benefit should be charged the AHR.[122]

Several stakeholders proposed changes to the AHR, to better target the appropriate risk creators and beneficiaries:

- NSW Farmers proposed that all properties should pay a base amount, while properties over 10 hectares should also pay a variable amount (based on their submitted livestock returns), and intensive livestock operations should pay a higher variable amount (to reflect their higher contribution to the total biosecurity risk). NSW Farmers also stated that intensive operations be charged an intensive rate and that properties not running livestock could seek an exemption from the animal health rate.[123]
- The LHPA proposed that all properties with 30 stock units or more be required to pay the AHR (based on their submitted annual return), and that properties of between 2 and 40 hectares should pay a minimum AHR while properties above 40 hectares should pay a base amount and a variable amount (based on their notional carrying capacity).[124] The LHPA also suggested that intensive operations be charged based on notional carrying capacity regardless of size to reflect their increased risk.

We agree with LHPA's proposal that it is appropriate to reduce the threshold for liability to pay the AHR from 50 stock units to 30 stock units.[125] As both Biosecurity NSW[126] and the Beale Report[127] have pointed out, smaller properties with relatively few animals contribute to the animal health risk. For example, the Beale Report noted the high cost of addressing the 2007 equine influenza outbreak, where over 100,000 horses were found on small properties just west of the Sydney basin. Many of these properties were not liable for the current AHR, as they carried less than 50 stock units. Yet, the direct cost of eradicating equine influenza from NSW and Queensland has been estimated at $110 million.[128]

We consider that this change will better target the actual risk creators and beneficiaries of LLS activities related to managing animal health risk and thus minimise the potential for cross-subsidisation. This is also consistent with our recommendation regarding minimum rateable land area for all LLS rates. This is discussed in section 8.5.4.

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121 LHPA submission, p 20.
122 Australian Macadamia Society submission, p 7.
123 NSW Farmers submission, p 11.
124 LHPA submission, p 20.
125 LLS Act, Schedule 9, cl 14.
126 Biosecurity NSW, *NSW Biosecurity Strategy 2013-21*, p 17.
127 Beale Report, *One Biosecurity A Working Partnership*, September 2008, pp 83-84.
128 Beale Report, *One Biosecurity A Working Partnership*, September 2008, p XV.

We consider that LLS boards should charge an animal health rate in line with the draft cost recovery framework, including allocating additional notional carrying capacity to intensive operations, in line with current LHPA practices, to reflect the additional risk associated these operations.

Draft recommendation

11 LLS boards should continue charging the animal health rate, and should widen the group liable to pay this rate to include all landholders with a rateable land area and 30 or more stock units. This includes continuing to attribute additional notional stock carrying capacity to intensive livestock operations.

7.4.2 Meat industry levy (MIL)

In addition to collecting its own rates, LHPA also collects the meat industry levy (prescribed in the *Meat Industry Act 1978* (NSW))[129] on behalf of NSW Food Authority. This levy is levied on the livestock industry, and is separate from the animal health rate. However, it is currently payable by all persons liable to pay the animal health rate. The revenue from the meat industry levy goes to the Food Authority and partly funds its activities.

Currently the Food Authority calculates the amount parties liable to pay the meat industry levy are required to pay, and LHPA includes this amount in the rates notices it issues annually to AHR ratepayers. The Food Authority states that LPHA charges it a commission of 7.6% (plus GST) for this work. In 2012, this commission amounted to $78,450 (plus GST of $7,845).[130]

We consider that the current meat industry levy is both targeted and efficient, seeking to cost recover part of the Food Authority's costs from the industry that impacts/benefits from its activities. We also consider that LLS should charge a fee to recover the efficient costs it incurs collecting the meat industry levy. This is consistent with charging ratepayers the efficient transaction costs associated with collecting the MIL. In line with Step 4 of the funding framework, we consider it would be appropriate to cost this collection using a marginal costing approach (see section 6.2).

Draft recommendation

12 LLS should continue to collect the meat industry levy from rate payers liable to pay the animal health rate on behalf of the NSW Food Authority. Once it has established its rate collection mechanism, LLS should charge the Food Authority a fee that reflects the marginal cost of collecting the meat industry levy.

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[129] *Meat Industry Act 1978* (NSW), s 59A(1). LLS will take over this function when the RLP Act is repealed: LLS Act, Schedule 7.

[130] NSW Food Authority submission, p 5.

7.4.3 Pest insect (plague locust) levy

LHPA also collects the pest insect levy from all LHPA ratepayers on behalf of the Department of Primary Industries (DPI). The funds from this levy are held by DPI, the Plague Locust Management Group (which includes representatives from DPI, LPHA and NSW Farmers) and is responsible for managing them in accordance with the pest insect levy (PIL) budget. This budget is developed by DPI in consultation with LHPA and NSW Farmers, and approved by the Plague Locust Management Group. Any expenditure outside of this budget must be approved by the Management Group.[131]

Stakeholders expressed concern over being charged a levy to control plague locusts because they are not an issue east of the Great Dividing Range.[132] In light of these concerns the PIL does not appear to be consistent with the draft cost recovery framework, targeting landholders who neither require nor benefit from the levy. This also represents significant cross-subsidisation of landholders west of the Great Dividing Range which is inconsistent with the principles for creating specific purpose levies outlined in section 8.5.

We consider that current arrangements do not appear to be consistent with the draft cost recovery framework. Given that the PIL is collected on behalf of DPI we recommend that DPI amend the PIL to target actual beneficiaries or impactors or be allowed to be used for region specific issues in areas unaffected by plague locusts. We further discuss the PIL in section 7.5.2.

We also note that currently LHPA does not receive a fee from the DPI for its levy collection activities.[133] As discussed in relation to the meat industry levy above, we consider it is appropriate for LLS to charge DPI a collection fee that reflects the marginal cost associated with collecting the pest insect levy, and for this additional cost to DPI to be recovered through the levy.

Draft recommendation

13 If LLS is to continue to collect the pest insect levy on behalf of DPI:

- the Department should amend the areas from which fees are collected to be consistent with the Draft cost recovery framework, and
- once LLS has established its rate collection mechanism, it should charge the Department a fee that reflects the marginal cost of collecting the pest insect levy.

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131 Email from Tim Seers LHPA, *Questions regarding the plague locust levy*, 26 August 2013.

132 Mr Cameron, Tamworth Transcript, pp 59- 60.

133 Ms Paton-Blackwell, Wagga Wagga Transcript, p 59.

7.4.4 Hunter flood mitigation levy

Currently, the Hunter Central Rivers CMA charges the Hunter flood mitigation levy. The levy is charged to all local government rate payers in the Hunter Central Rivers CMA.[134] It is based on the unimproved capital value of land.[135]

The Hunter flood mitigation levy is collected by the local councils in the region on behalf of Hunter Central Rivers CMA. This levy is costed to cover the payment of a collection fee to local government (5% of receipts).[136]

Only a few stakeholders commented on this levy. There were no objections to LLS continuing to charge it. There was some discussion about how the hunter levy already targets beneficiaries,[137] which is consistent with the draft cost recovery framework. Charging rate payers on the basis of land value targets more highly valued properties that would benefit more from flood mitigation measures.

On the basis of this stakeholder support, and our own assessment of the levy, we consider the relevant LLS board should continue to charge this levy. We also consider it appropriate for the levy to include the cost of the collection fee paid to local councils, provided this fee reflects the marginal cost of the councils' collection activity. Further, we consider it may be appropriate for other LLS boards to charge a similar levy for flood mitigation activities where it can clearly be demonstrated that stakeholders support and are willing to pay for those activities.

Draft recommendation

14 The relevant LLS board should continue to charge the Hunter flood mitigation levy as a specific purpose levy. In addition, other LLS boards should be allowed to implement a levy like the Hunter flood mitigation levy to fund flood mitigation activities where it can be clearly demonstrated that stakeholders support and are willing to pay for those activities.

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134 Ms Marshall, Tamworth Transcript, p 38.

135 *Catchment Management Authorities (Hunter Central Rivers) Regulation 2010* (NSW), cl 5. See also: LLS Act, Schedule 9, cl 36.

136 NSW Department of Environment, Climate Change and Water (DECCW), *Regulatory Impact Statement, Catchment Management Authorities (Hunter Central Rivers) Regulation 2010* (NSW), p 6.

137 Ms Marshall, Tamworth Transcript, pp 38-39.

7.5 Establishment of new specific purpose rates

Our terms of reference also asked us to provide advice on a more efficient approach to establishing new specific purpose rates, such as a biosecurity levy or a natural resource management (NRM) levy. We have considered what approach should be used to establish specific purpose rates in general, and the likely appropriateness and efficiency of a biosecurity levy and a natural resource management levy in particular. LLS boards should not be limited to the specific purpose levies below when deciding to create new specific purpose levies.

7.5.1 Approach for establishing specific purpose rates

Most stakeholders did not comment directly on what approach should be used to establish specific purpose levies. However, many highlighted the importance of transparency and minimal cross-subsidisation between rates.[138] LHPA stressed the need to avoid cross-subsidisation to maintain rate-payer confidence.[139] It also argued that individual LLS boards need to be able to establish new levies to give them flexibility to respond to changing needs in their region and to changes in Government policy.[140]

We consider that to a large extent, the issues and concerns related to establishing new specific purpose rates will be addressed by applying the funding framework. For instance, Step 2 of the framework requires LLS boards to assess each activity separately using the framework, to minimise the potential for cross-subsidisation between activities and funders. By working through Steps 3 and 4, LLS boards will identify the most feasible, efficient and effective way to fund an activity, and the most appropriate impactors/risk creators or beneficiaries to charge for this activity.

Therefore, we have considered what LLS boards should consider in designing specific purpose rates. Taking into account both stakeholders concerns, and the PC's Guidelines for Cost Recovery, we consider the design of specific purpose rates needs to:

- take into account any trade-offs between how well the rate targets impactors or beneficiaries (which affects its economic efficiency) and how easy it is to administer (which affects its cost effectiveness)
- minimise cross-subsidisation (for example, specific purpose rates should only recover the cost of activities clearly related to that specific purpose)
- minimise and incorporate transaction costs (for example, collection costs).

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138 For example, see NSW Farmers Association submission, p 12; see also: Mr Murdoch, Wagga Wagga transcript, p 39.

139 LHPA submission, p 1.

140 Ibid.

The PC's guidelines indicate that trade-offs between economic efficiency and cost effectiveness may be inevitable in the design of levies. However, such trade-offs should be consciously made, with due consideration of the likely impacts.

The guidelines also clearly state that cross-subsidisation should be avoided because it can introduce inefficiencies. However, some cross-subsidies may be acceptable where an industry levy is used to fund activities that benefit the industry as a whole (or its customers), or where charging individual firms a fee-for-service is impractical or inconsistent with policy objectives.[141]

In addition, the guidelines note that cost recovery arrangements should aim to minimise transaction costs (such as the cost of administering and collecting a levy),[142] and should recover these costs.[143]

7.5.2 Biosecurity levy

We have considered whether, and in what circumstances, it may be appropriate for LSS boards to establish a biosecurity levy payable by LLS rate payers. We have assumed that such a levy would be used to fund the cost of activities that aim to mitigate general biosecurity risks in the LLS region. We have also assumed that this levy would target all LLS ratepayers, who are the beneficiaries or impactors of these activities.

In our view, such a levy may be appropriate and efficient, provided the funding framework is applied correctly to ensure the levy does not cross-subsidise activities that are more appropriately funded via the animal health rate (or vice versa). In particular, LLS boards would need to clearly define and distinguish the activities to be funded through each of these rates - for example, taking account of the problem each is intended to address, the intended outcomes, what resources are required and where these resources will be used (in line with Step 2 of the framework).

It may also be possible to incorporate the existing pest insect levy into a biosecurity levy. Payments to the Pest Insect Destruction Fund could be made from the monies collected by this rate, and remaining monies used to address other local (or regional) biosecurity issues.[144] However, the rates notices issued by LLS would need to make it transparent that the biosecurity includes the pest insect levy.

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141 Australian Productivity Commission, *Cost Recovery by Government Agencies - Part 1*, p XLV.

142 Australian Productivity Commission, *Cost Recovery by Government Agencies - Part 1*, p 161.

143 Australian Productivity Commission, *Cost Recovery by Government Agencies - Part 1*, p 177.

144 We note that money that has been received by imposition of a specific purpose rate may not be used otherwise than for the purpose for what the rate was levied, unless the minister approves another purpose: LLS Act, Schedule 9, cl 6(8).

Draft recommendation

15 LLS boards should charge a biosecurity levy separate from the animal health levy if they can demonstrate through the funding framework that such a levy is consistent with the funding framework, including that it does not cross-subsidise activities funded via the animal health rate (or vice versa).

7.5.3 Natural resource management or environmental levy

We also considered whether and in what circumstances it may be appropriate for LLS boards to establish an NRM or environmental levy. We assumed that such a levy would be used to fund some of the non-regulatory activities currently undertaken by CMAs (but not those required to meet their statutory requirements, such as developing Catchment Action Plans). We also assumed the levy would target all LLS ratepayers (as the beneficiaries of these activities).

We note that currently, CMAs provide public funding towards NRM projects in line with the strategies and targets in their region's Catchment Action Plan. They leverage investment in these projects at a rate of $2.20 of private investment (labour, materials and co-payments) for every dollar of public investment. This is achieved through direct negotiation with landholders, where private individuals apply for government investment in projects on their land. This allows the CMAs and landholders to assess the benefit to the public and the private individual respectively, which ensures an efficient and targeted outcome can be reached for both parties.[145]

We consider that this approach is possibly more efficient than charging a levy to fund these projects. If an NRM levy were introduced, it may reduce private investment in these projects.[146] For example, if ratepayers were required to pay a levy to fund NRM activities in the region, they may be less willing to also co-fund NRM projects on their own land.

However, this may not be a concern for all regions. For example, representatives of the Sydney CMA noted that leveraging investment in NRM projects works differently in major centres like Sydney, where there are relatively few private landholders with rateable land. In such centres, CMAs leverage investment by working with volunteer organisations, who contribute to NRM projects on public land (primarily in the form of labour). The introduction of an NRM levy would not affect these organisations, and thus would not affect their willingness to continue contributing to projects on public land.

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145 CMA, *Five Year Achievements Report*, October 2009, p 5.

146 CMA, *Annual Report 2011/12*, p 5.

Some stakeholders were in favour of an NRM levy.[147] However, the majority were concerned that it would lead to government shifting costs onto rate payers.[148] A representative of the CMAs at the Tamworth public hearing noted that provision of NRM services was contingent on government funding.[149]

Local Government NSW (LGNSW) was particularly concerned that any rating undertaken by the LLS should not overlap with local government rates, especially if urban areas are included in the rate base. It noted that extending liability for LLS rates into urban areas (for example, by reducing the minimum rateable land to below 2 hectares) could potentially impact on current and future council rating. LGNSW seeks further consultation with IPART on this issue.[150]

Overall, we consider on balance that LLS boards should have the flexibility to introduce an NRM or environment levy. This should be done in line with the funding framework only if it can be demonstrated (by the relevant LLS board) that the levy would not duplicate current State Government or local government charges/services and that there is community support for it.

Draft recommendation

16 LLS boards should be allowed to charge a natural resource management or environmental levy on rateable properties if they can demonstrate:

- through the funding framework that such a levy is consistent with the framework, including that the levy does not duplicate any rates/services provided by State or local government, and
- has community support.

7.6 Appropriate minimum rateable land area

Currently, LHPA establishes landholders' liability to pay rates based on their land area - all those with land area of 10 hectares (ha) may be liable to pay the rates it levies or collects. LLS boards also currently have the ability to set a minimum rateable land area above 10ha (eg, Western region LHPA currently has a 40ha minimum). Given LLS will have a broader range of functions and objectives, we considered whether this minimum rateable land area should be maintained, or should be reduced to below 10ha.[151]

147 IPART meeting with Cumberland LHPA and Sydney Metropolitan CMA, 17/7/2013 at 12pm. See also: Wagga Wagga Transcript, p 67.
148 Mr Freestone, Tamworth Transcript, p 70.
149 Miss Brown, Tamworth Transcript, pp 70-71.
150 LGNSW submission, p 4.
151 RLP Regulation, Schedule 3. LLS Act, Schedule 9, cl 4.

During our consultation process, most stakeholders were in favour of lowering the minimum rateable area to 2ha, arguing that small landholders posed a significant biosecurity risk.[152] Many cited the 2007 equine influenza outbreak, where over 100,000 horses were found on small properties just west of the Sydney basin, many of which are not liable to pay LHPA rates.[153]

Those who were against the reduction argued that the increased cost of administering rates to these properties (due to increased complaints) would be disproportional to the extra monies collected.[154] This is consistent with the Bull Report's rationale for its recommendation in 2007 that the minimum rateable land area be increased to 10ha for all regions, with LHPA boards retaining the ability to set their own minimum area above 10ha. The report noted that complaints about the rating system tended to come from ratepayers with small properties (less than 10ha) who purchased their land for lifestyle reasons, and had no involvement in rural industries or livestock-related activities.[155]

However, the Beale Report on Australian biosecurity (2008) noted the risk posed by small properties and the need to involve them in the biosecurity continuum:

> Awareness of biosecurity, let alone shared responsibility, is frequently lacking in the peri-urban environment. A number of recent biosecurity incidents have occurred in peri-urban areas including the first reported occurrence and subsequent spread of tomato leaf curl virus near Brisbane and periodic outbreaks of Hendra virus in Queensland. Involvement of small business, community groups and individuals in these areas is limited and represents a gap in the biosecurity continuum.[156]

In 2013, the NSW Government released its NSW Biosecurity Strategy designed to meet the increased need for a clear cohesive plan for the whole of NSW. This includes meeting the increasing need for biosecurity services in primary industries and managing new risks associated with smaller landowners with non-commercial livestock. The strategy states that landowners with small bush blocks or weekend getaways need to be seen as an important part of this strategy, making sure they and their neighbours are not unwitting pest protectors.[157]

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[152] Mr C Sweeney, Wagga Wagga Transcript, pp 44-45.
[153] LHPA submission, p 22. See also: NSW Farmers submission, p 12.
[154] Mr Corboy, Wagga Wagga Transcipt, p 67.
[155] Bull Report, p 36.
[156] The Beale Report, *One Biosecurity: A working partnership*, September 2008, p 73.
[157] NSW Draft Biosecurity Strategy, Foreword, October 2012, p iii.

The strategy also notes that the NSW Government has recently expanded Property Identification Code requirements to include a broader range of livestock.[158] This recognises the risk to primary industry and human health posed by small properties,[159] and that pest animals (eg, wild dogs), weeds and diseases do not respect borders or fence lines.[160]

We consider that the Beale Report and the NSW Biosecurity Strategy clearly establish that small landholders contribute to the risks that LLS activities will address. Therefore, consistent with the draft funding framework, they should help fund the cost of those activities. On this basis, we consider that the appropriate minimum rateable land should be reduced to 2ha. With LLS boards retaining the current LHPA ability to set a minimum above the regulated minimum rateable land area.

However, we also consider that rates should not be charged to small land holders without a concerted effort to inform and educate them about why they are being rated. The Beale Report noted that there needs to be a greater effort to engage with small land holders.

> Peri-urban areas represent a biosecurity risk that will remain a challenge to address, but one that justifies greater effort to tackle given the potential risk posed.[161]

Therefore, the new minimum rateable land area should be introduced no later than 1 July 2017, to give LLS boards time to engage and inform the affected landholders.

Draft recommendation

17 The minimum rateable land area should be reduced from the current 10 hectares to 2 hectares. The reduction should occur no later than 1 July 2017, to give LLS boards time to educate and inform small landholders. Individual LLS boards should retain the ability to set a minimum above the proposed 2 hectare minimum.

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158 New species include sheep, cattle, goats, pigs, deer, bison, buffalo, camels, horses, donkeys, lama, alpaca or more than 100 poultry birds: NSW Draft Biosecurity Strategy Foreword, October 2012, p iii.

159 NSW Biosecurity Strategy 2013-2021 (p 17) states that 60% of emerging infectious diseases in humans have originated in animals.

160 NSW Biosecurity, Draft Biosecurity Strategy Foreword, October 2012, p iii.

161 The Beale Report, *One Biosecurity: A working partnership*, September 2008, p 83.

00191

8 Most efficient rating base for LLS and other rating issues

In addition to the rates issues discussed in Chapter 7, our terms of reference asked us to provide advice on the most efficient rating base for LLS. The rating base refers to the 'per unit' basis on which the variable component of a rate is calculated. For example, for local government rates, the rating base is the unimproved capital value of the ratepayer's land.[162] For the current LHPA rates, the rating base is the notional carrying capacity of the landholder's property.[163] We also considered 2 additional issues related to rates - whether there should be any general exemptions to liability to pay LLS rates, and how LLS annual returns should be treated.

The sections below provide an overview of our draft recommendations on these issues, and then discuss our analysis on each issue in more detail.

8.1 Overview of draft recommendations on most efficient rating base, exemptions and annual returns

We consider that in general, the most efficient and appropriate 'unit' for calculating the variable component of LLS rates is the landholder's land area (in hectares). We generally prefer land area to the current rating base - notional stock carrying capacity (NCC) - because it better targets the actual risk creator or beneficiary. In our view, it is a better general indicator of a landholder's relative share of the impact, risk or benefits associated with LLS activities. In addition, it is more transparent and easier to understand, especially for ratepayers with small landholdings.

On this basis, we consider that:

- the minimum rateable land area should be reduced to 2ha to recognise the risk created by these properties. LLS boards should retain the ability to set a minimum above the prescribed minimum (2ha)
- LLS boards should use land area as the rating base for general rates, especially if the minimum rateable land area is set below 10ha

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162 *Local Government Act 1993* (NSW), s 498.

163 RLP Regulation, cl 7.

00192

- in regions where the minimum rateable land area is set below 10ha (current minimum) LLS boards should be required to use land area as the rating base for all general and non-livestock industry rating
- where an LLS board chooses to set a minimum rateable land area of 10ha or above, it should have the option to use NCC as an alternative rating base where this better targets the actual risk creator or beneficiary (for example, for rates targeting the livestock industry)
- the requirement that LLS boards reassess NCC every 5 years[164] should be removed while maintaining the right of any landholder to have the NCC of their land reviewed.[165]

In relation to exemptions from LLS rates, we consider that the current exemptions for sugar cane growers[166] and intensive poultry producers[167] should be removed. In the future, LLS boards should be allowed to grant exemptions to individual landholders only where this is consistent with the set of principles shown in Box 7.1.

In relation to annual returns, penalties for not submitting annual returns to the LLS on time should be greater than the cost of any additional rates (ie, the animal health rate). This would create an incentive for those who would incur the animal health rate anyway to complete their annual return, recognising the importance of the information collected in the annual returns as part of the wider biosecurity initiative.

8.2 Most efficient rating base

To determine the most efficient and appropriate rating base for LLS rates in general, we identified 4 options:

- per unit of product sold (grain, livestock etc ...)
- unimproved capital value of land
- notional stock carrying capacity
- land area (per hectare).

We then assessed each of these options against our criteria for assessing rating options (discussed in Chapter 7, and listed Box 7.1). We largely relied on information provided by stakeholders and the findings of other reviews on this issue. We also took account of our draft recommendations on the minimum rateable land (discussed in Chapter 7). The results of our assessment are shown

164 LLS Act, Schedule 9, cl 16(1).
165 LLS Act, Schedule 9, cl 18.
166 LLS Act, Schedule 9, cl 15, (2)(b).
167 LLS Act, Schedule 9, cl 13, (3).

in Table 8.1. The sections below discuss our assessment and analysis for each option in detail.

Table 8.1 Summary of our assessment of rating base options

Assessment criteria	Per unit of product sold	Unimproved capital value of land	Notional Carrying Capacity	Land area (per ha)
Efficient	No	Yes	Yes	Yes
Targeted at actual beneficiaries and impactors	targets buyers and/or sellers	targets high value land	targets high yield land	Targets large properties
Simple and cost effective to administer	Yes	Yes, may have timing delays	No	Yes
Compliant with statutory and legal constraints	No	Yes	Yes	Yes
Clear and easily understood	Yes	No	No	Yes
Able to be consistently applied	Yes	Yes	No	Yes

Source: IPART analysis.

8.2.1 Option 1: Per unit of product sold

A per unit charge is a levy on the sale of farm produce, such as per head of livestock sold, per tonne of grain sold, or any defined unit of crop sold by primary producers. Such a charge could be a very cost-effective, targeted and objective way of funding LLS activities. However, it would not be an appropriate rating base for 2 reasons.

First, it would be economically inefficient. A levy based on per unit of production is likely to distort economic activity by creating a disincentive for farmers to become more efficient and/or expand production. This would impose a 'deadweight cost' on the economy - acting as a drag on economic activity and so reducing growth in jobs and incomes below potential. This cost must be balanced against the actual revenue raised by the levy. Charges that minimise deadweight costs - that is, those that are efficient - are preferable.[168]

Second, a levy based on per unit of production could not be implemented under LLS' legislative framework.[169] These reasons rule out using per unit sold as a rating base for LLS rates.

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168 IPART, *Final Report - Review of State Taxation - Report to Treasurer*, October 2008, pp 51-52.

169 States are prohibited from imposing excise duties: Australian Constitution, Section 90.

8.2.2 Option 2: Unimproved capital value of land

As noted above, unimproved capital value of land (UCV) is currently the rating base for local government rates. The definition of *land value* used by local governments is found in the *Valuation of Land Act 1916* (NSW).[170]

We consider that using UCV as the basis for LLS rates could be economically efficient, compliant with statutory and legal constraints, and able to be consistently applied. However, it would not target the actual risk creator or beneficiary. As the Bull Report noted, there is no correlation between the value of land and the landholder's contribution to the risk creation or benefits associated with LLS services.[171] In addition, this lack of correlation would mean that the use of UCV would not be clear and easily understood by ratepayers.

We also note there is very little stakeholder support for using UCV as the rating base for LLS rates. Stakeholders' concerns about this option are consistent with those stated in the Bull Report.[172] In addition to the lack of correlation between land value and LLS services noted above, these concerns include that:

- there are wide variations in land values (even within restricted areas), which would lead to inequities in the rating system[173]
- the UCV of land captures more than just the productive value of the land – it also captures proximity to the coast and major centres.[174]

Where stakeholders did support the use of UCV as the rating base, they did so on the grounds that there would be efficiency gains from using local government to collect rates on behalf of the LLS.[175] While using UCV would be more cost-effective to administer than NCC we consider that it would be less targeted at actual beneficiaries and impactors, introducing inequities and cross subsidisation (between impactors and beneficiaries) into the LLS rating system.

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170 *Valuation of Land Act 1916,* (NSW), Section 6A(1).
171 Bull Report, p 26.
172 LHPA submission, p 21.
173 Bull Report, p 26.
174 LHPA submission, p 21.
175 Serrated Tussock Working Party, pp 7-8.

00195

8.2.3 Option 3: Notional stock carrying capacity

The RLP Act defines notional stock carrying capacity[176] (in relation to land within a district) as the number of stock that the authority for the district has assessed could be maintained on the land.[177] The RLP Regulation requires the authority to assess the notional carrying capacity of land every 5 years by reference to the number of stock units that could be maintained on the land in an average season under management practices that, in the authority's opinion, are usual for the district.[178]

The RLP Regulation also contains more specific information as to how notional stock carrying capacity is to be determined, stating that:[179]

- a 40 kilogram wether sheep of any breed represents 1 stock unit, and a 400 kilogram steer of any breed represents 10 stock units[180]
- the assessment is to be made irrespective of whether the land is or is not used for any purpose at the date of assessment[181]
- the authority must make its assessment as if the raising of stock were the only use of land[182]

For rateable land used for intensive livestock production, the authority must take into account:

- the nature of the holding or structure concerned[183]
- any improvement and equipment used for the purposes of intensive livestock production on the land[184]
- the manner in which the holding has been worked[185]
- any other matter it considers necessary.[186]

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176 RLP Act, s 58. See also: LLS Act, Schedule 9, cl 3.

177 This definition was to be omitted upon commencement of specified clauses in the *Rural Lands Protection Amendment Act 2008* (NSW). These clauses were originally scheduled to commence on 1 January 2010, but on 14 December 2009, the *Rural Lands Protection Amendment Act 2009* (NSW) amended the commencement date to "...a day or dates to be appointed by proclamation." On 1 January 2014, this legislation will be repealed by the LLS Act. The definition of notional carrying capacity is maintained in the LLS Act.

178 RLP Regulation, cl 10(2). See also: LLS Act, Schedule 9, cl 17(3).

179 RLP Regulation, cl 10. See also: LLS Act, Schedule 9, cl 17.

180 RLP Regulation, cl 10(1). See also: LLS Act, Schedule 9, cl 17(2).

181 RLP Regulation, cl 10(3). See also: LLS Act, Schedule 9, cl 17(4).

182 RLP Regulation, cl 10(4)(c). See also: LLS Act, Schedule 9, cl 17(5)(c).

183 RLP Regulation, cl 10(5)(a). See also: LLS Act, Schedule 9, cl 17(6)(a).

184 RLP Regulation, cl 10(5)(b). See also: LLS Act, Schedule 9, cl 17(6)(b).

185 RLP Regulation, cl 10(5)(c). See also: LLS Act, Schedule 9, cl 17(6)(c).

186 RLP Regulation, cl 10(5)(d). See also: LLS Act, Schedule 9, cl 17(6)(d).

00196

Based on our assessment, we consider that NCC would be economically efficient and consistent with statutory and legal constraints. However, it does not meet the other criteria. Importantly, it has limited ability to target actual impactors and beneficiaries for LLS rates in general. In addition, it would not be clearly and easily understood – particularly by landholders with smaller or non-farming properties.

Criterion: Targeted at actual impactors and beneficiaries

In their submissions, the LHPA and NSW Farmers[187] both argued that NCC is an indicative measure of the risk created or benefit received by landholders. Both also argued that there is a link between the productivity and biosecurity risk, in particular animal biosecurity.[188] NSW Farmers also argued that NCC was a good representation of actual stock densities and this makes it appropriate for animal biosecurity.[189]

NSW Food Authority also supported NCC, although specifically for the meat industry levy rather than a general rate. It argued that NCC is the closest available approximation of a property's primary production capacity and most closely aligns with risk creators and beneficiaries of activities to improve the state's meat food safety management system.[190]

In contrast, the Australian Macadamia Society (AMS) argued strongly against using NCC, especially for general rating.[191] AMS questioned the relevance of NCC to horticultural industries, stating that it is currently applied to landholders without any consideration of their need for LHPA services, risk creation and the ability to capture the benefits (especially for the horticultural sector).[192]

The Bull Report also found that land productivity did not directly correlate with the ability to harbour pest animals.[193] It also noted stakeholder concerns, in the context of the general rate, about situations where pest animals were commonly breeding in areas with lighter country and a lower notional carrying capacity. Stakeholders generally agreed that a land area rate base would rectify this situation, making it a better indicator of a property's risk associated with pest animals than NCC.[194] The Bull Report recommended that land area be used as the basis for all rating.[195]

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187 NSW Farmers submission, p 11.
188 LHPA submission, p 19.
189 NSW Farmers submission, p 11.
190 Food Authority submission, p 5.
191 Australian Macadamia Society submission, p 6.
192 Australian Macadamia Society submission, p 8.
193 This is largely due to the lack of cover from predators.
194 Bull Report, p 27.
195 Bull Report, p 7.

We consider that NCC does not meet the criterion "targeted at actual impactors and beneficiaries" for LLS in general. While it may be an indicative measure of the level of risk created or benefit received for certain LLS activities - such as those targeted at the livestock industry - it does not accurately reflect the risk associated with different land uses or all activities. In particular, we are persuaded by AMS' arguments that NCC does not accurately reflect the impact or benefit of land holders engaged in the horticultural industry. We are also persuaded by the Bull Report's finding that risk associated with pest animals is not directly correlated with a property's productive capacity. However, we acknowledge that in cases of mixed farming (ie, both livestock and horticultural) the arguments may not be as clear cut.

Criterion: Clear and easily understood

Both the Bull and Ryan Reports found that the concept and assessment of NCC is poorly understood by landholders not engaged in traditional farming activities. Both reports criticised the LHPA's use of NCC as a rating base, on the grounds that it was not transparent, and assessments of the NCC within LHPA regions were subjective.[196]

The Bull Report found this was a serious shortcoming, in light of protests by ratepayers on small land holdings. It stated that the LHPA rating system built on NCC has faced legal challenges, proving that it is subjective and contestable.[197] The Bull Report also recommended that land area be used instead of NCC as the rating base for all LHPA rates because it is more transparent and objective, and is readily understood by all members of the community.[198]

The Ryan Report acknowledged that NCC is well understood by traditional agricultural landowners, but it found that:[199]

> ...for new landholders on lifestyle blocks, it was not understandable at all. Therefore there were many protests against using something that they did not fully understand and doubting the methodology for determining the notional carrying capacities.

In its submission to our review, the LHPA also acknowledged that the vast majority of complaints about NCC have come from small landholders, stating that:[200]

> We recognise that there is some confusion over the notion of carrying capacity among rate payers. The overwhelming anecdotal perspective of LHPA managers is that the majority of complaints received about rates notices are from small landholders about using carrying capacity as a basis for rating.

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196 Bull Report, p 25, & Ryan Report, p 54.
197 Bull Report, p 20.
198 Bull Report, p 33.
199 Ryan Report, p 51.
200 LHPA submission, p 19.

To overcome this confusion, the LHPA suggested that all properties be charged a base rate and anything over 40ha be also charged a variable rate based on NCC.[201] The LHPA's proposed cut-off is designed to recognise that lifestyle properties can be as large as 40ha. This would also overcome the need to provide new assessments for all the properties between 2-10ha that currently do not have a notional carrying capacity.[202]

However, this is not an appropriate solution for a range of reasons. Most significantly, it would effectively reintroduce a minimum rate, which was removed based on the recommendation of the Bull Report.[203] Our analysis indicates it would potentially result in 66% of LLS ratepayers being on this minimum rate (2-40ha).[204] In our view, reintroducing a minimum rate would not send a clear price signal to properties 2-40ha, and thus could create perverse incentives and produce an inefficient outcome.

We do not consider that NCC meets the criterion "clear and easily understood", particularly for small landholders. This is a serious shortcoming, given our draft recommendation that the minimum rateable land area should be decreased to 2ha. Our analysis indicates that if this recommendation is implemented in all regions, more than 100,000 small landholders will become liable for a general LLS rate. These new ratepayers will represent around half of the total number of LLS ratepayers in NSW, ranging from 28% to 84% in the Central West and Greater Sydney regions respectively. In this situation, we consider it essential that the rating base is easily understood by all land owners/occupiers, to ensure a more efficient outcome and greater buy-in from non-livestock producing land holders.[205]

We note that where those LLS boards retain the minimum land area of 10ha the continued use of NCC may be better understood by existing rate payers.

8.2.4 Option 4: Land area (per hectare)

Using land area (per ha) rather than NCC as the general rating base for LLS activities would require LLS boards to determine a dollar amount per hectare ($/ha) rather than per stock unit for the region. This would mean that occupiers of larger properties would have greater liability, irrespective of the productive capacity of the land.

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201 LHPA submission, p 20.

202 IPART meeting with Cumberland LHPA and Sydney Metropolitan CMA, 17/7/2013 at 12pm.

203 Bull Report, p 8.

204 IPART calculations base on data received from the LHPA. 155,348 properties 40ha or less divided by total properties of 234,391.

205 Ibid.

Our assessment is that among all the options we considered, land area best meets our criteria for assessing rating options. It would be economically efficient and compliant with statutory and legal constraints. Most importantly, compared to NCC, it would be more targeted at the actual impactors and beneficiaries for LLS rates in general. That is to say it better targets risks that are borne by all LLS ratepayers (eg, harbouring pest animal), while it may not be as targeted for animal health and livestock industry services. In addition, it would be more clear and easily understood - particularly by landholders with smaller or non-farming properties. It would also be simpler and easier to administer, and more able to be consistently applied by all LLS boards.

Criterion: Targeted at actual impactors and beneficiaries

AMS argued that land area is the most equitable rating base, provided the rate funds activities and services where it has been clearly established at the regional level that there is a significant benefit and/or risk creation on the part of the landholders affected.[206]

The NSW Food Authority recognised that land area is an objective and verifiable rating base that can be compared across regions. However, it did not support its use in the context of the meat industry levy, as this would remove the link between the variable amount payable on a property and its commercial production potential. Since the meat industry levy funds activities required to regulate primary production of food, it argued that the rating base should align with the commercial production capacity of the property.

Both NSW Farmers[207] and the LHPA[208] argued that because land area does not account for the relative productivity of land within a region, it would be inequitable and inappropriate as a basis for rating. NSW Farmers also argued that land area does not account for stocking densities associated with different climate zones and soil types, and therefore may not account for exposure to risk or benefit of LLS animal biosecurity functions.[209]

The LHPA also expressed concern about the possibility of large rate rises for occupiers of land with a low notional carrying capacity if land area was adopted as LLS' general rating base.[210] On this point, we note that the Bull Report suggested that large rate rises could be rectified by using a differential rating system, which would allow LLS boards to charge a lower per unit rate for land of significantly poorer quality. The Bull Report notes that it was generally agreed by boards that a differential rate would not normally be applied to individual

206 Australian Macadamia Society submission, p 7.
207 NSW Farmers submission, p 11.
208 LHPA submission, p 20.
209 NSW Farmers submission, p 11.
210 LHPA submission, p 20.

holdings, but rather to large tracts of land that had significantly different environmental conditions to the majority of the district.[211]

We also conducted modelling to simulate the effect of moving to a land area rate base for current LHPA rate payers only, using up-to-date data provided by the LHPA. The data covered 98% of rateable land holdings,[212] split into the respective LLS region. We assumed that total rates collected and minimum rateable land area for all regions remained unchanged (at 2013 levels). Also all variable rates are rationalised to a single land area rate. This modelling showed that the introduction of a differential rate or a high fixed component would significantly reduce variation in current landholders' bills. Because these results do not include the introduction of new rate payers, on properties below 10ha, some of the burden on current rate payers could be shifted onto new ratepayers rather than seeing them as a windfall gain.

On balance, we consider that land area better meets the criterion "targeted at actual impactors and risk creators" than NCC for LLS activities in general (except for animal health). We consider that it is a better indicative measure of the level of risk created or benefit received for a wide range of land uses and LLS activities. However, as noted above, we acknowledge that in cases of mixed farming (ie, both livestock and horticultural) the arguments may not be as clear cut. We also note that these concerns about the ability of NCC to target beneficiaries and impactors do not apply to the animal health rate or the meat industry levy.

Criterion: Clear and easily understood, and other criteria

The Bull Report recommended that land area be adopted as the rating base of LHPA rates because it is transparent and readily understood by all members of the community.[213] We also consider that it is clear and easily understood, particularly for small landholders who are not engaged in traditional farming or livestock activities. As discussed in section 8.2.3 above, this is especially important in light of our draft recommendation to decrease the minimum rateable land area to 2ha.

Because of this transparency, using land area rather than NCC as the rating base for general rates is less likely to result in complaints from ratepayers, making it more cost-effective to administer. In addition, as land area data is readily available from the Valuer General,[214] and the LHPA also maintains data on the size of each rateable property (10ha and above), it is likely to be simpler to administer than NCC. In particular, there will be no need for LLS boards to assess the NCC of the large number of properties that would become newly

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211 Bull Report, p 27.

212 The remaining 2% could not be easily placed into their relative LLS region.

213 Bull Report, p 33.

214 LPI website, http://www.lpi.nsw.gov.au/valuation/nsw_land_values.

rateable if our recommendation to reduce the minimum rateable land to 2ha is implemented.

Further, because land area is an objective and verifiable measure, there should be no difficulty in LLS boards applying it consistently both within and across regions.

Draft recommendations

18 Land area should be used as the rating base for any general or broad-based rate (such as those that target all LLS ratepayers as the beneficiary). Where the minimum rateable land area is below 10 hectares, LLS boards should be required to use land area as the rating base for general rates. However, where a board has chosen to maintain the minimum rateable land area at 10ha or above, it should have the option to use notional stock carrying capacity instead of land area for general rates if it considers this is more consistent with the draft cost recovery framework.

19 NCC should be used as the rating base for specific purpose rates that target the livestock industry as the risk creator or the beneficiary (such as the animal health rate and the meat industry levy).

20 LLS boards should be allowed to standardise their current rates before implementing IPART's recommendations and avoid different landholders paying different rates for the same service.

8.3 Exemptions from LLS rates

Currently sugar cane growers[215] and intensive poultry farmers[216] are exempt from paying LHPA rates. We have considered whether these exemptions should continue to apply to LLS rates, and whether exemptions from these rates should be granted in the future.

8.3.1 Current exemptions

Stakeholders providing input to this review were unanimous in favour of removing the current exemptions for sugar cane growers and intensive poultry enterprises. They argued that the current system is inequitable because poultry farmers and cane growers do not contribute.[217]

215 LLS Act, Schedule 9, cl 15(2).
216 LLS Act, Schedule 9, cl 3.
217 Eg, Australian Macadamia Society submission, p 2.

The Bull Report also recommended these exemptions be removed, [218] stating that:[219]

- sugar cane growers have been afforded an advantage over most of the other crop growers who also have had their own pest control measures in place
- many chicken meat and egg production facilities in NSW require Boards to be the first response agency in the event of disease outbreak.

We received no submissions from sugar cane growers or intensive poultry farmers in support of maintaining the exemptions.

Draft recommendation

21 All current exemptions from rates for sugar cane growers and intensive poultry should be removed.

8.3.2 Future exemptions and discounts

Stakeholders were divided as to whether exemptions and discounts (partial exemptions) from LLS rates should be allowed in the future. AMS[220] and the Serrated Tussock Working Party[221] were both in favour of exemptions and discounts. They both supported the principles for granting exemptions and discounts set out in our Issues Paper, and the idea of providing incentives for landholders who mitigate their risk.

The LHPA opposed exemptions and discounts, stating that administration of the rating system would become inefficient and open to gaming. If exemptions and discounts were to be allowed, it argued the reasons and criteria for granting them should be tightly defined. The LHPA also noted that if the minimum rateable land area were to be reduced to 2ha there would be approximately 290,000 rateable holdings in NSW.[222]

NSW Farmers held a similar view to the LHPA, arguing that exemptions would impact both the efficiency and transparency of the system.[223]

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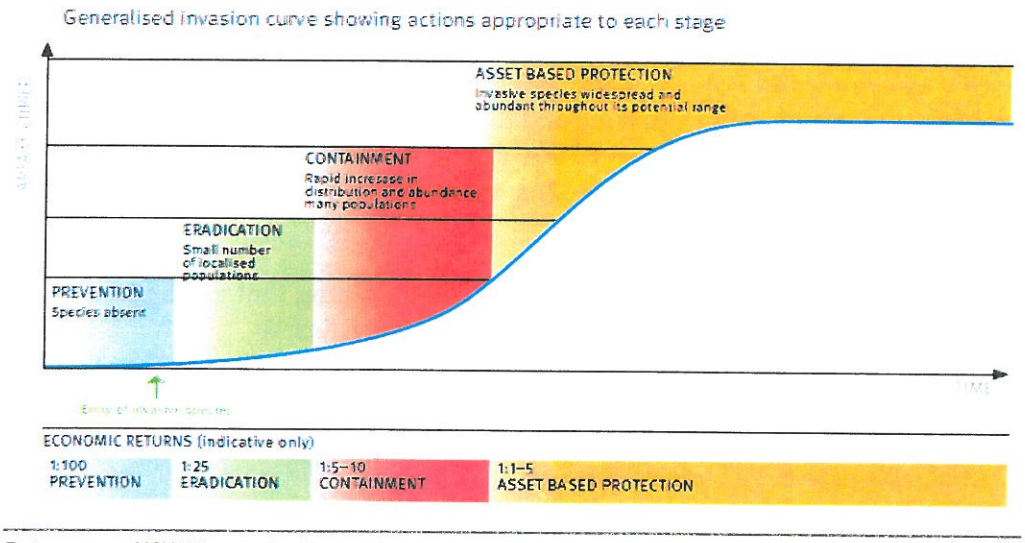
218 Bull Report, p 7.
219 Bull Report, p 38.
220 AMS submission, pp 7-8.
221 Serrated Tussock Working Party submission, pp 8-12.
222 LHPA submission, pp 21-22.
223 NSW Farmers submission, p 12.

Some stakeholders noted the inequity of charging large horticulture operations (carrying 50 stock units or more) an animal health rate on the total carrying capacity of their property.[224] This issue was also noted by the Bull Report.[225] Stakeholders suggested that properties with large horticultural operations be identified through the annual return and charged on the proportion of their property that could support the actual number of livestock that they carry.[226]

The problem with this suggestion is that it would likely introduce another level of subjectivity into the assessment of the rate base and create incentives for ratepayers to game the system. This would be less efficient than dealing with these properties under a clearly defined discount (partial exemption) from the animal health rate. We consider that this is best dealt with under a broader exemptions policy rather than trying to adjust the rate base to suit exceptional circumstances.

Exemptions and discounts are best targeted at the mitigation of specific risks. This may lead to a better outcome in terms of changing behaviour and a higher return on investment. For example, the NSW Biosecurity Strategy 2013-2021 acknowledges the importance and efficiency of preventative measures over eradication, containment and asset based protection.[227] This is illustrated in Figure 8.1.

Figure 8.1 Prioritising Biosecurity Initiatives



Data source: NSW Biosecurity Strategy 2013-202, p 19.

224 IPART meeting with Cumberland LHPA and Sydney Metropolitan CMA, 17/7/2013 at 12pm.
225 Bull Report, pp 21-22.
226 IPART meeting with Cumberland LHPA and Sydney Metropolitan CMA, 17/7/2013 at 12pm.
227 Biosecurity NSW, *NSW Biosecurity Strategy 2013-2021*, 2013, pp 18-19.

Figure 8.1 shows that prevention of the invasive species produces significantly more return for every dollar spent. In the context of LLS fees and levies, the most effective form of incentive would be directly tied to the extent to which those who create risk/cost are able to demonstrate they have mitigated it. Therefore, those who do not create risk/cost do not have to pay fees or levies, and if the risk has only been partly mitigated then a partial exemption should be granted.

We also consider it is good practice to encourage impactors to avoid risky/costly behaviours in the first place. The process of assessing properties for exemptions and discounts may allow staff to engage with landholders and assess properties on more than just the exemption criteria (for example, natural resource management issues).[228]

To address stakeholder concerns over transparency for exemptions and discounts there would need to be clear guidelines outlining the application, assessment and approval of exemptions and discounts. All incentive schemes should be subject to strict requirements for transparency, administrative simplicity and cost effectiveness. Since we released the Issues Paper, we have revised our principles to assist in the creation of a program of exemptions and discounts for the LLS. These draft principles are detailed below.

8.3.3 Principles for allowing exemptions and discounts

1. All landholders should be subject to the fees or levies determined by their respective LLS board, except where they are specifically granted an exemption.
2. Criteria for eliminating risks should be clearly set out by the LLS boards, and those criteria should be reasonable, well-founded in risk management practice, and reflect the activities and expenses that can be avoided by the LLS. A common approach governing all LLS boards would be preferable.
3. Exemptions and discounts should only be granted for fees and levies that are easily linked to specific areas of avoidable risk or avoidable cost (not all risk is avoidable). That is, levies and fees should be grouped in terms of avoidable and non-avoidable risk, and should not be aggregated to the point where they cannot be subject to an exemption or rebate.
4. Exemptions and discounts should be granted by way of application by the landholder and assessment conducted by its respective board.
5. Landholders should only be granted an exemption or rebate after having been assessed against the predetermined criteria.
6. The assessment process may be carried out by the same personnel that currently carry out enforcement activities or by private certifiers (accredited by the LLS).

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228 We note that the regulations must specify any exempt land or class of land, person or class of persons, or activities or class of activities: LLS Act, s 208.

7. Assessment requirements should be proportionate to potential risk (ie, stricter requirements for higher risks), and for small landholders (eg, less than 20ha), LLS should permit self-assessment, subject to review by the LLS and also subject to penalties for false or misleading statements.
8. Landholders should meet the cost of assessment for their own land, and where the assessment is carried out by LLS, only the marginal cost of conducting the assessment should be charged.
9. There should be clear guidelines relating to when exemptions and discounts are revoked, for example, when there is an infringement of the terms of their exemption, the property is subdivided or if the property changes hands.
10. LLS boards should be required to make available any and all documentation pertaining to the application and assessment of exemptions for audit under their local strategic plans.

Draft recommendation

22 LLS should establish a policy for assessing applications and granting individual landholders exemptions or discounts from specific fees, rates or levies in line with the principles in section 8.3.3, having regard to practical issues that might arise for LLS boards.

8.4 Treatment of annual returns

Relevant occupiers or owners of rateable land, must lodge an annual return that provides details of stock kept on the holding (among other things) as at 30 June.[229] This return is used to determine whether or not the person is to pay the animal health rate (and meat industry levy).[230]

However, annual returns are not only an instrument for determination liability for these specific purpose rates. They have become an invaluable source of information for identifying biosecurity threats and developing biosecurity initiatives.[231]

The Bull Report noted that because the penalties for not completing and submitting an annual return is payment of the animal health rate, land holders who would be liable to pay the animal health rate anyway face no incentive to submit a completed annual return.[232] This means that the LHPA would not have up-to-date data on actual stock numbers for these properties.

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229 RLP Act, ss76-78 and LLS Act, Schedule 9, cls 28-30.

230 *Meat Industry Act 1978* (NSW), s 59A(1). See also: LLS Act, Schedule 7. LLS will take over this function in January 2014.

231 LHPA submission, p 22.

232 Bull Report, p 37.

SECTION:	**Governance and Administration**
ITEM NUMBER:	**Item 5**
SUBJECT:	**Transfer of Real Property under Certificate of Title Identifier 29/250713**
File Reference:	U12/7
Reason:	Bequest made to McMaugh Gardens Aged Care Centre.
Objective:	To have Council authorise the placing of the Council Seal on a Transfer of Real Property.
Budget Implication:	Council to receive a bequest on behalf of the McMaugh Gardens Aged Care Centre Facility (Fund 4).
Operational Plan:	Part 3 Principal Activities 1.1 – Governance, 1.2 Administration - Corporate Support and 4.2.2 Aged Care Centres – McMaugh Gardens Aged Care.

INFORMATION

Probate on the will and estate of Max Douglas Edwards has been completed and the property, Certificate of Title Identifier 29/250713, within the will is to be transferred to the Uralla Shire Council for the purpose of McMaugh Gardens Aged Care Centre.

The transfer from the Executor of the Will, Kevin Stanley Ward, to the Uralla Shire Council requires the Common Seal of the Council to be affixed and signed.

Prepared by: General Manager

RECOMMENDATION

That Council authorise the Mayor, Cr Michael Pearce, and the General Manager, Mr Thomas P. O'Connor, to affix the Common Seal of the Council to the Transmission Application by a Devisee for the Real Property, Certificate of Title Identifier 29/250713, and sign the sealing clause authorising the affixing of the Common Seal.

SECTION:	**Governance and Administration**
ITEM NUMBER:	**Item 6**
SUBJECT:	**Promoting Better Practice Review Action Plan**
File Reference:	U09/6560
Reason:	The Promoting Better Practice Review Action Plan was to be completed by 30 June 2013 and reported to the Division of Local Government. The Division of Local Government has called and requested a report.
Objective:	To inform Council of the status of the Promoting Better Practice Review Action Plan, complete the actions and report to the Division of Local Government.
Budget Implication:	Nil, all action are within the operations of the Annual Operational Plan 2013/2014 and no additional costs are involved.
Operational Plan:	Part 3 Principal Activities 1.1 – Governance and 1.2 Administration - Corporate Support in particular and all other activities where better practices are identified or recommended.

INFORMATION

The Promoting Better Practice Program Review Team from the Division of Local Government, Ms Caroline Egbert and Ms Karen Legge, visited Uralla in the week commencing 22 August 2011 for the field review of Council's procedures, practices, policies and governance. The field visit followed the Division's review of documents provided by Council prior to 15 July 2011.

A confidential draft was provided to Council for comment on Thursday 1 March 2012. Councillors and staff provided comments to the draft report and forwarded the draft review report to the Division by e-mail on Monday 23 April 2012 at 5.28pm, following the Councillors Workshop on the response and the Council meeting. The Division incorporated the Council's responses provided on each section of the report into a collective Part IV, within the final report. The final report referenced Council's response in Part IV within each area and includes the Review Team's comments on Council's responses.

The Final Report is displayed on Council's website:
http://www.uralla.nsw.gov.au/files/uploaded/file/Your%20Council/Promoting%20Better%20Practice%20Review%20Report/Promoting_Better_Practice_Review_of_the_Uralla_Shire_Council_Final_Report_June_2012.pdf

Part V of the Report is the Action Plan for the addressing of the recommendation, providing methodology for the evaluation of the risk rating of recommendations and the format for the progress report to be provided to the Division of Local Government by June 2013. The Action Plan had been completed in the Final Report for actions proposed, timeframe, responsibility and progress for those that have been completed from the date of the visit in August 2011 to April 2012.

The report was presented to the Council meeting of Monday 25 June 2012 (General Manager's Report to Council – Governance and Administration Item 8) and Council resolved (Resolution 247/12):

" That Council:

- *note the Promoting Better Practice Program Review Report – Uralla Shire Council – June 2012, attached to the Division of Local Government's letter of 7 June 2012, particularly the Review Team's comments on Council's responses in Part IV.*
- *endorse the Action Plan prepared by staff and have the Action Plan provided to the Division of Local Government.*
- *make the Promoting Better Practice Program Review Report – Uralla Shire Council – June 2012 available on Council's website.*
- *Require staff provide quarterly progress reports on the Action Plan, commencing September 2012, to ensure completion of the report to the Division of Local Government on its progress by June 2013 ".*

A majority of the Action Plan items have been completed with a new format for the 2013 revised Community Strategic Plan, Delivery Program 2012/2013 to 2015/2016 Asset Management Plan – Transport and the Annual Report 2012/2013. All the Council's Policies have been adopted and Councillors are working through the policies in the new format for advertising for public comment. The existing policies are on Council's website under Council documents. The Workforce Plan has been drafted and is being refined by the Director Administrative Services from this the Workforce Management Strategy is being finalised.

In the Attachments (Attachment B) is the Action Plan December 2013 on the Promoting Better Practice Review Final Report of June 2012. The final Report contained 43 recommendations. Council at its meeting of 25 June 2012 endorsed the Action Plan to address these recommendations prepared by staff. There were 93 actions listed in the Action Plan.

The Action Plan December 2013 has 8 actions still outstanding. These are:

Recommendation		Risk	Action	Responsible Officer	Comment December 2013
2	Council should prepare a Resourcing Strategy which meets the requirements of the Local Government Act 1993 as a priority.	H	Develop an Asset Management Strategy Document based on the Asset Management Module inputs, 2012/2013 budget and 10 year forward estimates	GM	Draft Asset Management Strategy completed December 2012, waiting the completion of the Asset Management Plans, which are nearing completion.
9	Council should develop a Business Continuity Plan.	H	Develop a Business Continuity Plan based on the world-wide Civica Recovery Plan.	GM and DAS	Risk and Compliance Officer was recruited August 2013 and has commenced on the development of a Business Continuity Plan. Expected completion date May 2014.
10	Council should establish an Audit Committee consistent with the DLG 'Guidelines for Internal Audit' and establish a three year (3) ongoing strategic internal audit plan.	H	Council appoint qualified interested person to its Internal Audit Committee	Risk and Compliance Officer	New Risk and Compliance Officer to establish Internal Audit Committee by March 2014.
23	Council should prepare and adopt a proactive program for monitoring regulatory compliance for matters such as the environment, public health, swimming pools and on-site sewage management.	H	Revise current procedures and records and prepare a schedule of monitoring and inspections for Health and Building	Risk and Compliance Officer	Risk and Compliance Officer commenced in August 2013 and given a priority task to develop a Council-wide Compliance Register with due date for completion of 30 March 2014.
28	Council must complete the Asset Management Planning requirements of the Integrated Planning and Reporting framework as a priority.	H	Asset Management Plans to be completed for main categories of assets	DES	Asset Management Plans nearing completion. Expected completion and adoption by Council – February 2014.
31	Council should develop and implement a business plan for each of the businesses it operates.	H	Prepare Water and Sewer Business Plans	DES	Completing Drinking Water Guidelines Yield Study nearing completion Trade Waste Policy nearing completion. Drought Management Plan through Namoi Councils Water Alliance. Update the 1994 Business Plan incorporating updated information by December 2014.

	Recommendation	Risk	Action	Responsible Officer	Comment December 2013
31	Council should develop and implement a business plan for each of the businesses it operates.	H	Prepare Business Plan for McMaugh Gardens Aged Care Centre	DAS	A Business Plan for McMaugh Gardens has been postponed till 2014 to ensure that the strategic direction of the facility aligns with proposed changes to funding of aged care facilities which will commence in July 2014.
42	Council should develop a Secondary Employment policy or guideline and promote its use to all staff.	M	Secondary Employment Policy adopted by Council	GM	To go to Council meeting of February 2014

Prepared by: General Manager

RECOMMENDATION

That Council:

- Receive the Action Plan December 2013 on the Promoting Better Practice Review June 2012.
- have the Action Plan December 2013 provided to the Division of Local Government
- have the Action Plan December 2013 on the Promoting Better Practice Review June 2012 placed on the Council website .

ATTACHMENTS TO THE ITEM 6 REPORT

INDEX OF INCLUDED ATTACHMENTS

The Following Documents are Included as Attachments to the Preceding Report

Attachment Name:		Page Count:
A:	Letter from Chief Executive Division of Local Government, Ross Woodward, dated 7 June 2012 requesting the action plan outlining Council's progress in respect to the recommendations contained in the Final Report – June 2012 on the Promoting Better Practice Review of 2011.	1
B:	Uralla Shire Council Action Plan December 2013 on the Promoting Better Practice Review – June 2012.	23

Premier & Cabinet
Division of Local Government

Attachment: A

00210

5 O'Keefe Avenue NOWRA NSW 2541
Locked Bag 3015 NOWRA NSW 2541

Our Reference: A252677
Your Reference:
Contact: Caroline Egberts
Phone: 02 4428 4175

Mr Tom O'Connor
General Manager
Uralla Shire Council
PO Box 106
URALLA NSW 2358

Tom

Dear Mr O'Connor

I am writing in reply to your email of 23 April 2012 enclosing comments on the draft Uralla Shire Council Promoting Better Practice Review report.

Firstly I would like to take this opportunity to thank councillors and staff members for participating in the review process.

Council's response to the draft review report has been considered and incorporated into the final report.

I am pleased to enclose a copy of the final Uralla Shire Council Promoting Better Practice Review report with this letter. Please arrange for the final report to be tabled at the next available Council meeting. I would appreciate your written advice as to when Council tabled the report.

Once Council tables the report it becomes a public document. With a view to sharing better practice with other councils, a PDF version of the report will be made available on our website, along with other finalised review reports. The Division also encourages Council to make the report available on its own website.

I note that Council has already commenced implementing a number of the recommendations. Council and the Division will use the action plan to monitor progress in implementing the report's recommendations. Within 12 months of the date of tabling of the report, Council is asked to provide the Division with the action plan outlining its progress.

I trust this review has been of assistance to Council.

Yours sincerely

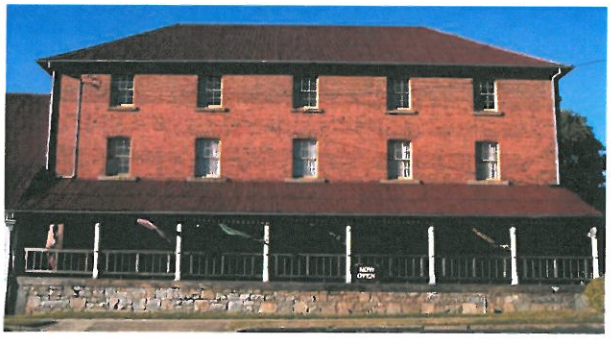
Ross Woodward 7/6/12

Ross Woodward
Chief Executive, Local Government
A Division of the Department of Premier and Cabinet

Attachment : B

00211

URALLA SHIRE COUNCIL







Action Plan
December 2013
Promoting Better Practice
Review – June 2012

PART I. RISK RATING OF RECOMMENDATIONS

The recommendations made in this report have been assessed for a priority ranking based on the following risk analysis.

		CONSEQUENCE		
		Significant *Significant risk to the operations of council and if not addressed could cause public outrage, non-compliance with council's statutory responsibilities, severe disruption to council's operations and council's ability to meet its goals.*	**Moderate** *Moderate risk to the operations of council and if not addressed could cause adverse publicity, some disruption to council's operations and council's ability to meet its goals.*	**Minor** *Minimal risk to the operations of council, little disruption to council's operations and will not limit council's ability to meet its goals.*
LIKELIHOOD	**Almost certain**	**High**	**High**	**Medium**
	Possible	**Medium**	**Medium**	**Low**
	Rare	**Medium**	**Low**	**Low**

Priorities for recommendations: *(based on application of risk analysis)*	**Risk categories could include:**
• **High** • **Medium** • **Low**	• Reputation • Compliance with statutory requirements • Fraud/corruption • Financial • Legal liability • OH&S

PART II. ACTION PLAN

The Action Plan is to be completed and adopted by Council to guide the implementation and monitoring of the recommendations in this report. The reviewers have allocated notional priority rankings using the risk rating analysis in the previous section. Council is encouraged to review and revise these, if necessary.

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
Strategic					
1 *At its next revision, the Community Strategic Plan needs to more clearly articulate a community vision and set the strategic direction for Council*	*M*	Extract from the endorsed Uralla Shire Council Community Strategic Plan the Strategic Objectives and Goals and condense them into a Strategic document	30 June 2013	GM	Completed Community Strategic Plan revised and reformatted over 12 month period April 2012 – April 2013 into a high level strategic document that more clearly outlines the community's vision for the future and goals and objectives
		Provide a matrix to relate Council's themes of People. Place and Infrastructure to the Quadruple bottom line for reporting of Social, Civic Leadership, Economic and Environment.	31 May 2012	GM	New CSP document is linked to NSW State Plan
		More clearly identify social justice principles within the condensed document.	31 May 2012	GM	Outlined on page 8 of the CSP.
		Advertise the condensed document through the Council Newsletter and on Council's website.	9 June 2012	GM	Done

00213

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
		Hold public meetings in Uralla, Bundarra, Invergowrie and Kentucky.	By 31 July 2012	GM/EA	Council elected to update the existing CSP, following the extensive consultation in compiling the original CSP during 2011.
At its next revision, the Community Strategic Plan needs to more clearly articulate a community vision and set the strategic direction for Council	*M*	Incorporate suggested changes from the public meetings.	15 August 2012	EA	Changes made to CSP incorporate Emu Crossing Replacement and action to obtain an ambulance presence in Uralla and changes to Liveability on page 20 of the CSP.
		Report to Council for endorsement of the condensed Uralla Shire Council Community Strategic Plan.	27 August 2012	GM	Revised Community Strategic Plan adopted by Council at the meeting held on 26 June 2013 (Resolution 158/13)
2 *Council should prepare a Resourcing Strategy which meets the requirements of the Local Government Act 1993 as a priority.*	*H*	Load all assets into the CVR module of the Civica Authority Program	30 April 2012	FM	Loaded onto Civica on 30 April 2012.
		Test and load 2011/2012 asset transactions into Asset module for conversion to version 6.5	31 May 2012	FM	Completed 10 May 2012
		Go Live on Asset Management Module	27 June 2012	FM	Completed

A1200

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
		Develop an Asset Management Strategy Document based on the Asset Management Module inputs, 2012/2013 budget and 10 year forward estimates	30 June 2012	GM	Draft Asset Management Strategy completed December 2012, waiting the completion of the Asset Management Plans, which are nearing completion.
		Develop a Workforce Plan	31 May 2012	DAS	Draft Workforce Plan utilising available data and identifying Areas for improvement has been completed.
		Incorporate into the Workforce Plan strategies to improve the performance in relation to workforce diversity and planning, including:			
		1) Lack of formal staff induction program for new staff and managers	30 June 13	DAS	Formal induction program has been drafted and trialled by new employees.
		2) Lack of formal mentoring program for managers and staff	30 November 2013	GM	On-going
		3) Need to implement knowledge management initiatives and succession planning strategy to address the problem of an ageing workforce	31 December 2013	GM	On-going
		4) Need to implement a formal exit process which may assist with future retention of staff	13 June 2013	DAS	On-going refer to Recommendation 43 page 22

0215

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
Governance					
3 *Council should formalise and monitor the succession/exit plan of the retiring General Manager to minimise the likelihood of any disruptions to Council's operation.*	*H*	Council to offer an extension of contract to the General Manager	10 January 2012	Council	Offer of a two year extension made by Council to General Manager on Monday 19 December 2011 , accepted by the GM on 9 April 2012
4 *Council should include its values within the Community Strategic Plan, Delivery Program, Operational Plan and Annual Report. It should also implement strategies to ensure that its values are understood and practiced by councillors and council officers.*	*L*	Council to re-iterate its statements of: Goals Mission Social Justice Principles Values Vision, and Vision 2020	26 September 2012	GM	Adopted by Council at its meeting of 26 September 2012 (Resolution 346/11)
		Incorporate the above Statement of Values, principles and Mission into future Strategic Plans, Delivery Programs and Annual Reports	On-going	GM, DAS	Statements loaded onto to the Council website http://www.uralla.nsw.gov.au/index.cfm?page_id=1347 displayed and used.
5 *Council should develop to a Statement of Business Ethics and ensure that it is easily available to guide external parties (such as suppliers and contractors).*	*M*	Develop a Statement of Business Ethics for adoption by Council	16 May 2012	GM, and Directors	Completed
		Statement of Business Ethics adopted by Council	28 May 2012	GM	Completed Adopted by Council at its meeting of 28 May 2012 (Resolution 180/12)

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
6 *Council should ensure that a Risk Management Plan is finalised and implemented as soon as practicable.*	*H*	Hold Risk Management training with relevant staff, provided by Statewide Mutual.	31 March 2012	GM and Directors	Training on remote signs, as an example of risk management, held on Tuesday 28 February 2012 with relevant staff. Follow-up meeting of Mayor, GM, Directors RCO and Statewide Insurance and Risk staff held on 24 October 2013.
		Develop a Risk Management Plan with the assistance of Statewide Mutual.	31 March 2013	DAS	Continuous Improvement Plan developed in conjunction with Statewide Mutual and implemented through Risk and Compliance Officer checklist.
7 *Council should develop procedures to inform staff and councillors (including staff who are not designated persons) of their obligations in relation to pecuniary interest.*	*M*	General Manager to take every opportunity to ensure that the message of pecuniary interest is conveyed to non designated persons as well as Councillors and designated persons.	On-going	GM	General Manager has raised the issue of pecuniary interest at staff meetings, barbecues with outside staff and Councillors.

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
8 *Council should develop and implement a Fraud Control Policy as soon as possible. The Policy should:* • *be linked to Council's Risk Management Plan* • *ensure fraud risk assessments of the core areas of organisational risk are undertaken and that these are managed in a manner which limits exposure to fraudulent and corrupt activities.*	*M*	Develop a Fraud Control Policy and have the policy adopted by Council.	31 October 2012	DAS and Risk and Compliance Officer	To be undertaken in 2014 following implementation of Internal Audit Plan and establishment of Internal Audit Committee
9 *Council should develop a Business Continuity Plan.*	*H*	Develop a Business Continuity Plan based on the world-wide Civica Recovery Plan.	30 June 2014	GM and DAS	Risk and Compliance Officer was recruited August 2013 and has commenced on the development of a Business Continuity Plan. Expected completion date May 2014.
10 *Council should establish an Audit Committee consistent with the DLG 'Guidelines for Internal Audit' and establish a three year (3) ongoing strategic internal audit plan.*	*H*	Advertise in the newspapers and in Council's Newsletter for interested persons to join the Uralla Shire Council Internal Audit Committee.	30 April 2014	DAS	One person has nominated to be on the Internal Audit committee.
		Engage a consultant to provide an Internal Audit Plan	31 July 2012	DAS	Thomas, Noble and Russell (Lismore) were engaged by Council in October 2012 to develop and Internal Audit Plan. Draft Plan provided to Council December 2012.

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
		Council appoint qualified interested person to its Internal Audit Committee	30 June 2014	Risk and Compliance Officer	New Risk and Compliance Officer to establish Internal Audit Committee by March 2014.
		Council to adopt the Internal Audit Plan	30 June 2014	DAS	Draft Report received from Internal Auditor in December 2012.
11 *Council should as a matter of priority review its procurement, tendering and disposal policies and practices to ensure they are in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and other relevant legislation. This should include a risk analysis to determine ways to minimise Council's exposure to risk including financial loss.*	*H*	Develop a number of procurement, tendering and disposal policies (taking note of any ICAC guidelines to come from Operation Jarek) and practice notes and have them adopted by Council	17 December 2012	GM and Directors	Refer Item 14 page 10.
12 *Council should review its Privacy Management Plan to ensure that is meeting its obligations under the Privacy and Personal Information Protection Act 1998. The revised Plan should be made available on Council's website.*	*M*	Review and update Council's Privacy Management Plan (June 2000)	10 October 2012	GM	Completed
		Council adopt the updated Privacy management Plan	17 December 2012	GM	Privacy Management Plan adopted by Council at its meeting of 22 April 2013 (Resolution 102/13)

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RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
13 *Council should finish transferring its publicly available policies, codes and other documents to its website; ensure it has a mechanism to keep this information up to date and make use of the compliance checklist available from Office of the Information Commissioner NSW.*	*M*	Place existing, reviewed and revised policies and Register of Policies and place onto Council's website	30 April 2014	CDO	On-going. Community Development Officer to develop procedures for uploading and monitoring of content on Council's Corporate website.
		Update the Register of Policies as new policies are adopted	On-going	EA	On-going
14 *Council should ensure that all of its existing policies, practices and procedures are suitably documented and approved prior to the retirement of the General Manager.*	*H*	All policies to be reviewed.	30 June 2014	GM and Directors	On-going – A review of Governance and Engineering policies was undertaken in Workshops on 18 September 2013 and 16 October 2013. HR policies have been extensively reviewed and updated to be confirmed by Consultative Committee meeting/workshop on 18 December 2013. Planning policies are currently being reviewed by the relevant Manager and Director and will be workshopped by Councillors in February 2014. Procedures are being developed in conjunction with policy review and new Procedure Register has been implemented.

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
15 *Council should consolidate its policy registers/lists and ensure all documents listed are available on its website in accordance with Government Information (Public Access) Act 2009.*	*M*	Place existing, reviewed and revised policies in the Register of Codes, Policies and Plans.	30 April 2012	GM	On-going – all draft policies and adopted policies are uploaded to website by Community Development Officer.
16 *All Council policies, codes and other documents should contain a consistent document status and version control.*	*L*	Ensure that policies and practice notes conform to a consistent format	On-going	DAS	Completed Council has implemented a new format for codes, plans, policies and procedures which incorporates document status, version controls and adoption dates.
17 *Executive Management (MANEX) meetings should be primary forum through which the General Manager can put into operation Council's decisions. The membership of group should consist of council staff as deemed appropriate by the General Manager. Attendance by the Mayor, Deputy Mayor and councillors should cease immediately.*	*H*	Manex to be only General Manager and Directors with invited managers and Staff.	13 April 2012	GM	First Manex without Councillors held on Friday 13 April 2012 and are held twice monthly.
		Information previously conveyed to Councillors through the attendance of the Mayor, Deputy Mayor and interested Councillors to be through the Mayor and Councillors Briefing (MCB)	16 April 2012	GM	First MCB held on Monday 16 April 2012 and held twice monthly on the Monday after Manex.

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
18 *Council should review its committees and the membership of these to reflect the separate policy and operational functions. The 'Committees of Council' document should be revised to reflect this review and separation of functions.*	*H*	Council workshop to review the Draft Review Report on the Promoting Better Practice Program	12 March 2012	GM	Workshop held on Monday 12 March 2012
		Council to determine to separate policy and operational functions in Committees	12 March 2012	GM	Councillors agreed to separate policy and operational committees, except for Development Assessment Unit, Works Committee and Finance Committee.
		Redefine the Development Assessment Unit and the Works Committee.	12 March 2012	GM	The first Development Determination Advisory Unit met on 10 April 2012 and the first Works Progress Advisory Unit met on 12 April 2012
		No action to be taken on the Finance Committee.	On-going	GM	Council determined that the Finance Committee in the current format is required to meet both operational and policy functions.
19 *Council should develop a constitution, terms of reference or charter for each of its committees which sets out the function, membership and other governance arrangements.*	*H*	Group A Committees: – Constitutions for to be revised and updated for Council own committees with direct provision of service by staff	30 June 2012	DAS	Consultative and Works Health and Safety Committees' amended Constitutions removing Councillor representation. Environmental Committee Constitution adopted 25 June 2012 (Resolution 250/12)

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
		Group B and E, D and G Committees: • B and E; being outside organisations having Constitutions already • D; County Councils • G; formed by State or Federal legislation respectively do not require any further action	On-going	GM	No action required
		Group C Committees: – Have delegation of authority set out in Delegation of Authority Register (Part F); delegations to be reviewed and updated	30 June 2012	GM	Completed
		Group F Committees: – Have delegation of authority set out in Delegation of Authority Register (Part E); delegations to be reviewed and updated	30 June 2012	GM	Completed
20 *Council should consider strategies to attract a larger pool of candidates for the next council election to be held in 2012.*	*M*	Develop a Policy for Candidates and new Councillors	20 January 2012	GM	Candidates for Council and new Councillor Induction Policy drafted for January 2012 Council meeting.
		Adopt Candidates for Council and new Councillor Induction Policy	27 February 2012	GM	Adopted Policy 1.2.15 (Resolution 48/12) on Monday 27 February 2012

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
		Implement Candidates for Council and new Councillor Induction Policy	15 June to 26 September 2012	GM	In the lead up to the September 2012 election a Councillor Induction Handbook – July 2012 was prepared. This handbook was distributed at a very successful Candidates Seminar held on Thursday 26 July 2012. This evening was attended by 20 persons, including 5 returning Councillors, Held a series of Candidate Seminars, which were in addition to the seminars provided by the Division of Local Government and Electoral Commission. Elections held in each of the 3 Wards with 6 Candidates in A Ward, 8 in B Ward and 8 in C Ward a total of 22 candidates.(14 males, 8 females) with 5 males and 4 females being elected.
21 *Councillors should be mindful of their roles under the Act as well as Council policies when interacting with staff.*	*M*	Councillors to be advised of the requirements of the Provision of Information to and Interaction Between Councillors and Staff Policy	12 March 2012 then On-going	GM	Councillors were made aware and every opportunity is taken to reinforce the policy.
		Staff to be advised of the requirements of the Provision of Information to and Interaction Between Councillors and Staff Policy	7 March 2012 then On-going	GM	Staff were made aware and every opportunity is taken to reinforce the policy

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
22 *Council should develop an Information and Communication Technology Strategic Plan.*	*M*	Develop an Information and Communication Technology Strategic Plan, building on the Civica contract for a Managed Service Provision (MSP).	30 June 2013	DAS	Civica has been given until 31 March 2014 to satisfy issues continually raised. Civica reminded that the problems need to be resolved by March 2014 or the contract renewal of the Civica MSP, which expires in September 2013 will not be considered. Council is working with Allcom, its desktop contractor, to develop alternative strategies to Civica MSP.

Planning and other regulatory					
23 *Council should prepare and adopt a proactive program for monitoring regulatory compliance for matters such as the environment, public health, swimming pools and on-site sewage management.*	*H*	Revise current procedures and records and prepare a schedule of monitoring and inspections for Health and Building	30 June 2012	Risk and Compliance Officer	Risk and Compliance Officer commenced in August 2013 and given a priority task to develop a Council-wide Compliance Register with due date for completion of 30 March 2014. Food inspection program has been implemented with invoices raised and 32 premises inspected in past twelve months.
24 *Council should, in consultation with the RSPCA, explore strategies to encourage increased lifetime registration rates of both cats and dogs in the Uralla Shire.*	*L*	Work with the Armidale Animal Shelter, Rangers and RSPCA in increasing lifetime registration of dogs and where possible cats	On-going	MHBS	Articles included in monthly Council newsletter. Council appointed own ranger as Armidale Dumaresq withdrew its Ranger support from 1 July 2013.
25 *Council should finalise its draft On-site Waste Water Management Strategy.*	*L*	Complete Onsite Waste Water Management Strategy	26 September 2012	MHBS	Strategy adopted at 26 September 2011 meeting (Resolution 350/11) On-site Sewerage Management Strategy now implemented with 1,777 letters sent out, receiving registrations, inspection regime developed to inspect high risk systems in 7 months to 30 June 2014, and medium to low risk systems in 12 – 18 months. Report to Council at 25 November 2013, next report on 24 March 2014.I

Asset and financial management					
26 *Council needs to prepare a Long-Term Financial Plan which addresses all of the requirements of the Integrated Planning and Reporting framework.*	*H*	Transfer the 10 year financial plan 2011 to 2021 from excel format to PDF format.	8 May 2012	GM	Completed and updated again in April 2013 to the 2011/2012 actual figures
		Make the 10 year financial plan 2011 to 2020 available on Council's website.	11 May 2012	DAS	http://www.uralla.nsw.gov.au/files/uploaded/file/Your%20Council/Community%20Strategic%20Plan/Delivery_Program_2012-2013_to_2015-2016.pdf
		Prepare budget for 2012/2013 from the basis of the 10 year financial plan 2011 to 2020 and incorporate a forward projection for financial year 2021/2022.	30 April 2012	FM	2012/2013 and 2013/2014 budgets prepared from the forward estimates in the 10 year financial plans.
		Transfer the 10 year financial plan 2012/2013 to 2021/2022 from excel format to PDF format	28 May 2012	GM	PDF 10 year financial plan in statutory format included into the 2012/2013 to 2015/2016 Delivery Program
		Make the 10 year financial plan 2011 to 2020 available on Council's website.	28 May 2012	DAS	http://www.uralla.nsw.gov.au/files/uploaded/file/Your%20Council/Council%20Documents/Annual%20Operational%20Plans/2013-2014/2013-2014%20Operational%20Plan/Part_5_Budget_Estimates_2013_-_2014_and%20Forward_Estimates.pdf

27 *Council should budget for unplanned maintenance.*	*H*	No action required as Council budgets for maintenance refer to explanation on page 72 of the Promoting Better Practice Review Final Report – June 2012.	On-going	GM	Council budgets continue to provide funding for maintenance of the infrastructure assets in excess of the planned maintenance amounts in Special Schedule 7.
28 *Council must complete the Asset Management Planning requirements of the Integrated Planning and Reporting framework as a priority.*	*H*	Asset Management Plans to be completed for main categories of assets	30 June 2013	DES	Asset Management Plans nearing completion. Expected completion and adoption by Council – February 2014.
		Input all 2012 asset transactions	30 June 2012	FM	Completed
		Commence testing Version 6.5 of Civica asset management module	28 May 2012	FM	Completed
		Go live with Version 6.5 of Civica asset management module	30 June 2012	FM	Completed Asset module fully functioning within Council's Financial software system. Revaluations of water and sewer, buildings uploaded into system prior to completion of 2012/2013 Audited Annual Financial Statements.
		Utilising data from Civica asset management module and in consultation with Finance Manager and Directors prepare an Asset Management Strategy	15 August 2012	GM	Completed, Refer recommendation 2 page 4

87200

		Council adopt Asset Management Strategy	27 August 2012	GM	Refer to recommendation 2 page 4
29 *Council should prepare plans of management for all of its community land as required by section 36 of the Local Government Act 1993.*	*M*	Convert 1990s Land Management Plan into word document.	30 September 2012	EA	Not converted as a new Land Register produced, adopted and published see below.
		Review the Land Management Plan, incorporating information from the Community Land Register and Asset Management system (land) to ensure Plan is in accordance with Section 36 of the Local Government Act.	31 December 2012	GM and MP	Completed A consultant was engaged to review and update Council's Land Register which was completed in November 2012 and includes management plans for community land.
30 *Council should review its efforts and set targets in its Long-Term Financial Plan to reduce its rates and outstanding charges ratio.*	*H*	Sale of land for unpaid rates.	31 August 2012	Rates Officer	Completed Auction for sale of properties for unpaid rates conducted in August 2012. Outstanding rates ratio from 2012/2013 Annual Financial Statements was 5.8% against a target of 3% and down from 9.7% in 2010 and 11.9% in 2009 during the NESAC management of finance.
31 *Council should develop and implement a business plan for each of the businesses it operates.*	*H*	Include funding for the engagement of a consultant to prepare Water and Sewer Business Plans	25 June 2012	DES	Funding provided in 2012/2013 budget and part time Engineer having expertise with Water and Sewer engaged.

67200

		Prepare Water and Sewer Business Plans	31 December 2012	DES	Financial plan completed. Asset Management Plan completed Completing Drinking Water Guidelines Yield Study nearing completion Trade Waste Policy nearing completion. Drought Management Plan through Namoi Councils Water Alliance. Update the 1994 Business Plan incorporating updated information by December 2014.
		Prepare Business Plan for McMaugh Gardens Aged Care Centre	31 December 2012	DAS	In line with changes in aged care package funding from 1 July 2012, TCSO and KADS Business Plans have been developed. A Business Plan for McMaugh Gardens has been postponed till 2014 to ensure that the strategic direction of the facility aligns with proposed changes to funding of aged care facilities which will commence in July 2014.

32 *The business plan for the water supply needs to address the continuing losses it has sustained over the last three (3) years.*	*H*	Business Plan will not need to redress losses as action has been taken since 2006/2007 and continued each year.	On-going	DES	Action was taken in 2012/2013 year after the increased depreciation for both Water and Sewer was discovered. The Sewer operated for 2012/2013 with a small surplus ($69K) and Water a small deficit ($22K) . The 2013/2014 budget has increased income with surpluses in both Water and Sewer.
Community and consultation					
33 *Council should prepare and publish a Community Engagement Strategy to guide the ongoing review and revision of the Community Strategic Plan as well as Council's community engagement activities more generally*	*M* *H*	Review and update the current Community Engagement document: "It's Your Council" – Engaging Uralla Shire residents with the Community Strategic Plan (version 3) for the next iteration of the Community Strategic Plan	28 May 2012	GM	Completed
34 *The Council Business Paper should be available in the public gallery for each Council meeting.*		Ensure that copies of the business Paper are available for the Gallery at Council meetings.	On-going	EA	Completed Spare copies, in addition to the Display Copy of the Business Paper are placed in the Council Chamber.

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Workforce relations					
35 *Council must prepare a documented Workforce Management Strategy which addresses the workforce requirements of the Delivery Program, as well as identifying actions to address issues such as an ageing workforce and succession planning.*	*H*	Expand Council's estimated wages schedules, Employees List, Training Plan and Labour allocation spreadsheets, which were the basis of the preparation of the budgets and forward projections, and incorporate these into a Workforce Management Plan.	11 April 2012	DAS	Information gathered
		Develop workforce profile using data prepared for 2011 LGSA HR Benchmarking Census	11 April 2012	DAS	Data has been collated from 2011 and 2012 Census Reports.
		Develop a Draft Workforce Plan	20 April 2012	DAS	Draft prepared
		Identify future workforce needs in consultation with department managers.	16 May 2012	DAS	On-going
		Identify future training needs through skills gap analysis	16 May 2012	DAS/Personnel Officer	On-going
		Complete Workforce Plan and Workforce Management Strategy	30 June 2012	DAS/GM	On-going
36 *Council should ensure that employee attitudes/concerns are adequately assessed and incorporated in the development of its Workforce Management Strategy.*	*H*	Conduct surveys of staff	31 May 2012	DAS	Workforce Inquiry is to be conducted 11 to 13 December 2013 by iHR Consultants.
37 *The Consultative Committee should review its membership and decide whether councillors should continue to be members of this committee.*	*M*	Membership of Consultative Committee to be added to Agenda of next meeting for discussion and determination	Next Meeting scheduled for 10 April 2012	DAS (Chair)	Completed Constitution discussed at Consultative Committee meeting of Tuesday 3 April 2012

		Constitution revised and to be considered by the Consultative Committee for recommendation to Council	8 May 2012	DAS	Completed
38 *Minutes of the Consultative Committee meetings should be distributed to all councillors to ensure they are informed about current workplace issues and where appropriate, make strategic policy decisions related to industrial issues.*	*M*	Distribute minutes to all members with copies to go to each workplace.	10 April 2012	EA	Completed Copies distributed to members and workplaces from 3 April 2012
		Include Consultative Committee Minutes in the Committee section of the Council Business Paper	27 February 2012 then On-going	EA	Completed Minutes of Consultative Committee meetings now included in Business Paper (from February 2012)
39 *Council should prepare written job descriptions for every position within Council and ensure these include Occupational Health and Safety responsibilities and the physical demands required of each position.*	*H*	No further action required	On-going	Directors	Completed Position Descriptions revised and inherent requirements identified.
40 *Council should prepare a documented induction program to guide new staff.*	*H*	Draft induction program from NESAC period to be reviewed and revised for presentation to Consultative Committee for input and recommendation for adoption	13 June 2012	DAS	Draft Induction Program developed and implemented in August 2013. To be reviewed by Risk and Compliance Officer.

41 *Council document and adopt a Work Health and Safety Management Plan or System.*	*H*	Review and revise the Integrated Management System (prepared in 2003) for review by Directors, Managers and Consultative Committee	30 September 2012	DES	Reviewed
		Updated Integrated Management System adopted and operating	31 December 2012	GM	Updated document in folder: General Council \ Safety Officer \ Work Health & Safety Documents.
42 *Council should develop a Secondary Employment policy or guideline and promote its use to all staff.*	*M*	Secondary Employment Policy to be drafted and reviewed by Consultative Committee	13 June 2012	DAS	Refer Recommendation 14 page 9 – HR policies have been extensively reviewed and updated .to be confirmed by meeting /workshop on 18 December 2013.
		Secondary Employment Policy adopted by Council	27 August 2012	GM	To go to Council meeting of February 2014
43 *Council should establish a procedure that facilitates an exit interview for departing staff.*	*M*	Practice Note on "offered" Exit Interviews to be drafted and reviewed by Consultative Committee	13 June 2012	DAS	Consultative Committee recommended that the exit interview be offered not compulsory. The final pay procedure has the notation that an exit interview is offered.

ATTACHMENT 1

SECTION:	**Governance and Administration**
ITEM NUMBER:	**Item 7**
SUBJECT:	**Minister for Local Government Visit**
File Reference:	U12/55
Reason:	Visit to Region by Minister for Local Government, Hon Donald Page MP
Objective:	To inform Council
Budget Implication:	Nil
Operational Plan:	Part 3 Principal Activities 1.1 – Governance and 1.2 Administration - Corporate Support.

INFORMATION

The Local Member for Northern Tablelands, Adam Marshall, arranged for the Minister for Local Government. Hon Donald Page MP, to visit Armidale over the period Tuesday 3 to Wednesday 4 December 2013. During the visit the Local Member organised a meeting with the Mayors and General Managers of Armidale Dumaresq, Glen Innes/Severn, Guyra, Gwydir, Inverell, Tenterfield, Uralla and Walcha Local Authorities together with the Chairperson and General Manager of the New England Tablelands (Noxious Plants) County Council.

The meeting was held on Tuesday 3 December 2013 commencing at 2.20pm at the Armidale Dumaresq Council Chambers. The Deputy Mayor, Cr Bob Crouch and the General Manager attended.

In his opening remarks; Adam Marshal advised that the Minister had accepted his invitation to visit the Armidale Region and had taken the opportunity to meet with Mayors and General Managers from the region's local authorities. He also indicated that it was planned to have such meetings a couple of times a year. The meeting was to be an informal gathering and exchange of ideas and concerns.

The Mayor of Armidale Dumaresq Council, Cr Laurie Bishop, welcomed the Minister, Mayors, Deputy Mayors and General Managers.

The Minister spoke of his connection with the Armidale Region being both an Old TAS boy and a UNE student. Some of the topics that the Minister raised were:

- The Government had a strong commitment to decentralisation.
- The 10 year State Plan, through to 2021, provided details of the direction to be taken and included local government as an integral part of the governance of the State.
- Local Government is a very important part of the State, with tens of billions of assets under its control.
- The serious discussion in Dubbo in 2011, provided the five key issues (Strategic Directions) on which the Destination 2036 was developed – Efficient and Effective Service Delivery, Quality Governance, Financial Sustainability, Appropriate Structures and Strong Relationships
- Better communication between State and Local Government, with the Chief Executive Officer of the Division of Local Government, Ross Woodward, meeting twice a year with the Local Government Managers Australia and he welcomes meeting such as this one.
- The Minister was not able to speak on the specifics of the Independent Local Government Review Panel's Final Report as it had not as yet been made available to his Cabinet Colleagues. The report should be considered by Cabinet with the next 10 days.
- The Minister had taken note of the strong opposition against County Councils and advised that he had abandoned the County Council model and was leaning towards other joint arrangements.
- The TCorp Report indicated that 25% of local authorities were in a weak sustainable position with more than 50% of local authorities being in a weak position with two years.
- There is no choice as to whether or not council will have to work together to do better; it is essential that there is more cooperation. The Minister was pleased to see the amount of cooperation being undertaken.

- Cooperation will not result in reduced rates, however it will enable council to increase their services and/or reduce their infrastructure backlog.
- The Minister advised that the third round of the Infrastructure Fund (Interest Subsidy) closes on 31 December 2013 and he encourages all council to be come involved in making submissions.
- The Minister also expressed his keen support for a State Backed Local Government Funding Agency as experience in other states, and the range of interest rates obtained by council on borrowings, had shown that a saving of up to 2% on the finance sector rates is achievable.

The meeting was opened to questions and comments and some of the items raised were:

- There is a greater awareness by councils in this region for the need for further cooperation and that this was occurring.
- The IPART released its 2014/2015 rate peg of 2.3% the previous day. The councils all stated opposition to rate pegging. (The Minister advised that Rate Pegging was Government Policy).
- Could there be consideration, if rate pegging is to continue for the rate peg being the minimum and the percentage increases adopted in the Community Strategic Plan and subsequent ten year financial plans be referred to the Minister for approval in place of the current rate variation procedure. Especially as the Government has not stopped a rate variation. (The Minister responded that the Local Government NSW had provided a study on rate exemptions that showed that there were too many).
- TCorps Assessments were flawed because it was the first attempt and many of the councils were not prepared for the detailed information required. Having gone through the exercise the next assessment would be more accurate. A number of councils stated that the concept of the TCorp assessment has great benefits, other councils while acknowledging the value of going through the exercise warned that the outcomes could not be relied upon to the extent that they are being placed. (The Minister acknowledged that there had been much criticism of the TCorp assessments).
- The Minister was asked if the Government could consider the relocation of Government Departments to smaller towns, where they would have enormous benefits. (The Minister reiterated the Governments decentralisation policy, however for a department to be relocated the towns/cities would need the appropriate infrastructure)

The Deputy Mayor, besides addressing the meeting on four points (Attachment A), provided the Minister with a packet including a letter from the Mayor (Attachment B), a summary of points to be brought to the Minister's attention (Attachment C).

The Deputy Mayor and General Manager will be able to provide additional verbal reports at the meeting. The roundtable meeting was very successful and should be continued.

Prepared by: General Manager

RECOMMENDATION

That Council:

- receive the report on the attendance of the Deputy Mayor, Cr Bob Crouch, and the General Manager at the New England Council's roundtable meeting with the Minister for Local Government, Hon Don Page MP; and
- write a letter of appreciation to the Member for Northern Tablelands, Adam Marshall, thanking him for organising the roundtable meeting with the Minister and encouraging him to have such meetings held at least annually or if possible twice a year.

ATTACHMENTS TO THE ITEM 7 REPORT

INDEX OF INCLUDED ATTACHMENTS

The Following Documents are Included as Attachments to the Preceding Report

Attachment Name:		Page Count:
A:	Four points raised at the roundtable meeting with the Minister for Local Government, Hon Don Page MP, on Tuesday 3 December 2013.	1
B:	Letter dated 3 December 2013 form the Uralla Shire council Mayor, Cr Michael Pearce, to the Minister for Local Government, Hon Don Page MP.	2
C:	A summary of points to be brought to the Minister for Local Government, Hon Don Page MP, attention at the roundtable meeting held on Tuesday 3 December 2013.	3

Tom O'Connor
General Manager

1. Uralla Shire Council is a viable financially independent rural based Council. We live, work and operate within our own means and budget, with exceptional Community support.

2. Use the TCorp Report with caution: More caution than it is used by the Independent Local Government Review Panel.

3. Uralla Shire Council (along with other Councils in the region) is continually reviewing and adopting cost saving opportunities. Foster and develop these (evolution) rather than break the mould (revolution).

4. Since 2012 Uralla Shire Council has been an active member of Namoi Councils (ROC).

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Attachment: B

OFFICE OF THE MAYOR

Uralla Shire Council

Address correspondence to:
Mayor, Uralla Shire Council
32 Salisbury Street
URALLA NSW 2358

Phone: (02) 6778 6300
Fax: (02) 6778 5073
Email: council@uralla.nsw.gov.au
ABN 55 868 272 018

In Reply Please Quote:
MP : PS :
RESPONSE TO :

3 December 2013

Hon Donald Page MP
Minister for Local Government
Level 33 Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister

Meeting with New England North West Councils

I apologise for not being able to attend today's meeting with you today. Our General Manager, Tom O'CONNOR will represent our Council along with my Deputy Mayor, Cr Bob CROUCH.

Uralla Shire Council is a viable, sustainable, financially independent rural based Council. We live, work and operate within our own means and budget. We, the Councillors, are aware of our local issues, which can be suitably addressed from a local level, not from a neighbouring Council, Shire or County Council. The most recent annual financial statements, for the year ended 30 June 2013, resulted in a small surplus of $13,640.23 after capital grants and contributions (including a surplus in the General Fund of $529.16). All the Note 13 a (ii) TCorp ratios, with the exception of the Infrastructure Backlog Ratio, out performed the TCorp benchmarks. At 0.8x (or 8%) the Council's Infrastructure Backlog Ratio was greater than the 0.02x (or 2%); however the Division of Local Government, in the 2011/2012 Comparative Information on NSW Local Government pages 15 and 338, indicated that the benchmark was 20%. With a 20% benchmark for backlog; all TCorp's ratio benchmarks were out performed.

The Government's declared intention and the underlying thrust of the Independent Local Government Review Panel Reports is for there to be greater co-operation between local authorities. The Uralla Shire Council shares this intention and demonstrates its co-operation with other councils in the region by its actions.

Uralla Shire Council is a successful member of the Namoi Region of Councils (ROC). We work side by side with our fellow ROC members in harmony. We achieve our goals without any difficulties. The Uralla Shire Council and its Community believe that Step 8 "Promote Innovation, Productivity and Competitiveness" and Step 9 "Advance Improvement and Accountability" of the Future Directions for NSW Local Government – Twenty essential Steps are essential.

Uralla Shire Council received in September the ICMA Community Health and Safety excellence program award for authorities with populations fewer than 10,000. I believe that you are aware of this award. This award was a combination of various Community projects, including: Tablelands Community Support Options (TCSO), Kamilaroi Aged and Disabled Services (KADS), McMaughs Aged Care Centre (Uralla), Tablelands Community Transport (TCT), Bundarra Neighbour Aid Service (BNAS) and Grace Munro Aged Care Centre (Bundarra) owned by Council and operated profitably through a Community Corporation.

Whilst the ICMA award, the first awarded outside Continental North America, is recognition of past efforts and innovation in providing aged and disabled care packages across a major section (41,000 square kilometres) of the region; Council's staff are seeking even greater co-operative efforts in discussions with the Community Services sections of the Glenn Innes/Severn and Gunnedah Shire Councils.

The Glen Innes Severn, Gunnedah and Uralla, together deliver aged and disability care package services, for the State and Federal Government, across the whole of the New England North West Region. Our discussions are about new governance and operational approaches to meet the new *"Living Longer – Living Better"* aged care reform, which commenced from 1 July 2012.

Through our innovative approach, developed over the past twenty five years, of providing State and Federally funded Community Services both inside and outside our local government boundaries; Council has developed an area of expertise that results in an additional $5.3 million (or 32%) of our combined operational income. Council has offices in Tamworth, Narrabri, Boggabilla and Inverell. An additional benefit to the Uralla Community is the allocation of 29% of Council's administration overheads to Community Services thus lessening the allocation to other core activities. The administration saving means more tar on the roads to the tune of $400,000 per annum.

It is unfortunate that the Independent Local Government Review Panel's principal options in its *"Future Directions for NSW Local Government – Twenty Essential Steps, April 2013"* concentrated on mergers and County Councils. There was an opportunity, which was passed by, for the Panel to examine the successful large, medium and small local authorities for their reasons and the unsuccessful for their reasons.

In its submission of 26 June 2013; Council stated:

> The Panel has stated the 20 essential steps are to be taken as a whole and not cherry picked. The Uralla Shire Council believes that the timetable therefore should be in two parts:
> 1. Fix the Revenue and Resourcing issues first, then.
> 2. Look at structural change by making boundary changes simpler.
>
> Local Government progress into the 21st century would then be evolutionary rather than revolutionary. It would be a waste of Community Assets if the revenue solutions were introduced after the structural change; causing entities that would have been viable with sufficient funding to be merged into larger entities unnecessarily. The business landscape is a mixture of sole traders, small to medium size business, private companies, publicly-listed corporations and international conglomerates. Local Government should also have the same diversity.

In conclusion, I have a number of comments from our Community made to me to be conveyed to you. They are, "No forced Amalgamations or Mergers.", "If it (Uralla Shire Council) ain't broke, it does not need fixing." and " Enough is enough, just leave us alone."

Minister I hope that the voice of the Uralla Community is taken into account and I thank you.

Regards

Yours faithfully



Cr Michael Pearce
MAYOR

Attachment: C

3 December 2013

Roundtable meeting

Hon Donald Page MP, Minister for Local Government, with:
Mayor and General Managers of Armidale Dumaresq, Glen Innes/Severn, Guyra, Gwydir, Inverell, Tenterfield, Uralla and Walcha Local Authorities together with the Chairperson and General Manager of the New England Tablelands (Noxious Plants) County Council.

- Mayor Michael Pearce will be an apology. The Uralla Shire council will be represented by Deputy Mayor, Cr Bob Crouch and General Manager, Mr Tom O'Connor. The Mayor has provided a letter to be presented to the Minister.

- The Councillors, are aware of our local issues, which can be suitably addressed from a local level, not from a neighbouring Council, Shire or County Council.

- Uralla Shire Council is a viable, sustainable, financially independent rural based Council. We live, work and operate within our own means and budget.

- The Uralla Shire Council outsources its IT service through a Managed Service Provider – Civica. This outsourcing has enabled Council provide an IT service in 2012/2013 for $283,927 which, four years on, is still 5.4% less that the actual 2008/2009 cost of $300,079 through the New England Strategic Alliance (NESAC) or 9.0% less than the requested cost for 2009/2010 of $312,000.

- The most recent annual financial statements, for the year ended 30 June 2013, resulted in a small surplus of $13,640.23 after capital grants and contributions (including a surplus in the General Fund of $529.16). All the Note 13 a (ii) TCorp ratios, with the exception of the Infrastructure Backlog Ratio, out performed the TCorp benchmarks. At 0.8x (or 8%) the Council's Infrastructure Backlog Ratio was greater than the 0.02x (or 2%); however the Division of Local Government, in the 2011/2012 Comparative Information on NSW Local Government pages 15 and 338, indicated that the benchmark was 20%. With a 20% benchmark for backlog; all TCorp's ratio benchmarks were out performed.

- The Government's declared intention and the underlying thrust of the Independent Local Government Review Panel Reports is for there to be greater co-operation between local authorities. The Uralla Shire Council shares this intention and demonstrates its co-operation with other councils in the region by its actions.

- Uralla Shire Council is a successful member of the Namoi Region of Councils (ROC).

- As part of Namoi Councils; the Uralla Shire Council is a member of the Namoi Councils Binding Alliance on Water and Sewer and was party to the Water and Sewer Consulting Services awarded to Hunter Water Australia Pty Ltd.

- Over the past year the Uralla Shire Council has shared in the Code of Conduct Shared Panel of Conduct Reviewers and Namoi Catchment Socio-Economic Indicator Research by Strategic Economic Solutions,

- Uralla Shire Council opted out of the Namoi Councils Group Council Energy Tender electing to go with the Local Government Procurement Tender.

- Uralla Shire Council is a member of Central Northern Regional Libraries (CNRL) with Tamworth Regional, Gwydir, Liverpool Plains, Narrabri, and Walcha Councils. This enables Council to operate two branch libraries at a cost of $211,707 or $33.62 per head for 2012/2013, which compared to other Group 10 Councils is a saving of between 14.5 and 20%. The CNRL cost of $103,990 or 38.3% of the operating cost could not be achieved by Council on its own.

- Uralla Shire Council provides General, Recycling and Green Waste Collection. Green waste is deposited at the Walcha landfill, General Waste is transported to the Tamworth Regional landfill and recycling is sorted at the Uralla Recycling Centre.

00242

- The Uralla Shire Council and its Community believe that Step 8 "Promote Innovation, Productivity and Competitiveness" and Step 9 "Advance Improvement and Accountability" of the Future Directions for NSW Local Government – Twenty essential Steps are essential.

- Uralla Shire Council received in September the ICMA Community Health and Safety excellence program award for authorities with populations fewer than 10,000. I believe that you are aware of this award. This award was a combination of various Community projects, including: Tablelands Community Support Options (TCSO), Kamilaroi Aged and Disabled Services (KADS), McMaughs Aged Care Centre (Uralla), Tablelands Community Transport (TCT), Bundarra Neighbour Aid Service (BNAS) and Grace Munro Aged Care Centre (Bundarra) owned by Council and operated profitably through a Community Corporation.

- Whilst the ICMA award, the first awarded outside Continental North America, is recognition of past efforts and innovation in providing aged and disabled care packages across a major section (41,000 square kilometres) of the region; Council's staff are seeking even greater co-operative efforts in discussions with the Community Services sections of the Glenn Innes/Severn and Gunnedah Shire Councils.

- The Glen Innes Severn, Gunnedah and Uralla, together deliver aged and disability care package services, for the State and Federal Government, across the whole of the New England North West Region. Our discussions are about new governance and operational approaches to meet the new *"Living Longer – Living Better"* aged care reform, which commenced from 1 July 2012.

- Through our innovative approach, developed over the past twenty five years, of providing State and Federally funded Community Services both inside and outside our local government boundaries; Council has developed an area of expertise that results in an additional $5.3 million (or 32%) of our combined operational income. Council has offices in Tamworth, Narrabri, Boggabilla and Inverell.

- An additional benefit to the Uralla Community is the allocation of 29% of Council's administration overheads to Community Services thus lessening the allocation to other core activities. The administration saving means more tar on the roads to the tune of $400,000 per annum.

- The Uralla Shire Council seeks economies and beneficial services from a multiple of sources.

- It is unfortunate that the Independent Local Government Review Panel's principal options in its *"Future Directions for NSW Local Government – Twenty Essential Steps, April 2013"* (Report of April 2013) concentrated on mergers and County Councils. There was an opportunity, which was passed by, for the Panel to examine the successful large, medium and small local authorities for their reasons and the unsuccessful for their reasons.

- In its submission of 26 June 2013; Council stated:

  The Panel has stated the 20 essential steps are to be taken as a whole and not cherry picked. The Uralla Shire Council believes that the timetable therefore should be in two parts:
  1. *Fix the Revenue and Resourcing issues first, then.*
  2. *Look at structural change by making boundary changes simpler.*

  Local Government progress into the 21st century would then be evolutionary rather than revolutionary. It would be a waste of Community Assets if the revenue solutions were introduced after the structural change; causing entities that would have been viable with sufficient funding to be merged into larger entities unnecessarily. The business landscape is a mixture of sole traders, small to medium size business, private companies, publicly-listed corporations and international conglomerates. Local Government should also have the same diversity.

- The Independent Local Government Review Panel (ILGRP) adopted in its Report of April 2013 the population projections from the Department of Planning from 2012 that showed decreases in populations for the New England North West, with the exception of Tamworth. These projections were roundly criticised at the Department of Planning's Population Workshop in Gunnedah on Thursday 10 May 2012, especially for the 13 New England North West.

- The NSW Population Roadshow Workshop in Tamworth on Tuesday 26 March this year provided an updated that all Councils; except for Moree Plains (-21.8%) Walcha (-11.0%) Narrabri (-7.6%) and Glenn Innes/Severn (-0.8%), had increases from 0.4% (Gwydir) to 24.5% (Armidale).

- Since the ILGRP incorporated projected population change and 2036 projections, using the 2012 projections, into their table on pages 42 and 43 of the Report of April 2013 as two of the six factors leading to the Merger Potential; it is imperative that the latest (2013) projections are used as there has been a significant change in the projections.

- For instance Uralla Shire Council population projections in 2012 was determined to go from 6,000 in 2011 to 5,600 in 2036, a decrease of 400 or 6.7%. The 2013 revised projection have the Uralla Shire Council moving from 6,250 in 2011 to 7,450 in 2031, a gain of 1,200 or 18.8%.

- The Uralla Shire Council has serious concerns and disagrees with the findings of the TCorp Financial Assessment, Sustainability and Benchmarking Report, dated 4 April 2013, on the Uralla Shire Council. TCorp acknowledged this disagreement and listed the observations disagreed on page 8 of the report.

- The ILGRP took these TCorp Financial Assessment, Sustainability and Benchmarking Reports assessments and incorporated them as two of the six factors leading to the Merger Potential in their table on pages 42 and 43 of the Report of April 2013. The third and fourth being population projections, the fifth being the 2006 to 2011 population change and the sixth being a low rate base.

- One of the weaknesses of the TCorp assessment was the use of combined figures for their assessment, which had the potential to positively distorted Operating Ratio (17.5% weighting), and Own Source Operating Revenue Ratio (17.5% weighting); whilst negatively distorting Infrastructure Backlog Ratio (10.0% weighting) and Building and Infrastructure Asset Renewal Ratio (7.5% weighting).

- By taking the combined figures for their Operating Ratio assessment, TCorp did not identify those Councils with large Water and Sewer Funds surpluses offsetting large General Fund Deficits. This is especially so for the Section 3 "Review of Financial Performance and Position" for the years 2008/2009 to 2011/2012. Council has identified several Councils with moderate FSR that have a history of significant deficits in their General Fund, which surely is of concern.

- In addition, TCorp used a standard benchmark for all councils regardless whether or not the councils were with or without Water and Sewer. This has a significant effect on the Asset Maintenance and Asset Backlog Benchmarks. Generally, the General Purpose Councils (General Fund) assets have short term lives (3 to 70 years). On the other hand the principal assets of the Water and Sewer operations have much longer term lives.

- Rate Pegging: The Uralla Shire Council has long campaigned for the removal of rate pegging.

- The updating of the valuation methodology from Unimproved Capital Value to Capital improved or Net Rental Value, combined with the removal of rate pegging will reflect the growth, or contraction, of the local authority and would provide the appropriate mechanism for residents and ratepayers to make value judgements as to the worth of their Council's services.

00244

PRESENTATIONS TO COUNCIL

Have Your Say

16 December 2013

Have Your Say

PRESENTATIONS TO COUNCIL

Have Your Say

ORDINARY MEETING OF COUNCIL

16 December 2013

Have Your Say

PRESENTATIONS TO COUNCIL

- SPEAKER AGENDA -

ITEM NUMBER: **Item 1 (1:30pm)**

SUBJECT: **PRESENTATION OF FINANCIAL STATEMENTS**

SPEAKERS:

- **Mr Paul Cornall, Principal, Forsyths Chartered Accountants:** Presentation of Audited Annual Financial Statements and Auditor's Reports for the Financial Year ending 30 June 2013.

ITEM NUMBER: **Item 2 (3:45pm)**

SUBJECT: **SOUTH KENTUCKY SPORTS GROUND**

SPEAKERS:

- **Ms Cheryl Jarvis**
- **Ms Kyra Edmonds**
- **Mr Joseph Edmonds**

- ADDITIONAL SPEAKERS -

The additional Applicants, listed below, have also made formal request to address Council on the subject of the 'South Kentucky Sports Ground'.

APPLICANTS:

- **Ms Frances Speer**
- **Ms Loweena Speer**
- **Mr Logan Edmonds**
- **Ms Amy Jarvis**

RECOMMENDATION

That the "Have Your Say" request to address Council made by Ms Frances Speer, Ms Loweena Speer, Mr Logan Edmonds and Ms Amy Jarvis be noted and the additional speakers on the subject of the 'South Kentucky Sports Ground' allowed.

Continued /...

Have Your Say

PRESENTATIONS TO COUNCIL

- SPEAKER AGENDA -

(continued)

ITEM NUMBER: Item 3 (4:00pm)

SUBJECT: URALLA VISITOR INFORMATION CENTRE REVIEW AND DEVELOPMENT OPTIONS

SPEAKER: ☐ Mr Will Winter

00243

DIRECTOR
OF
ADMINISTRATIVE SERVICES'

REPORT
TO
COUNCIL

16 December 2013

3. Administration and Finance

DIRECTOR ADMINISTRATIVE SERVICES' REPORT

Administration and Finance

00243

DIRECTOR OF ADMINISTRATIVE SERVICES' REPORT

16 December 2013

Page No.

Administration and Finance **3:2**
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RECOMMENDATION 3:5
ATTACHMENTS TO THE ITEM 3 REPORT 3:5

Mayor and Councillors
Uralla Shire Council

SECTION:	**Administration and Finance**
ITEM NUMBER:	**Item 1**
SUBJECT:	**Annual Audited Financial Statements**
File Reference:	U13/6687
Reason:	The Audit has been completed, the Audit Report received and the Presentation of the Annual Audited Financial Statements has been published in the Armidale Express.
Objective:	To formally receive Annual Financial Statements, consisting of the General Purpose Reports, Special Purpose Reports and Special Schedules, for the year ended 30 June 2013; and the Auditors' Report thereon
Budget Implication:	The adoption of the Annual Financial Statements has no direct budget requirements
Operational Plan:	Part 3, Principal Activity - PA1 Administration – PA1.1Governance

INFORMATION

The Annual Financial Statements for the year ended 30 June 2013 have been completed and audited with copies being provided to Councillors and distributed to the Council Office, Uralla Library, Uralla Visitors Information Centre and the General Stores of Bundarra, Invergowrie, Kentucky and Kingstown. In accordance with Section 419, Council is required to present its audited financial reports, together with the auditor's reports, at a meeting of the Council on a date fixed for the meeting. The Auditor's Report is attached. It has been the practice for Council's Auditors, Forsyths, to make a presentation on the Annual Statements and their audit reports. An invitation has been extended to Mr Paul Cornall, a principal of Forsyths, to make the presentation to this meeting. The invitation has been accepted.

Section 418 of the Local Government Act requires that public notice must be given regarding the calling of the meeting. The meeting has to be no more than 5 weeks after the receipt of the auditor's report (22 November 2013) and the notice must be made at least 7 days before the meeting. The notice was published in the Armidale Express on page 53 of the Friday edition 29 November 2013 and a copy of the notice is attached.

A copy of the Audited Financial Statements; including General Purpose Reports, Special Purpose Reports and Special Schedules, was e-mailed to the Division of Local Government on Saturday 23 November 2013.

In addition, the electronic form of Financial Data Return 2012/2013 that can only be completed following the finalisation of Council's Audited Financial Report was e-mailed to the Division of Local Government on Wednesday 27 November 2013 and was acknowledged as received on that date. The Data Collection is provided for use by the Department of Local Government and the Australian Bureau of Statistics.

The Division of Local Government has confirmed that the Audited Statement of Compliance with Rate Pegging has been received and that the deduction from the 2014/2015 rate estimate will be $380 for the excess assessed for the 2013/2014 year.

Prepared by: General Manager
Prepared for: Ms Jane Michie, Director of Administrative Services

RECOMMENDATION

That Council receive and present to the public its Audited Financial Reports; consisting of the General Purpose Reports, Special Purpose Reports and Special Schedules for the year ended 30 June 2013; together with the Auditor's Reports to this meeting of Monday 16 December 2013 in accordance with Section 419 (1) of the Local Government Act.

ATTACHMENTS TO THE ITEM 1 REPORT

INDEX OF INCLUDED ATTACHMENTS

The Following Documents are Included as Attachments to the Preceding Report

Attachment Name:		Page Count:
A:	Audit Report on General Purpose Financial Report - Section 417 (2).	3
B:	Conduct of Audit – Section 417 (3)	14
C:	Audit Report Special Purpose Financial Reports	2
D:	Public Notice of the Annual Financial Statements and the extra-ordinary meeting at which the Audited Annual financial Statements will be received by Council.	1
E:	E-mail acknowledgement from the Division of Local Government on the receipt of the Financial Data Return 2012/2013.	1
F:	E-mail acknowledgement from the Grants Commission on the receipt of the Return of General Information 2012/2013.	1

Forsyths
Chartered Accountants

Armidale

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e armidale@forsyths.com.au

Forsyths Business Services Pty Ltd
ABN 66 182 781 401

INDEPENDENT AUDIT REPORT
Report on the general purpose financial statements

To Uralla Shire Council

SCOPE

The financial statements comprise the income statement, statement of comprehensive income, statement of financial position, cash flow statement, statement of changes in equity, accompanying notes to the financial statements, and the Statement by Councillors and Management in the approved form as required by Section 413(2)(C) of the *Local Government Act 1993* for Uralla Shire Council (the Council), for the year ended 30th June 2013.

Councils' responsibility for the financial statements
The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1993* and regulations and the Local Government Code of Accounting Practice and Financial Reporting (Code 21). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that is free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements to the Council based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Audit Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements is free from material misstatement. Our audit responsibility does not extend to the Original Budget figures included in the Income Statement and Cash Flow Statement and the Original Budget disclosures in Notes 2 and 16 and accordingly, we express no opinion on them.

Further, our audit does not extend to the New South Wales Treasury Corporation ("TCorp") performance measures disclosed in Note 13 as these are not mandatory under Code 21 and the calculations are based on the DLG requirements for the Financial Disclosure Return (FDR) which differ from the Code 21 and TCorp calculation definitions as disclosed in Note 13 and are therefore not subject to our audit opinion and accordingly, we express no opinion on them.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

BASIS OF QUALIFIED AUDITOR'S OPINION

Grant income recognition

Council has not recognised in the Income Statement the Financial Assistance Grant (FAG), received in advance but Council deferred the recognition of these grants until the period to which they relate, of $1,099,000 (2012 comparative - $1,082,000 received in June 2012, being an instalment for the 2013 financial year but was also deferred to the 2013 financial year), being an instalment relating to the 2014 financial year, have been deferred. The FAG instalment will be recognised as a current liability and shown as income in the 2014 financial year.

The deferral of the grant income recognition is a variation to the Code 21 and Accounting Standard AASB 118 Revenue, which requires grant revenue to be recognised upon receipt.

Council considers the recognition of the FAG instalment received in advance significantly distorts its true financial performance for the 2012, 2013 and 2014 financial years.

If Council had recognised the FAG received in advance in the 2013 year the impact on the financial statements would be as follows:

- Increase in operating grants and contribution income from $5,346,000 to $5,363,000 by adding on the 2014 instalment received in 2013 and deducting the 2013 instalment received in 2012 (2012 comparative – increase from $7,248,000 to $8,330,000);
- Operating result from continuing activities would be a surplus of $31,000 compared to a surplus of $14,000 (2012 comparative – the deficit of $37,000 would become as surplus of $1,045,000);
- Decrease in current payables from $3,860,000 to $2,761,000 (2012 comparative – current payables would decrease from $3,733,000 to $2,651,000); and
- Increase accumulated surplus from $63,841,000 to $63,858,000 (2012 comparative - $66,826,000 to $67,908,000).

Therefore, our audit opinion has been qualified due to non-compliance with Accounting Standard AASB 118 *Revenue* and a breach of Section 413(2b) and 413(3b) of the *Local Government Act 1993* for not complying with the Code directive.

Late lodgement of Financial Statements

The audited financial statements will be submitted late to the Division of Local Government and not within the prescribed time provided for in Section 416 of Division 2 of the *Local Government Act 1993*. The delays in finalising the financial statements have been a result of the time required to complete the revaluation of Council's land and building assets as well as issues with the compilation of financial statements.

QUALIFIED AUDIT OPINION

In our opinion, except for the effects on the financial statements of the matters referred to in the section titled Basis for Qualified Auditor's Opinion above:

(a) the accounting records of the Council have been kept in accordance with the requirements of Division 2 of Part 3 of the *Local Government Act 1993*:

(b) the general purpose financial statements:

  (i) have been prepared in accordance with the requirements of Division 2 of Part 3 of the *Local Government Act 1993*;

  (ii) are consistent with the Council's accounting records; and

  (iii) presents fairly, in all material respects, the Council's financial position as at 30th June 2013 and the results of its operations for the year then ended;

(c) we have been able to obtain all information relevant to the conduct of our audit; and

(d) no material deficiencies in the records or the financial statements were detected in the course of the audit.

Forsyths

Forsyths Business Services Pty Ltd

Paul Cornall
Principal

22nd November 2013
92 Rusden Street Armidale

Attachment : B

Forsyths
Chartered Accountants
Armidale
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Forsyths Business Services Pty Ltd
ABN 66 182 781 401

22 November 2013

The Mayor
Uralla Shire Council
PO Box 106
URALLA 2358

Dear Sir

AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

We are pleased to report that we have completed the audit of Council's records for the year ended 30 June 2013 and have reported on the general purpose financial statements and special purpose financial statements as required by the provisions of Section 417(2) of the *Local Government Act 1993*.

Under Section 417(3) of the *Local Government Act 1993* we are also required to report on the conduct of the audit.

Council's responsibilities

The Council is responsible for preparing a financial statements that give a true and fair view of the financial position and performance of the Council, and comply with Accounting Standards in Australia, in accordance with the *Local Government Act 1993*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit Objectives

The overall objectives of the audit were to enable us to form an opinion as to whether, in all material respects, the general purpose financial statements:

- were presented fairly in accordance with the requirements of the *Local Government Act 1993* and prescribed Regulations and the Australian Accounting Standards; and
- presented a view which was consistent with our understanding of the Council's financial position, the results of its operations and its cash flows.

Scope of the Audit and responsibilities

Audit procedures were primarily aimed at achieving audit objectives and did not seek to confirm for management purposes the effectiveness of all internal controls. The planning of the audit procedures was based on an assessment of the risk of the existence of errors and/or irregularities which could materially affect the financial statements.

Knowledge with integrity

Liability limited by a scheme approved under the Professional Standards Legislation

ARMIDALE | COONABARABRAN | GUNNEDAH | TAMWORTH

We conducted an independent audit of the financial statements in order to express an opinion on them to the Council. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement.

Our audit responsibility does not extend to the Original Budget figures included in the Income Statement, Statement of Cash Flows and the Original Budget disclosures in Notes 2 and 16 and accordingly, we express no opinion on them. Further, our audit does not extend to the New South Wales Treasury Corporation ("TCorp") performance measures disclosed in Note 13 as these are not mandatory under the Code of Accounting Practice and Financial Reporting (Code 21) and the calculations are based on the Division of Local Government (DLG) requirements for the Financial Disclosure Return (FDR) which differ from the Code 21 and TCorp calculation definitions as disclosed in Note 13 and are therefore not subject to our audit opinion and accordingly, we express no opinion on them.

The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial statements present fairly, in accordance with the *Local Government Act 1993*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Council's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Council.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial statements. These and other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the Council.

We have issued our qualified audit opinion on the basis of the foregoing comments.

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the financial statements of Uralla Shire Council for the year ended 30 June 2013 included on Council's web site. Council is responsible for the integrity of it's web site. We have not been engaged to report on the integrity of the Council's web site. The auditor's report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If users of this

report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

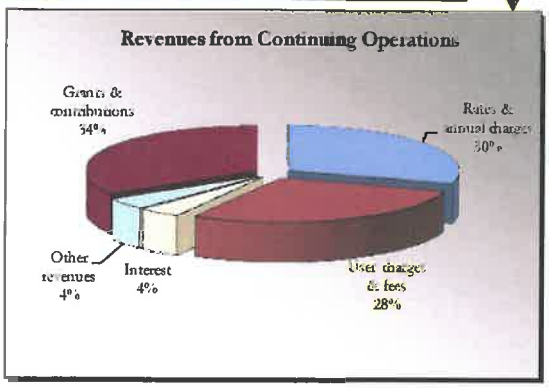
Additional Reporting Requirements

In accordance with Section 417(3) of the *Local Government Act 1993* we make the following comments in relation to the results and financial trends.

The Income Statement for the year ended 30 June 2013 discloses the following operating result:

INCOME STATEMENT	Budget 2013	Actual 2013	Actual 2012	Variance Actual	Variance Budget
	$'000	$'000	$'000	%	%
INCOME FROM CONTINUING OPERATIONS					
Rates & annual charges	4,763	4,911	4,589	7.0%	3.1%
User charges & fees	6,355	4,724	1,856	154.5%	-25.7%
Interest	582	622	405	53.6%	6.9%
Other revenues from ordinary activities	428	625	624	0.2%	46.0%
Grants & contributions for operating purposes	3,883	5,346	7,248	-26.2%	37.7%
Grants & contributions For capital purposes	158	252	1,093	-76.9%	59.5%
Gain from sale of assets	0	67	37	81.1%	0.0%
Total income from continuing operations	16,169	16,547	15,852	4.4%	2.3%
EXPENSES FROM CONTINUING OPERATIONS					
Employee benefits & oncosts	6,896	7,038	7,091	-0.7%	2.1%
Borrowing costs	112	167	171	-2.3%	49.1%
Materials and contracts	4,398	4,577	3,986	14.8%	4.1%
Depreciation & amortisation	3,386	3,486	3,486	0.0%	3.0%
Other expenses from ordinary activities	1,131	1,265	1,155	9.5%	11.8%
Total Expenses from continuing operations	15,923	16,533	15,889	4.1%	3.8%
OPERATING RESULT FROM CONTINUING OPERATIONS	246	14	(37)	137.8%	-94.3%
NET OPERATING RESULT BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	88	(238)	(1,130)	78.9%	-370.5%

Council has a surplus of $14,000 from continuing operations compared to a deficit of $37,000 in 2012. Excluding capital income of $0.2m, council achieved a deficit of $0.2m compared to a deficit of $1.1m for 2012.



Operating revenue increased by $0.7m or 4.4% compared to 2012 mainly as a result of higher rates and annual charges, user charges and fees and interest income partially offset by a reduction in operating and capital grants and contributions.

Rates and charges increased due to rate pegging allowances, increase in rateable properties and introduction of non-domestic waste management annual charge. User charges and fees increased due to a change in classification of aged care and community support services from grants and contributions to user charges and fees. This was a result of a change in

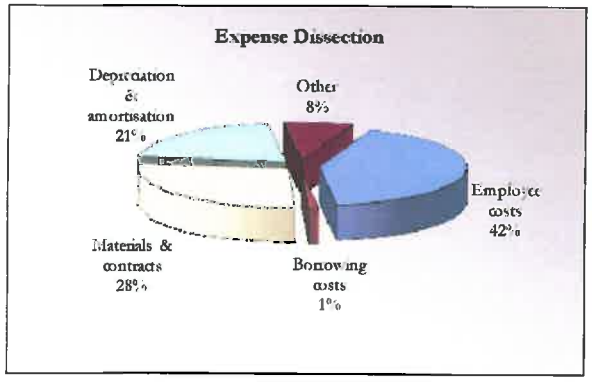
contractual arrangements, where Council no longer receives grants or contributions but charges a fee per client for the provision of community care services. Interest income increased due to the increase in cash and investments compared to the prior year.

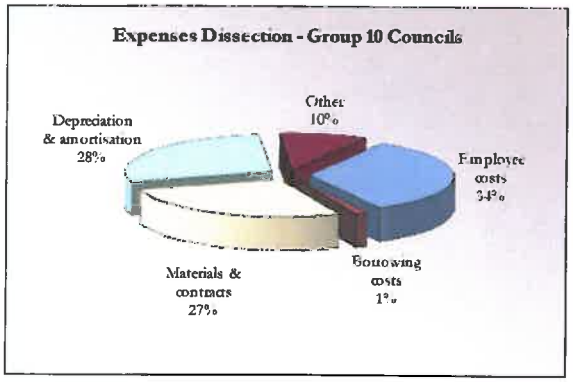
Operating grants and contributions decreased due to the reclassification of income from aged care and community support services. Capital grants and contribution decreased due to one-off funding in the prior year for bushfire emergencies and grants for roads and bridge replacements.

Expenditure increased by $0.6m or 4.1% due to higher materials and contract costs as a result of an increase in roads maintenance.

The budget amounts included above are those adopted in the original budget and exclude re-votes from the previous year and variations to the budget during the year. The actual operating surplus for the year of $14,000 is lower than original budget surplus of $246,000. Most variations between budget and actual are not significant in nature. The major variance between budget and actual results was the reclassification of McMaugh Gardens Aged Care and Tablelands Community Transport subsidies from user charges and fees to operating grants and contributions.

Below is a comparison of expense dissections for the Council for 2013 compared to the Group 10 council average 2011 data (latest available data).



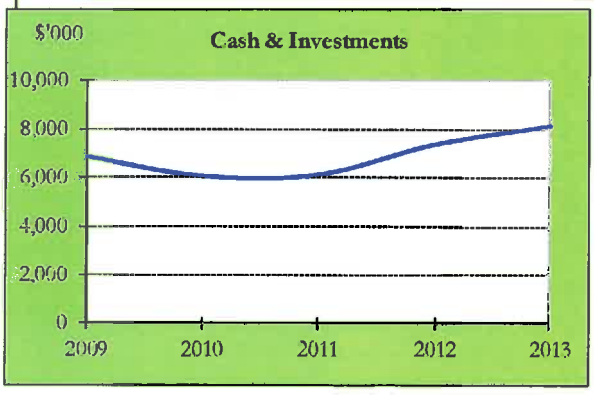


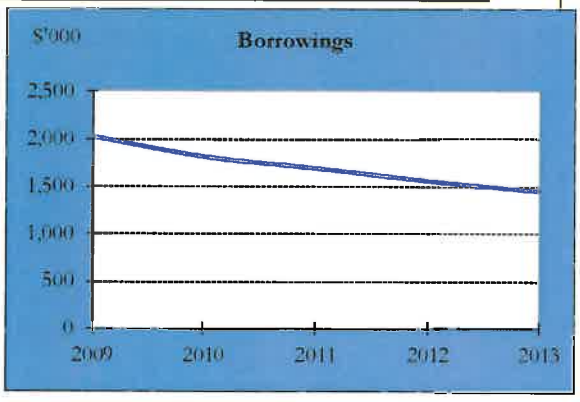
There is a significant variation in the levels of employee costs and depreciation expenditure compared to the Group 10 average. This is considered reasonable as Council has a smaller level of infrastructure compared to the other Group 10 councils. Further, employee costs are higher compared to the Group 10 average due to the additional costs associated with supporting Community Service activities including McMaugh Gardens Aged Care, which are labour intensive activities.

Please note that the 2011 comparative are the latest available and the DLG is no longer publishing comparative data on expenditure types in its annual comparative information.

The following schedule of assets and liabilities has been extracted from the Statement of Financial Position as at 30 June 2013. This schedule discloses the consolidated assets and liabilities of all functions.

SCHEDULE OF ASSETS & LIABILITIES	2013 $'000	2012 $'000	Variance %
CURRENT ASSETS			
Cash and cash equivalents	6,631	1,072	518.6%
Investments	1,500	6,300	-76.2%
Receivables	1,240	1,849	-32.9%
Inventories	191	172	11.0%
Other	104	88	18.2%
TOTAL CURRENT ASSETS	9,666	9,481	2.0%
CURRENT LIABILITIES			
Payables	3,860	3,733	3.4%
Borrowings	108	100	8.0%
Provisions	1,918	1,682	14.0%
TOTAL CURRENT LIABILITIES	5,886	5,515	6.7%
NET CURRENT ASSETS	**3,780**	**3,966**	-4.7%
NON-CURRENT ASSETS			
Infrastructure, Property Plant & Equipment	292,844	304,676	-3.9%
TOTAL NON-CURRENT ASSETS	292,844	304,676	-3.9%
NON-CURRENT LIABILITIES			
Provisions	1,236	1,206	2.5%
Borrowings	1,348	1,464	-7.9%
TOTAL NON-CURRENT LIABILITIES	2,584	2,670	-3.2%
NET ASSETS	**294,040**	**305,972**	-3.9%





Total cash and investments increased by $0.8m due to surplus cash flows from operations.

Borrowings decreased by $0.1m due to scheduled repayments.

Receivables decreased by $0.6m or 35% due to collection of Aged Care bonds that remained unpaid at the end of 2012 and reduction of rates and annual charge debtors from 7.6% to 5.8% of total receivables.

Infrastructure, Property, Plant and Equipment decreased by $11.8m due mainly to a correction of error in relation to a segment of road that had been capitalised but related to another council.

NET CURRENT ASSETS

The Net Current Asset position at year end is an important financial indicator as it discloses the working capital available to Council to fund day to day operations, infrastructure replacement and renewal and new community projects. The funding of restrictions should also be considered when evaluating funds available for working capital purposes. The following table provides a reconciliation of unrestricted assets:

	Water $'000	Sewerage $'000	McMaugh Gardens	General $'000	Total $'000
Current Assets	1,137	1,188	1,371	5,970	9,666
Current Liabilities	-	-	2,047	3,839	5,886
Net Current Assets	1,137	1,188	(676)	2,131	3,780
Add Liabilities > 12 Months	-	-	1,685	1,412	3,097
Total Funds before Restrictions	1,137	1,188	1,009	3,543	6,877
LESS: Restricted Cash & Investments (Induded in Revenue)					
Developer Contributions	-	-	-	389	389
	-	-	-	389	389
NET FUNDS AVAILABLE	**1,137**	**1,188**	**1,009**	**3,154**	**6,488**
LESS Internal Restrictions	-	-	1,009	2,685	3,694
Net Funds After All Restrictions	**1,137**	**1,188**	-	**469**	**2,794**

INTERNAL RESTRICTIONS	Opening $'000	Transfer to $'000	Transfer from $'000	Closing $'000
Employee leave entitlements	840	160	-	1,000
Plant replacement	500	228	-	728
Carry-over works	1,182	-	491	691
Accomodation bond guarantee	696	313	-	1,009
Other	-	266	-	266
	3,218	967	491	3,694

After excluding the net current assets of McMaugh Gardens Hostel, Water function and Sewerage function, the general function working capital balance is in surplus and sufficient to internal restrictions and working capital requirements at 30 June 2013. McMaugh Gardens Aged Care net current assets is in deficit under accounting standards as accommodation bonds are required to be shown as current liabilities. After adjusting for bonds not expected to be repaid in the coming twelve months, McMaugh Gardens Aged Care is considered to have sufficient cash reserves. However, under Prudential regulation requirements, Council needs to demonstrate it has not used aged care bonds to fund operations. Therefore, given that McMaugh Gardens has no working capital as at the end of June 2013, it is important that Council develops a formal reconciliation and related policy to

confirm bonds have not been utilised inappropriately and that Council is correctly subsidising the Aged Care facilities' operations.

Council has internally restricted $3.7m in cash for: plant replacements; carry-over projects; accommodation bond requirements and employee entitlements provisions.

Local Government Industry Performance Indicators

The Code of Accounting Practice requires the mandatory disclosure of certain performance indicators. These financial indicators are useful in assessing performance, financial position and the likely financial burden to be placed on ratepayers.

The key financial indicators disclosed in the Financial Statements are:

RATIO	PURPOSE	2013	2012	2011	2010	2009
UNRESTRICTED RATIO	To assess the adequacy of working capital after excluding all restricted assets and liabilities.	2.3	2.4	3.3	5.1	3.6
DEBT SERVICE RATIO	To assess the degree to which revenues are committed to the repayment of debt.	1.7%	3.0%	3.0%	2.0%	3.0%
RATE COVERAGE RATIO	To assess the degree of dependence upon revenues from rates and annual charges.	29.7%	29.0%	27.0%	30.0%	23.0%
OUTSTANDING RATES %	To assess the impact of uncollected rates and charges on liquidity and the adequacy of recovery efforts.	5.8%	7.6%	8.2%	9.7%	9.3%
ASSET RENEWALS RATIO	To assess the rate at which assets are being renewed against the rate they are being depreciated	0.87	0.89	0.71	1.06	1.20

Unrestricted Ratio

The unrestricted ratio excludes all current assets and liabilities that are restricted to specific purposes such as water, sewer, aged care, domestic waste management functions and specific purpose unexpended grants and contributions. This ratio is before setting aside cash to fund internal restrictions relative to the general function. An unrestricted ratio of 2.3 indicates that for every $1 of current liabilities as at 30 June 2013, Council has $2.30 to meet these commitments. As a comparison, Category 10 Councils had an average unrestricted ratio of 4.6 and a state-wide average of 3.8 for 2012. A ratio of 2 or better is generally viewed by the industry as acceptable. The TCorp benchmark is to have a ratio greater than 1.5.

Debt Service Ratio

The debt service ratio of 1.7% (i.e. $1.70 of every $100 of revenue is used to fund interest and debt repayments) is similar to the average for Group 10 Councils of 3.4% and state average of 5.45% for 2011 (last available data). The low ratio is one indicator that Council may be able to increase its borrowings to fund infrastructure needs if required.

Rate Coverage Ratio

The rate coverage ratio of 29.7% is similar to the Group 10 average of 30% for 2011 (last available data). The ratio shows Council's dependence on grants and contributions, which contributes 34% to council's revenue. Further, when the water and sewer operations are excluded, the general fund has a rates coverage ratio of 27.3%. We note that some of the general fund grants and contributions are contracted contributions and if they were not renewed, Council would need to address the impact on its operations and reduce expenditure accordingly.

Outstanding Rates

The outstanding rates ratio of 5.8% (i.e. 5.8% of all rates levied had not been received by year end) continues to improve and is better than the Group 10 average of 9.2% and state average of 5.4% for 2011 (last available data). This ratio is an indicator of Councils activity to collect outstanding rate revenues.

Asset Renewal Ratio

The asset renewals ratio outlines Council's performance with renewing its infrastructure assets against the level of estimated infrastructure asset deterioration (as represented by depreciation expense). For 2013 Council spent $0.87 for every $1 in estimated asset deterioration. The Group 10 average for the asset renewal ratio was 0.65 and the state average was 0.66 for the 2012 year. We note that the general fund asset renewal ratio was 0.98 with the water and sewer funds being 0.41 and 0.04 respectively.

The current trend in the ratio, excluding general fund which shows a positive renewal ratio over the past 5 years, highlights that Council expended less on water and sewer asset renewals compared to the estimated reduction in asset condition over the past five years and therefore, based on this ratio, Council's water and sewer infrastructure has deteriorated over that period.

Council should aim to ensure all infrastructure spending keeps pace with "wear and tear" and Council should seek to improve water and sewer asset condition.

TCorp Performance Indicators - unaudited

The Code of Accounting Practice has introduced new non-mandatory performance indicators that have been developed by TCorp as part of their review during the year of all councils future financial sustainability. These financial indicators are considered useful in assessing long term financial sustainability rather than the financial position at the end of the financial year.

The key consolidated TCorp performance measures disclosed in the Financial Statements are:

RATIO	PURPOSE	2013	2012	2011	2010	2009
OPERATING PERFORMANCE	To assess councils ability to meet operating expenditure within operating reveune.	-1.5%	-7.6%	2.3%	-9.7%	9.1%
OWN SOURCE OPERATING REVENUE	To assess the degree of reliance on external funding sources.	58%	41%	42%	42%	36%
DEBT SERVICE COVER RATIO	To assess the availability of operating cash to service debt including interest, principle and lease payments.	12.41	6.83	11.55	4.67	7.25
CAPITAL EXPENDITURE RATIO	To assess the extent to which council is forecasting to expand its asset base with capital expenditure.	1.07	0.94	1.09	1.15	2.07
INFRASTRUCTURE BACKLOG RATIO	To assess the infrastructure backlog against the total value of councils infrastructure.	0.08	0.05	0.05	0.03	0.03
ASSET MAINTENANCE RATIO	To assess the actual vs required annual maintenance expenditure.	1.17	1.09	1.09	1.13	1.05
CASH EXPENSE COVER RATIO	To assess the number of months council can pay its expenses without additional cash inflow.	6.18	1.02	0.84	1.50	1.50
INTEREST COVER RATIO	To assess the extent to which council can service its interest bearing debt and take on additional borrowings.	20.43	11.99	19.31	9.94	19.43

Council has only disclosed these performance measures for the 2013 to 2011 financial years. However, for comparative purposes we have included the performance measures for the past 5 years with the ratios for 2010 and 2009 being sourced from the TCorp report issued during the 2013 year.

As disclosed in Note 13, the TCorp ratios calculated for 2013 are based on the DLG requirements for the Financial Disclosure Return (FDR) and differ from the Code 21 and TCorp calculation definitions. Council has decided to align the financial statement ratios with the FDR calculation process to avoid variances in results. Therefore, the wording explaining the ratio components in Note 13 does not align to the actual figures used in the ratio. Given the TCorp ratios are not a mandatory disclosure requirement and the variances in the calculation process we provide no audit opinion on these ratios.

Operating performance
Council achieved a deficit operating performance ratio of 1.5% for the 2013 year compared to a deficit of 7.6% for the 2012 year which indicates that Councils operating revenue, excluding capital grants and contributions are insufficient to cover operating expenditure. TCorps benchmark for this ratio is to have a deficit of less than 4.0% each year. The state-wide average for this ratio was a deficit of 4.4% and deficit of 6.6% for Group 10 councils.

Own source operating revenue
The ratio of 58% for the 2013 year highlights Council's dependence on grants and contributions. The TCorp benchmark for sustainability is to have a ratio of greater than 60%. The ratio compares well against the state average of 57% and 46.6% for Group 10 councils. We note that owned sourced revenue increased from 41% to 58% due to the reclassification of certain aged care and community support services from grants and contributions to user charges and fees. This was a result of a change in contractual arrangements, where Council no longer receives grants or contributions but has a competitive service contract to provide services to community care clients in the region.

Debt service cover ratio
The debt service cover ratio of 12.41 times indicates that council has $12.41 before interest and deprecation to pay interest and principal repayments on current borrowings. The ratio has varied significantly in the past 5 years due to the impact of capital grant income included in net operating results in the prior period ratios (the TCorp report included capital grant income in its calculations). The TCorp benchmark for sustainability is to have a ratio of greater than 2.0. This ratio is one indicator that Council may be able to borrow for critical infrastructure projects in the future.

Capital expenditure ratio
The capital expenditure ratio of 1.07 indicates that Council has expended $1.07 on capital expenditure for every dollar of depreciation. This ratio has been lower overall for the past 5 years than the TCorp benchmark which requires a ratio greater than 1.1.

Infrastructure backlog ratio
An infrastructure backlog ratio 0.08 indicates that the infrastructure backlog represents 8% of the value of Councils infrastructure. Councils backlog ratio has remained at similar low levels over the past 5 years and is better than the TCorp benchmark ratio of less than 20% and well below the state average of 13% and Group 10 average of 14.6% for 2012. This ratio indicates that council has been able to manage its infrastructure needs over the past 5 years.

We do not provide an audit opinion regarding the accuracy of the infrastructure backlog ratio as it involves significant judgement by council staff regarding the condition of its assets and the costs required to bring them to a satisfactory standard. The data is sourced from the unaudited Special Schedule 7 of the financial statements.

Asset maintenance ratio
The Asset Maintenance ratio of 1.17 indicated that Council has been undertaking sufficient maintenance to keep pace with required maintenance requirements as determine by Council's engineers and maintenance staff. A ratio of greater than 1.0 is considered acceptable by TCorp.

We do not provide an audit opinion regarding the accuracy of the asset maintenance ratio as it involves significant judgement by council staff regarding the costs required to maintain assets. The data is sourced from the unaudited Special Schedule 7 of the financial statements.

Cash expense ratio
This ratio indicates that Council can pay 6.18 months of its expenses without additional cash inflows. The TCorp benchmark is to have reserves to meet at least 3 months of operating expenditure. Council has maintained strong cash reserves and per this ratio maintains a healthy short term financial position.

Interest cover ratio
This ratio indicates that Council has 20.4 times interest cover and is in a satisfactory position to service current debt commitments and may have the ability to service additional debt borrowings.

The increase in overall cash and investments reflected in the Statement of Financial Position is also evident in the following table extracted from the Statement of Cash Flows.

CASH MOVEMENTS	Actual 2013	Actual 2012	Variance
	$'000	$'000	%
CASH INFLOWS			
Operating Receipts	17,885	17,210	3.9%
Proceeds from Assets Sales	335	235	42.6%
Net receipt of retirement home bonds	268	1,012	-73.5%
Proceeds from investments	6,300	609	934.5%
TOTAL RECEIPTS	24,788	19,066	30.0%
CASH OUTFLOWS			
Operating Payments	13,579	13,067	3.9%
Purchase of investments	1,500	1,600	-6.3%
Purchase of Assets	3,867	3,335	16.0%
Repayment of Loans	108	129	-16.3%
Net repayment of retirement home bonds	174	689	-74.7%
TOTAL PAYMENTS	19,228	18,820	2.2%
TOTAL CASH MOVEMENT	**5,560**	**246**	2160.2%
Cash and equivalents	6,631	1,072	3.0%
Investments	1,500	6,300	3.0%
Total Cash & Investments on Hand	**8,131**	**7,372**	10.3%

Cash and investments overall increased by $0.8m due to surplus cash flows from operations

Cash outflows for Purchase of Assets of $3.9m included road and bridge construction totalling $2.9m. This compares to the $1.8m annual rate of depreciation of these assets. In assessing the replacement rate of depreciating assets it is also important to note that Special Schedule No.7, which is an unaudited statement prepared in conjunction with the financial report, discloses that the estimated cost to bring road and bridges to a "satisfactorily" standard is $9.3m.

The remaining asset purchases included purchases for plant and equipment of $0.8m.

SPECIAL PURPOSE FINANCIAL STATEMENTS

Council is required to report the financial results of identified Business Units in accordance with National Competition Policy guidelines. The reports are known as Special Purpose Financial Reports and are subject to audit. Council has identified Water, Sewerage, Private Works and McMaugh Gardens Hostel as Category 2 Business Units.

WATER SUPPLY FUNCTION

The Special Purpose Financial Statements disclose that the Water Supply function recorded an operating deficit (before capital funding) of $22,000 after allowing for depreciation of $253,000.

The Net Current Asset position records a surplus of $1,137,000. This surplus plus the fact that the water supply function has no debt, indicates a satisfactory financial position to meet operational requirements given the size of the function and considering the water infrastructure condition (per unaudited Special Schedule 7) being of "satisfactory" standard.

SEWERAGE FUNCTION

The Special Purpose Financial Statements disclose that the sewerage function recorded an operating surplus (excluding capital funding) of $69,000 after allowing for depreciation of $182,000.

The Net Current Assets position show a surplus of $1,188,000. Considering the size of the sewerage operations, the fact that it has no debt and the sewerage infrastructure condition (per unaudited Special Schedule 7) being of "satisfactory" standard, the sewerage function is in a strong financial position.

McMAUGH GARDENS HOSTEL

The Special Purpose Financial Statements disclose that McMaugh Gardens Hostel recorded an operating deficit of $35,000 for the 2013 year compared to a deficit of $187,000 in the previous year. This result is after depreciation expense of $83,000.

The net current asset position is a deficit of $676,000 after allowing for resident's bonds amounting to $2,047,000. The deficit is a result of the accounting standard requirement that accommodation bonds be shown as current liabilities even though the majority of accommodation bonds will not be repaid in the short term. When the expect timing of bond repayments are taken into account the Hostel has reserves of $1,009,000.

Given that McMaugh Gardens has no working capital as at the end of June 2013 and had a deficit in operating results for 2013 and 2012, it is important that Council develops a formal reconciliation and related policy to confirm bonds have not been utilised inappropriately and that Council is correctly subsidising the Aged Care facilities' operations.

FINANCIAL SUSTAINABILITY

During the year all councils have had an external assessment by NSW Treasury Corporation ("TCorp") of the sector's financial sustainability. TCorp has defined financial sustainability as follows:

"A local government will be financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community"

Based on TCorps assessment of Council's financial results from 2009 to 2012, the unaudited Special Schedule 7, ten year financial forecasts and other factors (e.g. Population growth, workforce demographics and skills, environmental and natural disaster factors) it has assessed Councils financial sustainability as Weak and it's outlook as Neutral.

It should be noted that the audit of the financial statements is an audit of Council at a point in time whereas the TCorp report evaluation is for the future sustainability of Council and:

- Did not take into account the financial results for 2013;
- It includes unaudited data from Special Schedule 7 as well as the ten year financial forecast; and
- Is based upon future data, which includes assumptions and judgements regarding the future operations of Council, including what revenue and expenses will be incurred in the future, as well as significant judgement with regard to other non-financial information.

Based on our review of the TCorp report, for Council to improve its future financial sustainability it will need to consider the following:

- To complete its asset management plans and improve asset management processes in order to understand future infrastructure replacement and maintenance needs;
- Improve the accuracy and integrity of its ten year plans and special schedules 7 and 8;
- Continue to review its long term financial forecast modelling and assumptions in order to provide an accurate picture of long term financial issues; and
- Further community consultation to identify acceptable service levels including acceptable condition of its infrastructure assets.

GENERAL

Audit qualification regarding Grant income recognition

Council has not recognised in the Income Statement the Financial Assistance Grant (FAG), received in advance but Council deferred the recognition of these grants until the period to which they relate, of $1,099,000 (2012 comparative - $1,082,000 received in June 2012, being an instalment for the 2013 financial year but was also deferred to the 2013 financial year), being an instalment relating to the 2014 financial year, have been deferred. The FAG instalment will be recognised as a current liability and shown as income in the 2014 financial year.

The deferral of the grant income recognition is a variation to the Code 21 and Accounting Standard AASB 118 *Revenue*, which requires grant revenue to be recognised upon receipt.

Council considers the recognition of the FAG instalment received in advance significantly distorts its true financial performance for the 2012, 2013 and 2014 financial years.

If Council had recognised the FAG received in advance in the 2013 year the impact on the financial statements would be as follows:

- Increase in operating grants and contribution income from $5,346,000 to $5,363,000 by adding on the 2014 instalment received in 2013 and deducting the 2013 instalment received in 2012 (2012 comparative – increase from $7,248,000 to $8,330,000);
- Operating result from continuing activities would be a surplus of $31,000 compared to a surplus of $14,000 (2012 comparative – the deficit of $37,000 would become as surplus of $1,045,000);
- Decrease in current payables from $3,860,000 to $2,761,000 (2012 comparative – current payables would decrease from $3,733,000 to $2,651,000); and
- Increase accumulated surplus from $63,841,000 to $63,858,000 (2012 comparative - $66,826,000 to $67,908,000).

Reporting obligations under the Local Government Act

We note that, Council's core accounting systems and records are satisfactory, however, improvements are required in the following areas:

- Asset register finalisation especially data related to revaluation changes;
- Obtaining asset revaluation reports and results on a timely basis for inclusion in final results;
- Training, induction and support with regard to changes in critical finance staff; and
- Compilation of financial statements including the special purpose financial statements.

Due to the above accounting issues, the audited financial statements will be submitted late to the Division of Local Government and not within the prescribed time provided for in Division 2 of the *Local Government Act 1993.*

Matters of a technical nature have been documented in a management letter to the General Manager.

We take this opportunity of thanking the General Manager and his staff for their co-operation and assistance during the course of the audit.

Under section 419 of the *Local Government Act 1993*, Council is required to give public notice of a Council meeting for the purpose of presenting the audited financial statements and the auditor's report. A principal of our firm is available to attend this meeting to address any questions in respect of the audit report or the conduct of the audit.

Yours faithfully
Forsyths Business Services Pty Ltd

Paul R Cornall
Principal

Attachment: C

Forsyths
Chartered Accountants
00269

Armidale

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Forsyths Business Services Pty Ltd
ABN 66 182 781 401

INDEPENDENT AUDIT REPORT
Report on the special purpose financial statements

To Uralla Shire Council

SCOPE

We have audited the special purpose financial statements of Uralla Shire Council for the year ended 30th June 2013 comprising the Statement by Councillors and Management, Income Statement of Business Activities, Statement of Financial Position by Business Activities, and Note 1 to the financial statements. The financial statements include the financial results of the business activities of Council and the entities it controlled at the year's end or from time to time during the year.

Councils' responsibility for the financial statements
The Council is responsible for the preparation and fair presentation of the financial statements and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the requirements of the Division of Local Government and Council. The Councils' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the Council or the Division of Local Government. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

The special purpose financial statements have been prepared for distribution to the Council and the Division of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Division of Local Government or for any purpose other than for which the report was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

AUDIT OPINION

In our opinion, the special purpose financial statements of the Uralla Shire Council for the year ended 30th June 2013 are presented fairly, in all material respects, in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

BASIS OF ACCOUNTING

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the financial reporting requirements of the Division of Local Government. As a result, the financial statements may not be suitable for another purpose.

Forsyths

Forsyths Business Services Pty Ltd

P.K. Cornall

Paul Cornall
Principal

22nd November 2013
92 Rusden Street Armidale

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW)"

Squads put through the paces

HOCKEY

THE Armidale contingent of the Northern Inland Academy of Sport hockey squad will gather with their team mates on Sunday.

Both boys and girls will participate in their first training session for 2014 at the New England Hockey centre in Armidale. The squads met for the first time at the induction and fitness testing last Saturday.

Head coaches Andrew Farmilo and Sam Lobsley will facilitate a training session which will enable the players to continue to get to know each other and their playing styles.

The athletes will leave this weekend's session with a clear program for the summer break, so they return in 2014 with a good base level of fitness ready to continue the development program into the new year.

The first training session in 2014 will see both boys and girls squads travel to the Hunter Valley Academy of Sport in Maitland.

TOMORROW'S FIELDS FOR ARMIDALE GREYHOUNDS

Race 1 - NORTH HILL VET MAIDEN 1:00 PM

1	3	MARY TRICK	Stephen Attwater	NBT
2	2534	COSMIC TINA	Maureen West	NBT
3	3557	CHERRY POP	Terry Hickson	NBT
4	24	FREE AT LAST	Barry Evans	NBT
5	736	CHASEN MASON	Leone North	NBT
6	3646	BELLA MULWEE	Ranald Dawes	NBT
7	434	FLYING SPRITE	Robert Bray	NBT
8	62	KIKEM BABE	Denis Nixon	22.85

Race 2 - 2 AD APPRECIATION MAIDEN 1:25 PM

1	5845	OSTI'S BOY	Dale Tolmie	NBT
2	3842	CRAZY AND OLD	Barry Evans	NBT
3	5575	DUSTY AS	Leone North	22.42
4	878	GEE TEE MULWEE	Ranald Dawes	NBT
5	-	EK'S DREAM	Terry Hickson	NBT
6	637	PARDON THE PUN	David Booby	NBT
7	3733	MEGLIANI	Terry Hickson	NBT
8	846	DADDY'S SPRITE	Robert Bray	NBT

Race 3 - COMMUNITY MUTUAL STAKES 1:50 PM

1	3101	WELBY WARRIOR	Mark Craig	NBT
2	5138	GIVE ME GEMS	Leone North	NBT
3	4351	CHIEF TARGET	Lloyd Rock	NBT
4	5651	SPORTSMAN'S LYN	Hamish Alva	21.87
5	8183	HARRY DART	Maureen West	NBT
6	5526	TOMMAHOOK	William Brown	21.64
7	6413	MICACY	Stephen Attwater	NBT
8	2731	NANNA'S BOY	Ranald Dawes	NBT
9	5869	CHEROKEE DREAMER	Geoffrey Stackman	NBT
10	8647	MAIN BOUT	Sabrina Brown	21.91

Race 4 - BARRY MITCHELL STAKES 2:15 PM

	8565	FAGUS VALLEY	Desmond Winters	21.52
	2175	YO COOL MAXIE	Barry Evans	NBT
	5241	SHE VALLEY	Desmond Winters	NBT
	4467	IN THE CLINK	David Matts	NBT
	7845	CAVILL AVENUE	Terry Hickson	NBT
	7978	POPPIN' OFF	Terry Hickson	NBT
	7641	TAMAM SHUD	Benjamin Vidler	21.27
	2411	MY SON JOHN	Verona Wilson	21.09

Race 5 - COMMITTEE STAKES 2:30 PM

1	5766	POWER BOMB	John Lawson	NBT
2	7641	ROSS BUG	Terry Hickson	NBT
3	6665	GLENREAGH GIRL	Garry Streatfield	21.39
4	1473	WHERE'S KEN	Mark Craig	NBT
5	3263	SPORTSMAN'S KEV	Harold Keelan	NBT
6	4775	SAPPHIRE RAIDER	Lloyd Metcalf	31.13
7	4256	BATTLE TRAIN	Garry Streatfield	NBT
8	1363	HARRY HIGH PANTS	Rodney Marlow	NBT
9	7855	BIT VANE	William Marmara	NBT
10	6641	FLASHING MULWEE	Dale Tolmie	30.92

Race 6 - MCDONALDS APPRECIATION STAKES 3:05 PM

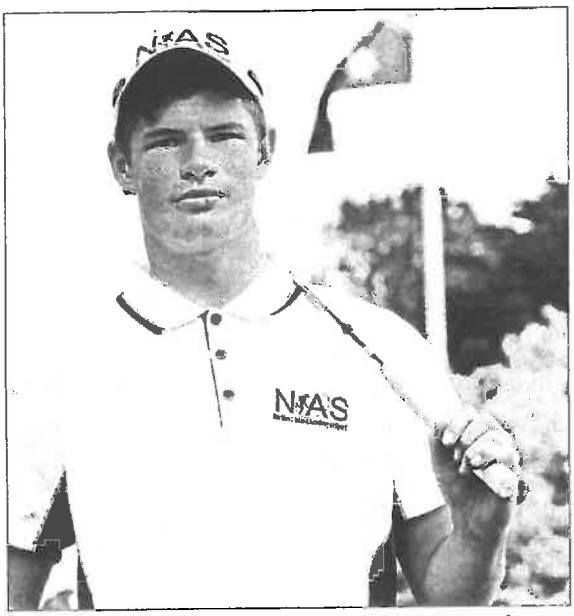
1	XX77	BAZ CHILL	Barry Evans	NBT
2	1165	LOUIE TRICK	Stephen Attwater	21.40
3	3261	OLE CHIEF	Ranald Dawes	NBT
4	7386	OUR NONAME	William Brown	NBT
5	1247	BOWTIE BOY	Maureen West	21.24
6	1226	WHERE'S LA PLUME	Maureen West	21.86
7	8824	MISS WHIFFEN	William Brown	NBT
8	2211	CHANSON	Barry Hobson	20.82
9	8785	KOORINGA DOLL	Peter Mcalister	21.20

Race 7 - INDEPENDENT STAKES 3:30 PM

1	4141	MULWEE JEST	Ranald Dawes	NBT
2	7421	BAR NO MISS	Dale Tolmie	NBT
3	1511	GOLDEN SPARK	Robert Bray	NBT
4	1262	FLABBERGASTED	Stephen Attwater	NBT
5	2142	TAKESHI	Maureen West	25.85
6	5154	GLENREAGH MAGIC	Garry Streatfield	25.53
7	1516	ELFREDA RAIDER	Lloyd Metcalf	25.75
8	3333	HARMONY DOLL	Roza Brown	25.81
9	7716	CORNELIA KATE	Michael Mcalister	26.15
10	7886	LOCKIES CUT	Joy Missen	NBT

Race 8 - ARMIDALE EXPRESS STAKES 3:55 PM

1	5414	DIDN'T NO	William Brown	NBT
2	7648	BLUE SHIRAZ	David Howarth	25.82
3	3484	QUATRO RAIDER	Lloyd Metcalf	NBT
4	5117	BLUE BARBA	David Matts	NBT
5	5657	CHARMING LILY	Donald Jarick	NBT
6	8123	PURE HEAT	Maureen West	25.57
7	5866	DIAMOND PUZZLE	Dale Tolmie	NBT
8	6567	SHARAPOVA VALLEY	Desmond Winters	NBT
9	8683	POINT TO MAKE	Leone North	NBT
10	7716	CORNELIA KATE	Michael Mcalister	26.15



ON A ROLL: Callum Butler, 15, is making a name for himself after a year of success.

Future is bright for young star

CALLUM Butler may only be 15 years of age but he has his sights set on a future in golf.

Butler has been dominating on the green and has been selected in to the Northern Inland Academy of Sport squad.

His coach Andrew Walkley said he has been working hard on his game.

"He has done well recently and being involved with NIAS is about getting extra help on his game and being around kids with similar abilities and hopefully spur each other," he said.

"I would like to get a couple of kids who are pushing to make state teams and potentially with the likes of Callum that will be the case."

As part of the NIAS program Butler will take part in monthly training weekends.

Meanwhile Walkley's junior ranks are increasing with weekly coaching sessions.

He said he would run golf camps in January for Armidale juniors to take up golf.

- SIOBHAN McCARTHY

Farrell's comeback

BEN Farrell returned from injury in winning style after claiming victory in the 400 metres at Armidale Athletics Club's summer series.

Farrell clocked a time of 55.97 seconds and was followed by Daley Wood and Stuart Geddes in third.

Sonya Wrenford-Mobbs was fastest female in a time of 74.81 seconds. Mark Conroy led out at the 1500 metres with a face pace, but was chased down by Stuart Geddes in the final lap. Geddes set a new season's best time of five minutes and 19.27 seconds ahead of Conroy with Paul Billings in third. Alison Billings was fastest female and fourth overall.

In the long jump Maddy Sauer leapt to a new personal best of 4.47 metres, taking out the event from Ben Farrell and Emma Lankester. Meanwhile Siarrah Cruickshank took a narrow victory in the discus over Katie Austin and Maddy Sauer. Cruickshank threw 23.67 metres to claim victory.

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2ARM

Uralla Shire Council

Public Notice - Presentation of Financial Statements

as per Section 418 (3) of the Local Government Act.

In accordance with Section 418 (3) of the Local Government Act, 1993, Uralla Shire Council advises that the Ordinary Council Meeting to be held on 16 December 2013 will include the presentation of the audited Annual Financial Statements and the Auditor's Reports for the financial year ending 30/6/2013.

A summary of the Financial Statements is provided below:	2013 $'000	2012 $'000
Income Statement		
Total Income from Continuing Operations	16,546	15,852
Total Expenses from Continuing Operations	16,532	15,889
Operating Result from Continuing Operations	14	(37)
Net Operating Result for the year	14	(37)
Net Operating Result before Grants and Contributions provided for Capital Purpose	(238)	(1,130)
Statement of Financial Position		
Total Current Assets	9,665	9,481
Total Current Liabilities	(5,883)	(5,515)
Total Non Current Assets	292,844	304,676
Total Non Current Liabilities	(2,584)	(2,670)
Total Equity	294,040	305,972
Other Financial Information		
Current Ratio	1.64 : 1	1.72 : 1
Unrestricted Ratio	2.30 : 1	2.40 : 1
Debt Service Ratio (%)	1.7%	3.0%
Rates Coverage Ratio (%)	29.7%	29.0%
Rates and Annual Charges Outstanding Ratio (%)	5.8%	7.6%
Building and Infrastructure Renewals Ratio (%)	87.0%	89.5%

In accordance with Section 420 of the Local Government Act, 1993, any person may make a submission in writing to Council with respect to the Council's Audited Financial Statements or the Auditor's Reports.

The audited Financial Statements and the Auditor's Reports may be read or downloaded from Council's website.

Internet: www.uralla.nsw.gov.au

or read at:

Locations: 32 Salisbury Street, Uralla, NSW 2358
Bundarra General Store
Invergowrie General Store
Kentucky General Store
Kingstown General Store
Uralla Public Library
Uralla Visitor Information Centre

Submissions close on Monday 23 December 2013; one week after the above Public Meeting has been held.

Attachment: E
00272

E-mail Message

From:	Financial Data Return [SMTP:fin_cms@dlg.nsw.gov.au]
To:	Thomas OConnor [EX:/O=LGMSP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=TOConnor.uralla]
Cc:	
Sent:	27/11/2013 at 11:45 AM
Received:	27/11/2013 at 11:46 AM
Subject:	RE: Uralla Shire Council - FDR 2013 [including comments in ABS financial data (1)]

Division of Local Government

CONFIRMATION OF RETURN RECEIPT

Organisation: Uralla Shire Council
Collection: 394. Financial Data Collection 2012/2013
Date Received: 27 November, 2013 09:54:33 AM

This message confirms receipt of the above electronic return.

The Division uses a computerised system to process returns. If there are problems encountered with your return, you will receive further communication from the Division. This may require your return to be re-submitted.

Sarah Gubb
Division of Local Government

****
This message is intended for the addressee named and may contain confidential information. If you are not the intended recipient, please delete it and notify the sender. Views expressed in this message are those of the individual sender, and are not necessarily the views of the Department of Premier and Cabinet (Division of Local Government), unless otherwise stated.

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R5

Attachment : F

00273

Department of Premier and Cabinet
Division of Local Government

Uralla Shire Council

MAXIMUM GENERAL INCOME
Section 511, Local Government Act 1993

Catch-up / (Excess) result for 2013/14

Based on Council's audited return and Statement of Compliance, the catch-up/excess result for 2013/14 and amount available for the 2014/15 rating year are as follows:

				$
A	**2012/13**	(Accumulated balance)		1,807
B	**2013/14**	(Result including valuation objection income in Sch 4)		(2,065)
		Excess Result	**$**	(258)
C	**LESS:**	Valuation objections claimed in the current year		122
		Unused catch-up from 2012/13		-
		Total Available for 2014/15	**$**	(380)

Any questions relating to this result should be directed to the Division of Local Government:
Helen Pearce - 02 4428 4131

SECTION:	**Administration and Finance**
ITEM NUMBER:	**Item 2**
SUBJECT:	**Cash at Bank and Investments**
File Reference:	U12/1
Reason:	Statutory Report Prepared
Objective:	To keep Council informed of financial status and progress
Budget Implication:	Budgeted estimate of income from investment in Cash at Bank, Overnight and Term Deposits of $483,781 from all Funds for 2013/2014
Operational Plan:	Part 3, Principal Activity 1.2 Corporate Support

INFORMATION

In accordance with Regulation 212 of the Local Government (General) Regulations 2005, the following report is prepared on monies, not currently required for use by Council, invested in forms of investment approved by Order of the Minister.

Attached is the summary of bank accounts, term deposits, cash management account and investment in structured credit instruments.

Current term deposits of $7,000,000.00 spread over the next four months will receive a range of interest from 3.32% to 3.82% with an average rate of 3.61%. Diary of maturing dates and amounts is attached.

Council's General Fund bank balances (listed in the attachments) have been reconciled to the bank statement as at 21 November 2013.

Prepared by:	Finance Support Officer
Prepared for:	Director of Administrative Services

RECOMMENDATION

That Council note the cash position at 30 November 2013 consisting of; cash and overnight funds of $1,206,128.66 and term deposits of $7,000,000.00 totalling $8,206,128.66 of readily convertible funds.

ATTACHMENTS TO THE ITEM 2 REPORT

INDEX OF INCLUDED ATTACHMENTS

The Following Documents are Included as Attachments to the Preceding Report

Attachment Name:		Page Count:
A:	Council Investments as at 30 November 2013	1
B:	Diary of Investment Maturity Dates and Amounts	1

Attachment: A

00275

INVESTMENTS AT 30 NOVEMBER 2013

Cash at Bank – Operating Accounts:

Institution	Account	Bank Statement
National Australia Bank	Main Account	$275,533.42
National Australia Bank	Trust Account	$30,466.33
New England Credit Union	Bundarra RTC	$21,516.21
Total		**$305,999.75**

Business Investment (Cash Management) Account

Institution	Interest rate	Balance
National Australia Bank	%	$900,128.91
Total		**$900,128.91**

Term Deposits:

Institution	Interest rate	Maturity	Balance
NAB	3.82%	6/12/2013	$500,000.00
Newcastle Permanent	3.70%	9/12/2013	$1,000,000.00
Newcastle Permanent	3.70%	12/12/2013	$300,000.00
Community Mutual	3.35%	12/12/2013	$500,000.00
NAB	3.82%	14/12/2013	$500,000.00
Newcastle Permanent	3.70%	16/12/2013	$500,000.00
NAB	3.77%	24/12/2013	$500,000.00
Community Mutual	3.40%	27/12/2013	$400,000.00
NAB	3.77%	05/01/2014	$500,000.00
Community Mutual	4.02%	10/01/2014	$500,000.00
Community Mutual	3.40%	13/01/2014	$500,000.00
Community Mutual	3.32%	24/01/2014	$500,000.00
NAB	3.78%	10/02/2014	$500,000.00
Newcastle Permanent	3.60%	18/02/2014	$300,000.00
Total			**$7,000,000.00**

Financial Instruments through Lehman Brothers Australia:

Structured Credit	Maturity Date	Face Value at Acquisition	Current Book Value at 30 June 2013
Parkes 1A AAA	Jun-15	$250,000.00	$0.00
Total		**$250,000.00**	**$0.00**

URALLA SHIRE COUNCIL

Diary of Current Investments in Term Deposits

30/11/2013

Maturing	Financial Institution	Term	Amount	Rate	Interest	Days	Total	
6/12/2013	NAB Term Deposit	3 months	500,000.00	3.82%	4,709.59	90	504,709.59	
9/12/2013	Newcastle Permanent Term Deposit	3 months	1,000,000.00	3.70%	9,123.29	90	1,009,123.29	
12/12/2013	Newcastle Permanent Term Deposit	3 months	300,000.00	3.70%	2,736.99	90	302,736.99	
12/12/2013	Community Mutual Term Deposit	4 months	500,000.00	3.35%	5,598.63	122	505,598.63	
14/12/2013	NAB Term Deposit	3 months	500,000.00	3.82%	4,709.59	90	504,709.59	
16/12/2013	Newcastle Permanent Term Deposit	3 months	500,000.00	3.70%	4,612.33	91	504,612.33	
24/12/2013	NAB Term Deposit	3 months	500,000.00	3.77%	4,647.95	90	504,647.95	
27/12/2013	Community Mutual Term Deposit	3 months	400,000.00	3.40%	3,390.68	91	403,390.68	
5/01/2014	NAB Term Deposit	3 months	500,000.00	3.77%	4,647.95	90	504,647.95	
10/01/2014	Community Mutual Term Deposit	3 months	500,000.00	3.40%	4,284.93	92	504,284.93	
13/01/2014	Community Mutual Term Deposit	3 months	500,000.00	3.40%	4,284.93	92	504,284.93	
24/01/2014	Community Mutual Term Deposit	3 months	500,000.00	3.32%	4,138.63	91	504,138.63	
10/02/2014	NAB Term Deposit	3 months	500,000.00	3.78%	4,660.27	90	504,660.27	
18/02/2014	Newcastle Permanent Term Deposit	3 months	300,000.00	3.60%	2,722.19	92	302,722.19	
			7,000,000.00		64,267.95		7,064,267.95	0.00
				3.61%		93		

National Australia Bank	2,500,000.00	Current month	4,200,000.00
Community Mutual	2,400,000.00	1 month	2,000,000.00
Newcastle Permanent	2,100,000.00	2 months	800,000.00
		3 months	
	7,000,000.00	4 months	
		5 months	
			7,000,000.00

Attachment: B
00279

SECTION:	**Administration and Finance**
ITEM NUMBER:	**Item 3**
SUBJECT:	**Uralla Shire Council Finance Committee**
File Reference:	U07/01
Reason:	Meeting of Finance Committee held
Objective:	To keep Council informed of financial status and progress
Budget Implication:	Nil
Operational Plan:	Part 3, Principal Activity 1

INFORMATION

Finance Committee Meeting

A copy of the minutes and reports provided to Uralla Shire Council Finance Committee meeting held on Thursday, 5 December 2013 are attached.

Principal items discussed were:

1. Matters arising from the Minutes of 13 November 2013
2. Financial reports to Period 5 of the year ending 30 June 2014.
3. IPART Rate Peg for 2014/2015 – 2.3%.

Prepared by:	Ms Rose Strobel, Finance Manager
Prepared for:	Ms Jane Michie, Director of Administrative Services

RECOMMENDATION

That Council note the minutes of the meeting of the Uralla Shire Council Finance Committee, held on Thursday, 5 December 2013 and adopt the following recommendations:

1. That the Financial Reports consisting of the Budget Review by Resource Code and Budget Review by Function, Collection of Rates and Outstanding Debtor Report to 30 November 2013 for the year to 30 June 2014, be noted.

ATTACHMENTS TO THE ITEM 3 REPORT

INDEX OF INCLUDED ATTACHMENTS

The Following Documents are Included as Attachments to the Preceding Report

Attachment Name:		Page Count:
A:	Minutes of the Uralla Shire Council Finance Committee held on 5 December 2013	3
B:	Financial Reports provided to the Uralla Shire Council Finance Committee meeting held on 5 December 2013	26

Jane Michie

Jane Michie
Director of Administrative Services

Attachment: A
00278

Minutes of
URALLA SHIRE COUNCIL FINANCE COMMITTEE
THURSDAY – 5 December 2013

Present: Cr F Geldof, Cr I Strutt, Mr Tom O'Connor – General Manager, Mr R Bell – Director Engineering Services, Mrs R Strobel – Finance Manager

Observers Cr M Dusting

Item No 1 APOLOGIES

Cr M Pearce – Mayor, Cr B Crouch, Mrs J Michie – Director of Administrative Services,

1. **RESOLVED (Geldof/DES)**

That the apologies from Cr M Pearce, Cr B Crouch and Mrs J Michie be accepted and leave of absence granted.

Carried

Item No 2 MINUTES OF THE MEETING HELD ON 13 NOVEMBER 2013.

2. **RESOLVED (Geldof/DES)**

That the minutes of the meeting of the Uralla Shire Council Finance Committee, held on Wednesday 13 November 2013, be recorded as a true record of the proceedings of the meeting.

Carried

Item No 3 MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 13 NOVEMBER 2013.

Nil.

Cr I Strutt joined the meeting at 9.20am.

Item No 4 REVIEW OF THE DETAILED FINANCIAL REPORTS TO PERIOD 5 OF THE YEAR TO 30 JUNE 2014

The Finance Manager provided the Committee with the Financial Reports consisting of the Budget Review by Resource Code and Budget Review by Function, Collection of Rates and Outstanding Debtor Report for the year to 30 June 2014.

The Financial Reports consisting of the Budget Review by Resource Code and Budget Review by Function, Collection of Rates and Outstanding Debtor Report for the period ending 30 November 2013 were presented. It was noted that salary costs remain above budget, particularly in the Waste and Resource Recovery. DES will work with the Manager to review employee costs. DES advised that Roads to Recovery funding of approximately $450,000 is being held up due to the auditors not having completed the audit report for 2012/2013. Finance Manager will follow up with the Auditors.

3. **RESOLVED (Strutt/Geldof)**

That the Financial Reports consisting of the Budget Review by Resource Code and Budget Review by Function, Collection of Rates and Outstanding Debtor Report for the year to 30 November 2013, be noted.

Carried

Item No 5 GENERAL BUSINESS

5.1 IPART Determination of Rate Pegging at 2.3%

The General Manager advised that IPART has set next year's rate peg at 2.3% which is below the rates forecast of 3.5%. This results in a reduction of rates income for 2014/2015 of $42,385, however this is partially offset by an increase in FAGS funding of $39,500. The GM will recommend that Council does not apply for an variation to the rate pegging. The GM presented Sample Rate Calculations to illustrate the effects of the changes to individual rate payers offering two alternatives. The GM will also recommend to Council that Water Access charges are reduced by $33 per assessment but Water Usage will increase from $2.00 to $2.10 per kL

5.2 Cash Flow Worksheet

The Finance Manager presented a Cash Flow Forecast for the month of December showing anticipated income and expenditure and also including term deposits as they mature.

5.3 Update on Lehman Brothers Asia

The General Manager received a memorandum from Lipman Karas advising that the prospect of success in appealing the Proof of Debt decision is low and requesting further instructions. The GM replied promptly with instructions to discontinue the appeal with the understanding that Council will not receive a dividend from the liquidation of Lehman Brothers Asia and that costs incurred to date are borne by IMF. The alternative would be to continue the action with new lawyers in Hong Kong and further costs incurred would be at Council's expense.

5.4 Update on Lehman Brothers Australia

The General Manager advised that the Settlement Agreement was executed and has been lodged. The next hearing will be Friday 6 December 2013.

5.5 Valuation of Buildings

The General Manager has received the insurer's valuation of buildings which is $23m compared to the recent valuation of $19m. The GM will review the valuation which was only received yesterday.

5.6 Catch up Rates

The General Manager advises that the catch up amount for the coming year is -$380, as determined by the Division of Local Government.

NEXT MEETING

Wednesday 12 February 2014 at 9.00am

THERE BEING NO FURTHER BUSINESS THE MEETING CLOSED AT 10.20am.

00281

Attachment : B

Councillor

04-Dec-13

Uralla Shire Council

Revenue & Expense Reports

FY 2013-14

Period 5

By Resource Code

1 Uralla Shire Council
2 General Fund
3 Water Fund (2)
4 Sewerage Fund (3)
5 McMaugh Gardens (4)
6 Governance
7 Administration
8 Engineering
9 Health & Building

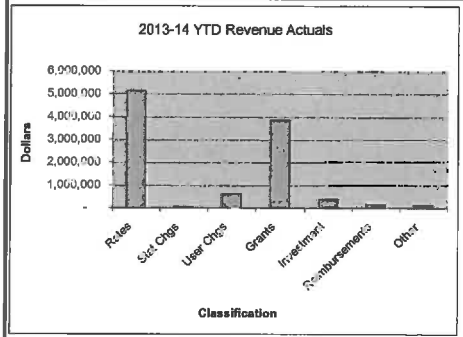
Other Reports

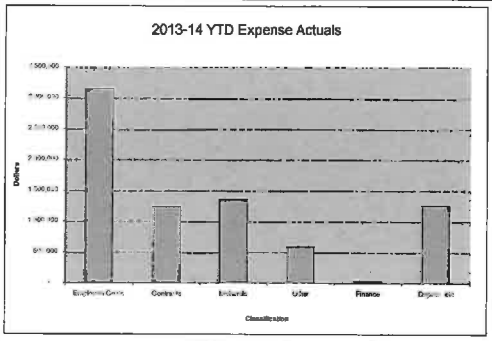
1 Capital Projects
2 Contracts, Consultancies etc
3 Collection of Rates
4 USC Loan Details
5 Outstanding Debtors 90 Days

Uralla Shire Council

Revenue & Expense Report for USC Consolidation of All Funds
by Resource Code
As At Period 5 2013-14

Original Annual Budget	Revised Annual Budget	% Incurred or Received	Classification	Resource Code	Actuals YTD	Revised YTD Budget	% Var
			Revenue				
5,340,076	5,340,076	96.4%	Rates Revenue	5	5,145,240	5,245,326	-1.9%
-	-	0.0%	Other charges	6	555	-	0.0%
5,340,076	5,340,076	96.4%	**Total Rates**		5,145,795	5,245,326	-1.9%
131,203	131,203	39.0%	**Total Statutory Charges***	10	51,214	54,668	-6.3%
1,018,597	1,018,597	32.7%	User Charges	15	333,301	227,214	46.7%
675,231	675,231	41.4%	Aged Care Resident Contribution*	1501	279,859	281,346	-0.5%
1,693,828	1,693,828	36.2%	**Total User Charges**		613,160	508,560	20.6%
15,200	15,200	92.5%	Grants Subsidies Contributions	20	14,058	6,333	122.0%
2,168,158	2,168,158	63.7%	Financial Assistance Grants	2001	1,381,552	1,626,119	-15.0%
1,067,270	1,067,270	44.7%	RTA Contributions	2002	477,450	533,635	-10.5%
2,981,092	2,981,092	50.3%	Comm'th Grants & Subsidies*	2003	1,499,561	1,242,122	20.7%
2,242,064	2,242,064	21.7%	State Grants & Subsidies	2004	486,996	934,193	-47.9%
430,153	430,153	0.0%	Roads to Recovery	2005	-	215,077	-100.0%
8,903,937	8,903,937	43.3%	**Total Grants Subsidies Contributions**		3,859,617	4,557,478	-15.3%
494,237	494,237	76.0%	**Total Investment Income***	25	375,630	158,333	137.2%
51,070	51,070	93.2%	Reimbursements*	30	47,594	21,279	123.7%
269,000	269,000	39.0%	Private Works Reimbursements*	3001	104,972	112,083	-6.3%
320,070	320,070	47.7%	**Total Reimbursements**		152,566	133,363	14.4%
180,533	180,533	32.2%	Other Revenues	35	58,129	78,139	-25.6%
165,155	165,155	37.2%	Sales Revenue*	3501	61,437	68,815	-10.7%
345,688	345,688	34.6%	**Total Other Revenues**		119,566	146,953	-18.6%
17,229,039	17,229,039	59.9%	**TOTAL REVENUE**		10,317,537	10,804,662	-4.5%
			Expenses				
8,120,844	8,120,844	38.7%	**Total Employee Costs**	40	3,143,590	3,126,947	-0.5%
514,321	514,321	111.3%	Contracts*	45	572,452	202,624	-182.5%
37,630	37,630	47.8%	Freight*	4501	17,969	15,679	-14.6%
1,227,211	1,227,211	28.9%	Brokerage	4502	354,679	472,004	24.9%
311,152	311,152	39.0%	Community Services External Services	4503	121,486	119,674	-1.5%
283,571	283,571	60.3%	IT Consultants*	4504	170,948	118,155	-44.7%
2,373,885	2,373,885	52.1%	**Total Contracts**		1,237,534	928,135	-33.3%
4,226,677	4,226,677	21.8%	Materials*	50	923,172	1,712,093	46.1%
340,878	340,878	19.3%	Utilities	5001	65,957	167,581	60.6%
620,823	620,823	39.8%	Fuel*	5002	247,061	258,676	4.5%
127,748	127,748	33.8%	Food & Catering*	5003	43,190	53,228	18.9%
74,710	74,710	35.5%	Printing, Stationery, Ref. Mats etc*	5004	26,486	31,129	14.9%
42,639	42,639	111.9%	Land Rates	5005	47,703	42,639	-11.9%
5,433,475	5,433,475	24.9%	**Total Materials**		1,353,569	2,265,347	40.2%
165,997	165,997	23.6%	Other Expenses*	55	39,210	69,165	43.3%
54,594	54,594	50.7%	Course Fees*	5501	27,701	22,748	-21.8%
45,108	45,108	30.3%	Donations Paid*	5502	13,670	18,795	27.3%
123,800	123,800	43.0%	Elected Members Allowances & Expenses*	5503	53,182	51,583	-3.1%
400,191	400,191	32.3%	Subscriptions & Contrib to Reg Bodies	5504	129,294	172,860	25.2%
95,831	95,831	27.9%	Communications*	5505	26,737	39,930	33.0%
247,927	247,927	103.7%	Insurance	5506	257,213	247,927	-3.7%
31,994	31,994	142.2%	Motor Vehicle Registration	5507	45,481	30,074	-51.2%
1,165,442	1,165,442	50.8%	**Total Other Expenses**		592,488	653,082	9.3%
102,598	102,598	27.6%	**Total Finance Costs***	60	28,325	42,749	33.7%
3,750,698	3,750,698	41.7%	**Total Depreciation, Amort. & Impairment***	65	1,562,791	1,562,791	0.0%
20,946,942	20,946,942	37.8%	**TOTAL EXPENSES**		7,918,297	8,579,862	7.7%
- 3,717,903	- 3,717,903	-64.5%	**Operating Surplus/Deficit**		2,399,250	2,225,629	7.8%
			Extraordinary Items				
-	-	0.0%	Asset Disposal & Fair Value Adjustments	70	-	-	0.0%
-	-	0.0%	Amounts For New Or Upgraded Assets	75	-	-	0.0%
- 4,453,741	- 4,453,741	25.7%	Uncapitalised Wip - Contra Assets*	220	- 1,143,004	#N/A	#N/A
- 333,000	- 333,000	22.1%	Sale Proceeds - Contra Sales	225	- 73,636	- 138,750	46.9%
332,999	332,999	0.0%	Internal*	230	- 156	16,800	100.9%
-	-	0.0%	Suspense	235	-	-	0.0%
-	-	0.0%	Loans Contra	215	36,025	-	0.0%
- 4,453,742	- 4,453,742	26.5%	**TOTAL EXTRAORDINARY ITEMS**		- 1,180,772	#N/A	#N/A
735,839	735,839	486.5%	**Net Surplus/Deficit after Extraordinary Items**		3,580,022	#N/A	#N/A





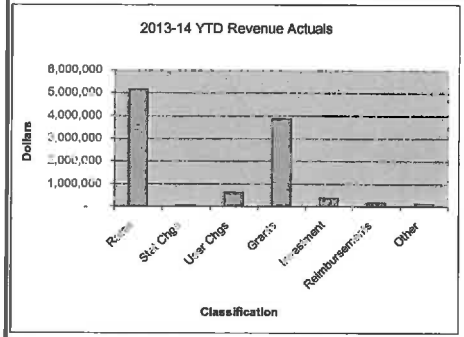
* Straight Line Incidencing except for any Project Expenditure

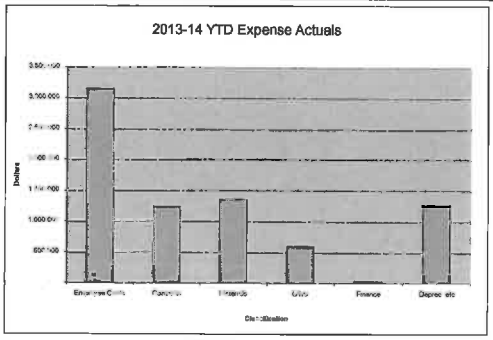
YTD Achieved % **41.7%**

Uralla Shire Council

Revenue & Expense Report for All Activities in the General Fund
by Resource Code
As At Period 5 2013-14

Original Annual Budget	Revised Annual Budget	% Incurred or Received	Classification	Resource Code	Actuals YTD	Revised YTD Budget	% Var
			Revenue				
4,425,876	4,425,876	96.4%	Rates Revenue	5	4,265,543	4,359,876	-2.2%
-	-	0.0%	Other charges	6	555	-	0.0%
4,425,876	4,425,876	96.4%	**Total Rates**		4,266,098	4,359,876	-2.2%
131,203	131,203	39.0%	**Total Statutory Charges***	10	51,214	54,668	-6.3%
498,333	498,333	59.6%	User Charges	15	297,254	210,583	41.2%
-	-	0.0%	Aged Care Resident Contribution*	1501	-	-	0.0%
498,333	498,333	59.6%	**Total User Charges**		297,254	210,583	41.2%
15,200	15,200	80.9%	Grants Subsidies Contributions	20	12,295	6,333	94.1%
2,168,158	2,168,158	63.7%	Financial Assistance Grants	2001	1,381,552	1,626,119	-15.0%
1,067,270	1,067,270	44.7%	RTA Contributions	2002	477,450	533,635	-10.5%
1,731,092	1,731,092	62.4%	Comm'th Grants & Subsidies*	2003	1,079,376	721,288	49.6%
2,242,064	2,242,064	21.7%	State Grants & Subsidies	2004	486,996	934,193	-47.9%
430,153	430,153	0.0%	Roads to Recovery	2005	-	215,077	-100.0%
7,653,937	7,653,937	44.9%	**Total Grants Subsidies Contributions**		3,437,668	4,036,645	-14.8%
390,456	390,456	96.2%	**Total Investment Income***	25	375,770	158,333	137.3%
44,070	44,070	108.0%	Reimbursements*	30	47,594	18,363	159.2%
269,000	269,000	39.0%	Private Works Reimbursements*	3001	104,972	112,083	-6.3%
313,070	313,070	48.7%	**Total Reimbursements**		152,566	130,446	17.0%
173,398	173,398	32.0%	Other Revenues	35	55,515	75,166	-26.1%
163,605	163,605	37.0%	Sales Revenue*	3501	60,588	68,169	-11.1%
337,003	337,003	34.5%	**Total Other Revenues**		116,103	143,335	-19.0%
13,749,878	13,749,878	63.2%	**TOTAL REVENUE**		8,696,673	9,093,685	-4.4%
			Expenses				
6,413,283	6,413,283	37.6%	**Total Employee Costs**	40	2,411,278	2,470,193	2.4%
490,640	490,640	109.1%	Contracts*	45	535,291	192,757	-177.7%
32,703	32,703	46.1%	Freight*	4501	15,092	13,626	-10.8%
1,227,211	1,227,211	28.9%	Brokerage	4502	354,079	472,004	24.9%
234,820	234,820	42.2%	Community Services External Services	4503	99,043	90,315	-9.7%
283,571	283,571	60.3%	IT Consultants*	4504	170,948	118,155	-44.7%
2,268,945	2,268,945	51.8%	**Total Contracts**		1,175,053	886,857	-32.5%
3,656,470	3,656,470	19.5%	Materials*	50	711,194	1,497,401	52.5%
142,005	142,005	22.4%	Utilities	5001	31,758	69,251	54.1%
620,515	620,515	39.8%	Fuel*	5002	246,973	258,548	4.5%
12,618	12,618	30.6%	Food & Catering*	5003	3,862	5,258	26.5%
67,710	67,710	37.1%	Printing, Stationery, Ref. Mats etc*	5004	25,107	28,213	11.0%
34,355	34,355	113.8%	Land Rates	5005	39,100	34,355	-13.8%
4,533,673	4,533,673	23.3%	**Total Materials**		1,057,995	1,893,025	44.1%
160,362	160,362	23.5%	Other Expenses*	55	37,651	66,818	43.7%
45,682	45,682	60.1%	Course Fees*	5501	27,446	19,034	-44.2%
45,108	45,108	30.3%	Donations Paid*	5502	13,670	18,795	27.3%
123,800	123,800	43.0%	Elected Members Allowances & Expenses*	5503	53,182	51,583	-3.1%
387,677	387,677	33.0%	Subscriptions & Contrib to Reg Bodies	5504	127,993	167,646	23.7%
78,608	78,608	25.2%	Communications*	5505	19,795	32,753	39.6%
227,430	227,430	101.0%	Insurance	5506	229,718	227,430	-1.0%
31,994	31,994	142.2%	Motor Vehicle Registration	5507	45,481	30,074	-51.2%
1,100,661	1,100,661	50.4%	**Total Other Expenses**		554,935	614,134	9.6%
97,901	97,901	27.5%	**Total Finance Costs***	60	26,878	40,792	34.1%
3,251,727	3,251,727	41.7%	**Total Depreciation, Amort. & Impairment***	65	1,354,886	1,354,886	0.0%
17,666,190	17,666,190	37.3%	**TOTAL EXPENSES**		6,581,026	7,259,987	9.4%
- 3,916,312	- 3,916,312	-54.0%	**Operating Surplus/Deficit**		2,115,647	1,833,999	15.4%
			Extraordinary Items				
-	-	0.0%	Asset Disposal & Fair Value Adjustments	70	-	-	0.0%
-	-	0.0%	Amounts For New Or Upgraded Assets	75	-	-	0.0%
- 4,126,750	- 4,126,750	25.2%	Uncapitalised Wip - Contra Assets*	220	- 1,040,051	#N/A	#N/A
- 333,000	- 333,000	22.1%	Sale Proceeds - Contra Sales	225	- 73,636	- 138,750	46.9%
- 94,944	- 94,944	216.1%	Internal*	230	- 205,185	- 158,736	-29.3%
-	-	0.0%	Suspense	235	-	-	0.0%
-	-	0.0%	Loans Contra	215	34,923	-	0.0%
- 4,554,694	- 4,554,694	26.2%	**TOTAL EXTRAORDINARY ITEMS**		- 1,283,950	#N/A	#N/A
638,382	638,382	532.5%	**Net Surplus/Deficit after Extraordinary Items**		3,399,597	#N/A	#N/A





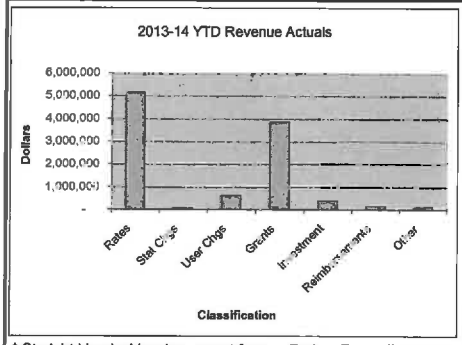
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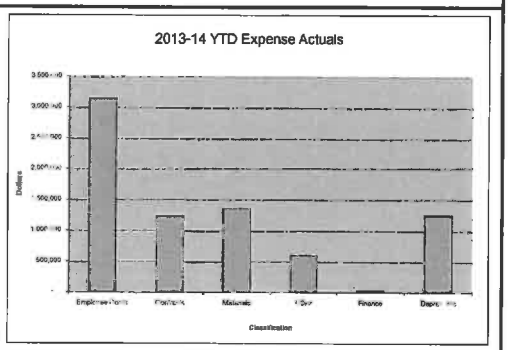
YTD Achieved % **41.7%**

Uralla Shire Council

Revenue & Expense Report for the Water Supply Fund
by Resource Code
As At Period 5 2013-14

Original Annual Budget	Revised Annual Budget	% Incurred or Received	Classification	Resource Code	Actuals YTD	Revised YTD Budget	% Var
			Revenue				
390,210	390,210	95.2%	Rates Revenue	5	371,422	376,185	-1.3%
-	-	0.0%	Other charges	6	-	-	0.0%
390,210	390,210	95.2%	**Total Rates**		371,422	376,185	-1.3%
-	-	0.0%	**Total Statutory Charges***	10	-	-	0.0%
444,338	444,338	2.0%	User Charges	15	8,734	3,474	151.4%
-	-	0.0%	Aged Care Resident Contribution*	1501	-	-	0.0%
444,338	444,338	2.0%	**Total User Charges**		8,734	3,474	151.4%
-	-	0.0%	Grants Subsidies Contributions	20	-	-	0.0%
-	-	0.0%	Financial Assistance Grants	2001	-	-	0.0%
-	-	0.0%	RTA Contributions	2002	-	-	0.0%
-	-	0.0%	Comm'th Grants & Subsidies*	2003	-	-	0.0%
-	-	0.0%	State Grants & Subsidies	2004	-	-	0.0%
-	-	0.0%	Roads to Recovery	2005	-	-	0.0%
-	-	0.0%	**Total Grants Subsidies Contributions**		-	-	0.0%
19,497	19,497	1.6%	**Total Investment Income***	25	321	-	0.0%
-	-	0.0%	Reimbursements*	30	-	-	0.0%
-	-	0.0%	Private Works Reimbursements*	3001	-	-	0.0%
-	-	0.0%	**Total Reimbursements**		-	-	0.0%
1,035	1,035	150.7%	Other Revenues	35	1,560	431	261.7%
-	-	0.0%	Sales Revenue*	3501	-	-	0.0%
1,035	1,035	150.7%	**Total Other Revenues**		1,560	431	261.7%
855,080	855,080	44.7%	TOTAL REVENUE		382,036	380,090	0.5%
			Expenses				
147,358	147,358	55.6%	**Total Employee Costs**	40	81,876	56,676	-44.5%
2,596	2,596	2.6%	Contracts*	45	67	1,082	93.8%
3,636	3,636	59.6%	Freight*	4501	2,166	1,515	-43.0%
-	-	0.0%	Brokerage	4502	-	-	0.0%
-	-	0.0%	Community Services External Services	4503	-	-	0.0%
-	-	0.0%	IT Consultants*	4504	-	-	0.0%
6,232	6,232	35.8%	**Total Contracts**		2,234	2,597	14.0%
277,140	277,140	57.8%	Materials*	50	160,205	139,421	-14.9%
76,868	76,868	22.1%	Utilities	5001	17,010	38,287	55.6%
-	-	0.0%	Fuel*	5002	-	-	0.0%
-	-	0.0%	Food & Catering*	5003	-	-	0.0%
-	-	0.0%	Printing, Stationery, Ref. Mats etc*	5004	-	-	0.0%
1,799	1,799	99.4%	Land Rates	5005	1,789	1,799	0.6%
355,807	355,807	50.3%	**Total Materials**		179,004	179,507	0.3%
515	515	0.0%	Other Expenses*	55	-	215	100.0%
2,732	2,732	0.0%	Course Fees*	5501	-	1,138	100.0%
-	-	0.0%	Donations Paid*	5502	-	-	0.0%
-	-	0.0%	Elected Members Allowances & Expenses*	5503	-	-	0.0%
1,194	1,194	0.0%	Subscriptions & Contrib to Reg Bodies	5504	-	498	100.0%
2,472	2,472	26.3%	Communications*	5505	651	1,030	36.8%
7,578	7,578	207.6%	Insurance	5506	15,735	7,578	-107.6%
-	-	0.0%	Motor Vehicle Registration	5507	-	-	0.0%
14,491	14,491	113.1%	**Total Other Expenses**		16,386	10,458	-56.7%
-	-	0.0%	**Total Finance Costs***	60	-	-	0.0%
255,512	255,512	41.7%	**Total Depreciation, Amort. & Impairment***	65	106,463	106,463	0.0%
779,300	779,300	49.5%	TOTAL EXPENSES		385,963	355,702	-8.5%
75,680	75,680	-5.2%	**Operating Surplus/Deficit**		- 3,926	24,389	-116.1%
			Extraordinary Items				
-	-	0.0%	Asset Disposal & Fair Value Adjustments	70	-	-	0.0%
-	-	0.0%	Amounts For New Or Upgraded Assets	75	-	-	0.0%
- 147,166	- 147,166	65.7%	Uncapitalised Wip - Contra Assets*	220	- 96,759	- 61,319	-57.8%
-	-	0.0%	Sale Proceeds - Contra Sales	225	-	-	0.0%
188,761	188,761	56.0%	Internal*	230	105,788	84,124	-25.8%
-	-	0.0%	Suspense	235	-	-	0.0%
-	-	0.0%	Loans Contra	215	-	-	0.0%
41,595	41,595	21.7%	TOTAL EXTRAORDINARY ITEMS		9,029	22,805	60.4%
34,085	34,085	-38.0%	**Net Surplus/Deficit after Extraordinary Items**		- 12,955	1,584	-917.7%





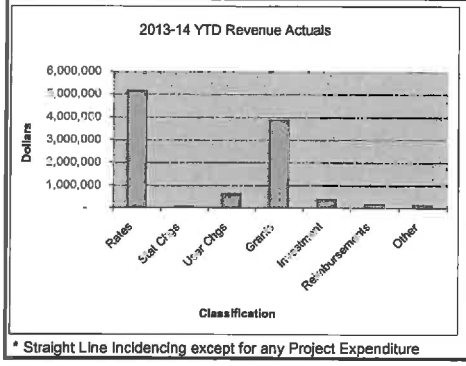
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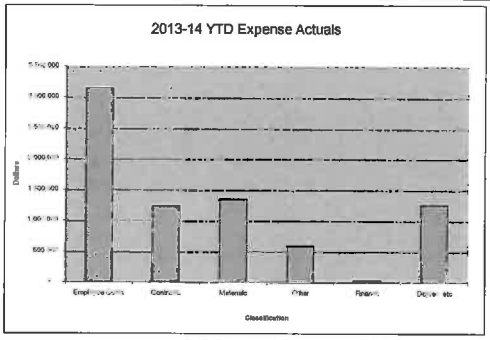
YTD Achieved % **41.7%**

Uralla Shire Council

Revenue & Expense Report for the Sewerage Fund
by Resource Code
As At Period 5 2013-14

Original Annual Budget	Revised Annual Budget	% Incurred or Received	Classification	Resource Code	Actuals YTD	Revised YTD Budget	% Var
			Revenue				
523,990	523,990	97.0%	Rates Revenue	5	508,275	509,265	-0.2%
-	-	0.0%	Other charges	6	-	-	0.0%
523,990	523,990	97.0%	**Total Rates**		508,275	509,265	-0.2%
-	-	0.0%	**Total Statutory Charges***	10	-	-	0.0%
18,660	18,660	30.0%	User Charges	15	5,596	7,775	-28.0%
-	-	0.0%	Aged Care Resident Contribution*	1501	-	-	0.0%
18,660	18,660	30.0%	**Total User Charges**		5,596	7,775	-28.0%
-	-	0.0%	Grants Subsidies Contributions	20	-	-	0.0%
-	-	0.0%	Financial Assistance Grants	2001	-	-	0.0%
-	-	0.0%	RTA Contributions	2002	-	-	0.0%
-	-	0.0%	Comm'th Grants & Subsidies*	2003	-	-	0.0%
-	-	0.0%	State Grants & Subsidies	2004	-	-	0.0%
-	-	0.0%	Roads to Recovery	2005	-	-	0.0%
-	-	0.0%	**Total Grants Subsidies Contributions**		-	-	0.0%
10,000	10,000	0.0%	**Total Investment Income***	25	-	-	0.0%
-	-	0.0%	Reimbursements*	30	-	-	0.0%
-	-	0.0%	Private Works Reimbursements*	3001	-	-	0.0%
-	-	0.0%	**Total Reimbursements**		-	-	0.0%
-	-	0.0%	Other Revenues	35	-	-	0.0%
-	-	0.0%	Sales Revenue*	3501	-	-	0.0%
-	-	0.0%	**Total Other Revenues**		-	-	0.0%
552,860	552,860	93.0%	**TOTAL REVENUE**		513,871	517,040	-0.6%
			Expenses				
119,231	119,231	48.6%	**Total Employee Costs**	40	58,000	45,858	-26.5%
4,635	4,635	259.7%	Contracts*	45	12,035	1,931	-523.2%
641	641	81.0%	Freight*	4501	519	267	-94.3%
-	-	0.0%	Brokerage	4502	-	-	0.0%
-	-	0.0%	Community Services External Services	4503	-	-	0.0%
-	-	0.0%	IT Consultants*	4504	-	-	0.0%
5,276	5,276	238.0%	**Total Contracts**		12,555	2,198	-471.1%
124,846	124,846	15.3%	Materials*	50	19,157	31,223	38.6%
55,067	55,067	26.5%	Utilities	5001	14,605	27,236	46.4%
-	-	0.0%	Fuel*	5002	-	-	0.0%
-	-	0.0%	Food & Catering*	5003	-	-	0.0%
-	-	0.0%	Printing, Stationery, Ref. Mats etc*	5004	-	-	0.0%
2,174	2,174	104.3%	Land Rates	5005	2,268	2,174	-4.3%
182,087	182,087	19.8%	**Total Materials**		36,030	60,633	40.6%
-	-	0.0%	Other Expenses*	55	-	-	0.0%
-	-	0.0%	Course Fees*	5501	-	-	0.0%
-	-	0.0%	Donations Paid*	5502	-	-	0.0%
-	-	0.0%	Elected Members Allowances & Expenses*	5503	-	-	0.0%
-	-	0.0%	Subscriptions & Contrib to Reg Bodies	5504	-	-	0.0%
2,112	2,112	51.2%	Communications*	5505	1,082	880	-22.9%
966	966	89.0%	Insurance	5506	860	966	11.0%
-	-	0.0%	Motor Vehicle Registration	5507	-	-	0.0%
3,078	3,078	63.1%	**Total Other Expenses**		1,941	1,846	-5.2%
-	-	0.0%	**Total Finance Costs***	60	-	-	0.0%
177,278	177,278	41.7%	**Total Depreciation, Amort. & Impairment***	65	73,866	73,866	0.0%
486,950	486,950	37.5%	**TOTAL EXPENSES**		182,391	184,401	1.1%
65,700	65,700	504.5%	**Operating Surplus/Deficit**		331,479	332,639	-0.3%
			Extraordinary Items				
-	-	0.0%	Asset Disposal & Fair Value Adjustments	70	-	-	0.0%
-	-	0.0%	Amounts For New Or Upgraded Assets	75	-	-	0.0%
- 100,149	- 100,149	10.8%	Uncapitalised Wip - Contra Assets*	220	- 10,835	- 41,729	74.0%
-	-	0.0%	Sale Proceeds - Contra Sales	225	-	-	0.0%
119,319	119,319	48.0%	Internal*	230	57,300	41,469	-38.2%
-	-	0.0%	Suspense	235	-	-	0.0%
-	-	0.0%	Loans Contra	215	-	-	0.0%
19,170	19,170	242.6%	**TOTAL EXTRAORDINARY ITEMS**		46,465	259	18019.2%
46,530	46,530	612.5%	**Net Surplus/Deficit after Extraordinary Items**		285,015	332,898	-14.4%





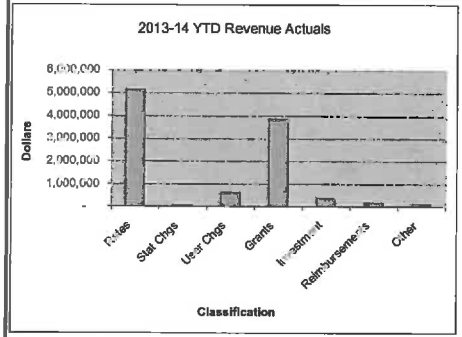
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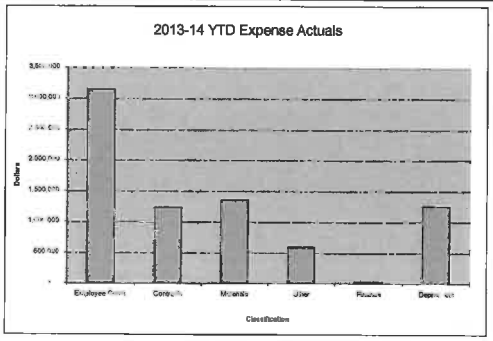
YTD Achieved % **41.7%**

Uralla Shire Council

Revenue & Expense Report for McMaugh Gardens Fund
by Resource Code
As At Period 5 2013-14

Original Annual Budget	Revised Annual Budget	% Incurred or Received	Classification	Resource Code	Actuals YTD	Revised YTD Budget	% Var
			Revenue				
-	-	0.0%	Rates Revenue	5	-	-	0.0%
-	-	0.0%	Other charges	6	-	-	0.0%
-	-	0.0%	**Total Rates**		-	-	0.0%
-	-	0.0%	**Total Statutory Charges***	10	-	-	0.0%
57,266	57,266	37.9%	User Charges	15	21,716	5,382	303.5%
675,231	675,231	41.4%	Aged Care Resident Contribution*	1501	279,859	281,346	-0.5%
732,497	732,497	41.2%	**Total User Charges**		301,575	286,728	5.2%
-	-	0.0%	Grants Subsidies Contributions	20	1,763	-	0.0%
-	-	0.0%	Financial Assistance Grants	2001	-	-	0.0%
-	-	0.0%	RTA Contributions	2002	-	-	0.0%
1,250,000	1,250,000	33.6%	Comm'th Grants & Subsidies*	2003	420,186	520,833	-19.3%
-	-	0.0%	State Grants & Subsidies	2004	-	-	0.0%
-	-	0.0%	Roads to Recovery	2005	-	-	0.0%
1,250,000	1,250,000	33.8%	**Total Grants Subsidies Contributions**		421,949	520,833	-19.0%
74,284	74,284	-0.6%	**Total Investment Income***	25	- 461	-	0.0%
7,000	7,000	0.0%	Reimbursements*	30	-	2,917	-100.0%
-	-	0.0%	Private Works Reimbursements*	3001	-	-	0.0%
7,000	7,000	0.0%	**Total Reimbursements**		-	2,917	-100.0%
6,100	6,100	17.3%	Other Revenues	35	1,054	2,542	-58.5%
1,550	1,550	54.8%	Sales Revenue*	3501	849	646	31.5%
7,650	7,650	24.9%	**Total Other Revenues**		1,903	3,188	-40.3%
2,071,431	2,071,431	35.0%	**TOTAL REVENUE**		724,966	813,666	-10.9%
			Expenses				
1,440,972	1,440,972	41.1%	**Total Employee Costs**	40	592,435	554,220	-6.9%
16,450	16,450	152.3%	Contracts*	45	25,058	6,854	-265.6%
650	650	29.5%	Freight*	4501	192	271	29.3%
-	-	0.0%	Brokerage	4502	-	-	0.0%
76,332	76,332	29.4%	Community Services External Services	4503	22,444	29,358	23.6%
-	-	0.0%	IT Consultants*	4504	-	-	0.0%
93,432	93,432	51.0%	**Total Contracts**		47,693	36,483	-30.7%
168,221	168,221	19.4%	Materials*	50	32,616	44,048	26.0%
66,938	66,938	3.9%	Utilities	5001	2,583	32,808	92.1%
308	308	28.7%	Fuel*	5002	88	128	31.1%
115,130	115,130	34.2%	Food & Catering*	5003	39,328	47,971	18.0%
7,000	7,000	19.7%	Printing, Stationery, Ref. Mats etc*	5004	1,379	2,917	52.7%
4,311	4,311	105.4%	Land Rates	5005	4,546	4,311	-5.4%
361,908	361,908	22.3%	**Total Materials**		80,541	132,182	39.1%
5,120	5,120	30.5%	Other Expenses*	55	1,559	2,133	26.9%
6,180	6,180	4.1%	Course Fees*	5501	255	2,575	90.1%
-	-	0.0%	Donations Paid*	5502	-	-	0.0%
-	-	0.0%	Elected Members Allowances & Expenses*	5503	-	-	0.0%
11,320	11,320	11.5%	Subscriptions & Contrib to Reg Bodies	5504	1,301	4,717	72.4%
12,639	12,639	41.2%	Communications*	5505	5,210	5,266	1.1%
11,953	11,953	91.2%	Insurance	5506	10,901	11,953	8.8%
-	-	0.0%	Motor Vehicle Registration	5507	-	-	0.0%
47,212	47,212	40.7%	**Total Other Expenses**		19,225	26,644	27.8%
4,697	4,697	30.8%	**Total Finance Costs***	60	1,447	1,957	26.1%
66,181	66,181	41.7%	**Total Depreciation, Amort. & Impairment***	65	27,575	27,575	0.0%
2,014,402	2,014,402	38.2%	**TOTAL EXPENSES**		768,917	779,063	1.3%
57,029	57,029	-77.1%	**Operating Surplus/Deficit**		- 43,951	34,603	-227.0%
			Extraordinary Items				
-	-	0.0%	Asset Disposal & Fair Value Adjustments	70	-	-	0.0%
-	-	0.0%	Amounts For New Or Upgraded Assets	75	-	-	0.0%
- 79,676	79,676	-5.8%	Uncapitalised Wip - Contra Assets*	220	4,640 -	33,198	114.0%
-	-	0.0%	Sale Proceeds - Contra Sales	225	-	-	0.0%
119,863	119,863	35.0%	Internal*	230	41,941	49,943	16.0%
-	-	0.0%	Suspense	235	-	-	0.0%
-	-	0.0%	Loans Contra	215	1,102	-	0.0%
40,187	40,187	118.7%	**TOTAL EXTRAORDINARY ITEMS**		47,683	16,745	-184.8%
16,842	16,842	-544.1%	**Net Surplus/Deficit after Extraordinary Items**		- 91,635	17,859	-613.1%





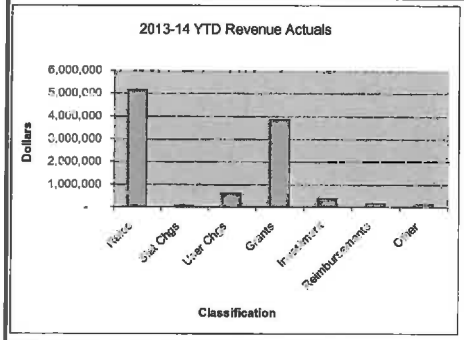
* Straight Line Incidencing except for any Project Expenditure

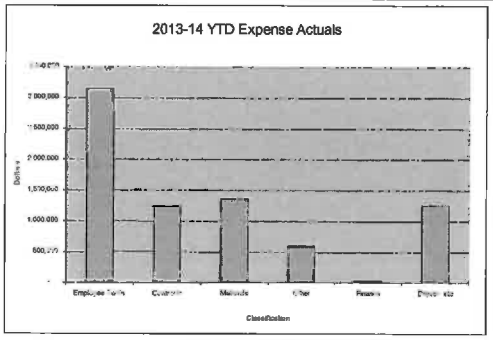
YTD Achieved % 41.7%

Uralla Shire Council

Revenue & Expense Report for Governance
by Resource Code
As At Period 5 2013-14

Original Annual Budget	Revised Annual Budget	% Incurred or Received	Classification	Resource Code	Actuals YTD	Revised YTD Budget	% Var
			Revenue				
-	-	0.0%	Rates Revenue	5	-	-	0.0%
-	-	0.0%	Other charges	6	-	-	0.0%
-	-	0.0%	**Total Rates**		-	-	0.0%
7,927	7,927	9.5%	**Total Statutory Charges***	10	752	3,303	-77.2%
-	-	0.0%	User Charges	15	-	-	0.0%
-	-	0.0%	Aged Care Resident Contribution*	1501	-	-	0.0%
-	-	0.0%	**Total User Charges**		-	-	0.0%
-	-	0.0%	Grants Subsidies Contributions	20	-	-	0.0%
-	-	0.0%	Financial Assistance Grants	2001	-	-	0.0%
-	-	0.0%	RTA Contributions	2002	-	-	0.0%
-	-	0.0%	Comm'th Grants & Subsidies*	2003	-	-	0.0%
-	-	0.0%	State Grants & Subsidies	2004	-	-	0.0%
-	-	0.0%	Roads to Recovery	2005	-	-	0.0%
-	-	0.0%	**Total Grants Subsidies Contributions**		-	-	0.0%
-	-	0.0%	**Total Investment Income***	25	-	-	0.0%
1,722	1,722	1068.2%	Reimbursements*	30	18,395	718	2463.8%
-	-	0.0%	Private Works Reimbursements*	3001	-	-	0.0%
1,722	1,722	1068.2%	**Total Reimbursements**		18,395	718	2463.8%
-	-	0.0%	Other Revenues	35	1,415	-	0.0%
-	-	0.0%	Sales Revenue*	3501	-	-	0.0%
-	-	0.0%	**Total Other Revenues**		1,415	-	0.0%
9,649	9,649	213.1%	**TOTAL REVENUE**		20,562	4,020	411.4%
			Expenses				
315,351	315,351	-4.8%	**Total Employee Costs**	40	- 15,186	121,289	112.5%
18,238	18,238	2.1%	Contracts*	45	376	7,599	95.0%
-	-	0.0%	Freight*	4501	658	-	0.0%
-	-	0.0%	Brokerage	4502	-	-	0.0%
-	-	0.0%	Community Services External Services	4503	-	-	0.0%
-	-	0.0%	IT Consultants*	4504	-	-	0.0%
18,238	18,238	5.7%	**Total Contracts**		1,034	7,599	86.4%
12,485	12,485	79.9%	Materials*	50	9,970	5,202	-91.7%
-	-	0.0%	Utilities	5001	-	-	0.0%
-	-	0.0%	Fuel*	5002	2,035	-	0.0%
3,090	3,090	31.3%	Food & Catering*	5003	968	1,288	24.8%
-	-	0.0%	Printing, Stationery, Ref. Mats etc*	5004	73	-	0.0%
1,275	1,275	0.0%	Land Rates	5005	-	1,275	100.0%
16,850	16,850	77.4%	**Total Materials**		13,046	7,765	-68.0%
20,687	20,687	11.4%	Other Expenses*	55	2,365	8,620	72.6%
7,210	7,210	85.7%	Course Fees*	5501	6,183	3,004	-105.8%
3,697	3,697	45.2%	Donations Paid*	5502	1,670	1,540	-8.4%
123,800	123,800	43.0%	Elected Members Allowances & Expenses*	5503	53,182	51,583	-3.1%
174,888	174,888	20.1%	Subscriptions & Contrib to Reg Bodies	5504	35,118	74,423	52.8%
1,195	1,195	47.9%	Communications*	5505	572	498	-14.9%
24,501	24,501	124.1%	Insurance	5506	30,409	24,501	-24.1%
-	-	0.0%	Motor Vehicle Registration	5507	941	-	0.0%
355,978	355,978	36.6%	**Total Other Expenses**		130,439	164,169	20.5%
-	-	0.0%	**Total Finance Costs***	60	563	-	0.0%
34,052	34,052	41.7%	**Total Depreciation, Amort. & Impairment***	65	14,188	14,188	0.0%
740,468	740,468	19.5%	**TOTAL EXPENSES**		144,085	315,010	54.3%
- 730,820	- 730,820	16.9%	**Operating Surplus/Deficit**		- 123,523	- 310,989	-60.3%
			Extraordinary Items				
-	-	0.0%	Asset Disposal & Fair Value Adjustments	70	-	-	0.0%
-	-	0.0%	Amounts For New Or Upgraded Assets	75	-	-	0.0%
-	-	0.0%	Uncapitalised Wip - Contra Assets*	220	-	-	0.0%
-	-	0.0%	Sale Proceeds - Contra Sales	225	-	-	0.0%
47,576	47,576	22.3%	Internal*	230	10,603	19,823	46.5%
-	-	0.0%	Suspense	235	-	-	0.0%
-	-	0.0%	Loans Contra	215	-	-	0.0%
47,576	47,576	22.3%	**TOTAL EXTRAORDINARY ITEMS**		10,603	19,823	46.5%
- 778,396	- 778,396	17.2%	**Net Surplus/Deficit after Extraordinary Items**		- 134,126	- 330,813	-59.5%





* Straight Line Incidencing except for any Project Expenditure

YTD Achieved % 41.7%

USC General Manager

Budget Review as at Period 5

by Function

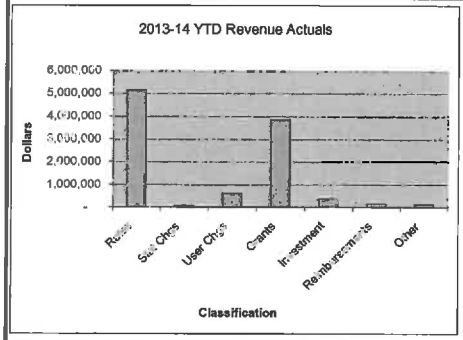
Group	Master Account				Revised Annual Budget 2013-14 Revenue	Mtce/Ops/Mgmt	Deprec, Overheads & Internal Charges	Capital Works	Funding Residual or Shortfall	Actual YTD 2013-14 Revenue	Mtce/Ops/Mgmt	Deprec, Overheads & Internal Charges	Capital Works	Funding Residual or Shortfall	YTD 42% % Achieved
Governance															
	General Managers Office	1000	3000	7000	1,722	408,661	29,839	-	- 436,778	232	155,806	- 6,377	-	-149,197	0.0% 34.2%
	Elected Members Expenses*	1020	3020		-	145,931	1,286	-	- 147,217	545	58,531	6,676	-	-64,662	43.9%
	Other Governance	1050	3050		-	-	-	-	-	-	857	98	-	-955	0.0%
	Total Governance				1,722	554,592	31,125	-	- 583,995	777	215,194	397	-	-214,813	36.8%
Public Order & Safety															
	Animal Control	2040	4040		7,927	26,766	2,062	-	- 20,901	2,167	5,387	658	-	-3,878	18.6%
	Fire Control - RFS	2070	4070		-	105,742	41,665	-	- 147,407	17,618	29,214	23,085	-	-34,681	23.5%
	State Emergency Service	2080	4080	8080	-	24,317	1,776	-	- 26,093	-	8,068	3,482	-	-11,550	44.3%
	Total Public Order & Safety				7,927	156,825	45,503	-	- 194,401	19,785	42,668	27,225	-	-50,109	25.8%
Administration															
	Works / Labour Overheads		3580		-	2,249,414	-	-	- 2,249,414	-	766,002	-	-	-766,002	34.1%
	Works / Labour Overhead Recovery		3590		-	- 2,249,414	-	-	2,249,414	-	- 892,962	-	-	892,962	39.7%
	Total Administration				-	-	-	-	-	-	- 126,960	-	-	126,960	0.0%
				Grand Total GM	9,649	711,417	76,628	-	-778,396	20,562	130,902		-	-137,962	17.7%

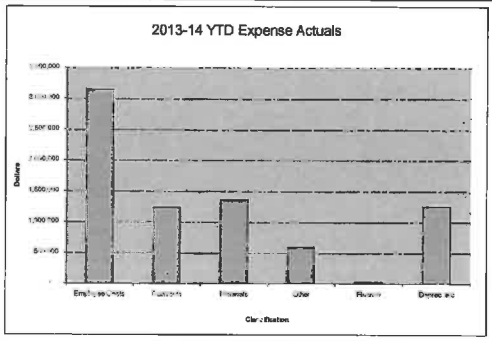
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Uralla Shire Council

Revenue & Expense Report for Engineering
by Resource Code
As At Period 5 2013-14

Original Annual Budget	Revised Annual Budget	% Incurred or Received	Classification	Resource Code	Actuals YTD	Revised YTD Budget	% Var
			Revenue				
29,509	29,509	99.1%	Rates Revenue	5	29,256	29,509	-0.9%
-	-	0.0%	Other charges	6	-	-	0.0%
29,509	29,509	99.1%	**Total Rates**		29,256	29,509	-0.9%
6,210	6,210	0.0%	**Total Statutory Charges***	10	-	2,588	-100.0%
49,600	49,600	27.2%	User Charges	15	13,467	17,833	-24.5%
-	-	0.0%	Aged Care Resident Contribution*	1501	-	-	0.0%
49,600	49,600	27.2%	**Total User Charges**		13,467	17,833	-24.5%
-	-	0.0%	Grants Subsidies Contributions	20	2,471	-	0.0%
868,158	868,158	63.7%	Financial Assistance Grants	2001	553,191	651,119	-15.0%
1,067,270	1,067,270	44.7%	RTA Contributions	2002	477,450	533,635	-10.5%
-	-	0.0%	Comm'th Grants & Subsidies*	2003	-	-	0.0%
500,000	500,000	0.0%	State Grants & Subsidies	2004	-	208,333	-100.0%
430,153	430,153	0.0%	Roads to Recovery	2005	-	215,077	-100.0%
2,865,581	2,865,581	36.1%	**Total Grants Subsidies Contributions**		1,033,112	1,608,163	-35.8%
-	-	0.0%	**Total Investment Income***	25	-	-	0.0%
3,018	3,018	381.0%	Reimbursements*	30	11,500	1,258	814.5%
269,000	269,000	39.0%	Private Works Reimbursements*	3001	104,972	112,083	-6.3%
272,018	272,018	42.8%	**Total Reimbursements**		116,472	113,341	2.8%
59,874	59,874	46.1%	Other Revenues	35	27,583	24,948	10.6%
-	-	0.0%	Sales Revenue*	3501	1,823	-	0.0%
59,874	59,874	49.1%	**Total Other Revenues**		29,405	24,948	17.9%
3,282,792	3,282,792	37.2%	**TOTAL REVENUE**		1,221,711	1,796,362	-32.0%
			Expenses				
2,839,390	2,839,390	37.2%	**Total Employee Costs**	40	1,055,442	1,092,073	3.4%
137,788	137,788	255.9%	Contracts*	45	352,546	45,735	-670.8%
8,773	8,773	75.6%	Freight*	4501	6,629	3,655	-81.3%
-	-	0.0%	Brokerage	4502	-	-	0.0%
-	-	0.0%	Community Services External Services	4503	-	-	0.0%
-	-	0.0%	IT Consultants*	4504	-	-	0.0%
146,561	146,561	245.1%	**Total Contracts**		359,175	49,390	-627.2%
2,987,470	2,987,470	19.3%	Materials*	50	575,172	1,271,109	54.8%
74,561	74,561	17.1%	Utilities	5001	12,751	36,759	65.3%
587,908	587,908	39.6%	Fuel*	5002	232,803	244,962	5.0%
-	-	0.0%	Food & Catering*	5003	- 34	-	0.0%
1,133	1,133	30.6%	Printing, Stationery, Ref. Mats etc*	5004	347	472	26.5%
14,124	14,124	119.5%	Land Rates	5005	16,877	14,124	-19.5%
3,665,196	3,665,196	22.9%	**Total Materials**		837,917	1,567,426	46.5%
2,575	2,575	109.5%	Other Expenses*	55	2,820	1,073	-162.8%
20,600	20,600	30.6%	Course Fees*	5501	6,308	8,583	26.5%
-	-	0.0%	Donations Paid*	5502	-	-	0.0%
-	-	0.0%	Elected Members Allowances & Expenses*	5503	-	-	0.0%
84,864	84,864	87.3%	Subscriptions & Contrib to Reg Bodies	5504	74,081	74,890	1.1%
10,260	10,260	18.4%	Communications*	5505	1,884	4,275	55.9%
141,320	141,320	103.0%	Insurance	5506	145,554	141,320	-3.0%
30,596	30,596	132.6%	Motor Vehicle Registration	5507	40,560	28,760	-41.0%
290,215	290,215	93.5%	**Total Other Expenses**		271,207	258,901	-4.8%
31,774	31,774	29.3%	**Total Finance Costs***	60	9,305	13,239	29.7%
2,979,495	2,979,495	41.7%	**Total Depreciation, Amort. & Impairment***	65	1,241,456	1,241,456	0.0%
9,952,631	9,952,631	37.9%	**TOTAL EXPENSES**		3,774,502	4,225,485	10.8%
- 6,669,839	- 6,669,839	38.3%	**Operating Surplus/Deficit**		- 2,552,790	- 2,426,104	5.2%
			Extraordinary Items				
-	-	0.0%	Asset Disposal & Fair Value Adjustments	70	-	-	0.0%
-	-	0.0%	Amounts For New Or Upgraded Assets	75	-	-	0.0%
- 3,858,486	- 3,858,486	25.9%	Uncapitalised Wip - Contra Assets*	220	- 1,000,706	- 1,607,703	37.8%
- 333,000	- 333,000	22.1%	Sale Proceeds - Contra Sales	225	- 73,636	- 138,750	46.9%
369,440	369,440	12.2%	Internal*	230	45,033	34,757	-29.6%
-	-	0.0%	Suspense	235	-	-	0.0%
-	-	0.0%	Loans Contra	215	11,788	-	0.0%
- 3,822,046	- 3,822,046	26.6%	**TOTAL EXTRAORDINARY ITEMS**		- 1,017,521	- 1,711,695	-10.8%
- 2,847,793	- 2,847,793	53.9%	**Net Surplus/Deficit after Extraordinary Items**		- 1,535,270	- 714,409	114.9%





* Straight Line Incidencing except for any Project Expenditure

YTD Achieved % **41.7%**

USC Engineering

Budget Review as at Period 5

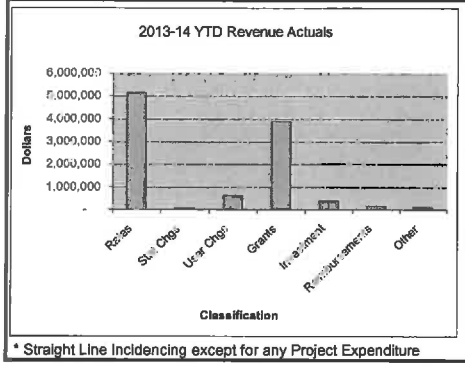
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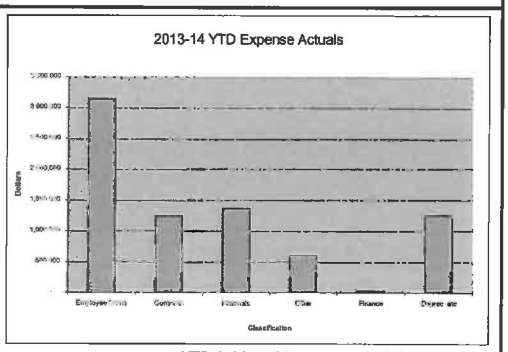
Group	Master Account				Revised Annual Budget 2013-14 Revenue	Mtce/Ops/Mgmt	Deprec, Overheads & Internal Charges	Capital Works	Funding Residual or Shortfall	Actual YTD 2013-14 Revenue	Mtce/Ops/Mgmt	Deprec, Overheads & Internal Charges	Capital Works	Funding Residual or Shortfall	YTD 42% % Achieved
Administration															
	Engineering Operations	1200	3200	7200	10,261	678,526	-673,267	5,000	2	11,500	274,968	-263,468	1,180	-1,180	0.0%
Health															
	Street Cleaning*	1440	3440	7440	-	30,945	5,541	-	-36,486	-	12,262	2,824	-	-15,086	41.3%
	Public Amenities*	1450	3450	7450	-	42,677	15,195	-	-57,872	-	17,086	12,696	-	-29,782	51.5%
	Total Health				-	73,622	20,736	-	-94,358	-	29,348		-	-44,868	47.6%
Housing & Community Amenities															
	Stormwater Drainage	1400	3400	7400	29,509	6,191	-14,974	29,691	8,601	29,256	63	12,589	-	16,604	193.0%
Mining															
	Quarries & Pits*	1520	3520	7520	-	9,369	2,622	-	-11,991	-	-	378	-	-378	3.2%
Recreation & Culture															
	Noxious Weeds Expenditure*	1220	3220	7220	-	67,765	4,948	-	-72,713	-	70,272	8,015	-	-78,287	107.7%
	Uralla Parks & Reserves	1230	3230	7230	2,500	213,567	41,302	15,000	-267,369	-	65,954	20,177	-	-86,130	32.2%
	Bundarra Parks & Reserves	1235	3235	7235	-	12,147	-5,221	10,000	-16,926	2,471	4,908	1,456	-	-3,893	23.0%
	Sport Grounds & Recreation Facilities	1240	3240	7240	-	50,320	-492	25,000	-74,828	-	3,206	17,434	-	-20,640	27.6%
	Swimming Pool(s)	1720	3720		27,000	80,135	15,370	-	-68,505	6,993	30,841	14,301	-	-38,149	55.7%
	Total Recreation & Culture				29,500	423,934	55,907	50,000	-500,341	9,463	175,181		-	-227,100	45.4%
Transport & Communication															
	Bridges	1280	3280	7280	532,000	142,700	-399,303	855,306	-66,703	24,323	86,234	15,599	150,691	-228,201	342.1%
	Bus Shelters*	1290	3290	7290	-	-	-	-	0	-	111	-5,372	6,078	-816	0.0%
	Footpaths	1300	3300	7300	8,280	69,124	-880	49,338	-109,302	-	15,868	-3,261	23,973	-36,580	33.5%
	Kerb & Gutter	1310	3310	7310	22,085	14,191	13,766	44,229	-50,101	6,474	3,189	19,950	1,741	-18,406	36.7%
	Urban Facilities*	1315	3315	7315	-	398	2,187	-	-2,585	-	7	745	-	-752	29.1%
	Local Urban Streets	**1330**	**3330**	7330	29,788	60,379	129,557	27,537	-187,685	18,981	25,401	62,892	-	-69,312	36.9%
	Unsealed Urban Streets*	1335	3335	7335	-	2,408	431	-	-2,839	-	1,229	140	-	-1,370	48.2%
	Regional Rural Sealed Roads	1340	3340	7340	999,321	467,133	585,145	258,387	-311,344	464,850	152,307	81,917	269,935	-39,308	12.6%
	Regional Rural Unsealed Roads	1345	3345	7345	50,000	38,083	4,934	16,739	-9,756	22,500	26,216	10,788	-	-14,503	148.7%
	Sealed Rural Roads	1350	3350	7350	821,266	428,390	-594,278	1,435,247	-448,093	249,217	125,046	18,023	295,945	-189,797	42.4%
	Unsealed Rural Roads	1360	3360	7360	380,716	662,979	426,028	293,247	-1,001,538	242,593	383,093	107,395	266,638	-514,534	51.4%
	Bike Track*	1370	3370	7370	-	-	3,795	-	-3,795	-	-	1,520	-	-1,520	40.0%
	Road Safety*	1380	3380	7380	38,000	61,882	9,067	-	-32,949	10,000	25,803	7,177	-	-22,981	69.7%
	Street Lighting	1390	3390	7390	6,210	51,497	7,545	-	-52,832	-	9,167	2,111	-	-11,279	21.3%
	Parking Facilities	1500	3500	7500	-	7,646	5,333	-	-12,979	-	5,959	2,349	-	-8,308	64.0%
	Plant	1550	3550	7550	56,856	1,217,251	-1,949,159	788,765	-1	101,219	568,863	-722,247	432,449	-177,846	0.0%
	Works Depot*	1570	3570	7570	-	249,331	-252,304	5,000	-2,027	-	95,558	-91,966	1,449	-5,041	248.7%
	Private Works	1600	3600	7600	269,000	190,132	34,045	-	44,823	104,972	65,856	15,168	-	23,948	53.4%
	Total Transport & Communication				3,213,522	3,663,524	-1,974,091	3,773,795	-2,249,706	1,245,128	1,589,908	-477,072	1,448,899	-1,316,606	58.5%
	Grand Total Engineering				3,282,792	4,855,166	-2,583,067	3,858,486	-2,847,793	1,295,348	2,069,468	-727,574	1,450,079	-1,573,529	55.3%

Uralla Shire Council

Revenue & Expense Report for Administration
by Resource Code
As At Period 5 2013-14

Original Annual Budget	Revised Annual Budget	% Incurred or Received	Classification	Resource Code	Actuals YTD	Revised YTD Budget	% Var
			Revenue				
3,429,802	3,429,802	96.2%	Rates Revenue	5	3,300,947	3,363,802	-1.9%
-	-	0.0%	Other charges	6	555	-	0.0%
3,429,802	3,429,802	96.3%	**Total Rates**		3,301,502	3,363,802	-1.9%
31,050	31,050	11.2%	**Total Statutory Charges***	10	3,490	12,938	-73.0%
183,693	183,693	56.5%	User Charges	15	103,866	76,539	35.7%
-	-	0.0%	Aged Care Resident Contribution*	1501	-	-	0.0%
183,693	183,693	56.5%	**Total User Charges**		103,866	76,539	35.7%
200	200	51.6%	Grants Subsidies Contributions	20	103	83	23.8%
1,300,000	1,300,000	63.7%	Financial Assistance Grants	2001	828,361	975,000	-15.0%
-	-	0.0%	RTA Contributions	2002	-	-	0.0%
1,731,092	1,731,092	62.4%	Comm'th Grants & Subsidies*	2003	1,079,376	721,288	49.6%
1,722,064	1,722,064	28.0%	State Grants & Subsidies	2004	482,109	717,527	-32.8%
-	-	0.0%	Roads to Recovery	2005	-	-	0.0%
4,753,356	4,753,356	50.3%	**Total Grants Subsidies Contributions**		2,389,949	2,413,898	-1.0%
384,444	384,444	97.7%	**Total Investment Income***	25	375,770	158,333	137.3%
39,330	39,330	38.6%	Reimbursements*	30	15,173	16,388	-7.4%
-	-	0.0%	Private Works Reimbursements*	3001	-	-	0.0%
39,330	39,330	38.6%	**Total Reimbursements**		15,173	16,388	-7.4%
112,424	112,424	23.2%	Other Revenues	35	26,128	49,760	-47.5%
-	-	0.0%	Sales Revenue*	3501	6	-	0.0%
112,424	112,424	23.2%	**Total Other Revenues**		26,134	49,760	-47.5%
8,934,099	8,934,099	89.6%	**TOTAL REVENUE**		6,215,685	6,091,657	2.0%
			Expenses				
2,235,067	2,235,067	38.1%	**Total Employee Costs**	40	852,414	863,187	1.2%
137,598	137,598	57.7%	Contracts*	45	79,391	57,333	-38.5%
-	-	0.0%	Freight*	4501	75	-	0.0%
1,227,211	1,227,211	28.9%	Brokerage	4502	354,679	472,004	24.9%
233,159	233,159	42.5%	Community Services External Services	4503	99,043	89,677	-10.4%
283,571	233,571	60.3%	IT Consultants*	4504	170,948	118,155	-44.7%
1,881,539	1,881,539	37.4%	**Total Contracts**		704,136	737,168	4.5%
428,195	428,195	16.6%	Materials*	50	71,154	140,440	49.3%
54,116	54,116	29.1%	Utilities	5001	15,733	26,240	40.0%
31,577	31,577	38.1%	Fuel*	5002	12,015	13,157	8.7%
8,086	8,086	36.2%	Food & Catering*	5003	2,929	3,369	13.1%
62,458	62,458	36.6%	Printing, Stationery, Ref. Mats etc*	5004	22,854	26,024	12.2%
13,784	13,784	96.1%	Land Rates	5005	13,250	13,784	3.9%
598,216	598,216	23.1%	**Total Materials**		137,935	223,014	38.1%
128,953	128,953	21.9%	Other Expenses*	55	28,182	53,730	47.5%
11,177	11,177	88.4%	Course Fees*	5501	9,877	4,657	-112.1%
21,175	21,175	56.7%	Donations Paid*	5502	12,000	8,823	-36.0%
-	-	0.0%	Elected Members Allowances & Expenses*	5503	-	-	0.0%
122,826	122,826	15.2%	Subscriptions & Contrib to Reg Bodies	5504	18,662	16,209	-15.1%
64,578	64,578	25.2%	Communications*	5505	16,250	26,908	39.6%
56,242	56,242	85.3%	Insurance	5506	47,960	56,242	14.7%
1,398	1,398	284.7%	Motor Vehicle Registration	5507	3,980	1,314	-202.9%
406,349	406,349	33.7%	**Total Other Expenses**		136,912	167,883	18.4%
61,077	61,077	25.2%	**Total Finance Costs***	60	15,366	25,449	39.6%
169,843	169,843	41.7%	**Total Depreciation, Amort. & Impairment***	65	70,768	70,768	0.0%
3,352,091	3,352,091	35.8%	**TOTAL EXPENSES**		1,917,550	2,087,468	8.1%
3,582,008	3,582,008	120.0%	**Operating Surplus/Deficit**		4,298,355	4,004,189	7.3%
			Extraordinary Items				
-	-	0.0%	Asset Disposal & Fair Value Adjustments	70	-	-	0.0%
-	-	0.0%	Amounts For New Or Upgraded Assets	75	-	-	0.0%
- 140,024	- 140,024	0.3%	Uncapitalised Wip - Contra Assets*	220	- 395	#N/A	#N/A
-	-	0.0%	Sale Proceeds - Contra Sales	225	-	-	0.0%
- 969,358	- 969,358	52.7%	Internal*	230	- 511,082	- 403,899	-26.5%
-	-	0.0%	Suspense	235	-	-	0.0%
-	-	0.0%	Loans Contra	215	18,478	-	0.0%
- 1,109,382	- 1,109,382	44.4%	**TOTAL EXTRAORDINARY ITEMS**		- 493,000	#N/A	#N/A
4,691,390	4,691,390	102.1%	**Net Surplus/Deficit after Extraordinary Items**		4,791,355	#N/A	#N/A





* Straight Line Incidencing except for any Project Expenditure

YTD Achieved % 41.7%

4-Dec-13

USC Administration

Budget Review as at Period 5

by Function

Group	Master Account			Revised Annual Budget 2013-14 Revenue	Mtce/Ops/Mgmt	Deprec, Overheads & Internal Charges	Capital Works	Funding Residual or Shortfall	Actual YTD 2013-14 Revenue	Mtce/Ops/Mgmt	Deprec, Overheads & Internal Charges	Capital Works	Funding Residual or Shortfall	YTD 42% % Achieved
Administration														
	Corporate Services Management	1100	3100	7100	66,780	297,961	- 1,275,299	30,000	1,014,118	1,384	137,284	- 578,409	521	441,988	43.6%
	Council Administration Building Operations*	1105	3105	7105	-	53,937	-	-	-53,937	-	21,422	1,648	-	-23,070	42.8%
	Rates	1110	3110	7110	3,460,852	139,463	-	-	3,321,389	3,304,992	55,787	-	-	3,249,205	97.8%
	Workers Compensation	1115	3115	7115	40,000	20,000	-	-	20,000	15,874	10,965	-	-	4,908	24.5%
	Financial Control	1120	3120	7120	1,682,500	314,876	-	-	1,367,624	1,205,751	104,685	-	-	1,101,066	80.5%
	IT Services*	1140	3140	7140	-	313,344	- 30,000	30,000	-313,344	-	177,603	1,588	-	-179,190	57.2%
	Records Management*	1150	3150	7150	-	39,663	-	-	-39,663	-	15,358	-	-	-15,358	38.7%
	Human Resources*	1160	3160	7160	-	77,486	-	-	-77,486	-	35,887	-	-	-35,887	46.3%
	Risk, Safety and Compliance	1165	3165	7165	-	-	-	-	-	-	8,850	-	-	-8,850	0.0%
	Customer Service*	1170	3170	7170	-	108,135	-	-	-108,135	-	35,292	-	-	-35,292	32.6%
	Total Administration				5,250,132	1,364,865	- 1,305,299	60,000	5,130,566	4,528,000	603,132		521	4,499,520	87.7%
Economic Affairs														
	Caravan Parks & Camping Grounds	2150	4150	8150	12,732	5,177	2,164	-	5,391	-	1,442	3,347	-	-4,789	-88.8%
	VIC Coffee Shop	2155	4155	8155	8,580	3,145	230	-	5,205	3,300	2,610	298	-	392	7.5%
	Old Courthouse	2156	4156	8156	6,180	5,727	5,454	-	-5,001	-	2,578	1,579	-	-4,157	83.1%
	Economic Development	2170	4170	8170	-	121,229	10,192	-	-131,421	-	49,930	6,105	-	-56,034	42.6%
	TV Blackspot*	2171	4171	8171	3,000	4,450	2,825	-	-4,275	3,000	2,385	2,116	-	-1,502	35.1%
	Bundarra RTC	2172	4172	8172	4,546	3,169	231	-	1,146	3,850	950	108	-	2,791	243.6%
	Bundarra Committees & Events	1909	3909	7909	-	1,236	90	-	-1,326	5,000	138	- 5,267	5,283	4,846	-365.5%
	Uralla Events Staging & Promotions	1910	3910	7910	14,845	13,000	949	-	896	7,406	8,663	988	-	-2,246	-250.6%
	Australia Day Activities	1911	3911	7911	200	2,575	188	-	-2,563	103	-	-	-	103	-4.0%
	Thunderbolt Festival*	1912	3912	7912	-	7,897	577	-	-8,474	-	6,748	770	-	-7,518	88.7%
	Tourism	1920	3920	7920	13,908	112,898	11,575	-	-110,565	7,884	50,018	9,447	-	-51,580	46.7%
	Total Economic Affairs				63,991	280,503	34,475	-	-250,987	30,543	125,463		5,283	-119,694	47.7%
Community Services														
	Community Services*	1700	3700	7700	-	-	- 61,524	-	61,524	-	21,130	- 73,517	-	52,387	85.1%
	Bundarra Neighbour Aid	1741	3741	7741	64,546	53,684	10,862	-	-	33,002	23,474	5,427	-	4,101	0.0%
	Youth Services	1780	3780	7780	1,250	11,709	855	-	-11,314	-	989	113	-	-1,102	9.7%
	Pre-school	1790	3790	7790	18,238	1,708	4,379	-	12,151	-	1,944	9,953	-	-11,897	-97.9%
	TCSO - Aged & Disabled	1810	3810	7810	-	-	-	-	-	-	198	-	-	-198	0.0%
	TCSO - COPM Progam	1811	3811	7811	291,068	256,060	35,009	-	-1	132,432	72,929	15,348	-	44,155	0.0%
	TCSO - COPA	1812	3812	7812	129,006	112,538	16,467	-	1	59,557	27,455	7,679	-	24,423	0.0%
	TCSO - R&R	1813	3813	7813	96,870	88,242	8,629	-	-1	62,731	29,875	5,405	-	27,451	0.0%
	TCSO - CACPM	1814	3814	7814	897,204	798,171	99,035	-	-2	282,618	240,721	31,751	-	10,147	0.0%
	TCSO - CACPA	1815	3815	7815	373,285	332,109	41,175	-	1	84,806	76,268	9,965	-	-1,426	0.0%
	TCSO - DEMR	1816	3816	7816	85,260	77,303	7,958	-	-1	34,537	25,506	3,414	-	5,617	0.0%
	TCSO - Elders	1818	3818	7818	71,054	64,714	6,341	-	-1	40,565	22,220	3,966	-	14,379	0.0%
	TCSO - Flexible Respite Packages	1820	3820	7820	24,000	21,840	2,160	-	-	-	36	-	-	36	0.0%
	KADS - Regional Office	1821	3821	7821	-	-	-	-	-	10,113	76,810	1,011	-	-67,708	0.0%
	KADS - Boggabilla Neighbour Aid Program	1822	3822	7822	136,362	119,087	17,273	-	2	51,591	36,746	7,052	-	7,793	0.0%
	KADS - Inverell Elders Group	1823	3823	7823	93,313	80,275	13,039	-	-1	45,343	16,076	4,457	-	24,810	0.0%
	KADS - Disability Respite	1824	3824	7824	76,984	70,056	6,929	-	-1	39,383	4,826	3,545	-	31,013	0.0%
	KADS - DSP Respite	1825	3825	7825	99,155	90,233	8,924	-	-2	65,978	22,525	5,938	-	37,515	0.0%
	KADS - HACC Tamworth Multiservice	1826	3826	7826	188,810	166,574	22,234	-	2	106,083	41,095	12,656	-	52,332	0.0%
	KADS - WQW Elders Group	1827	3827	7827	65,462	55,057	10,407	-	-2	34,383	27,026	3,429	-	3,927	0.0%
	KADS - Commonwealth Respite	1828	3828	7828	123,986	111,789	12,196	-	1	44,914	46,432	4,489	-	-6,007	0.0%
	KADS - CACP	1829	3829	7829	304,146	270,440	33,709	-	-3	67,335	115,937	7,893	-	-56,495	0.0%
	KADS - Narrabri	1830	3830	7830	74,565	62,068	12,497	-	-	38,957	17,290	3,765	-	17,902	0.0%

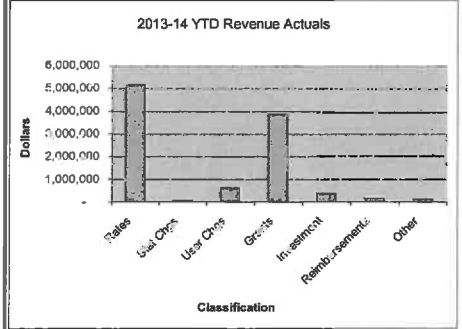
KADS Equipment Loan Service	1832	3832	7832	66,483	64,038	2,444	-	1	19,002	13,911	515	-	4,575	0.0%
KADS Special Projects Non-Recurrent	1834	3834	7834	-	-	-	-	-	-	-	2,256	-	-2,256	0.0%
Aboriginal Services	1840	3840	7840	-	-	-	-	-	-	-	-	-	-	0.0%
Grace Munro Centre*	1845	3845	7845	-	31,647	12,342	-	-43,989	34,228	15,901	11,384	-	6,944	-15.8%
Hill Street Aged Units	1850	3850	7850	26,432	11,169	2,515	-	12,748	7,360	4,574	7,614	-	-4,828	-37.9%
TCT Special Projects Non-Recurrent	1860	3860	7860	-	-	-	-	-	40,000	1,536	3,600	-	34,864	0.0%
Tablelands Community Transport - CTP	1861	3861	7861	31,973	29,097	2,878	-	-2	44,316	10,932	3,855	-	29,529	0.0%
TCT Transport to Safety	1862	3862	7862	-	-	-	-	-	-	-	-	-	-	0.0%
Tablelands Community Transport - HACC Programme	1863	3863	7863	223,631	192,195	31,436	-	-	122,272	70,581	13,574	-	38,117	0.0%
Street Stall Operations	1875	3875	7875	-	6,510	475	-	-6,985	-	2,233	-	-	-2,233	32.0%
Total Community Services				3,563,083	3,178,313	360,644	-	24,126	1,656,564	1,067,101	132,042	-	457,421	1896.0%
Recreation & Culture														
Libraries	1710	3710	7710	60,498	225,483	- 8,069	30,024	-186,940	-	60,505	- 6,120	19,847	-74,233	39.7%
Other Culture	1890	3890	7890	515	8,576	- 45,723	50,000	-12,338	301	103	12	-	186	-1.5%
International Womens' Day	1891	3891	7891	2,060	2,060	150	-	-150	-	-	-	-	-	0.0%
Heritage	1930	3930	7930	-	12,010	877	-	-12,887	477	9,107	1,039	-	-9,669	75.0%
Total Recreation & Culture				63,073	248,129	- 52,765	80,024	-212,315	778	69,715		19,847	-83,715	39.4%
Grand Total Administration				8,940,279	5,071,810	- 962,945	140,024	4,691,390	6,215,885	1,865,411		25,651	4,753,533	101.3%

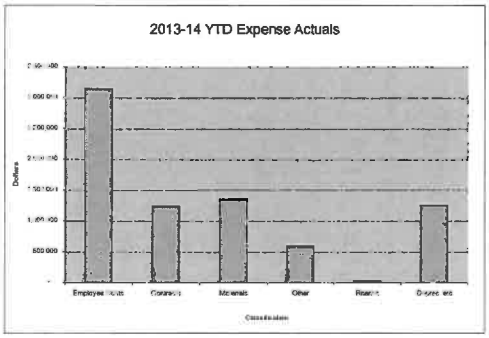
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Uralla Shire Council

Revenue & Expense Report for Health & Building
by Resource Code
As At Period 5 2013-14

Original Annual Budget	Revised Annual Budget	% Incurred or Received	Classification	Resource Code	Actuals YTD	Revised YTD Budget	% Var
			Revenue				
966,565	966,565	96.8%	Rates Revenue	5	935,340	966,565	-3.2%
-	-	0.0%	Other charges	6	-	-	0.0%
966,565	966,565	96.8%	**Total Rates**		935,340	966,565	-3.2%
86,016	86,016	54.6%	**Total Statutory Charges***	10	46,972	35,840	31.1%
265,040	265,040	67.9%	User Charges	15	179,922	116,211	54.8%
-	-	0.0%	Aged Care Resident Contribution*	1501	-	-	0.0%
265,040	265,040	67.9%	**Total User Charges**		179,922	116,211	54.8%
15,000	15,000	64.8%	Grants Subsidies Contributions	20	9,721	6,250	55.5%
-	-	0.0%	Financial Assistance Grants	2001	-	-	0.0%
-	-	0.0%	RTA Contributions	2002	-	-	0.0%
-	-	0.0%	Comm'th Grants & Subsidies*	2003	-	-	0.0%
20,000	20,000	24.4%	State Grants & Subsidies	2004	4,886	8,333	-41.4%
-	-	0.0%	Roads to Recovery	2005	-	-	0.0%
35,000	35,000	41.7%	**Total Grants Subsidies Contributions**		14,607	14,583	0.2%
6,012	6,012	0.0%	**Total Investment Income***	25	-	-	0.0%
-	-	0.0%	Reimbursements*	30	2,526	-	0.0%
-	-	0.0%	Private Works Reimbursements*	3001	-	-	0.0%
-	-	0.0%	**Total Reimbursements**		2,526	-	0.0%
1,100	1,100	35.5%	Other Revenues	35	390	458	-14.9%
163,605	163,605	35.9%	Sales Revenue*	3501	58,758	68,169	-13.8%
164,705	164,705	35.9%	**Total Other Revenues**		59,148	68,627	-13.8%
1,523,338	1,523,338	81.3%	**TOTAL REVENUE**		1,238,515	1,201,826	3.1%
			Expenses				
1,023,475	1,023,475	50.7%	**Total Employee Costs**	40	518,609	393,644	-31.7%
197,016	197,016	52.3%	Contracts*	45	102,978	82,090	-25.4%
23,930	23,930	32.3%	Freight*	4501	7,730	9,971	22.5%
-	-	0.0%	Brokerage	4502	-	-	0.0%
1,661	1,661	0.0%	Community Services External Services	4503	-	639	100.0%
-	-	0.0%	IT Consultants*	4504	-	-	0.0%
222,607	222,607	49.7%	**Total Contracts**		110,708	92,700	-19.4%
228,320	228,320	24.0%	Materials*	50	54,898	80,650	31.9%
13,328	13,328	24.6%	Utilities	5001	3,274	6,253	47.6%
1,030	1,030	11.6%	Fuel*	5002	119	429	72.2%
1,442	1,442	0.0%	Food & Catering*	5003	-	601	100.0%
4,119	4,119	44.5%	Printing, Stationery, Ref. Mats etc*	5004	1,834	1,716	-6.8%
5,172	5,172	173.5%	Land Rates	5005	8,973	5,172	-73.5%
253,411	253,411	27.3%	**Total Materials**		69,098	94,821	27.1%
8,147	8,147	52.6%	Other Expenses*	55	4,284	3,395	-26.2%
6,695	6,695	75.8%	Course Fees*	5501	5,078	2,790	-82.0%
20,236	20,236	0.0%	Donations Paid*	5502	-	8,432	100.0%
-	-	0.0%	Elected Members Allowances & Expenses*	5503	-	-	0.0%
5,099	5,099	2.6%	Subscriptions & Contrib to Reg Bodies	5504	132	2,125	93.8%
2,575	2,575	42.3%	Communications*	5505	1,088	1,073	-1.4%
5,367	5,367	108.0%	Insurance	5506	5,795	5,367	-8.0%
-	-	0.0%	Motor Vehicle Registration	5507	-	-	0.0%
48,119	48,119	34.0%	**Total Other Expenses**		16,377	23,180	29.4%
5,050	5,050	32.6%	**Total Finance Costs***	60	1,645	2,104	21.8%
68,337	68,337	41.7%	**Total Depreciation, Amort. & Impairment***	65	28,474	28,474	0.0%
1,620,999	1,620,999	46.0%	**TOTAL EXPENSES**		744,810	634,923	-17.3%
- 97,661	- 97,661	-505.4%	**Operating Surplus/Deficit**		493,605	566,903	-12.9%
			Extraordinary Items				
-	-	0.0%	Asset Disposal & Fair Value Adjustments	70	-	-	0.0%
-	-	0.0%	Amounts For New Or Upgraded Assets	75	-	-	0.0%
- 128,240	- 128,240	30.4%	Uncapitalised Wip - Contra Assets*	220	- 38,950	- 53,433	27.1%
-	-	0.0%	Sale Proceeds - Contra Sales	225	-	-	0.0%
457,398	457,398	54.7%	Internal*	230	250,260	190,583	-31.3%
-	-	0.0%	Suspense	235	-	-	0.0%
-	-	0.0%	Loans Contra	215	4,657	-	0.0%
329,158	329,158	85.6%	**TOTAL EXTRAORDINARY ITEMS**		215,967	137,149	-57.5%
- 426,819	- 426,819	-65.0%	**Net Surplus/Deficit after Extraordinary Items**		277,638	429,754	-35.4%





* Straight Line Incidencing except for any Project Expenditure

YTD Achieved % **41.7%**

USC Health & Building

Budget Review as at Period 5
by Function

Group	Master Account				Revised Annual Budget 2013-14					Actual YTD 2013-14					YTD 42%
					Revenue	Mtce/Ops/Mgmt	Deprec, Overheads & Internal Charges	Capital Works	Funding Residual or Shortfall	Revenue	Mtce/Ops/Mgmt	Deprec, Overheads & Internal Charges	Capital Works	Funding Residual or Shortfall	% Achieved
Health															
	Health Administration & Inspection	2100	4100		2,588	65,625	4,792	-	-67,829	27,264	85,461	9,748	-	-67,945	100.2%
Housing & Community Amenities															
	Town Planning Office	2010	4010		111,783	257,377	18,793	-	-164,387	44,300	76,022	8,671	-	-40,393	24.6%
	Town Planning - S94 Contributions*	2015			15,000	-	-	-	15,000	9,221	-	-	-	9,221	61.5%
	Building Control Office	2020	4020		10,793	85,000	6,206	-	-80,413	-	-	-	-	0	0.0%
	Community Centre	1490	3490	7490	17,189	33,591	8,692	-	-25,094	399	17,005	38,871	-	-55,477	221.1%
	Cemetery	1530	3530	7530	28,980	16,232	- 2,418	8,240	6,926	10,183	14,750	2,899	-	-7,466	-107.8%
Total Housing & Community Amenities					183,745	392,200	31,273	8,240	-247,968	64,102	107,777	50,441	-	-94,116	38.0%
Recreation & Culture															
	Halls & Community Centres	1740	3740	7740	14,490	69,712	3,860	20,000	-79,082	909	27,683	34,598	-	-61,371	77.6%
Landfill Operations & Commercial Waste															
	Domestic Waste	1420	3420	7420	204,579	180,802	31,223	-	-7,446	191,581	137,335	31,477	-	22,769	-305.8%
	Waste Disposal Site	1430	3430	7430	915,055	739,219	68,391	100,000	7,445	736,659	351,916	75,502	38,950	270,291	3630.5%
Total Landfill Operations & Commercial Waste					1,119,634	920,021	99,614	100,000	-1	928,239	489,251	106,979	38,950	293,060	0.0%
Environmental Management															
	Environmental Management	2060	4060	8060	218,000	218,001	31,938	-	-31,939	218,000	68,859	8,420	-	140,721	-440.6%
	Grand Total Health & Building				1,538,457	1,665,559	171,477	128,240	-426,819	1,238,515	779,031	210,185	38,950	210,348	-49.3%

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Uralla Shire Council

2013-14 Capital Projects

4,453,742			1,646,202	313,763	334,959	267,859	1,075	478,453	1,396,109	233,320	1,629,429.23	16,772	1.0%
				2013-14 Actuals									

Annual Revised Budget	Resp.	Master Activity	Description	YTD Revised Budget	Employee Costs	Contracts	Materials	Other Expenses	Uncapitalised Wip - Contra Assets	Sub-Total	Internal Costs	Actuals	Variance to Budget	
30,000	Dir Admin	7100	Corporate Services Capital Expenditure	521	-	-	-	-	521	521	-	521.07	-	0.0%
30,000	Dir Admin	7140	IT Services Capital Work	-	-	-	-	-	-	-	-	-	-	0.0%
-	Dir Admin	7909	Bundarra Committees & Events Capital	-	-	-	-	-	5,283	5,283	-	5,283.00	- 5,283	0.0%
50,000	Dir Admin	7890	Other Culture Capital Works	-	-	-	-	-	-	-	-	-	-	0.0%
5,000	Dir Eng	7200	Engineering Operations Capital Expenditure	1,180	-	-	-	-	1,180	1,180	-	1,180.00	-	0.0%
29,691	Dir Eng	7400	Stormwater Drainage Capital Works	1,923	-	-	-	-	-	-	-	-	1,923	100.0%
15,000	Dir Eng	7230	Uralla Parks Capital Works	1,923	-	-	-	-	-	-	-	-	1,923	100.0%
10,000	Dir Eng	7235	Bundarra Parks Capital Works	1,154	-	-	-	-	-	-	-	-	1,154	100.0%
25,000	Dir Eng	7240	Sport Grounds & Recreation Facilities Capital W	3,077	-	-	-	-	-	-	-	-	3,077	100.0%
855,306	Dir Eng	7280	Bridges Capital Works	179,904	132	140,783	9,570	200	-	150,685	5	150,690.74	29,213	16.2%
-	Dir Eng	7290	Bus Shelters Maintenance Capital Work	-	3,808	-	1,564	0	-	5,372	706	6,077.57	- 6,078	0.0%
49,338	Dir Eng	7300	Footpaths Capital Works	22,565	11,345	-	10,658	0	-	22,004	1,970	23,973.16	- 1,408	-6.2%
44,229	Dir Eng	7310	Kerb & Gutter Capital Works	6,549	1,612	-	-	0	-	1,612	129	1,740.69	4,808	73.4%
27,537	Dir Eng	7330	Local Urban Streets Capital Works	3,126	-	-	-	-	-	-	-	-	3,126	100.0%
258,387	Dir Eng	7340	Regional Rural Sealed Roads Capital Works	222,448	83,165	81,403	32,120	18	13,115	209,820	60,115	269,934.73	- 47,487	-21.3%
16,739	Dir Eng	7345	Regional Rural Unsealed Roads Capital Works	2,656	-	-	-	-	-	-	-	-	2,656	100.0%
1,435,247	Dir Eng	7350	Sealed Rural Roads Capital Works	377,228	98,112	51,734	66,957	294	-	217,096	78,849	295,945.35	81,282	21.5%
293,247	Dir Eng	7360	Unsealed Rural Roads Capital Works	219,667	101,909	49,258	33,629	0	-	184,796	81,842	266,638.48	- 46,971	-21.4%
788,765	Dir Eng	7550	Plant Purchases	432,449	-	-	-	-	432,449	432,449	-	432,449.26	-	0.0%
5,000	Dir Eng	7570	Works Depot Capital	1,449	-	-	-	-	1,449	1,449	-	1,449.00	-	0.0%
8,240	Mgr H&B&	7530	Cemetery Capital Works	-	-	-	-	-	-	-	-	-	-	0.0%
30,024	Dir Admin	7710	Library Asset Purchases	19,847	-	-	-	-	19,847	19,847	-	19,847.18	-	0.0%
20,000	Mgr H&B&	7740	Halls & Community Centres Capital Works	-	-	-	-	-	-	-	-	-	-	0.0%
100,000	Mgr H&B&	7430	Waste Disposal Site Capital Works	38,950	8,011	3,211	17,974	564	-	29,760	9,190	38,949.97	-	0.0%
147,166	Water	27000	Water Infrastructure Capital Works Fund 2	89,938	2,309	-	94,191	- 0	-	96,500	259	96,759.40	- 6,822	-7.6%
100,150	Sewerage	37000	Sewerage Services Infrastructure Capital Works	12,494	3,360	6,025	1,196	0	-	10,581	254	10,835.28	1,659	13.3%
79,676	McMaugh:	47000	Residential Aged Care Capital Works	7,154	-	2,545	-	-	4,609	7,154	-	7,154.35	-	0.0%

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Contracts, Consultancies, Legal Fees & Debt Recovery for Period 5

Classifications	Account	Actual YTD	Revised Budget	Contract Details, Purpose, Commencement Date and Duration
Contracts & Other External Services over $20k				
Other Waste Management	03430.0623.0410	$ 27,394.84	$ 45,823.00	$25915 Regen - Green Waste Recycling
Private Works	03600.0695.0401	$ 21,001.63	$ 28,840.00	$21,001.63 - Boral Const, Bitumen
Community Services Operations Management	03700.0350.0410	$ 22,233.32	$ -	$11,900 Allcom, Ipads; $3200 AOK, brochures; $8000 Renata Davis, Marketing Plan
Health Administration & Inspection	04100.0350.0401	$ 30,473.41	$ -	Buildwise Certification
Bridges Capital Works	07280.0745.0401	$ 140,783.01	$ -	Precast Systems, Bridge Decks - $138,661
Regional Rural Sealed Roads Capital Works	07340.0700.0410	$ 81,402.64	$ -	$41,080 Douglas Partners - Engineering; $23810 Boral Construction; $6537 WL & PG Poss - Gravel Carting; $3389 Ruth Tremont - survey; $3270 Artefact & Aspect - prelim assess; $2995 ADC - Soil Testing
Sealed Rural Roads Capital Works	07350.0700.0401	$ 51,358.87	$ -	$12,000 Brown & Krippner; Gravel Carting - $3989 Wal Schalk, $3989 Hamos Sand & Gravel, $3309 WL&PG Poss, $3946 D&K Hedges, $4073 Eveleigh Transport; $20,053 Boral Const
Unsealed Rural Roads Capital Works	07360.0700.0401	$ 48,491.70	$ -	Gravel Carting - $4388 NV Doran; $9509 WL& PG Poss; $11338 Wal Schalk; $12755 D&K Hedges

Consultancies & Legal Fees

Classifications	Account	Actual YTD	Revised Budget	Contract Details, Purpose, Commencement Date and Duration
All Consultancies				
Corporate Services Management	03100.0360.0405	$ 3,419.79	$ 15,451.00	Converge International
IT Services	03140.0355.0407	$ 167,740.04	$ 280,200.00	Civica $160,685; Alcom $7,055
TCSO COPM Program Expenses	03811.0350.0407	$ 474.72	$ 3,371.00	
TCSO- COPA Expenses	03812.0350.0407	$ 212.55	$ -	
TCSO - R&R Expenses	03813.0350.0407	$ 147.39	$ -	
TCSO - CACPM Expenses	03814.0350.0407	$ 1,474.86	$ -	COAMAS Services $2090
TCSO - CACPA Expenses	03815.0350.0407	$ 625.12	$ -	
TCSO - DEMR Expenses	03816.0350.0407	$ 144.72	$ -	
TCSO - Elders Expenses	03818.0350.0407	$ 128.14	$ -	
KADS - Boggabilla Neighbour Aid Expenses	03822.0350.0407	$ -	$ -	
Uralla Events Staging & Promotion	03910.0460.0405	$ -	$ 3,000.00	
Heritage	03930.0440.0405	$ 7,442.00	$ -	$5210 Port Macquarie Heritage; $2232 Graham Wilson
Residential Aged Care Operations	43000.0360.0405	$ 9,884.20	$ -	LS Quality Consultants

Legal Fees & Debt Recovery	Account	Actual YTD	Revised Budget	Legal Firm & Details
Corporate Services Management	03100.0365.0607	$ 1,346.46	$ -	APJ Law
Rates Section Operations	03110.0365.0607	$ 4,593.43	$ 30,000.00	SR Law
Town Planning Office	04010.0350.0403	$ -	$ 1,030.00	
Environmental Management Operations	04060.0350.0403	$ 687.75	$ -	APJ Law - Racecourse Lagoon
VIC Coffee Shop Expenses	04155.0350.0403	$ 315.00	$ -	Reimburse lease legal costs

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2013-14 Health & Building Employee Costs

As at Period 5

Annual Budget	Function		Actuals	YTD Budget	Variance $	Var %
	Salaries					
51,801	Health Administration & Inspection-300	Health	48,533	19,923	(28,610)	-144%
198,126	Town Planning Office-300	Town	61,028	76,202	15,174	20%
85,000	Building Control Office-300	Building	-	32,692	32,692	100%
-	Community Centre-300	Community Centre	7,938	-	(7,938)	0%
53,557	Other Waste Management-300	Waste	24,361	20,599	(3,762)	-18%
131,855	Environmental Management Operations-300	Environmental	51,481	50,713	(768)	-2%
520,339	**Total Salaries**		193,341	200,130	6,789	3%
	Wages					
-	Community Centre-301	Community Centre	483	-	(483)	0%
-	Cemetery Operations-301	Cemetery	9,693	-	(9,693)	0%
5,994	Halls & Community Centres-301	Public Halls	10,866	2,305	(8,561)	-371%
63,802	Domestic Waste-301	Dom Waste	83,590	24,539	(59,051)	-241%
-	Waste Disposal Site Capital Works-301	Waste Disposal Site	7,248	-	(7,248)	0%
433,340	Other Waste Management-301	Waste	185,537	166,669	(18,868)	-11%
-	Environmental Management Operations-301	Environmental	4,867	-	(4,867)	0%
503,136	**Total Wages**		302,284	193,514	(108,770)	-56%
	Overtime					
-	Community Centre-302	Community Centre	144	-	(144)	0%
-	Halls & Community Centres-302	Public Halls	33	-	(33)	0%
-	Domestic Waste-302	Dom Waste	196	-	(196)	0%
-	Waste Disposal Site Capital Works-302	Waste	583	-	(583)	0%
-	Other Waste Management-302	Waste	5,798	-	(5,798)	0%
-	Environmental Management Operations-302	Environmental	20	-	(20)	0%
-	**Total Overtime**		6,775	-	(6,775)	0%
	Employee Allowances					
-	Community Centre-311	Community Centre	127	-	(127)	0%
-	Cemetery Operations-311	Cemetery	151	-	(151)	0%
-	Halls & Community Centres-311	Public Halls	177	-	(177)	0%
-	Domestic Waste-311	Dom Waste	3,526	-	(3,526)	0%
-	Waste Disposal Site Capital Works-311	Waste Disposal Site	180	-	(180)	0%
-	Other Waste Management-311	Waste	11,994	-	(11,994)	0%
-	Environmental Management Operations-311	Environmental	54	-	(54)	0%
-	**Total Allowances**		16,209	-	(16,209)	0%
1,023,475	**Grand Total Health & Building Employee Costs**		**518,609**	**393,644**	(124,965)	**-32%**
	Total Employee Costs by Function					
51,801	Health Administration & Inspection	Health	48,533	19,923	(28,610)	-144%
198,126	Town Planning Office	Town	61,028	76,202	15,174	20%
85,000	Building Control Office	Building	-	32,692	32,692	100%
-	Community Centre	Community Centre	8,692	-	(8,692)	0%
-	Cemetery	Cemetery	9,844	-	(9,844)	0%
5,994	Public Halls	Public Halls	11,076	2,305	(8,771)	-380%
486,897	Waste Management	Waste	228,272	187,268	(41,004)	-22%
63,802	Domestic Waste	Dom Waste	87,313	24,539	(62,773)	-256%
-	Waste Disposal Site	Waste Disposal Site	7,429	-	(7,429)	0%
131,855	Environmental	Environmental	56,422	50,713	(5,709)	-11%
1,023,475	**Total**		**518,609**	**393,644**	(124,965)	**-32%**

2013-14 Engineering Employee Costs

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As at Period 5

Annual Budget	Function		Actuals	YTD Budget	Variance $	Var %
	Salaries					
425,764	Engineering Operations Management-300	Operating	134,056	163,755	29,699	18%
100,000	Bridges Capital Works-300	Capital	-	38,462	38,462	100%
-	Kerb & Gutter Capital Works-300	Capital	1,501	-	(1,501)	0%
-	Regional Rural Sealed Roads Capital Works-300	Capital	12,448	-	(12,448)	0%
-	Sealed Rural Roads Capital Works-300	Capital	6,756	-	(6,756)	0%
-	Unsealed Rural Roads Capital Works-300	Capital	28	-	(28)	0%
-	Works Depot Operations-300	Operating	119	-	(119)	0%
525,764	**Total Salaries**		154,908	202,217	47,309	23%
	Wages					
85,244	Engineering Operations Management-301	Operating	42,762	32,786	(9,976)	-30%
24,774	Street Cleaning-301	Operating	7,705	9,528	1,824	19%
23,602	Public Amenities Maintenance-301	Operating	9,466	9,078	(389)	-4%
2,072	Stormwater Drainage Maintenance-301	Operating	62	797	735	92%
3,064	Quarries & Pits Operations-301	Operating	-	1,178	1,178	100%
128,844	Uralla Parks and Reserves-301	Operating	33,506	49,555	16,049	32%
5,448	Bundarra Parks and Reserves-301	Operating	2,023	2,095	73	3%
15,000	Sport Grounds & Recreation Facilities-301	Operating	-	5,769	5,769	100%
46,520	Swimming Pool(s) Operations-301	Operating	12,382	17,892	5,510	31%
40,156	Bridges Capital Works-301	Capital	130	15,445	15,315	99%
57,009	Bridges Maintenance-301	Operating	25,980	21,927	(4,053)	-18%
-	Bus Shelters Maintenance-301	Operating	36	-	(36)	0%
-	Bus Shelters Maintenance Capital Work-301	Capital	3,749	-	(3,749)	0%
13,905	Footpaths Capital Works-301	Capital	10,087	5,348	(4,739)	-89%
45,873	Footpaths Maintenance-301	Operating	11,582	17,643	6,061	34%
13,927	Kerb & Gutter Capital Works-301	Capital	109	5,357	5,248	98%
10,623	Kerb & Gutter Maintenance-301	Operating	2,734	4,086	1,352	33%
8,128	Local Urban Streets Capital Works-301	Capital	-	3,126	3,126	100%
34,542	Local Urban Streets Maintenance-301	Operating	12,728	13,285	557	4%
1,408	Unsealed Urban Streets Maintenance-301	Operating	672	542	(130)	-24%
58,401	Regional Rural Sealed Roads Capital Works-301	Capital	60,685	22,462	(38,223)	-170%
172,092	Regional Rural Sealed Roads Maintenance-301	Operating	56,705	66,189	9,484	14%
6,905	Regional Rural Unsealed Roads Capital Works-301	Capital	-	2,656	2,656	100%
17,024	Regional Rural Unsealed Roads Maintenance-301	Operating	12,223	6,548	(5,675)	-87%
166,945	Sealed Rural Roads-301	Operating	51,755	64,210	12,455	19%
455,574	Sealed Rural Roads Capital Works-301	Capital	82,355	175,221	92,866	53%
89,529	Unsealed Rural Roads Capital Works-301	Capital	92,350	34,434	(57,916)	-168%
347,344	Unsealed Rural Roads Maintenance-301	Operating	146,913	133,594	(13,319)	-10%
27,904	Road Safety Expenditure-301	Operating	5,643	10,732	5,089	47%
6,173	Parking Facilities-301	Operating	110	2,374	2,264	95%
207,460	Plant Operating Expenses-301	Operating	73,143	79,792	6,649	8%
131,373	Works Depot Operations-301	Operating	52,948	50,528	(2,420)	-5%
45,763	Private Works-301	Operating	13,434	17,601	4,167	24%
2,292,626	**Total Wages**		823,978	881,779	57,801	7%
	Overtime					
-	Engineering Operations Management-302	Operating	2,976	-	(2,976)	0%
-	Street Cleaning-302	Operating	2,115	-	(2,115)	0%
-	Public Amenities Maintenance-302	Operating	169	-	(169)	0%
-	Uralla Parks and Reserves-302	Operating	27	-	(27)	0%
-	Swimming Pool(s) Operations-302	Operating	3,849	-	(3,849)	0%
-	Bridges Maintenance-302	Operating	1,418	-	(1,418)	0%
-	Footpaths Capital Works-302	Capital	1,085	-	(1,085)	0%
-	Footpaths Maintenance-302	Operating	238	-	(238)	0%
-	Local Urban Streets Maintenance-302	Operating	103	-	(103)	0%
-	Unsealed Urban Streets Maintenance-302	Operating	21	-	(21)	0%
-	Regional Rural Sealed Roads Capital works-302	Capital	8,763	-	(8,763)	0%
-	Regional Rural Sealed Roads Maintenance-302	Operating	372	-	(372)	0%
-	Regional rural Unsealed Roads Maintenance-302	Operating	506	-	(506)	0%
-	Sealed Rural Roads Capital Works-302	Capital	7,286	-	(7,286)	0%
-	Sealed Rural Roads-302	Operating	551	-	(551)	0%
-	Unsealed Rural Roads Capital Works-302	Capital	7,781	-	(7,781)	0%
-	Unsealed Rural Roads Maintenance-302	Operating	7,091	-	(7,091)	0%
-	Road Safety Expenditure-302	Capital	77	-	(77)	0%
-	Plant Operating Expenses-302	Operating	3,459	-	(3,459)	0%
-	Works Depot Operations-302	Operating	2,570	-	(2,570)	0%
-	Private Works-302	Operating	1,189	-	(1,189)	0%
-	**Total Overtime**		51,645	-	(51,645)	0%

2013-14 Engineering Employee Costs (cont)

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As at Period 5

Annual Budget	Function		Actuals	YTD Budget	Variance $	Var %
	Allowances					
-	Engineering Operations Management-311	Operating	8,257	-	(8,257)	0%
-	Street Cleaning-311	Operating	207	-	(207)	0%
-	Public Amenities Maintenance-311	Operating	143	-	(143)	0%
-	Stormwater Drainage Maintenance-311	Operating	1	-	(1)	0%
-	Uralla Parks and Reserves-311	Operating	531	-	(531)	0%
-	Bundarra Parks and Reserves-311	Operating	29	-	(29)	0%
-	Swimming Pool(s) Operations-311	Operating	426	-	(426)	0%
-	Bridges Capital Works-311	Capital	2	-	(2)	0%
-	Bridges Maintenance-311	Operating	390	-	(390)	0%
-	Bus Shelters Maintenance-311	Operating	1	-	(1)	0%
-	Bus Shelters Maintenance Capital Work-311	Operating	59	-	(59)	0%
-	Footpaths Capital Works-311	Capital	173	-	(173)	0%
-	Footpaths Maintenance-311	Operating	187	-	(187)	0%
-	Kerb & Gutter Capital Works-311	Capital	2	-	(2)	0%
-	Kerb & Gutter Maintenance-311	Operating	44	-	(44)	0%
-	Local Urban Streets Maintenance-311	Operating	187	-	(187)	0%
-	Unsealed Urban Streets Maintenance-311	Operating	10	-	(10)	0%
-	Regional Rural Sealed Roads Capital Works-311	Capital	1,269	-	(1,269)	0%
-	Regional Rural Sealed Roads Maintenance-311	Operating	831	-	(831)	0%
-	Regional Rural Unsealed Roads Maintenance-311	Operating	190	-	(190)	0%
-	Sealed Rural Roads Capital Works-311	Capital	1,715	-	(1,715)	0%
-	Sealed Rural Roads-311	Operating	784	-	(784)	0%
-	Unsealed Rural Roads Capital Works-311	Capital	1,749	-	(1,749)	0%
-	Unsealed Rural Roads Maintenance-311	Operating	2,370	-	(2,370)	0%
-	Road Safety Expenditure-311	Operating	85	-	(85)	0%
-	Parking Facilities-311	Operating	2	-	(2)	0%
-	Plant Operating Expenses-311	Operating	2,746	-	(2,746)	0%
-	Works Depot Operations-311	Operating	1,103	-	(1,103)	0%
-	Private Works-311	Operating	651	-	(651)	0%
-			24,146	-	(24,146)	0%
	Medicals					
-	Engineering Operations Management-341	Operating	764	-	(764)	0%
-	**Total Medicals**		764	-	(764)	0%
2,818,390	**Grand Total Engineering Employee Costs**		**1,055,442**	**1,083,996**	**28,554**	**3%**
	Total Employee Costs by Function					
2,031,865	Operating	Operating	755,341	781,487	26,146	3%
786,525	Capital	Capital	300,101	302,510	2,409	1%
2,818,390		**Total**	**1,055,442**	**1,083,996**	**28,554**	**3%**

2013-14 Administration Employee Costs

As at Period 5

Annual Budget	Function		Actuals	YTD Budget	Variance $	Var %
	Salaries					
159,462	Corporate Services Management-300	Corp Serv	63,353	61,332	(2,021)	-3%
14,675	Council Administration Building Operations-300	Council Admin	8,909	5,644	(3,265)	-58%
77,766	Rates Section Operations-300	Rates	26,133	29,910	3,778	13%
262,935	Financial Control Operations-300	Finance	97,352	101,129	3,777	4%
21,733	IT Services-300	IT	9,129	8,359	(770)	-9%
36,367	Records Management-300	Records	14,163	13,987	(176)	-1%
77,486	Human Resources-300	HR	35,887	29,802	(6,085)	-20%
-	Risk, Safety & Compliance-300	RS&C	7,293	-	(7,293)	0%
108,135	Customer Service-300	Cust Serv	35,292	41,590	6,298	15%
68,110	Libraries-300	Libraries	30,962	26,196	(4,766)	-18%
43,093	Bundarra Neighbour Aid Operations-300	BNA	18,225	16,574	(1,651)	-10%
123,050	TCSO COPM Program Expenses-300	TCSO - COPM	37,065	47,327	10,262	22%
62,958	TCSO- COPA Expenses-300	TCSO - COPA	11,746	24,215	12,468	51%
48,847	TCSO - R&R Expenses-300	TCSO - R&R	15,759	18,787	3,028	16%
264,534	TCSO - CACPM Expenses-300	TCSO - CACPM	92,445	101,744	9,299	9%
86,365	TCSO - CACPA Expenses-300	TCSO - CACPA	30,242	33,217	2,975	9%
-	TCSO - DEMR Expenses-300	TCSO - DEMR	11,234	-	(11,234)	0%
35,223	TCSO - Elders Expenses-300	TCSO - Elders	16,156	13,547	(2,609)	-19%
-	KADS - Regional Office Expenses-300	KADS - Office	37,550	-	(37,550)	0%
52,828	KADS - Boggabilla Neighbour Aid Expenses-300	KADS - Boggabilla	20,449	20,318	(130)	-1%
35,067	KADS - Inverell Elders Group Expenses-300	KADS - Inverell	4,551	13,487	8,936	66%
14,660	KADS - Disability Respite Expenses-300	KADS - Disability	3,775	5,638	1,863	33%
31,507	KADS - DSP Respite Expenses-300	KADS - DSP	4,304	12,118	7,814	64%
97,992	KADS - HACC Tamworth Multiservice*-300	KADS - HACC	18,053	37,689	19,637	52%
36,257	KADS - WQW Elders Group Expenses-300	KADS - WQW	14,101	13,945	(156)	-1%
27,153	KADS - Commonwealth Respite Expenses-300	KADS - Cwth Resp	13,107	10,443	(2,663)	-26%
106,211	KADS - CACP Expenses-300	KADS - CACP	35,127	40,850	5,723	14%
28,103	KADS - Narrabri Expenses-300	KADS - Narrabri	10,964	10,809	(155)	-1%
-	KADS Equipment Loan Service-300	KADS - Equip	1,320	-	(1,320)	0%
10,766	Tablelands Community Transport - CTP-300	TCT - CTP	2,548	4,141	1,593	38%
130,732	Tablelands Community Transport - HACC Programme-30	TCT - HACC	37,321	50,282	12,961	26%
59,895	Tourism Operations-300	Tourism	26,211	23,037	(3,174)	-14%
-	Old Courthouse-300	Courthouse	537	-	(537)	0%
87,717	Economic Development-300	Econ Devel	30,304	33,737	3,434	10%
2,209,627	**Total Salaries**		821,564	849,857	28,292	3%
	Wages					
-	Corporate Services Management-301	Corp Serv	453	-	(453)	0%
-	Council Administration Building Operations-301	Council Admin	268	-	(268)	0%
5,440	Libraries-301	Libraries	503	2,092	1,589	76%
-	Bundarra Neighbour Aid Operations-301	BNA	47	-	(47)	0%
-	TCSO- COPA Expenses-301	TCSO - COPA	109	-	(109)	0%
-	TCSO - CACPM Expenses-301	TCSO - CACPM	298	-	(298)	0%
-	TCSO - CACPA Expenses-301	TCSO - CACPA	386	-	(386)	0%
-	KADS - Boggabilla Neighbour Aid Expenses-301	KADS - Boggabilla	231	-	(231)	0%
-	KADS - Inverell Elders Group Expenses-301	KADS - Inverell	211	-	(211)	0%
-	KADS - HACC Tamworth Multiservice*-301	KADS - HACC	172	-	(172)	0%
-	KADS - WQW Elders Group Expenses-301	KADS - WQW	204	-	(204)	0%
-	KADS - CACP Expenses-301	KADS - CACP	193	-	(193)	0%
-	Hill Street Aged Units-301	Hill St	540	-	(540)	0%
-	Tablelands Community Transport - HACC Programme-30	TCT - HACC	12,389	-	(12,389)	0%
-	Uralla Events Staging & Promotion-301	Uralla Events	1,577	-	(1,577)	0%
-	Thunderbolt Festival-301	Thunderbolt	188	-	(188)	0%
-	Tourism Operations-301	Tourism	156	-	(156)	0%
5,440	**Total Wages**		17,927	2,092	(15,834)	-757%
	Overtime					
-	Tablelands Community Transport - HACC Programme-30	TCT - HACC	46	-	(46)	0%
-	Uralla Events Staging & Promotion-302	Uralla Events	671	-	(671)	0%
-	Tourism Operations-302	Tourism	355	-	(355)	0%
-	**Total Overtime**		1,072	-	(1,072)	0%

2013-14 Administration Employee Costs (cont)

As at Period 5

Annual Budget	Function		Actuals	YTD Budget	Variance $	Var %
	Employee Allowances					
-	Corporate Services Management-311	Corp Serv	6	-	(6)	0%
-	Council Administration Building Operations-311	Council Admin	151	-	(151)	0%
-	Libraries-311	Libraries	68	-	(68)	0%
-	TCSO- COPA Expenses-311	TCSO - COPA	4	-	(4)	0%
-	TCSO - CACPM Expenses-311	TCSO - CACPM	14	-	(14)	0%
-	TCSO - CACPA Expenses-311	TCSO - CACPA	11	-	(11)	0%
-	KADS - Boggabilla Neighbour Aid Expenses-311	KADS - Boggabilla	4	-	(4)	0%
-	KADS - Inverell Elders Group Expenses-311	KADS - Inverell	8	-	(8)	0%
-	KADS - HACC Tamworth Multiservice*-311	KADS - HACC	5	-	(5)	0%
-	KADS - WQW Elders Group Expenses-311	KADS - WQW	6	-	(6)	0%
-	KADS - CACP Expenses-311	KADS - CACP	6	-	(6)	0%
-	Hill Street Aged Units-311	Hill St	9	-	(9)	0%
-	Tablelands Community Transport - HACC Programme-31	TCT - HACC	135	-	(135)	0%
-	Uralla Events Staging & Promotion-311	Uralla Events	33	-	(33)	0%
-	Thunderbolt Festival-311	Thunderbolt	2	-	(2)	0%
-	Tourism Operations-311	Tourism	3	-	(3)	0%
-	Old Courthouse-311	Courthouse	10	-	(10)	0%
-	**Total Allowances**		476	-	(476)	0%
	Other Employee Costs					
-	Corporate Services Management-340	Corp Serv	230	-	(230)	0%
-	**Total Other Employee Costs**		230	-	(230)	0%
	Medicals					
-	Bundarra Neighbour Aid Operations-341	BNA	180	-	(180)	0%
-	**Total Medicals**		180	-	(180)	0%
	Workers Compensation Insurance					
20,000	Workers Compensation Operational-345	Work Comp	10,965	7,692	(3,273)	-43%
20,000	**Total Workers Compensation Insurance**		10,965	7,692	(3,273)	-43%
2,235,067	**Grand Total Administration Employee Costs**		852,414	859,641	7,228	1%
	Total Employee Costs by Function					
159,462	Corporate Services Management	Corp Serv	64,041	61,332	(2,709)	-4%
14,675	Council Administration Building Operations	Council Admin	9,328	5,644	(3,684)	-65%
77,766	Rates Section Operations	Rates	26,133	29,910	3,778	13%
262,935	Financial Control Operations	Finance	97,352	101,129	3,777	4%
21,733	IT Services	IT	9,129	8,359	(770)	-9%
36,367	Records Management	Records	14,163	13,987	(176)	-1%
77,486	Human Resources	HR	35,887	29,802	(6,085)	-20%
-	Risk, Safety & Compliance	RS&C	7,293	-	(7,293)	0%
108,135	Customer Service	Cust Serv	35,292	41,590	6,298	15%
73,550	Libraries	Libraries	31,533	28,288	(3,245)	-11%
43,093	Bundarra Neighbour Aid Operations	BNA	18,452	16,574	(1,877)	-11%
123,050	TCSO COPM Program Expenses	TCSO - COPM	37,065	47,327	10,262	22%
62,958	TCSO- COPA Expenses	TCSO - COPA	11,860	24,215	12,355	51%
48,847	TCSO - R&R Expenses	TCSO - R&R	15,759	18,787	3,028	16%
264,534	TCSO - CACPM Expenses	TCSO - CACPM	92,756	101,744	8,988	9%
86,365	TCSO - CACPA Expenses	TCSO - CACPA	30,639	33,217	2,578	8%
-	TCSO - DEMR Expenses	TCSO - DEMR	11,234	-	(11,234)	0%
35,223	TCSO - Elders Expenses	TCSO - Elders	16,156	13,547	(2,609)	-19%
-	KADS - Regional Office Expenses	KADS - Office	37,550	-	(37,550)	0%
52,828	KADS - Boggabilla Neighbour Aid Expenses	KADS - Boggabilla	20,685	20,318	(366)	-2%
35,067	KADS - Inverell Elders Group Expenses	KADS - Inverell	4,770	13,487	8,717	65%
14,660	KADS - Disability Respite Expenses	KADS - Disability	3,775	5,638	1,863	33%
31,507	KADS - DSP Respite Expenses	KADS - DSP	4,304	12,118	7,814	64%
97,992	KADS - HACC Tamworth Multiservice	KADS - HACC	18,230	37,689	19,459	52%
36,257	KADS - WQW Elders Group Expenses	KADS - WQW	14,312	13,945	(367)	-3%
27,153	KADS - Commonwealth Respite Expenses	KADS - Cwth Resp	13,107	10,443	(2,663)	-26%
106,211	KADS - CACP Expenses	KADS - CACP	35,326	40,850	5,524	14%
28,103	KADS - Narrabri Expenses	KADS - Narrabri	10,964	10,809	(155)	-1%
-	KADS Equipment Loan Service	KADS - Equip	1,320	-	(1,320)	0%
10,766	Tablelands Community Transport - CTP	TCT - CTP	2,548	4,141	1,593	38%
130,732	Tablelands Community Transport - HACC Programme	TCT - HACC	49,891	50,282	390	1%
59,895	Tourism Operations	Tourism	26,725	23,037	(3,688)	-16%
-	Old Courthouse	Courthouse	547	-	(547)	0%
87,717	Economic Development	Econ Devel	30,304	33,737	3,434	10%
-	Hill Street Aged Units	Hill St	549	-	(549)	0%
-	Uralla Events Staging & Promotion	Uralla Events	2,280	-	(2,280)	0%
-	Thunderbolt Festival	Thunderbolt	190	-	(190)	0%
20,000	Workers Compensation Operational	Work Comp	10,965	7,692	(3,273)	-43%
2,235,067	**Total**		852,414	859,641	7,228	1%

2013-14 General Manager Employee Costs

00303

As at Period 5

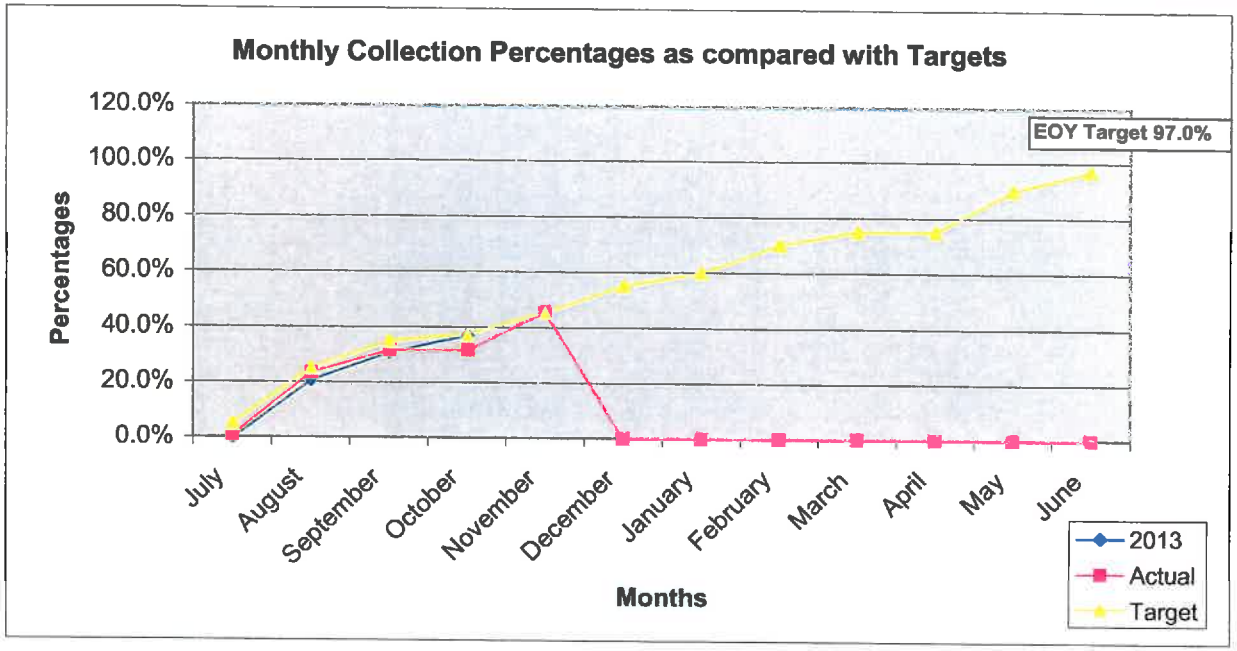
Annual Budget	Function		Actuals	YTD Budget	Variance $	Var %
	Salaries					
300,349	General Managers Office-300	GM Office	98,157	115,519	17,362	15%
300,349	**Total Salaries**		98,157	115,519	17,362	15%
	Wages					
-	Animal Control-301	Animal	2,466	-	(2,466)	0%
-	Fire Control Expenses - RFS-301	RFS	8,461	-	(8,461)	0%
-	State Emergency Service Expenses-301	SES	180	-	(180)	0%
-	**Total Wages**		11,106	-	(11,106)	0%
	Overtime					
-	Animal Control-302	Animal	1,923	-	(1,923)	0%
-	Fire Control Expenses - RFS-302	RFS	27	-	(27)	0%
-	**Total Overtime**		1,950	-	(1,950)	0%
	Employee Allowances					
-	Works / Labour Overheads-311	Overheads	3,325	-	(3,325)	0%
-	Animal Control-311	Animal	199	-	(199)	0%
-	Fire Control Expenses - RFS-311	RFS	354	-	(354)	0%
-	State Emergency Service Expenses-311	SES	8	-	(8)	0%
-	**Total Allowances**		3,887	-	(3,887)	0%
	Employee Allowances					
25,750	Works / Labour Overheads-315	Overheads	16,081	9,904	(6,177)	-62%
-	Works / Labour Overheads-318	Overheads	686	-	(686)	0%
245,910	Works / Labour Overheads-321	Overheads	33,395	94,581	61,186	65%
-	Works / Labour Overheads-322	Overheads	179,499	-	(179,499)	0%
349,603	Works / Labour Overheads-323	Overheads	100,527	134,463	33,936	25%
159,842	Works / Labour Overheads-324	Overheads	31,531	61,478	29,947	49%
-	Works / Labour Overheads-326	Overheads	5,858	-	(5,858)	0%
528,683	Works / Labour Overheads-330	Overheads	263,080	203,340	(59,740)	-29%
144,024	Works / Labour Overheads-334	Overheads	38,667	55,394	16,727	30%
-	Works / Labour Overheads-345	Overheads	93,353	-	(93,353)	0%
283,687	Works / Labour Overhead Recovery-986	Overheads	- 892,962	109,110	1,002,073	918%
1,737,499	**Total Allowances**		- 130,285	668,269	798,554	119%
2,037,848	**Grand Total General Manager Employee Costs**		**- 15,186**	**783,788**	**798,973**	**102%**
	Total Employee Costs by Function					
300,349	General Manager Office	GM Office	98,157	115,519	17,362	15%
-	Animal Contro	Animal	4,588	-	(4,588)	0%
-	Fire Control - RFS	RFS	8,842	-	(8,842)	0%
-	State Emergency Services - SES	SES	188	-	(188)	0%
1,737,499	Works / Labour Overheads	Overheads	- 126,960	668,269	795,229	119%
2,037,848	**Total**		**- 15,186**	**783,788**	**798,973**	**102%**

30-Nov-13

Uralla Shire Council

Collection of Rates to 30th November 2013

Rates and Charges	Levy	Abandonments Pensioners Others *	Net Levy	b/f 2013/14 Arrears	Total	Receipts	Current	Arrears	Rates paid in advance	Interest	Legal Fees	Balance Outstanding	% Collection
Ordinary Rates	3,428,713.91	108,959.13	3,319,754.78	148,039.93	3,467,794.71	1,533,740.88	1,820,915.03	75,661.18	5,028.92	3,425.92	29,022.78	1,934,053.83	44.2%
Domestic Waste Charge	377,625.00	28,068.14	349,556.86	26,349.26	375,906.12	177,849.74	183,725.80	11,155.70	2,690.66	484.22	-	198,056.38	47.3%
Stormwater	29,200.00	-	29,200.00	2,750.13	31,950.13	15,432.51	14,865.35	1,249.47	349.31	53.49	-	16,517.62	48.3%
Environmental Levy	583,400.00	-	583,400.00	56,339.94	639,739.94	298,602.57	306,358.27	26,689.74	7,021.09	1,068.27	-	341,137.37	46.7%
Water Supply Access	400,728.00	30,435.55	370,292.45	41,667.56	411,960.01	199,365.12	186,342.71	19,335.34	6,154.30	762.54	-	212,594.89	48.4%
Uralla Sewerage Charges	531,282.00	23,719.93	507,562.07	34,179.34	541,741.41	271,427.84	253,235.47	11,908.85	4,537.84	631.41	-	270,313.57	50.1%
SUB-TOTAL	5,350,948.91	191,182.75	5,159,766.16	309,326.16	5,469,092.32	2,496,418.66	2,765,442.63	146,000.28	25,782.12	6,425.85	29,022.78	2,972,673.66	45.6%
												Nov Target	45.5%
												Var	0.1%
												Last Year	45.5%
												Var	0.1%



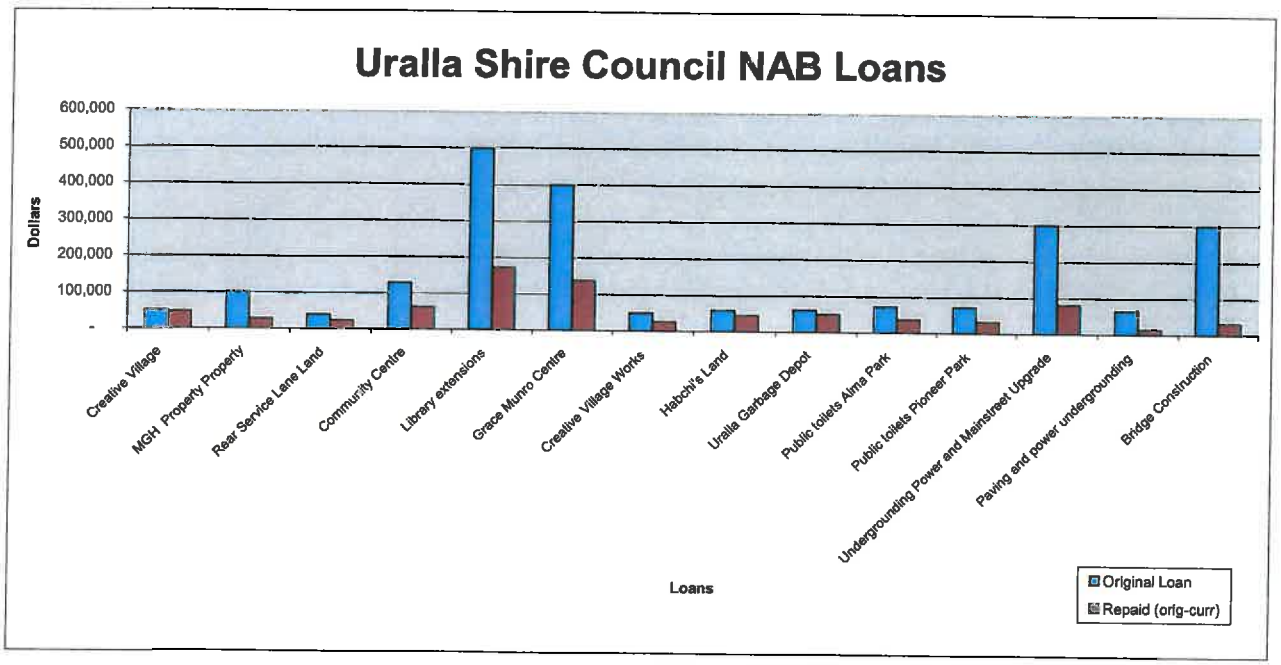
Detailed Water Access Breakdown

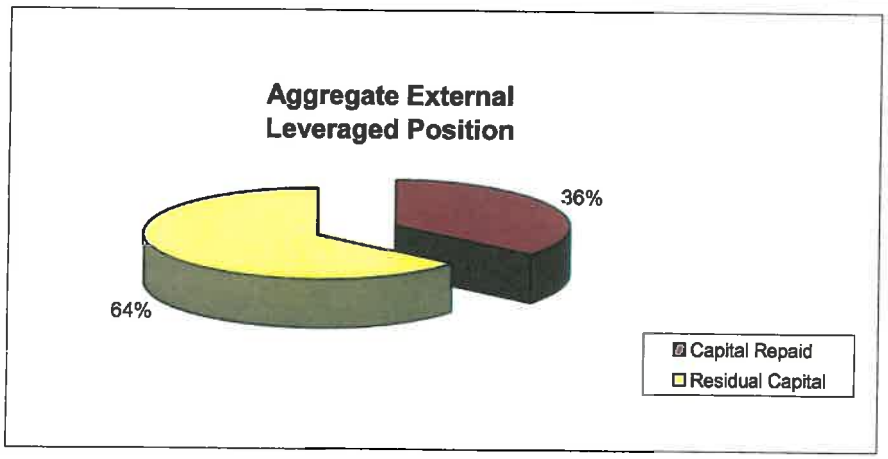
Bundarra Water Access	65,656.00	4,790.62	60,865.38	18,304.00	79,169.38	33,745.24	31,137.81	10,837.90	3,112.12	336.31	-	45,424.14	42.6%
Uralla Water Access	335,072.00	25,644.93	309,427.07	23,363.56	332,790.63	165,619.88	155,204.90	8,497.44	3,042.18	426.23	-	167,170.75	49.8%
Water Supply Access Total	400,728.00	30,435.55	370,292.45	41,667.56	411,960.01	199,365.12	186,342.71	19,335.34	6,154.30	762.54	-	212,594.89	48.4%

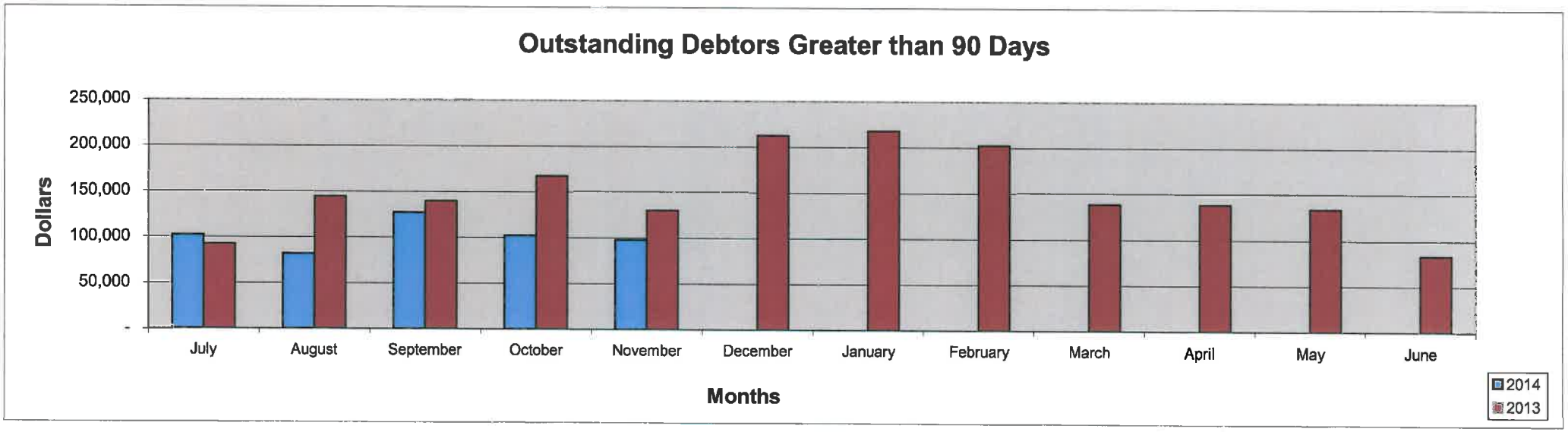
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Uralla Shire Council Loan Details

Provider	Reason for Loan	Account No.	Current Loan No.	Original Loan	Commence-ment Date	Term in Years	Repayments	Period	Maturing	Current Balance
NAB	Creative Village	79-451-3827	161	50,000	30-Jun-98	16.00	418.61	monthly	28-Jun-14	3,340
NAB	MGH Property Property	79-621-8047	165	100,000	28-Sep-02	25.00	751.33	monthly	28-Jun-27	72,548
NAB	Rear Service Lane Land	79-620-5182	167	39,000	1-Oct-02	16.00	348.37	monthly	5-Jul-18	15,801
NAB	Community Centre	79-620-0250	168	128,000	1-Oct-02	21.00	831.30	monthly	4-Jul-23	66,282
NAB	Library Extensions	83-183-6976	176	500,000	2-Feb-04	20.00	3,678.44	monthly	31-Dec-23	327,114
NAB	Grace Munro Centre	83-183-9704	177	400,000	2-Feb-04	20.00	2,942.60	monthly	29-Nov-23	261,702
NAB	Creative Village Works	82-249-3369	181	50,000	31-Jul-00	20.00	401.13	monthly	30-Jun-20	24,157
NAB	Habchi's Land	89-720-0065	182	58,000	29-Jul-04	11.00	651.04	monthly	30-Nov-15	13,126
NAB	Uralla Garbage Depot	57-180-5646	184	61,000	30-Jul-04	11.00	669.46	monthly	30-Jun-15	11,775
NAB	Public Toilets Alma Park	89-536-4656	185	72,000	30-Jul-04	15.00	677.56	monthly	29-Jun-19	36,116
NAB	Public Toilets Pioneer Park	58-724-2577	186	72,000	29-Jul-05	15.00	674.77	monthly	29-Jun-20	40,535
NAB	Undergrounding Power and Mainsti	58-630-9020	187	300,000	29-Jul-05	20.00	2,509.89	monthly	29-Jun-25	219,614
NAB	Paving and Power Undergrounding	79-619-9077	188	65,000	28-Jul-06	20.00	548.21	monthly	29-Jun-26	50,676
NAB	Bridge Construction	89-529-6016	189	300,000	29-Jul-09	20.00	2,650.49	monthly	29-Jun-29	268,369
	External Total			2,195,000			17,753.20			1,411,156
Water	Rear Service Lane Land		170	65,271	30-Sep-07	13.00	2,631.97	quarterly	30-Jun-15	28,508
	Internal Total			65,271			2,631.97			28,508
	Grand Total			2,260,271			20,385.17			1,439,663







Top Twelve Outstanding Debtors > 90 Days

Period 5			8,170.57	160.00	7,484.05	-	97,806.21	113,620.83	
Debtor Account	**Debtor Name**	**Category**	**Balance Current**	**Balance Period1**	**Balance Period2**	**Balance Period3**	**Balance Period4**	**Total Balance**	**Action**	**Comment**
80107	NSW Rural Fire Service	3	8,210.57	-	7,484.05	-	53,544.57	69,239.19	all outstanding invoices resent	
80238	Jim Newman & Julie Crang T/A Uralla (	3	-	-	-	-	25,400.00	25,400.00	paying regularly	
80693	MR DB Little	2	-	-	-	-	4,240.00	4,240.00	Extension of water	Property for sale
80550	APJ Law	3					2,967.99	2,967.99	Costs for sale of land, Slashing Fawzy	
80662	Mr G Cochrane	7	-	-	-	-	1,981.39	1,981.39	sect 94 road royalties	
80677	Mr JR Cousins	4	-	-	-	-	1,897.50	1,897.50	Kerb & gutter	
80125	Mr G J Kiriczenko	2	-	-	-	-	1,500.00	1,500.00	Recover with Rates	2010 debt b/f
80273	Mr C O'Connor	3	-	-	-	-	929.29	929.29	Charging Interest	2010 debt b/f
80261	Ms LM McGuiness	4	-	-	-	-	700.40	700.40	Kerb & gutter, part paid	Rec'd $170 Oct
80297	Mr QJ Dillon	4	-	-	-	-	620.00	620.00	Kerb & gutter, part paid	Rec'd $200 August
80058	Earlham Grove	2	-	-	-	-	417.03	417.03	Mow & clean block	No owner?
80452	Mr T R Judd	4	-	-	-	-	408.20	408.20	2 year deal 8/12/2011	Rec'd $500 Oct

00306

00307

DIRECTOR ADMINISTRATIVE SERVICES' REPORT

Community Services

DIRECTOR
OF
ADMINISTRATIVE SERVICES'

REPORT
TO
COUNCIL

16 December 2013

4. Community Services

Page No.

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Mayor and Councillors
Uralla Shire Council

SECTION:	**Community Services**
ITEM NUMBER:	**Item 1**
SUBJECT:	**Visitor Information Centre Monthly Report**
File Reference:	U12/273
Reason:	Report submitted by Visitor information Centre Manager
Objective:	Have Council consider the Report
Budget Implication:	Council is providing $112,899 in its budget for the operation of the Visitor Information Centre during the 2013/2014 year
Operational Plan:	Part 2, Principal Activity 11

INFORMATION

Attached for notation is a copy of the Community Development Officer's Report on activities at the Visitor Information Centre for the month of November 2013.

Prepared by:	Manager, Visitor Information Centre
Prepared for:	Director of Administrative Services

RECOMMENDATION

That Council note the Community Development Officer's Report on activities at the Uralla Visitor Information Centre for November 2013.

ATTACHMENTS TO THE REPORT

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The Following Documents are Included as Attachments to the Preceding Report

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A:	Visitor Information Centre Manager's Report for November 2013	3

URALLA VISITOR CENTRE

2 December 2013

Report for November 2013

McCrossin's Mill Museum

On Saturday, 9th November members of the Uralla Historical Society celebrated the official opening of the latest attraction at McCrossin's Mill Museum - the Chaff Shed. The new exhibition space is a faithful re-build of McCrossin's 1881 chaff shed where visitors are now able to view refurbished farm machinery and period fire engines.

Over 120 supporters attended the opening, which also marked the re-launch of four displays in the existing museum space which have recently undergone significant transformations. New life has been breathed into the *New Gold Mountain, A Tribute to the Anaiwan, Not in Their Father's Footsteps* and *Trickett's Triumph* exhibits.

With extended exhibition space and new and revamped exhibits, the Uralla Historical Society has ensured that McCrossin's Mill Museum will continue to be a drawcard for locals and visitors alike.

VIC Gift Shop Sales

Sales in the gift shop were again strong, with local produce continuing to prove popular with visitors.

The recently released book *New England High Country: Armidale-Guyra-Uralla-Walcha* was added to the Centre's shelves during the month. The book features images taken by Armidale photographer, Terry Cooke, during a decade of travels around the area. Several scenes captured in and around Uralla are included in the collection.

Sales ($) for 2013-14 Financial Year

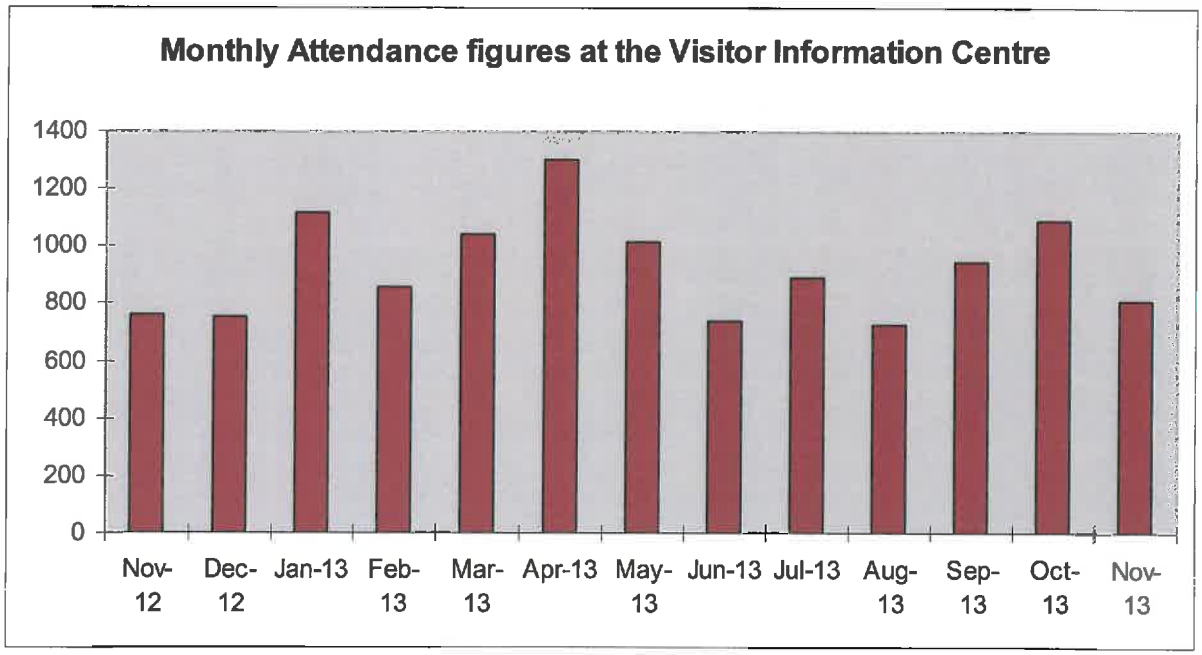
Month	Souvenirs	Wine & Produce	Books & Maps	Other Services	Total
July	267.00	984.70	620.75	63.90	**1,936.35**
August	149.00	895.10	252.15	40.80	**1,337.05**
September	88.00	934.60	337.95	40.50	**1,401.05**
October	152.50	1,256.75	475.45	64.00	**1,948.70**
November	167.00	1,162.05	311.15	69.00	**1,709.20**
Total ($)	**823.50**	**5,233.20**	**1,997.45**	**278.20**	**8,332.35**

Sales Data ($) for November 2011/12 - 2013/14

2011/12	1,081.45
2012/13	871.00
2013/14	1,709.20

Visitor Statistics

November experienced a 3% increase in visitor numbers over the same period last year, but fell marginally short of the monthly average for the past four years.



Nov-12	784
Dec-12	757
Jan-13	1,120
Feb-13	856
Mar-13	1,044
Apr-13	1,305
May-13	1,018
Jun-13	741
Jul-13	891
Aug-13	728
Sep-13	946
Oct-13	1088
Nov-13	807

Visitor Data for November 2010-13

2010	897
2011	883
2012	784
2013	807
Average	843

Patrick Dogan
Community Development Officer

SECTION:	**Community Services**
ITEM NUMBER:	**Item 2**
SUBJECT:	**Outcome of Quality Review of Kamilaroi Ageing and Disability Services**
File Reference:	U11/6783
Reason:	Several programs managed by Kamilaroi Ageing & Disability Services were assessed against the Community Care Common Standards through a quality review process over two days on 30 September and 1 October 2013
Objective:	Have Council note the outcome of the Quality Review of Kamilaroi Ageing and Disability Services
Budget Implication:	Nil
Operational Plan:	Part 3, Principal Activity 4

INFORMATION

A Quality Review of Kamilaroi Ageing and Disability Services was conducted by the Department of Health and Ageing over two days on 30 September and 1 October 2013. The quality review process, conducted once in every three-year cycle, aims to encourage community care providers to review, refine and continuously improve service delivery. As part of the process, service providers are required to report on how well their services meet the Community Care Common Standards and program requirements. The focus of quality reviews is on the results achieved for service users through effective service systems and approaches.

The framework of the Community Care Common Standards consists of three Standards:
1. Effective Management
2. Appropriate Access and Service Delivery
3. Service User Rights and Responsibilities

Prior to the on-site visit, Kamilaroi Ageing and Disability Services was required to complete a self assessment of its services measured by answering three self-assessment questions for each of the 18 expected outcomes of the Standards:
- What practices and processes do you have in place to meet this expected outcome?
- What results have you achieved that demonstrate that you are meeting this expected outcome?
- What plans, if any, do you have for improvement in this area?

The on-site Review was conducted by a team of two reviewers and consisted of meetings with staff and clients of the service as well to review of the program's policies, processes and practices to ensure compliance with the Standards.

Council received grant funding of $70,000 from the Department of Health and Ageing in July 2013 to assist with the transition to the new Home and Community Care arrangements. Part of this funding was used to contract an administrative officer to work with Council's community service programs to review and update policies and procedures and implement a Continuous Improvement Program. Council's recently employed Risk and Compliance Officer also worked closely with the Manager of the KADS program to develop and implement a Risk Management Plan and processes.

As a result of the Review, the Kamilaroi Ageing and Disability Services program was required to implement an action plan (extract attached) to address one area of required improvement and three areas of improvement opportunities. This Action Plan has been approved by the Department of Health and Ageing with the required outcome already partially met.

At the exit interview held on the last day of the review, the review team complimented the Manager and staff of Kamilaroi Ageing and Disability Services on the high standards achieved by the program and commented in particular on the positive feedback from clients of the services.

Prepared by: Director of Administrative Services

RECOMMENDATION

That Council note the outcome of the Quality Review of Kamilaroi Ageing and Disability Services conducted by the Department of Health and Ageing on 20 September and 1 October 2013.

ATTACHMENTS TO THE REPORT

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HOME CARE STANDARDS | IMPROVEMENT PLAN

Your Priorities	RI or IO	Relevant expected outcome(s)	Improvement	What we intend to do to achieve the improvement	Who is responsible	Planned completion date	Actual completion date	Program(s) improvement relates to
1	RI	2.1 Service Access	The service is required to ensure appropriate access to transport for consumers	The transport provider has recently purchased a disability access bus which the clients have been utilising effectively. Annual Client transport survey to be developed and implemented	Manager & Inverell Coordinator	28/02/2014		HACC
2	IO	1.7 Human Resource Management	The service agrees to address the lack of identified mandatory training for staff.	A Training Register and Individual Training Plans are currently being developed to identify mandatory training as well as other relevant training requirements for staff employed in the KADs program. This will be incorporated into Council's Training Plan and reviewed through Council's Consultative Committee which meets bi-monthly. Mandatory training requirements will be appropriately budgeted for through Council's annual budget and budget review processes.	Manager and director of Administrative Services Manager and Finance Manager	30/04/2014		CACP NRCP HACC
3	IO	2.2 Assessment	The service agrees to ensure the identification and completion of all domains for carer assessment identified in the NRCP guidelines.	NRCP Coordinator to commence using the ONI & CENA	Manager & NRCP Coordinator	28/02/2014		NRCP
4	IO	2.2 Assessment	The service agrees to ensure its assessment processes are robust enough to identify health issues that may result in greater frailty.	CACP Coordinator to commence using the ONI	Manager & CACP Coordinator	28/02/2014		CACP

Attachment : A 003159

SECTION:	**Community Services**
ITEM NUMBER:	**Item 3**
SUBJECT:	**Business Plan for Future of Visitor Information Centre**
File Reference:	U07/4410
Reason:	Business Plan received from Will Winter, external consultant engaged to review and advise Council on development options for the future of the Visitor Information Centre and its facilities
Objective:	To consider recommendations for future development of Uralla Visitor Information Centre
Budget Implication:	$10,000
Operational Plan:	Part Three, PA11 Economic Affairs – Other Business

INFORMATION

At the Ordinary Meeting held on 22 April 2013, Council resolved to:

1. Develop a Business Plan for the future direction of the Visitor Information Centre and adjacent Café by 31 December 2013, and;
2. Offer the current Lessee of the Café adjacent to the Visitor Information Centre a twelve month lease on the Café from 1 July 2013 at a weekly rental rate of $165.00 with provision that the Lessee continue to hold responsibility for cleaning of toilets.

Mr Will Winter, from Will Winter consulting, was engaged as an external consultant to review and advise Council on development options for the future of the Visitor Information Centre and its facilities, including the area currently leased on a commercial basis to Desali Ltd. The lease for the café is due to expire on 30 June 2014.

Mr Winter provided Council with a three stage proposal regarding feasibility of the current coffee shop lease, and business planning for the Uralla VIC, including the possible wider scope of developing a Uralla VIC Tourism brand to encourage visitor numbers and increase the daily spend of visitors and length of stays in the Uralla Shire.

To remain within the budgeted allocation of $10,000, Mr Winter was requested to confine his Business Plan to the first two stages of his proposal:

1. Determine feasibility and fair market value of the VIC Coffee shop "as is",
2. Explore the feasibility and CapEx required for alternative uses of the VIC Coffee shop space.

Stage three, being the development of a Uralla Tourism Strategy has, at this stage, been deferred until funding is available.

Mr Winter's Business Plan incorporates a number of considerations for improving the service capacity and delivery through the Visitor Information Centre to enable the promotion of Uralla as a preferred tourism destination in NSW and enhance the economic prosperity of the Shire.

Mr Winter provides two main options for the future development of the Visitor Information Centre: a business model which includes a coffee shop; and a business model which does not include a coffee shop. Both models include consideration of revenue and operational efficiencies for alternative uses of the current space.

A copy of Mr Winter's Consultancy Report is included as Attachment A. Mr Winter will present details in his Report to the 16 December 2013 Ordinary Meeting. This Presentation is scheduled to commence at 4:00pm.

Prepared by: Director of Administrative Services

Continued /...

RECOMMENDATION

That Council note the Business Plan for the Visitor Information Centre incorporating Review and Development Options 2013-15 and adopt the following recommendations:

1. That legal advice be sought from APJ Law regarding Council's position, rights and responsibilities under the current lease arrangement with Desali Ltd,
2. That the Visitor Information Centre coffee shop space not be re-leased after the current lease expires on 30 June 2014,
3. That staff be requested to undertake a cost-benefit analysis reporting back to the February 2014 meeting of Council; comparing the alternatives of modernising the coffee shop space versus the reorganisation of the Visitor Information Centre including the Cafe space, incorporating new technologies, to rearranging office, staff and visitor facilities, displaying the Rockhunter's Rendezvous Gem Collection and local products (including food and drink) to maximum advantage.

ATTACHMENTS TO THE REPORT

INDEX OF INCLUDED ATTACHMENTS

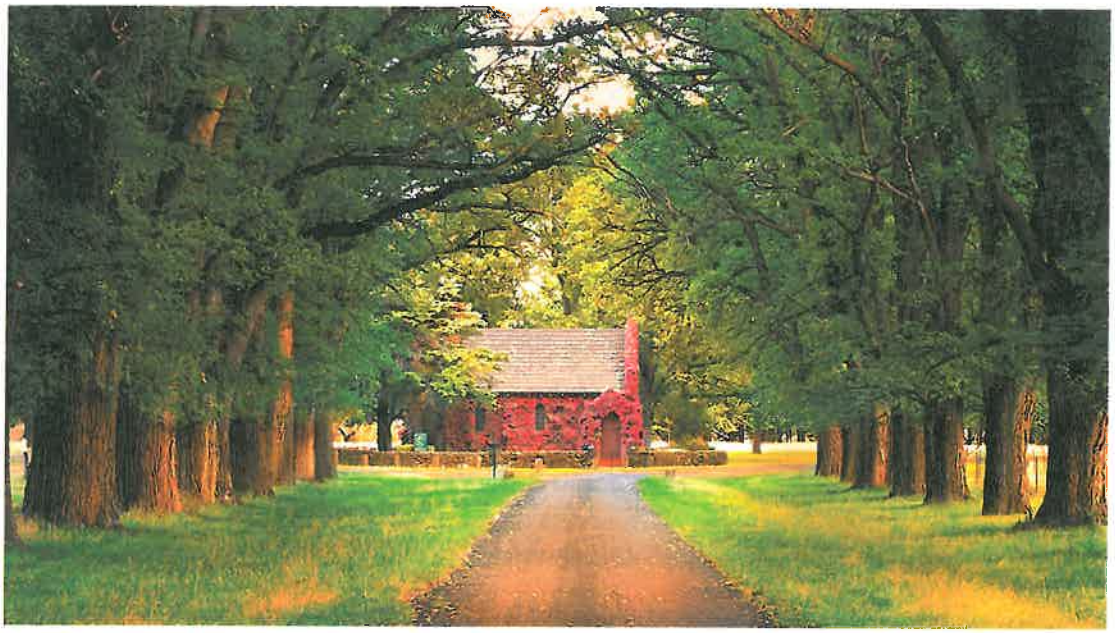
The Following Documents are Included as Attachments to the Preceding Report

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Jane Michie

Jane Michie
Director of Administrative Services

Attachment: A
00318



URALLA VISITOR INFORMATION CENTRE

Review & Development Options 2013-15

Purpose

"This review identifies and assesses development options for the Uralla Visitor Information Centre, to enable its promotion of Uralla as a preferred tourism destination in NSW, and to achieve long term economic returns for Shire residents."

December 2013

WILL WINTER CONSULTING
will@willwinter.com.au

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EXECUTIVE SUMMARY

The Uralla Visitor Information Centre (UVIC) was purpose built in 1991 to create value for Shire residents and the Uralla Council, through promotion of economic, social, and environmental attributes of the Shire to visitors and prospective residents.

The Centre has undergone a series of changes since this time, including its decommissioning as a coach stop in 2009. The building, while somewhat dated, is in good repair.

The UVIC is currently staffed by 1.0 FTE employees of the Uralla Shire. It has modest sales of local craft and produce (approximately $17,000 pa) and assists just over 11,000 visitors per year.

Since 1998 approximately half of the area of the building has been leased to Mr and Mrs Bruce Stubberfield. Prior to uptake of the lease, Mr Bruce Stubberfield was employed as manager of the Centre by Uralla Shire Council. Mr and Mrs Stubberfield utilize the area to run a small coffee shop in the building, next to the UVIC. While synergies exist between the two businesses, they are run separately and have their own power and utility metering arrangements. An internal joining door between The Espresso Cafe and the UVIC can be opened when required, but is usually locked and customers gain access to both businesses via external doors.

The coffee shop is leased to Mr and Mrs Stubberfield, through their company Desali Pty Ltd. Current term of the lease is for 12 months, which will end on June 30th 2014.

With the impending timeline for renewal or otherwise of the lease, the purpose of this review is to identify and assesses options for development of the UVIC, and improve its capacity to promote Uralla as a preferred tourism destination in NSW. The overall objective is to increase long term economic prosperity in the Shire through measured increases in visitor numbers, and average $ spend per visitor over time, through marketing and other services provided by the UVIC.



This review will inform and make recommendations to the Uralla Shire Council about these options, to help maximize long term returns for Uralla residents from deployment of UVIC assets and human resources.

A number of options are identified and discussed throughout the review. These, along with recommendations (see p.19) may form the basis of a more comprehensive business plan for the UVIC, as part of a strategy to build long term economic value derived from tourism and hospitality in the Shire.

1. BACKGROUND – THE URALLA VISITOR INFORMATION CENTRE

The Uralla Visitor Centre (UVIC) is owned, operated and maintained by the Uralla Shire Council on behalf of ratepayers and approximately 6,000 residents of the Uralla shire. Its purpose is to create economic dividends for the Uralla Shire Council on behalf of its constituents, through promotion of business, social, and environmental amenities in the Shire to visitors and prospective residents.

Uralla Shire covers an area of approximately 3,230 km^2, and includes the towns and localities of Abington, Arding, Bakers Creek, Balala, Boorolong, Briarbrook, Bundarra, Camerons Creek, Dangarsleigh, Dumaresq, Gostwyck, Invergowrie, Kentucky, Kentucky South, Kingstown, Mihi, Rocky River, Salisbury Plains, Saumarez, Saumarez Ponds, Torryburn, Uralla, Wollun and Yarrowyck. Uralla is strategically located on the junction of two tourist routes - the New England Highway (linking Sydney with Brisbane) and Thunderbolts Way (with links to the east coast via Walcha and Gloucester)

> ***The main purpose of the UVIC is to create economic dividends for the Uralla Shire Council on behalf of its constituents, through promotion of business, social, and environmental amenities in the Shire to visitors and prospective residents.***

The UVIC is located at 104 Bridge Street Uralla, NSW. The 158 m^2 brick veneer building[1] was purpose built as a Visitor Information and Coach Centre in 1991. Apart from decommissioning of the Coach Centre in 2009 the structure and purpose of the UVIC building has not changed since this time. The north-west facing, premise includes a coffee shop (approx. 75m^2) with a small kitchen. This shop has been leased to Mr and Mrs Bruce Stubberfield since 1998. Currently, the coffee shop (trading as The Espresso Café) is leased for $8,580 pa Ex GST ($165/week). Annual turnover for The Espresso Café is estimated at between $70-130k[2]. Following maturation of the previous three year lease in June 2013, it was renewed for a further year, and will expire on June 30th 2014. At time of writing no undertakings have been given by the Shire for renewal of this lease beyond this date, and current and potential uses for this part of the Visitor Centre form part of the scope of this review.



[1] Estimated from 1991 floor plans

[2] Actual trading figures not available. Estimates are premised on 15,000 customer transactions pa (50/trading day), and $5.00 - $8.66 average spending per customer.

The Uralla Visitor Information Centre is situated in the eastern side of the building, and comprises a total of approximately 83m^2. The Uralla Shire Council utilize this space for displays of local produce, souvenir sales, and dissemination of tourism information. A local gem collection is also located in a partitioned section of this space (approx. 24 m^2) in the south-eastern corner of the building. There are three public toilets (22 m^2), externally accessible from the southern side of the building. The precinct also provides limited office accommodation (8 m^2), which is currently used by the Uralla Shire Community Development Officer. The building is in good repair and well maintained.

The Uralla Visitor Information Centre has approximately 11,000 tourists each year, with revenue of approximately $17,000 pa ($1.50 per visitor) through sales of produce and souvenirs[3]. The UVIC does not at this stage take commissions for local accommodation bookings or other brokerage services. The Visitor Centre holds a liquor license for the sale of locally produced alcoholic products; stocks a small range of souvenirs; and sells a range of locally produced items sourced from within a 100 km radius from Uralla. The UVIC is located on the corner of Thunderbolt's Way and the New England Highway, and is a focal point for visitors and locals who wish to obtain information on events, tourism, hospitality and accommodation in the New England Tourism Region and wider NSW.

The Uralla Visitor Information Centre is a member of the Destination NSW network which supports tourism and events throughout NSW, and is linked to the "Visit NSW" website. It is currently staffed by two part time employees of the Shire (total FTE 1.0), assisted occasionally by community volunteers.

A number of options are currently under consideration to improve the delivery of services through the Uralla Visitor Information Centre over the next three years. These include measures to improve the layout, as well as product and service offering through the UVIC, in ways which help maximize economic and social returns to the Uralla community, and increase local 'value offerings' to visitors. Ideally these developments will be made in keeping with existing strategic priorities for the Shire, and align with preexisting tourism brands such as "Find Yourself in Uralla".

2. PURPOSE

This review identifies and assesses development options for the Uralla Visitor Information Centre, to enable its promotion of Uralla as a preferred tourism destination in NSW, and to achieve long term economic returns for Shire residents.

In considering options for the future of the Uralla Visitor Information Centre, this report will:

1. Identify options and methods to help increase social and economic returns to Uralla residents, through effective deployment of Uralla Visitor Information Centre resources.
2. Determine a reasonable commercial lease value for the Uralla Visitor Information Centre Coffee Shop as one of the options (above)

[3] Estimates based on May 2013 Monthly Report Figures.

3. Outline two business models for improved operation of the UVIC, "with" and "without" a coffee shop
4. Outline further development options for the UVIC and its role in developing the Uralla Tourism and Hospitality industry, and
5. Make recommendations based on (3) and (4) above

3. METHODOLOGY

3.1. Operational Objectives and Strategic Outcomes

In considering future uses for the UVIC building in the future, a clear focus on the operational and strategic objectives of the Uralla Visitor Centre will remain paramount.

Operational Objectives for the UVIC include:

- A focus on increased sales and revenue for the Centre over time,
- Increasing visitor numbers to the shire,
- Development of operational planning, monitoring and reporting systems which focus on KPIs for achieving strategic outcomes, and
- Operational efficiencies to be gained, particularly through labour and utility overheads

Strategic Outcomes for the UVIC include:

- Improvements in economic returns to the Shire brought by the tourism and the hospitality industries.
- Longer term positioning of Uralla and the Shire as a preferred place to live and work.
- Design of systems and their implementation, to measure strategic outcomes from ongoing investments in the tourism and hospitality industries, and
- Communication of strategic outcomes with Shire and other stakeholders.

3.2. Measuring Ratepayer Returns for Investments into Tourism Infrastructure within the Uralla Shire

Shire Council decisions about future levels of investment, and ongoing operational expenditure for promotion of tourism in Uralla Shire require a detailed understanding of the economic value which tourism and hospitality bring to the region over time. After initial enquiries, it appears that there is limited information in this regard[4].

A key question before planning and assessing options is:

What returns are being achieved now through tourism in the Uralla Shire?"

Answering this question will require quantification and qualification of the $$ and other values which visitors bring to the Uralla Shire each year.

[4] Pers. Com. Uralla Community Development Officer Patrick Dogan, and Director of Administrative Services Jane Michie

A 'bottom line' measure of economic return from tourism, from a Shire perspective, is the annual $ gross revenue brought into the Shire attributable to tourism activities.

Measurement of economic returns on strategic investments such as the UVIC requires a mix of qualitative and quantitative methods. A brief review of these measures is worth considering as backdrop for analyzing options in relation to the UVIC.

3.3. Economic Measures of Return from Tourism

Economic returns from tourism such as $$/year and $$/visitor are driven by a number of variables.

These variables can be segmented according to accommodation and visitor types. For example:

- Motels and caravan parks
- visits from friends and relatives (VFR);
- visits by trades and business people,
- visiting agriculturalists;
- visitors for local events,
- long distance stopover travelers; and
- gray nomads.

Each consumer segment will have particular characteristics, with different reasons and preferences wanting to stay in Uralla. Future monitoring visitor numbers in this regard will enable more targeted marketing, as well as selection of key messages and channels for each visitor segment.

Economic value derived from these segments is a function of combined supply and demand variables such as:

- Seasonal supply of rooms and visitor beds in the Shire
- Type of supply, eg Motels, Caravan Parks, B&Bs
- Seasonal customer numbers (% occupancy rates) for rooms and beds in the Shire
- Type of customer, eg Trade and Business Visitors; Gray Nomads
- New and returning visitor numbers to the Shire (day only vs overnight)
- The average 'spend' ($) per visitor event (eg, $ tariff/room) and
- Economic multipliers associated with generation of tourism and hospitality income in the Shire.

Investment returns on tourism brand development for the Uralla Shire can also be measured by qualitative methods (gathered for example, via surveys). These methods could be used to estimate (for example) how many new residents come to the Shire, as a direct or indirect consequence of exposure through tourism; and/or through jobs generated as a consequence of these services and marketing activities.



The above measures and methods will be important considerations in planning, monitoring, and reporting on returns associated with investments in Uralla Shire tourism infrastructure. In particular, and for the purposes of this review, to the extent that these variables are influenced by the UVIC will also have a bearing on decisions of how to operate and develop the Centre further.

Further market research, and development of systems to monitor drivers of tourism within the UVIC will help provide a platform for future investment decisions and increased economic returns from tourism in the Uralla Shire.

Development of information gathering systems to monitor (for example) bed-stays and capacity will also:

- Help inform the Shire Executive and Councilors about the changing performance of each sector within the industry.
- Assist to provide notional returns on tourism and marketing investments (measured by incremental improvements), by sector and customer type if required.
- Help guide the strategic deployment of staff, and development of staff amenities,
- Provide operational feedback to staff, about their strategic effectiveness
- Positively contribute toward improved staff engagement and retention rates, and
- Help to develop frameworks for strategically focused staff skills audits; professional development; and performance appraisals.

3.4. Gathering Baseline Data: Levels of Accommodation Supply and Demand in Uralla

As part of this report, a survey has been designed and partly administered with all accommodation providers in the Shire. This survey has used parameters outlined in section 3.3 above, and involves a brief (10-20 minute) telephone interview with proprietors of each business to ascertain capacity and occupancy rates. It also aims to determine the $$ value of accommodation types in the shire; customer types; seasonality; and numbers of bedroom nights as 'baseline' information for future development of tourism in the Shire. A further objective is to estimate the economic value of tourism and accommodation in the Shire, in order to better inform Uralla Council and other stakeholders about returns on future investments (including possible CapEx for UVIC, and future Brand Campaigns). At the time of submission some business remained to be contacted, and results will be posted as an annex to this report by mid-December 2013.



4. OPTIONS FOR DEVELOPMENT OF THE URALLA VISITOR CENTRE

There are a number of considerations for improving service capacity and delivery through the UVIC, to enable promotion of Uralla as a preferred tourism destination in NSW, and build long term economic prosperity in the Shire.

Themes for development of the Centre include:

- The future role of coffee, food and other drinks sales as part of the UVIC 'profit mix', and if continued, in what form.
- Development of additional amenity and functionality for the building, such as a community 'drop in' centre; meeting rooms; business hot desks; internet kiosks; and family research facilities.
- Internal (re)design and refurbishment of rooms and layout of the building for improved displays; energy efficiency; staff amenity; customer service areas; public access and meeting facilities.
- Internal refurbishment and redesign of shop fixtures, fittings, lighting and displays for improved sales and turnover.
- Additional revenue streams, such as brokered accommodation and event bookings, and event management services.
- UVIC business development, marketing, monitoring and communications.

5. UVIC BUSINESS MODELS: 'WITH' A COFFEE SHOP

Options to continue the coffee shop as a part of the UVIC complex include:

- Renewal of the lease with Desali Pty Ltd after the current agreement expires on June 30th 2014.
- Re-lease of the coffee shop to another entity from July 2014.
- Non-renewal of the coffee shop lease, and/or
- Resumption of the coffee shop business, incorporating within the UVIC by Uralla Shire Council.

5.1. Guidelines for Assessment of Options to Continue the UVIC Coffee Shop

Guidelines for assessment of options to continue (or not) the UVIC Coffee shop can be based on strategic and operational criteria outlined in name section 3.1.

Revenue and operational efficiencies for alternative use of the current space deployed for a coffee shop will be discussed in some of the options outlined in this part of the review. In particular these may apply to the option of the Uralla Shire taking up operation of the coffee shop function, as part of a revised business model for UVIC service delivery.

The UVIC has an obligation to maximize both financial and social returns on assets for its constituents and stakeholders, and with this in mind, alternative uses (which may include incorporating the current lease space for purposes other than a coffee shop) will be discussed in section 6.0 of this report.

5.2. Determining "Reasonable" Rent for the UVIC Coffee Shop

Current rental arrangements have evolved over a number of years, and include 'in kind' arrangements between the current lessees and the Uralla Shire Council. As in kind arrangements are difficult to quantify and track, and it is recommended that future property lease contracts between the Uralla Shire and tenants be negotiated on an 'arms-length' commercial basis, without in kind considerations.

Formal (and more expensive) determinations of reasonable commercial rent can be made on the basis of sworn valuations and comparisons of like properties by registered property valuer(s). They can also be calculated through discounted cash flow (DCF) and net present value (NPV) analyses, based on future income streams from the asset.

For the purposes of this report estimates of the commercial lease value for The Espresso Café were obtained as rent appraisals from local real estate agents. Details of these valuations are attached with the report, and a summary of these is provided in the table below:

5.3. Lease Rental Estimates (ex GST) - 104 Bridge St Uralla Coffee Shop

AGENCY	RATE (LOW)	RATE (HIGH)	COMMENT
Northern Tablelands Property (NTP)	$230	$250	Based experience and similar rentals in the area
Iain Mackintosh	$280	$300	An annual adjustment equaling the CPI would also apply

Based on the above, annual GST exclusive rental estimates of between $11,960 and $15,600 pa would seem reasonable for the 75m^2 (estimated) self-contained area currently being operated as The Espresso Café. Annual inflationary indexing and pro rata utility costs would also apply to new lease agreement(s), should the Uralla Council decide this to be a 'best use' for the precinct.

Estimates above indicate that current rental arrangements may be approximately $7,000 pa below market rates in cash terms, notwithstanding other 'in kind' considerations with the current lease agreement.

5.4. Issues with Non-cash Payments for Property Leases

Current lease contracts with Mr and Mrs Stubberfield have been negotiated with implied understandings of in kind contributions around cleaning of the UVIC public toilets, and other non-written, complementary arrangements concerning operation of the Visitor Centre. These in-kind considerations may have been used to justify sub-commercial lease rates for the current tenants (section 5.3 above).

Issues:
There are a number of potential issues with informal payment of property leases, such as those agreed between Desali Pty Ltd and the Uralla Shire Council.

The first is that, if such payments are made with 'employment type' arrangements (such as regular cleaning of toilets) it may infer an employment relationship between the Uralla Shire and current lessees. If this was challenged it has the potential to open "Pandora's Box" around issues around pay, insurance, WHS, and other legal obligations for the Shire.

A second issue in relation to the current lease agreement is Uralla Shire Council has in the past agreed to pay legal fees on behalf of current lessees Mr & Mrs Stubberfield, to assist them in obtaining legal advice in relation to the current lease agreement with the Shire. It is understood that Council made this decision on the basis that the Shire had 'obligation' to pay for these expenses. However, there is no mention of these obligations in the lease contract. Further, it could also be argued that this expense is a 'usual' part of doing business, and that as such, it is the proprietors' liability to pay for such advice. The Shire's decision to pay for these legal expenses (it could be argued) further blurs the lines of an 'arms-length' agreement, and raises issues of pecuniary interest and legal liability for Shire Councillors. Shire payment for this advice may also raise issues of 'ownership' of the advice, and its impartiality.

It is strongly recommended that the Uralla Shire Council seek legal advice on these matters before proceeding to negotiate further lease agreements with Desali Pty Ltd. It is also recommended that future lease agreements not include 'in kind' considerations between either party, and such conditions not be explicit or inferred in lease contracts. Lack of clarity around lease arrangements with current lessees of The Espresso Café may present a legal risk for the Shire. Misunderstandings around both the nature and value of these payments, and their delivery, may have contributed to tensions between the parties in the past, and compromised (to some extent) delivery of UVIC customer services.

5.5. Strategic Alignment and Competition Issues Around the UVIC Coffee Shop

Leasing part or all of the UVIC floor space to an external business entity, for purposes other than promotion of tourism and visitor numbers is arguably not aligned with the strategic intent of the UVIC. Leasing part of the UVIC building renders this part of the premises unusable for these purposes, and takes it out of the direct control of the Shire. While there may be some synergies and shared interests between the contracting parties, it could be argued that the overriding (public good) objectives for operation of a VIC by a Shire will be significantly different to the (private profit) interests of lessees. The extent to which these interests can be reconciled will determine in part, the price of the coffee shop lease. For example, to the extent that a coffee shop promotes traffic to the VIC, or vice versa, there will be complementarity and mutual interest between the two entities, and this is a factor of value for both entities.

However, if can be established that an commercial advantage is being gained by Desali as a private company through its lease the Shire and, to the extent that this is not factored in as an extra $$ consideration in the lease, it could be argued (especially by competitors) that the lessees are gaining an 'unfair' trading advantage. This behooves extra care and diligence on behalf of the Shire to ensure an arms-length appraisal of the rental agreement.

Such an appraisal should take into account:

- The opportunity cost(s) of alternative uses of the space by the Shire
- The relative advantages which the lessees gain, compared with their competitors, from their proximity to a Shire business.
- The reciprocal value which the Shire and ratepayers gain, through the co-location and nature of the commercial business.

In the case of the UVIC, current lease agreement with Desali Pty Ltd has been agreed at below commercial rates paid by comparable businesses in the town. This would indicate that the Shire has a net benefit from co-location and leasing the area to The Espresso Café, compared with other options.

It further suggests that either:

- the current value of the current lease has been underestimated compared with others, and/or
- the value of the Visitor Information Centre is less that of commercial leases offered in the town (on a $/m^2$ basis).

Given the scale and estimated value of tourism[5] to the Uralla Shire the last point is unlikely. In addition, the role which the UVIC has in promoting tourism and hospitality is likely to be significant. It is also likely that small changes in the use and management focus of the UVIC will have large economic returns for the Shire and its constituents. For instance, if the value of the visitor market is (say) $5m, and the UVIC can, through revised use of its facilities and other activities, increase revenue by 10% over the next two years, the Shire and its constituents will benefit by at least $250,000 pa from achievement of these objectives. The opportunity cost of not implementing these measures could be of this, or even larger magnitude to ratepayers.

5.6. Continuation of the Lease with Desali Pty Ltd after June 2014

The option to renew current lease arrangements with Desali Pty Ltd (trading as The Espresso Café) beyond June 2014 will require a review of current financial and in-kind considerations, and a possible increase in rental payments based on current or alternative 'arms-length' professional appraisals (sections 5.2, 5.3 and 5.4 above.).

[5] To be determined – estimates of $5m to $10m.

Value:
If the lease is renewed, there is a strong case for increasing the rental price to at least commercial rates indicated in section 5.3. Rental of up to $16,000 pa, CPI indexed may be achieved 'as is', without substantive changes to existing business models for either party. There is an additional case for a rental price over and above commercial rates, based on alternative uses and possible higher returns to the Shire, through reincorporation of the 'coffee shop' space into the operations of the UVIC. Some of these 'without coffee shop' options are discussed in section 6.0 below.

Renewal of the lease by the Shire should also take into consideration the 'premium' nature of the lease, by virtue of its co-location with a local government owned amenity with high public exposure. The value of this advantage could (for example) be estimated at around $14,000 pa of 'extra' (marginal) profit per annum, based on assumptions of 4,000 additional customer sales per year[6].

Strategic Alignment:
An overarching consideration for the Uralla Shire in deciding whether or not to renew the lease with Desali Pty Ltd (or continuing it with other entities) is whether or not re-lease will serve to advance the strategic objectives of the visitor information centre. Leasing part of the UVIC premises to a third party arguably does not align with the strategic (and/or operational) purpose of the Centre (see section 3.1 above), and on this ground alone, its renewal is difficult to justify.

Recommendation:
Based on the considerations above, it is recommended that Uralla Shire not re-lease the UVIC coffee shop space, either to Desali Pty Ltd or to other parties, after the current lease expires on June 30th 2014.

5.7. Uralla Shire Resumption of the Coffee Shop Business

If the Desali Lease is not renewed in 2014, it will open options for alternative uses of the space, more strategically aligned with UVIC objectives.

One such option will be for Uralla Shire to take up the coffee shop as an integral part of other services and products offered through the UVIC. A recent survey of Food Provision in NSW Regional VICs conducted by Upper Hunter Shire[7] indicated a preference for food service either within, or immediately nearby, Visitor Information Centres. A survey of food and drink vending, along with current UVIC customers would help to further research local preferences for sales of food and drink through the Centre. If implemented, it might be assumed that this option would bring in at least as much income as the business does now – estimated in the vicinity of $70-$130k pa gross revenue. Adjustments to UVIC FTE and salary considerations

[6] See for example, assumptions on name section page name. (Based on 4,000 customers x $8.66 per sale x 40% marginal net profit on additional sales).
[7] Liam Garment, 2013 *"Visitor Information Centres Providing Food"* Provided by Patrick Dogan – Economic Development Officer, Uralla Shire. See attached.

would also be required under this option, depending on revised opening hours for the Centre and/or coffee shop.

Consideration would also need to be given under this 'resumption' scenario (and a price negotiated if possible), to purchase The Espresso Cafés trading stock, equipment and other assets necessary for continued operation.

Advantages:
It is conceivable that this option could lead to economies of scale and increases in turnover over time, based on growth in visitor numbers to the UVIC (perhaps with more locals) and linked with joint advertising of coffee shop and other UVIC services. Sales of coffee beans if/when available, and locally grown/prepared food where possible could be built into sales revenue over time. Extra sales of produce associated with increased visitor numbers might also be achieved.

It is possible that synergies may also be gained through joint staffing and other operational efficiencies through these arrangements.

Nonrenewal of the coffee lease would also open the way for increased revenue streams from complementary and/or alternative uses of the 75m^2 space currently leased to Desali Pty Ltd.

Disadvantages:
Local concerns about the Shire opening a retail outlet in competition with other coffee shop businesses in the town may an issue with this option. It may be established (for example) that the market is already 'saturated' with café services in Uralla, and another one (especially if operated by the Shire) could have adverse impacts on the viability of some vendors in town.

There may also be other regulatory and legal constraints on the Uralla Shire for the operation of a coffee shop concurrently within the UVIC. A survey of local businesses, visitors and coffee shop patrons would help gauge local and visitor demand. Legal advice concerning regulatory and other aspects of this option should be sought before commencing with business plans around this option.

Further work to establish current and future demands for coffee shop services in the town, along with indicative benchmarks for breakeven sales of coffee (with ancillary food and drink sales) would help inform this decision, and assist future investments in this section of retail trade in the town.

A thorough business plan would be required before implementing this option. Terms of reference for the plan would include:

- Purchase of equipment and trading stock
- Capital costs of shop refit (if required)
- Other capital outlays,
- A marketing plan
- Finance and operating capital

- Revised operating costs, including appropriate staffing (possibly an additional 1.0 FTE?), marketing costs, profit centres, estimates of gross profit, overhead expenses, cash flows and sensitivity analyses.



Recommendation:
For the above reasons, and taking into account the absence of more detailed supply/demand information for coffee shops in Uralla, it is recommended that, should the Shire Council decide not to renew the current lease in June 2014, that a business plan be drawn up for ongoing operation of the coffee shop by the UVIC, with prudent risk analyses, to determine the viability and feasibility of this option.

Regardless of the decision about whether or not to proceed with this option, the Centre would not otherwise be precluded from serving coffee and other refreshments to visitors on a 'free' or 'cost recovery' basis.

6. OTHER UVIC BUSINESS MODELS: 'WITHOUT' A COFFEE SHOP

6.1. Gem Collection

Resumption of the area currently leased and used solely as a café would enable relocation of local and other gems/stones and minerals currently displayed in a separate section of the UVIC. Gems could be moved to a more darkened side of the building, possibly on the north-west verandah currently used for the coffee shop, to minimize long term UV damage to exhibits currently exposed eastern light. Further work could be done to enhance and advertise this display with controlled lighting, and linking its history with mining and other heritage themes in the Shire. A longer term marketing campaign advertising the display through websites, journals and groups of mineral enthusiasts might also to encourage tourism and visitation around these themes.

6.2. Utilization of Space Vacated by Coffee Shop

Freeing up of space this space would enable refurbishment this and other areas of the UVIC layout, fixtures and fittings to provide for a greater range of produce and souvenirs for sale, more ambient use of light, increased storage and office space for UVIC Staff, and possibly construction of dedicated rest rooms (internally accessible) for staff. Improved office accommodation for the current Economic Development Officer and UVIC Manager would enable him to work from the Centre five days a week, and free up his main office accommodation he is currently using in the library. Currently Patrick works full time, between the two premises, and is rostered 2 days/week at the UVIC, and notes that work efficiency during his two days could be improved by having his main office (all files etc) located within the UVIC building.

Additional augmentation of the UVIC space could incorporate refurbished floor coverings; redesign of the customer service area and counter; and full length wall displays featuring historical scenes, and the Shire's scenic beauty.

6.3. Family History Research Centre

The Shire Library building is situated next to the UVIC, and has in recent times been successful in obtaining a grant for refit and equip a section within the library for family history research. A strong genealogy group exists in Armidale and there is anecdotal evidence that many visitors come to Uralla not only to explore the district's history, but also their family's historical connections with the region. Themes for these visitations include family involvement with the Shire's gold and pastoral pioneering history.

Freed up space in the UVIC could be used with displays and technology which augments, builds and markets visitation to Uralla around these themes, and repositions the UVIC as a 'gateway' for these activities. These themes would resonate with the "Find yourself in Uralla" and "Experience the Highs" brands, and could be woven into existing brand narratives.

Redevelopment of the UVIC with around historic themes could also include installation of some large interactive computer displays in Centre for visitors use, enabled by a high speed, high bandwidth wireless internet connection between the buildings. Further possibilities exist to bridge these facilities with nearby Shire Chambers, and to link with 'free' public WiFi zones around the town to enable exploration of historical and other themes for visitors. Enabling technology of this nature would also complement other initiatives around the town, such as the Uralla Sound Walk under development.



6.4. Traveler's Internet Kiosk

Current CDO and Manager of the UVIC Mr Patrick Dogan has suggested that facilities (above) could also include internet kiosks to enable the planning of travel itineraries, accommodation bookings and access to other information for an increasingly 'tech savvy' gray nomad visitor market. These amenities could also be used as a community meeting space by arrangement with the VIC when required, and would 'extend' opening hours and access to family genealogy technology currently being installed in the library.

6.5. Improved Display Areas and Extra Sales of Produce/Souvenirs

In recent years the UVIC has achieved sales of produce and souvenirs of around $17,000 pa (approximately $1.50/visitor). It is recommended that future business plans for the UVIC adopt a more targeted approach to building sales of merchandise (including food and drink). Sales are a function of the perceived purpose of the UVIC by customers, and (given the current low level of sales) modest investments in marketing (including internet and online), visual displays, lighting, layout and furnishings for the Centre are likely to produce good returns (revenue and profits) from improved retail sales resulting from these initiatives.

Negotiating and targeting monthly sales figures, and monitoring consumer response rates to marketing efforts will help to inform and engage staff around this area of operations for the UVIC. They are also likely to have a 'rub off' effect on improving visitor numbers to the Centre, as it becomes increasingly known as an outlet for quality local produce, crafts, artwork, clothing, etc.

Perceptions of the UVIC moving into 'competition' with other businesses in the town may be an issue with this renewed focus, and from this point of view commission sales of high quality representative goods from other retailers in the town, through the UVIC, may be worth considering. This would help to extend the trading footprint of local businesses through the UVIC, especially if combined with a more focused and purposeful internet marketing strategy for the Shire. It would also help to reduce trading stock held by the Centre, and to promote a constructive relationship between the Shire and retailers. It would also enable improved exposure to the visitor market from businesses and residents operating beyond Uralla, such as Bundarra, Invergowerie and Wollun.



Constructive dialogue and 'marketing' with Shire residents around the purpose of the UVIC (ie 'to increase visitor numbers and the economic value of tourism in the Shire') will also help to assuage local concerns about 'competition, particularly if future improvements in visitor numbers to the Shire can be linked with Shire strategies to develop tourism in the area.

6.6. Brokerage of Accommodation and Events

The option of improving UVIC revenue from management of bookings for accommodation and local events in the area should also be considered. This would require investment in online booking systems; marketing and event management skills for UVIC staff.

Quantification of the possible income to be derived from these activities could form part of a more detailed business plan for the Centre[8]. Brokerage of accommodation services could extend beyond the Shire, especially for 'half-way' visitors to Uralla who require accommodation also, at their next destination(s) such as Brisbane or Sydney.

If successful, it is possible that UVIC could also provide brokerage services for neighbouring Shires and other entities. This would help to further boost 'returns' on investments for booking systems (etc) outlined above.

6.7. Estimates of CapEx Required

While initial estimates for some of the options outlined above have been obtained, more detailed costing of CapEx requirements, staffing ratios, utility and other overhead costs for development of the UVIC would form part of the scope of a detailed business plan based on recommendations outlined in section 7.0 below.

[8] A business plan would draw on 'baseline' information about the size of the accommodation sector in the Shire to determine likely returns from brokered accommodation through the UVIC. Survey information forming part of this report could be used as a basis for these calculations. If (for example) the total accommodation revenue for the Shire is in the order of $3,000,000 pa, and the UVIC manages to build and/or broker 10% of these sales, at 10% commission, it would result in additional revenue of $30,000 pa for the Centre.

7. RECOMMENDATIONS

7.1. That the Shire seek legal clarification of its rights and responsibilities with regard to payment of legal and other professional services on behalf of third parties, with whom it also has property lease contracts.

7.2. That Uralla Shire Council seek legal advice concerning 'non-cash' considerations implied in current lease arrangements with Desali Pty Ltd (Mr & Mrs Stubberfield), in order to clarify taxation, employment and other potential legal liabilities which may arise from these arrangements.

7.3. That the Shire seek this advice (7.1 & 7.2) before proceeding with further negotiations to renew or rescind the current lease with Desali Pty Ltd early in 2014.

7.4. That (as a matter of precaution) future lease agreements made by the Shire should not include 'in kind' considerations (either explicit or inferred) between either contractual party.

7.5. That Uralla Shire not re-lease the UVIC coffee shop space, either to Desali Pty Ltd or to other parties, after the current lease expires on June 30th 2014.

7.6. That a detailed business plan be drawn up to explore the feasibility of UVIC continuing to operate a coffee shop as an integral part of the Centre's operations after June 2014. That such a plan be scoped to include risk analyses, as well as capital cost estimates associated with fit out, refurbishment and possible renovation of the UVIC for this option. That such a plan also incorporate new technology associated with family research and other themes outlined in section 6.0 of this report.

7.7. It is recommended that future business plans for the UVIC also focus on more targeted approaches to building sales of local produce, craft and merchandise (including food and drink).

7.8. That the Uralla Council further develops strategic and operational plans for advancement of tourism and hospitality industries in the Shire, based on business and economic 'return' guidelines outlined in section 3.0 of this report.

7.9. That, as a part of 7.7 & 7.8 above, the Uralla Council further researches and implements regular reporting systems to determine the size and value of the tourism and hospitality industries, for targeted and appropriate levels of future investment in the sector, and as background for further development of a comprehensive Shire Tourism Strategy.

8. CONCLUSION

Options and recommendations outlined above provide a method for assessment of economic and other merits around developing the tourism and hospitality industry in Uralla Shire. Based on initial survey work of the size of the accommodation sector (alone) in the Shire, there is significant 'upside' to be achieved through a more focused and strategic approach to further investment in this area.

It is recommended that the Shire Council and Executive give further consideration to a more detailed business plan for development of the UVIC, based around their adoption (or otherwise) of recommendations provided in this review.

9. ATTACHMENTS

9.1. NTP Property Valuation

NTP
Northern Tablelands Property

Phone (02) 67785000

EMAIL:admin@northerntablelands.com.au

90 Bridge Street Uralla NSW 2358

Postal; PO BOX 120 URALLA NSW

Tuesday 22nd January 2013

Attn:Jane Michie
Uralla Shire Council
Salisbury Street Uralla

RE: RENT APPRAISAL THE ESPRESSO CAFE 104 BRIDGE STREET URALLA

Thank you for the opportunity to provide you with our opinion on the current commercial rental market.

This assessment is based on three main factors.

- Recent rentals in the area
- Other properties currently rented
- Our market expertise and real estate experience.

The market rental for 104 Bridge Street would be between $230 and $250 per week. ***We are not licensed valuers, and as such this is an estimate of the value of the property.***

Peter Ryan
Licensee

9.2. Iain Mackintosh Property Valuation

IAIN MACKINTOSH
Licensed Auctioneer Stock & Station Agent, Real Estate Agent
IMACKA PROPERTY & LIVESTOCK
48a Bridge St. *(P.O. Box 151)* Uralla 2358
ABN: 49 343 779 985

phone: (02) 6778 3066
Mob: 0416 190 180
fax (02) 6778 3177
Email: imacka@stelstar.net.au
www.imacka.com

25th January, 2013

The General Manager,
Uralla Shire Council,
32 Salisbury Street,
URALLA NSW 2358

Dear Sir,

Re: Lease Appraisal – 104 Bridge Street, Uralla NSW 2358
Uralla Visitor Information Centre Coffee Shop & Café.

Following a request from **Jane Michie**, I have today carried out a lease appraisal on the above property.

I have below detailed the appraisal of the property with a view of establishing what I consider to be a reasonable lease for the above holding based upon my experience as a real estate agent and the current market trends.

The holding is part of the building used as the Uralla Visitor Information Centre, comprising of approximately 70m². It contains a commercial kitchen plus a counter and indoor and outdoor eating areas. It is of modern construction and in good order. I am informed that the café is fitted out by the Council, including cupboards, gas cooktop, fridge, freezer and tables and chairs.

Electricity and water charges are reported to be currently included in the lease as Council expenses. This is reflected in the appraisal figure.

- ***APPRAISAL*** -

Lease: **$280.00 to $300.00/week + GST**
An annual adjustment approximately equalling the CPI should also apply.

Yours faithfully,

Iain Mackintosh

Disclaimer: This report is a personal appraisal done in my capacity as a real estate agent combined with information provided by the Council. The figures stated have been formulated as a guide for lease only.

9.3. Upper Hunter Shire Council Survey of Food Provision in Regional VICS

Visitor Information Centres providing Food										
Name of VIC	Food service	Would like food service	Drinks	Snacks	Nothing	Food in same building	Food close by	Kitchen facilities but not used	Alcohol	Fuel
Albury							√			
Balranald						√				
Barraba		√			√					
Batemans Bay		√					√			
Bathurst						√				
Bingara						√	√			
Broken Hill						√				
Bulli Tops						√				
Bundeena	√		√	√					√	
Camden					√					
Central Coast			√	√			√			
Cronulla						√				
Eden					√					
Griffith					√					
Jeridene					√					
Kyogle						√				
Lake Macquarie					√					
Liverpool Plains						√	√			
Maitland						√				
Manilla		√			√					
Marrickumbar		√	√				√			
Merimbula			√							
Merriwa			√	√			√			
Murrurundi			√	√		√				
Muswellbrook					√					
Narooma		√								
Nimbin			√	√						
Nundle		√			√					
Oberon					√					
Olivers Mt	√		√	√						
Port Macquarie						√				
Queenbevan							√			
Scone	√		√	√			√		√	
Tamworth		√			√					
Taralga					√					
Tenterfield					√					
Tibooburra	√		√	√						
Tilligerry Habitat			√	√						√
Tumut					√					
Uralla						√				
Wanaida		√						√		
Waterfall Way							√			
Wentworth					√					
Woolongong							√			
Totals	4	8	11	9	15	13	12	1	2	1
NENW	0	4	0	0	4	4	3	1	0	0

00341

DIRECTOR ENGINEERING SERVICES' REPORT

Technical Services

DIRECTOR

OF

ENGINEERING SERVICES'

REPORT

TO

COUNCIL

16 December 2013

5. Technical Services

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Mayor and Councillors
Uralla Shire Council

SECTION:	**Environment and Waste Management**
ITEM NUMBER:	Item 1
SUBJECT:	**Environmental Committee Meeting held 3 December 2013.**
File Reference:	U12/150
Reason:	To provide advice to Council regarding Environmental Management within the Shire.
Objective:	Have Council note the minutes of the meeting and adopt recommendations of the Committee.
Budget Implication:	Nil
Operational Plan:	PA 5 Housing and Community Amenities (Sub Activity – PA 5.6 Environmental Management).

INFORMATION

Environmental Committee Meeting: 3 December 2013

The Environmental Committee held an ordinary meeting on 3 December 2013. The Draft Meeting Minutes are attached to this report for the information of Council. The Environmental Committee did not make any recommendations to Council from the December meeting.

WLRM Funding Application

The Committee noted that Council will submit an application to Round 1 of the NSW EPA's *Waste Less Recycle More - Improved Systems for Household Problem Wastes Community Recycling Centre (Drop Offs)* funding program. Applications are due for submission to NSW EPA by COB 3 February 2014. Due to the tight turnaround time, Council's application will be unable to be considered at an ordinary meeting of Council prior to submission.

Meeting Dates for 2014

Meeting dates for 2014 were agreed by the Committee and are provided in Appendix 1. to the Minutes of the Uralla Shire Council Environmental Committee Meeting, 3 December 2013. Meetings will commence at 9:30AM and be held in Council's Chambers.

Prepared by:	Environmental Projects Officer, Miss Stacey Winckel
Prepared for:	Director, Engineering Services

RECOMMENDATION

That Council note the Minutes of the Environmental Committee meeting held Tuesday 3 December 2013.

ATTACHMENTS TO THE REPORT

INDEX OF INCLUDED ATTACHMENTS

The Following Documents are Included as Attachments to the Preceding Report

Attachment Name:		Page Count:
A:	Minutes of Uralla Shire Council Environmental Committee Meeting held 3 December 2013, including Attachment 1 - Meeting Dates 2014.	5

Uralla Shire Council
Environmental Committee

Minutes: 3 December 2013.

Present:
Cr Ward, Cr Strutt (Chair), Cr M Dusting, Kath Little, Stacey Winckel (minutes).

Apologies:
Cr Pearce
Cr M Dusting Cr Ward – Carried

Meeting Opened:	9:55AM	Meeting Closed:	11:21AM

Recommendations to Council:

No	Agenda No	Description	Further Info.
1	2.1	That Council note the Minutes of the Environmental Committee meeting held on Tuesday 3 December 2014. *Cr Ward, Cr M Dusting – Carried*	Stacey
2			
3			

Decisions:

No	Agenda No	Description	Further Info.
1	2.1	Minutes Previous Meeting The Committee endorsed the Draft Environmental Committee meeting Minutes 12 November 2013. *Cr Ward, Cr M Dusting – Carried*	Stacey
2	2.3	WLRM Funding Application The Committee noted that Council will submit an application to Round 1 of the NSW EPA's *Waste Less Recycle More - Improved Systems for Household Problem Wastes Community Recycling Centre (Drop Offs)* funding program. Applications are due for submission to NSW EPA by COB 3 February 2014. Due to the tight turnaround time, Council's application will be unable to be considered at an ordinary meeting of Council prior to submission.	Kath
3	4.3	Meeting Dates for 2014 Meeting dates for 2014 were agreed by the Committee and are provided in Appendix 1. Meetings will commence at 9:30AM and be held in Council's Chambers.	Cr Strutt
4	6.2	Next Meeting The next scheduled meeting of the EC is Tuesday 4 February 2014, from 9:30AM in Council's Chambers.	Stacey

Uralla ENVIRONMENT

Uralla Shire Council
Environmental Committee

Minutes: 3 December 2013.

Agreed Actions:

No	Agenda No	Description	Who?
1	2.3	Thanks to Erik and the Uralla Lions Club Erik and the Uralla Lions Club have been doing a great job in picking up litter around Dangar's and Racecourse Lagoons. Cr Strutt will convey Council's appreciation for the hard work of Uralla Lions Club at the next Uralla Lions Club meeting.	Cr Strutt
2	2.3	Native Plantings in Pioneer Park Cr M Dusting recalls that Council approved native plantings around the perimeter of Pioneer Park. Speak with Tom and clarify the background and future of these and report back to the Group.	Stacey

Agenda Items Next Meeting:

No	Agenda No	Description	Who?
1	Nil.		
2			
3			

Discussion:

Agenda No	Description	Further Info
2.2	Review of Recommendations from Previous Meeting The recommendations of the Environmental Committee (EC) from the 12 November 2013 EC meeting were endorsed by Council at the General Meeting of Council held on 25 November 2013.	Cr Strutt
2.3	Review of Actions from Previous Meeting **1. Federal Government FluroCycle Scheme** Provide advice to the Committee regarding the costs of recycling fluorescent tubes and domestic batteries through the Annual Chemical Collection compared with the cost of recycling these products through a commercial recycler. Fluro tubes = $156, Batteries $690. The cost of household waste was unable to be determined. However, Council will submit an application to build a Household Waste Drop Off Centre at Council's Landfill facility through the NSW EPA's *Waste Less Recycle More - Improved Systems for Household Problem Wastes Community Recycling Centre (Drop Offs) Round 1* funding program. NSW EPA are receiving applications of up to $250k and have committed to building 84 Household Waste Drop Off Centres in this funding year. Applications close COB on 3 February 2014, so Council's application will be unable to be considered at an ordinary meeting of Council prior to submission to NSW EPA. **2. EPA Design Specs** Email EPA design specs for proposed bunded, roofed, drop-off facility for	Kath Kath

Uralla ENVIRONMENT

Uralla Shire Council
Environmental Committee

Minutes: 3 December 2013.

Agenda No	Description	Further Info
	difficult to recycle items to the Committee. Stacey will circulate to the Group with the Draft Minutes.	
	3. PRIMP Jason Strattford is away during December so Kath will organise a q and a meeting between the EC/Councillors and Jason to coincide with receipt of the USC Filling Plan in February 2014. The Draft Filling Plan and Recommendations will be provided for Council's consideration early in 2014. Jason Strattford will attend that Council meeting to speak to the Recommendation to Council and will be available at that meeting to answer questions that may arise.	Kath
	4. NACRO Clarify who the NACRO members are locally and report back to the Committee. Kath has emailed and received no reply. Will seek information through NIRW group.	Kath
	5. U3CF Organise a Xmas gathering between the EC and U3CF for early December. Members of the EC and U3CF meeting met informally in Council's Chambers on Thursday 28th November 2013. Together the Group (1) brainstormed their environmental priorities for 2014, (2) committed to meeting as a group to review and action plan around these priorities on 20 February 2014, (3) began planning for a World Café-style forum to be held around these priorities in June 2014, and (4) discussed the role of U3CF in providing community comment to Council through the Environmental Committee, and during Council's review of the Community Strategic Plan.	Stacey
	6. Chewing Gum Scourer Raise the concept of the purchase of a chewing gum scourer at the next NIRW meeting (1) and (2) investigate the possibility of contracting services for the removal of chewing gum to a commercial operator and report back to the EC. The purchase of a chewing gum scourer/ graffiti remover will be considered at the next meeting of Council's Plant Committee.	Kath
	7. Sustainable Procurement Forum Provide notes from attending the Sustainable Procurement Forum to Stacey for circulation to members of the EC. Stacey will circulate to the Group with the Draft Minutes.	Cr Strutt
3.1	NEWA Update No specific information provided.	Stacey Cr Dusting
3.2	SNELCC Update Stacey provided her notes from the SNELCC AGM held 20 November 2013 for the information of the Committee.	Stacey
3.3	U3CF Update Members of the EC and U3CF met informally in Council's Chambers on Thursday 28th November 2013. For more detail please see the Action Items from the November EC meeting (above).	Stacey

Uralla ENVIRONMENT

Uralla Shire Council
Environmental Committee

Minutes: 3 December 2013.

Agenda No	Description	Further Info
3.4	NIRW Update Kath is attending the AGM and GM of NIRW on Wednesday 4 December 2013.	Kath
3.5	ESAP Update Stacey will organise a meeting of the staff group to occur prior to the end of the year.	Stacey
4.1	NACRO Please see details provided under the Actions Items form the November 2013 EC meeting (above).	Kath
4.2	Draft Filling Plan Please see details provided under the Actions Items form the November 2013 EC meeting (above).	Stacey
4.3	Meeting Dates for 2014 Meeting dates for 2014 were agreed by the Committee and are provided in Appendix 1. Meetings over 2014 will commence at 9:30AM and be held in Council's Chambers.	Cr Strutt
6.2	Next Meeting Tuesday 4 February 2014 at 9:30 am in Council's Chambers.	Stacey
Other	Stacey Winckel is leaving Council to take up a position with NSW Office of Water. Stacey thanked members of the EC for their support and participation during her time at Council. The EC wished Stacey well with her future endeavours and thanked her for her efforts during her employment with Council.	

Attachments (1):
1. Meeting Dates 2014

Appendix 1. Meeting Dates 2014

Months of 2014	Council Meeting (Last Monday Each Month)	Business Papers Due (12 Days Before Council Meeting) [Usually Wednesday]	Environmental Committee Meeting (First Tuesday Each Month)
January	28*	15	No meeting
February	24	12	4
March	24	12	4
April	28	16	1
May	26	14	6
June	23	18	3
July	28	16	1
August	25	13	5
September	22	17	2
October	27	15	7
November	24	12	4
December	15	3	2

* Date adjusted for Australia Day public holiday on Mon 27 Jan.

Dates adjusted ahead of Christmas.

Environmental Committee Meetings: 9:30AM Council's Chambers.

SECTION: **Technical Services**

ITEM NUMBER: Item 1

SUBJECT: **Works Progress for Period Ended 3 December 2013**

File Reference: U07/3041

Reason: Engineering Department Practice

Objective: To inform Council

Budget Implication: Within existing budget

Operational Plan: Part 3, Principal Activity 10

INFORMATION

1. Main Road Maintenance

MR73 North and South	– bitumen patching, guide posting,
MR124	– bitumen patching
MR132	– bitumen patching

2. Sealed Roads Maintenance

Uralla Streets	– patching
Bundarra Town Area	– patching
Kingstown Road	– patching, shoulder maintenance
Invergowrie Area	– patching

3. Unsealed Roads Maintenance

Bendemeer Road	– graded
Retreat Road	– graded
Rowena Road	– graded
MR 132 Barraba Road	– graded
Mount Drummond Road	– graded
Bingara Road	– graded

4. Construction Crew

Bergen Road	– continue construction of 2km section from Walcha Shire Boundary.

5. Bridge / Sign Crew

MR73	– Abington Bridge deck maintenance
	– Jackson Road culvert replacement

6. Town Area

Uralla	–General maintenance and Council clean up.

Prepared by: Mr Alan Harvey, Works Manager

Prepared for: Mr Robert Bell, Director of Engineering Services

RECOMMENDATION

That the Works Progress for the period ended 3 December 2013 be noted.

SECTION: **Technical Services**

ITEM NUMBER: **Item 2**

SUBJECT: **Works Planning**

File Reference: U07/3041

Reason: Engineering Department Practice

Objective: To inform council

Budget Implication: Within existing budget

Operational Plan: Part 3, Principal Activity 10

INFORMATION

1. Main Road Maintenance
   - Bitumen patching
   - Guide posting
   - Sign maintenance
   - Mowing

2. Sealed Roads Maintenance
   - Bitumen patching
   - Guide posting
   - Mowing
   - Heavy Patch Rocky River Road and Rowan Ave

3. Unsealed Roads Maintenance
   - Bakers Creek Road – grade
   - Box Forest Road – grade
   - Warrabah Road – grade
   - Lana Road – grade
   - Balala Road – grade
   - Silverton Park Road – grade
   - Danehurst Road – grade

4. Bridge/Sign Crew
   - Abington Bridge – Deck Repairs
   - Dairy Creek – gabians
   - Lana Road – abutment protection

5. Construction
   - Bergen Road – construction to continue

6. Town Works
   - Kerb and Gutter – Munro Avenue, East Street, Hill Street, Ivon Court
   - Routine maintenance

The effects of the planned works on the environment have been reviewed. No significant effect is likely.

Prepared by: Mr Alan Harvey, Works Manager

Prepared for: Mr Robert Bell, Director of Engineering Services

RECOMMENDATION

That the planned works be noted.

SECTION:	**Technical Services**
ITEM NUMBER:	**Item 3**
SUBJECT:	**Works Progress Advisory Unit**
File Reference:	U07/172
Reason:	Meeting held 5 December 2013
Objective:	Have Council note the minutes and consider the recommendations of the Advisory Unit
Budget Implication:	Within existing budget
Operational Plan:	Principal Activity 1.3 and 10

INFORMATION

The minutes of the 5 December 2013 meeting of the Works Progress Advisory Unit are included as an attachment to this report.

Prepared by: Mr Robert Bell, Director of Engineering Services

RECOMMENDATION

That Council note the minutes of the Works Progress Advisory Committee Unit meeting held 5 December 2013 and adopt the following recommendations:-

Regional Development Australia Funding, Round 4 – Upgrade of Thunderbolts Way.

That Council:

- thank Hon Barnaby Joyce MP; Federal Member for New England for his support, and
- work with Gloucester Shire Council and Walcha Council to finalise Contract details.

Capital Expenditure Review.

- That Council note the Capital Works Program status to 30 November 2013.

ATTACHMENTS TO THE REPORT

INDEX OF INCLUDED ATTACHMENTS

The Following Documents are Included as Attachments to the Preceding Report

Attachment Name:		Page Count:
A:	Media Release from Hon Barnaby Joyce MP, 5 December 2013	2
B:	Capital Works Program Budget and Expenditure up to 30 November 2013	1
C:	Minutes of the 5 December 2013 Meeting of the Works Progress Advisory Unit.	2

Robert Bell
Director of Engineering Services

Attachment A

Hon **Barnaby Joyce** MP
Deputy Leader of The Nationals | Minister for Agriculture
FEDERAL MEMBER FOR NEW ENGLAND

00352

MEDIA RELEASE

5 December 2013

$9.3 Million for priority local projects in New England

THE Australian Government has reviewed projects left uncontracted and unfunded by the previous Labor Government, today announcing it will fund five projects in New England as a priority under the Coalition's new Community Development Grants Programme.

Deputy Prime Minister and Minister for Infrastructure and Regional Development Warren Truss and Federal Member for New England and Minister for Agriculture Barnaby Joyce have confirmed $9.3 million for the Armidale, Tamworth, Guyra and Werris Creek communities.

The local projects, previously in limbo, that will now be funded include:

- $3.5 million to Armidale Dumaresq Council to assist with the Armidale Airport upgrade
- $1.2 million to Tamworth Regional Council to assist with the Chaffey Dam upgrade
- $500,000 to Guyra Shire Council towards the establishment of a new dementia wing at the Kolora aged care facility in Guyra
- $80,000 to the Werris Creek Community Shed Inc for its Community Shed facility
- $250,000 to the New England Regional Art Museum Limited to assist with the Museum's air-conditioning upgrade
- $3.84 million towards maintenance along Thunderbolt's Way

"The Community Development Grants Programme makes good on our election commitment to support infrastructure that promotes stable, secure and viable local and regional economies," Mr Joyce said.

"A new Government has to deal with the financial realities of the previous Government and securing the funds for the people of New England has been a priority of mine while in Canberra. Whilst I have been away from the office in New England, I have been working very hard in Canberra to ensure we deliver for our area.

"Our Government is committed to providing long-term improvements in social and economic infrastructure for regional communities.

"Unlike the previous government's phantom funding, based on a flawed and failed mining tax, the Coalition is ensuring vital community assets are properly funded and budgeted for.



barnaby.joyce.mp@aph.gov.au www.barnabyjoyce.com.au
Shop 5, 259 Peel Street (PO Box 963), Tamworth NSW 2340
ph 02 6761 3080 toll Free 1300 301 839 fax 02 6761 3380

"Today's announcement is greatly welcomed news for locals who have been through much heartache. Promises made, but not funded, by the previous government have been gut-wrenching for people who have put in so much effort.

"Today the Coalition has delivered on our election commitments and, at the same time, cleaned-up the funding mess left behind by Labor."

The programme will be administered by the Department of Infrastructure and Regional Development, which will undertake a value-for-money assessment against the programme guidelines to ensure transparency in decision-making about funding election commitments.

"I am really looking forward to continuing my work with all the local project proponents to help implement these important community initiatives and to delivering genuine benefits to the people of New England", Mr Joyce said.

Funding recipients will be contacted shortly and asked to provide detailed project information, including project outcomes and benefits, planning and costs and delivery timeframes.

[ENDS]

Media Contact: Troy Rowling 0477 718 107



barnaby.joyce.mp@aph.gov.au www.barnabyjoyce.com.au
Shop 5, 259 Peel Street (PO Box 963), Tamworth NSW 2340
ph 02 6761 3080 toll free 1300 301 639 fax 02 6761 3380

2013-2014 CAPITAL WORKS PROGRAM

Project		Budget $	Expenditure to Date $	% Complete	Comments	
Kareela Road		427,326	275,773		Developer road contribution Invergowrie Road section 94	$55,000
Bergen Road	2 kilometres	457,921	175,057		Roads to Recovery	
Arding Road	rehabilitation	250,000	158,832		Roads to Recovery	
Emu Crossing Bridge		600,000	61,948		3,500.000 RMS	over 2 years
Torryburn Low Level	Bridge	285,000	151,208		roll over 2012/2013	168,000 plus 117,000
Footpath/ Cycleway					12,000 RMS	
Uralla		24,000				
Bundarra		20,000				
Local Urban Sealed						
resealing		29,788				
Regional Unsealed						
resheeting		16,739				
Regional Sealed						
resealing		258,387				
Local Sealed						
resealing		300,000				
road construction						
Local Rural Unsealed						
resheeting		293,247				
Plant Purchases		788,765	401,866			
Depot		5,000				
Kerb and Gutter		44,229				
Drainage		29,691				
Uralla Parks		15,000				
Bundarra Parks		10,000				
Uralla Sports Grounds		25,000				

Attachment B
UU354

Minutes of Works Progress Advisory Unit

00355

held at 11.00am
on 5 December 2013
in Uralla Shire Mayor's Office

Attendance:

Cr R Crouch (Deputy Mayor)
Cr K Ward
Cr F Geldof
Cr M Dusting (Observer)
Mr A Harvey
Mr M Adams
Mr A Swilks
Mr R Bell (Minutes)

Apology:

Cr M Pearce (Leave of Absence)

That the apology for Cr M Pearce be accepted.
Moved: Cr K Ward **Seconded:** Cr F Geldof

Minutes of Previous Meeting:

That the Minutes of previous meeting held 13 November 2013 be adopted.
Moved: Cr F Geldof **Seconded:** Cr K Ward

Business Arising:

1. **Regional Development Australia**
   Funding – Round 4 – Upgrade of Thunderbolt's Way
   Advice has been confirmed that the funding in Round 4 will be supported by the new Federal Government (provided the agreements are in place within 6 months).

   Recommendation:
   (i) That Council thank Hon Barnaby Joyce MP; Federal Member for New England for his support and
   (ii) that Council work with Gloucester Shire Council and Walcha Council to finalise contract details.

Agenda Items:

1. **Plant Report**

   (i) Major Repairs
   Water cart gear box to be repaired. Parts at Depot.

   (ii) New Purchases
   Semi tipper has been delivered.

(iii) Tenders for Class 10 Excavator, Class 20 Excavator and Truck and Garbage Compactor

A list of the tenderers; makes and models; and prices is included in the Closed Session. Also included is a recommendation for the short listing for inspection.

Recommendation: For notation.

2. Emu Crossing Update

Fisheries Application – has been submitted. Construction Management Plan will need to be completed by successful contractor.

Property negotiations – continuing. Mr Bell advised that Council will need access confirmed to southern end of bridge prior to calling tenders.

Environmental Management Plan currently being prepared.

Recommendation: For notation.

3. Capital Expenditure Review

- Attached to Minutes.

Recommendation:

That Council note the Capital Works program status to 30 November 2013.

General Business:

(i) Remove burnt out 4WD near Maitland Point if owners and Police have no objection.
(ii) Inspect properties in Uralla and Bundarra for clean up notices. Offer to assist with steel removal if would benefit owner in tidying site.
(iii) Investigate car repair at rear of Subway.
(iv) Rocky River Road – linemark corner near Goodes Road as soon as heavy patching carried out.
(v) Retreat Road – positive comments on recent standard of grade.
(vi) Damage to guard rail at Alma Park Bridge – discuss details with Police.

Meeting Closed: 12.10pm

00357

GENERAL MANAGER'S REPORT

TO

COUNCIL

16 December 2013

6. Planning Services

GENERAL MANAGER'S REPORT

Planning Services

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DIVISION DECISION..... 6:10
Application of Council Seal to Section 88b Instrument 6:10
RECOMMENDATION..... 6:10

Mayor and Councillors
Uralla Shire Council

SECTION:	**Planning Services**
ITEM NUMBER:	**Item 1**
SUBJECT:	**Planning Application Approvals and Refusals for the Month of November 2013**
File Reference:	U12/168
Reason:	For the information of Council
Objective:	To inform Council of Development status for the month
Budget Implication:	Nil
Operational Plan:	Part 3, Principal Activity 5.2

INFORMATION

Development Applications

Approvals:

Development Application Number	Applicant	Property	Development
46-2013/A	New England Brewing Co.	19 Bridge Street, Uralla	Small Bar
62-2013	Uniplan Group Pty Ltd	25 Baker Road, Invergowrie	Manufactured Home Extension
64-2013	Mr D McDonald & Mrs K Munday	373 Yarrowyck Crossing, Yarrowyck	Dwelling Entitlement
68-2013	Mr & Mrs Hazelwood	68A Hill Street, Uralla	Shed
72-2013	Waters Homes Pty Ltd	54 John Street, Uralla	Dwelling & Shed
73-2013	Mr J & Mrs R Simmons	11 Wilkens Street, Uralla	Enclosed Front Verandah
			Monthly Estimated Value of Approvals: $496,200.00

Comparison to November 2012:

November 2012:	$255,000.00	November 2013:	$496,200.00
Year to date: (Calendar Year)	$4,345,718.00	Year to date: (Calendar Year)	$3,973,220.00

Continued /...

Development Applications (continued)

Applications Outstanding:

Application Number	Applicant	Property	Development	Status
39-2011	Croft Surveying and Mapping	113 Talisker Road, Uralla	3 Lot Subdivision	Awaiting Applicant
19-2013	Mr K & Mrs A Mayo	26 Maitland Street, Uralla	Additions to Dwelling	Awaiting Applicant
59-2013/A	New England Surveying & Engineering	31 Bridge Street, Uralla	2 Lot Subdivision	Under Assessment
71-2013	Mr M & Mrs S Swift	21 East Street, Uralla	2 Lot Subdivision	Under Assessment
74-2013	Mr K Stace	78 Quartz Gully Road, Uralla	2 Lot Subdivision	On Notification
75-2013	Mr S Poss	13 Sandon Close, Uralla	Shed	On Notification
				Total: 6

Construction Certificates

Approved:

Application Number	Applicant	Property	Construction
CC-12-2013	Mr R McGrath	7562 New England Highway, Kentucky	Advertising Sign
CC-13-2013	Mr R McGrath	7409 New England Highway, Kentucky	Advertising Sign
CC-62-2013	Uniplan Group Pty Ltd	25 Baker Road, Invergowrie	Piers & Attachment to Existing House
CC-68-2013	Mr R & Mrs A Hazlewood	68A Hill Street, Uralla	Shed
			Monthly Estimated Value of Approvals: $35,000.00

Issued by Private Certifier:

Application Number	Applicant	Property	Construction
CC-56-2013	Mr J & Mrs K Roberts & Mr G & Mrs S Lando	67 Goodes Road, Rocky River	Pads & Verandahs
CC-67-2013	Mr N Davis	6 Hilltop Lane, Bundarra	Dwelling Additions
CC-72-2013	Ms C Graham & Ms T Coulter	54 John Street, Uralla	Dwelling
CC-72-2013-1	Ms C Graham & Ms T Coulter	54 John Street, Uralla	Shed
CC-73-2013	Mr J & Mrs R Simmons	11 Wilkens Street, Uralla	Enclose Verandah
			Monthly Estimated Value of Approvals: $443,200.00

Continued /...

Complying Development Applications

Approvals:

Application Number	Applicant	Property	Development
CDC-38-2013	Ms S Repin	1A McGregor Street, Uralla	Shed
CDC-39-2013	Ms L Andrews	1829 Bundarra Road, Invergowrie	Bed & Breakfast
		Monthly Estimated Value of Approvals:	$27,000.00

Refusals: Nil

Issued by Private Certifier:

Application Number	Applicant	Property	Development
CDC-42-2013	Mr H & Mrs A Rodriguez	37A Duke Street, Uralla	Garden Shed
CDC-43-2013	Mr A Bennett & Ms D Carlso	4 Church Avenue, Uralla	Carport
CDC-44-2013	Mr S & Mrs A Swain	90 Gostwyck Street, Uralla	Shed
		Monthly Estimated Value of Approvals:	$24,928.00

Comparison to November 2012:

November 2012:	$1,294,819.00	November 2013:	$51,928.00
Year to date: (Calendar Year)	$4,427,063.00	Year to date: (Calendar Year)	$4,130,248.00

Calendar Year Development Values

Year	Total Development Value $	Average Development Value $	Development Application Value $	Complying Development Value $
2006	6,310,059	42,349	6,310,059	-
2007	7,211,361	44,515	7,211,361	-
2008	9,155,533	56,169	7,393,239	1,762,294
2009	9,290,046	72,578	5,749,162	3,540,884
2010	10,586,972	80,817	5,958,887	4,628,085
2011	6,584,483	51,846	3,449,607	3,134,876
2012	11,390,780	104,503	6,158,718	5,232,062
2013	8,842,318	76,227	4,662,720	4,179,598

2013 to date

Continued /...

Financial Year Development Values

Year	Total Development Value $	Average Development Value $	Development Application Value $	Complying Development Value $
2005-2006	6,090,640	39,808	6,090,640	-
2006-2007	6,302,833	38,668	6,302,833	-
2007-2008	8,128,806	52,444	8,128,806	-
2008-2009	8,095,812	61,332	4,588,050	3,507,762
2009-2010	12,395,113	77,469	7,121,590	5,273,523
2010-2011	8,212,500	73,986	5,023,347	3,189,153
2011-2012	5,986,330	53,449	3,667,764	2,318,566
2012-2013	12,339,996	101,983	6,100,857	6,239,139
2013-2014	4,515,019	80,625	2,565,363	1,949,656

2013-2014 to date

Lapsing Applications

The review on expiring development and complying development applications has been carried out for those applications lapsing during May 2014. In May 2009 seven (7) applications were approved, with zero (0) applications identified as possibly not commencing as at the end of November 2013.

Prepared by: Linda Maynard, Administration Clerk, Technical Services
Prepared for: Libby Cumming, Manager of Planning

RECOMMENDATION
That Council note the information contained within the Planning Application Approvals and Refusals Report for the Month of November 2013.

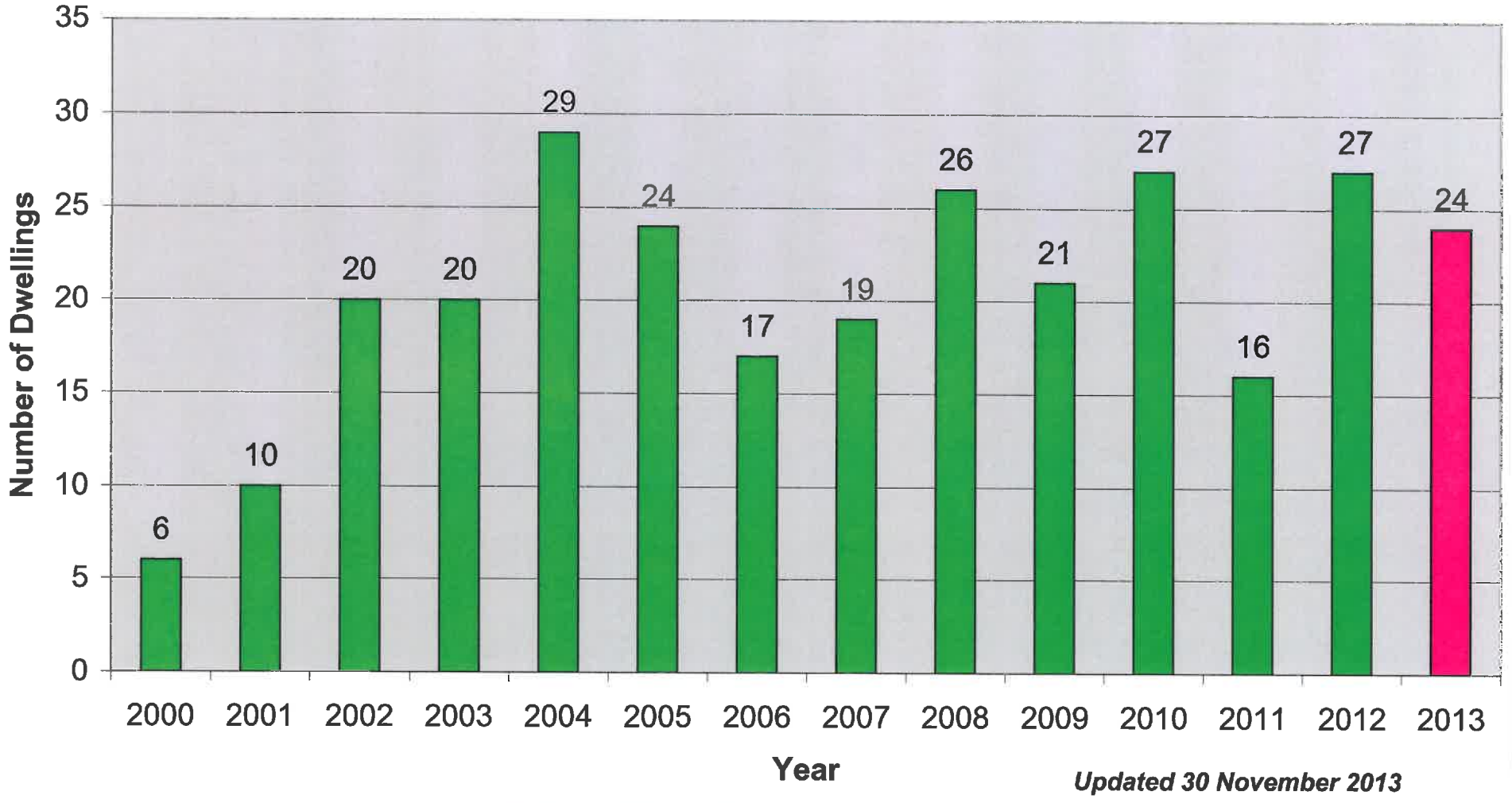
ATTACHMENTS TO THE REPORT

INDEX OF INCLUDED ATTACHMENTS

The Following Documents are Included as Attachments to the Preceding Report

Attachment Name:		Page Count:
A:	Approved Dwellings in Uralla Shire Council	1

Approved Dwellings in Uralla Shire



Attachment: A 00359

SECTION:	**Planning Services**
ITEM NUMBER:	**Item 2**
SUBJECT:	**Heritage Advisors Report**
File Reference:	U07/6413
Reason:	For the information of Council
Objective:	To keep Council informed about Heritage Advisory Services
Budget Implication:	Nil
Operational Plan:	Part 3 Activity 5

INFORMATION

Council's Heritage Advisor Mr Mitch McKay completed his monthly visit on Tuesday, 3 December 2013.

Attachment A contains the Report as provided by Mr McKay regarding his visit.

Please note that details pertaining to Item 3 of Mr McKay's Report have been redacted due to the subject matter being deemed as 'Commercial in Confidence' at this time.

Prepared by:	Mrs Melody Styles
Prepared for:	Mr Tom O'Connor, General Manager

RECOMMENDATION

That Council note the contents of the Heritage Advisor's report for the visit held on 3 December 2013.

ATTACHMENTS TO THE REPORT

INDEX OF INCLUDED ATTACHMENTS

The Following Documents are Included as Attachments to the Preceding Report

Attachment Name:		Page Count:
A:	Heritage Advisor's Report dated 3 December 2013.	6

Port Macquarie Hastings
Heritage

research | interpretation | education | tours | project management

HERITAGE ADVISORY MEMO **No. 8**

date: 3 December 2013

ITEM 1: History Hub Project

This project is progressing well. Members of the working group have recently visited the Inverell Library and spoken with staff about their setup and what features could work for Uralla. They have obtained relevant information pertaining to collection policies that will only assist Uralla in their endeavours.

A list of community volunteers is gathering momentum and this list, which is still in its infancy, is already indicating the diverse range of talents that the 'Hub Community' will have at its disposal.

ITEM 2: Berrima Cottage 356 Noalimba Ave, South Kentucky

Met with Mr. Sam des-Chantal, owner, regarding works that he is wishing to carry out at Berrima Cottage. Berrima Cottage was built in 1927 and purposefully designed by Armidale Architect R.N. Hickson for the Bush Nursing Association as a former nurses home.

The property, while not yet listed as an item of heritage in Council's LEP, has been identified for inclusion as a heritage item. (SHI Number 2540425).

Mr. des-Chantal is wishing to repair windows, including glazing, on the western façade, repair or replace weatherboards along the western façade, reinstate the fascia along the western façade and repaint the building. He is also wishing to re-establish the garden that once existed.

An inspection also revealed that the building, in part, may be in need of re-piering but this will need to be further investigated by a licenced builder.

Mr. des-Chantal is also wishing to construct a verandah along part of the western façade to provide protection to the windows and rear door.

I informed Mr. des-Chantal that Council has a Local Heritage Assistance Fund and that the next round will be open shortly. Council's Planning section would be notifying property owners, who are eligible to apply, by mail. I considered that the conservation works he is proposing, excluding the construction of the verandah and the re-establishment of the garden, would be eligible.

I also indicated to Mr. des-Chantal that he would need to source weatherboards that had profiles that would match the existing and that he would also require a licenced builder's quote

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to accompany any application for grant funding assistance. Although relatively small in $ terms, due to Council's limited allocation, I recommended that he should take up an offer, should it be made to him, as it would reduce his financial impost – something is better than nothing.

In regard to the construction of any verandah Council would require him to lodge and application for the work, submit relevant plans and pay relevant fees. He would need to discuss this matter with Council staff.







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ITEM 3: Commercial Property, 19 Hill St, Uralla

Details for Item 3 have been redacted due to the subject matter being deemed as 'Commercial in Confidence' at this time.

ITEM 4: Next Heritage Advisor visit.

Following discussions I had with Patrick Dogan during my visit 2 July 2013 regarding History and Heritage of the Uralla Shire and the content on Council's website and Uralla.com, I raised the issue of the possibility of having a History and Heritage tab on the front of Council's webpage.

I felt that there was too much history and heritage information on Uralla.com and that this should be reduced and have a greater focus on things to see and do in regard to the history and heritage of the Shire.

The content could then be moved to a History and Heritage tab on the front of Council's website. A link from Uralla.com could direct people to a more 'in depth' look at the Shire's history and heritage that could be found on the History and Heritage page on Council's website – the Council tab not only including the history content usually associated with tourism but also the information about the heritage inventory, heritage studies, heritage assistance fund, heritage consultant's and services register etc.

Patrick support the concept in principle and advised me to discuss the matter of a history heritage tab with Libby Cumming.

I discussed the possibility of the tab with Libby who advised me that she would look into it for me.

I feel the tab at the front would in some way be a 'one stop shop' for people wishing to find out about the history and heritage of the area, past and present projects and studies as well as providing a directory service for other McCrossins Mill, the History Hub, NSW Heritage Office, the Australian War Memorial etc

ITEM 5: Next Heritage Advisor visit.

It is proposed that the Heritage Advisor's next visit will be 7 January 2014.

M. McKay.

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SECTION:	**Planning Matters for Determination**
ITEM NUMBER:	**Item 1 DIVISION DECISION**
SUBJECT:	**Land Classification Planning Proposal and Public Hearing Report**
File Reference:	U12/6915
Reason:	To consider Submission and the Content of the Public Hearing Report
Objective:	To consider amending the Uralla Local Environmental Plan 2012 by way of Planning Proposal.
Budget Implication:	Nil
Operational Plan:	Activity 5

INFORMATION

Reference is made to the report to Council's November 2012 meeting in regards to the Planning Proposal (Attachment A) for the reclassification of council owned land from 'community' to 'operational'. The land is identified as:

1. Gravel Pit, Bingara Rd Bundarra, Lot 1 DP 1062924
2. Bundarra West Reservoir, Muirhead St Bundarra, Lot 1 DP 1165352
3. Caravan Park, Queen St Uralla, Lot 30 DP 793510
4. Water Race, Kliendienst Rd Uralla, Lot 613 DP 755846

Progress through the planning proposal has been made, with the Gateway Determination (Attachment B) being received, a heritage report (Attachment C) being undertaken and public exhibition now being completed with 1 submission (Attachment D) being received. The submission raised the following concerns:

1. Caravan Park – sale of the caravan park would fragment Alma Park and would be a loss to the community.
2. Water Race – needs to be protected to ensure preservation of any visual heritage items and that encroachment on the land is the main reason to reclassify the land, thus the heritage significance is not being considered.

The caravan park is already on an existing title and overflows into a Permissive Occupancy and into Alma Park. Technically Alma Park is already fragmented in title, but not in nature. If the caravan park was sold it would not affect the current status of Alma Park.

The Heritage Report revealed there is no visual evidence that the water race existed in this section of the race lands. The race is not in the heritage conservation area but in near vicinity to. The heritage conservation area has been identified as containing the remanent race lands that have physical and visual heritage impacts. The exact location of each remnant piece that needs to be retained has not been identified but Council has identified that a full study on this land will be carried out in the near future as part of the Rocky River strategic future planning investigations. In regards to the building encroachments on the water race lands, each encroachment will be considered on its individual merits and if the solutions are by way of sale or by lease, that will be decided upon after this planning proposal has been finalised. All affected property owners have been advised accordingly.

Even though a submission has been received, Council is still required to hold a public hearing. The public hearing was held in accordance with Section 57(6) of the *Environmental Planning & Assessment Act 1979* and Section 29(1) of the *Local Government Act 1993*. The public hearing was chaired by a suitably qualified planning professional independent of Council, being Mr Gerry Moran from Walcha Council. The hearing was held at the Uralla Shire Council Chambers, 32 Salisbury Street, Uralla on Wednesday, 16th October 2013. There were two member of the public in attendance with 1 being registered to speak. The registered speaker made the submission to council during the exhibition period and again tabled her submission. A copy of the report for the Public Hearing is contained within Attachment E. The recommendation from the report was:

> *Council reclassify the land contained within this report as* ***operational*** *land subject to the section of Alma Park currently being used for the overflow of the Uralla Caravan Park reflect its use either by acquiring part of the park as free hold or by way of Permissive Occupancy.*

A copy of the report was placed on the Council's website within 4 days of receipt and the members of the public who attended the meeting were advised and provided with a copy of the report by post.

Council has been given Delegation to finalise the Planning Proposal but to do this, Council will need to:

1. Resolve to support the planning proposal.
2. Give authority to a Council officer to exercise the Delegation.
3. Forward the Planning Proposal to Parliamentary Counsel to offer an opinion and to draft the amendment instrument.
4. The instrument is returned to Council to exercise its Delegation.
5. The signed instrument is returned to the Department of Planning & Infrastructure to arrange notification to Parliamentary Counsel to organise notification of the NSW legislation website.
6. The date of publish is when the amendment comes into force.

Prepared by: Libby Cumming, Manager of Planning
Prepared for: General Manager

RECOMMENDATION

That Council:

1. Support the planning proposal to reclassify the following land from 'community' to 'operational':
   a) Gravel Pit, Bingara Rd Bundarra, Lot 1 DP 1062924,
   b) Bundarra West Reservoir, Muirhead St Bundarra, Lot 1 DP 1165352,
   c) Caravan Park, Queen St Uralla, Lot 30 DP 793510, and
   d) Water Race, Kliendienst Rd Uralla, Lot 613 DP 755846.
2. Forward the Planning Proposal, to amend the Uralla Local Environmental Plan 2012 to Parliamentary Counsel Office to:
   a) Make arrangements for drafting of the necessary instrument under section 59(1) of the Environmental Planning & Assessment Act 1979,
   b) Consult with Council on the content, and
   c) Obtain an Opinion from that the plan can be made.
3. Delegate authority to the General Manager to:
   a) Make any minor alterations requested by Parliamentary Counsel, and
   b) Exercise Council's delegation to exercise the functions of the Minister for Planning and Infrastructure under section 59 of the Environmental Planning & Assessment Act 1979 as per the instrument of delegation dated 14 October 2012.
4. A Permissive Occupancy be arranged over the section of Alma Park that contains the overflow from the caravan park.

ATTACHMENTS TO THE REPORT

INDEX OF INCLUDED ATTACHMENTS

The Following Documents are Included as Attachments to the Preceding Report

Attachment Name:		Page Count:
A:	Planning Proposal	5
B:	Gateway Determination – dated 22 February 2013	1
C:	Heritage Report – dated June 2013 by McKay & Wilson	3
D:	Submission – GJ & NE Porter dated 12 August 2013	2
E:	Public Hearing Report – dated 5 December 2013	13
F:	Delegation – dated 22 February 2013	1

Attachment A
00372

Uralla Shire Council

Planning Proposal 2
31 July 2013

1. Objectives and Intended Outcomes of the Planning Proposal

The Objectives and intended outcomes of the Planning Proposal are:

- To reclassify selected land presently classified as 'community' to 'operational'.
- To achieve better alignment between the current use and the land classification.

2. Explanation of the Proposed Provisions

Specific lots are to be reclassified will be listed as follows in the amended LEP.

Schedule 4 Classification and reclassification of public land

Part 1 Land classified or reclassified as operational land – no interests changed.

Column 1	Column 2
Locality	**Description**
Bundarra	Lot 1 DP 1062924
Bundarra	Lot 1 DP 1165352
Uralla	Lot 30 DP 793510
Uralla	Lot 613 DP 755846

Following a process of public exhibition and a public hearing relating to this planning proposal, and subject to there being no matter raised that would necessitate Council changing its decision to reclassify the land, the reclassification of the land will be effected through listing in Schedule 4 in this manner.

3. Justification of Objectives, Outcomes and Provisions

A comprehensive review of public land held by Council has recently been undertaken. An outcome of that review was the identification of four lots that are classified as community land but that should really have been classified as operational land when they were acquired by Council.

A report was prepared for Council which resolved at its meeting of 26 November 2012 to "Commence the actions required to prepare a Planning Proposal to reclassify the following lots from *community* to *operational*: Lot 613 DP 755846; Lot 1 DP 1165352; Lot 30 DP 793510; Lot 1 DP 1062924".

The reasons that reclassification is sought for each lot are provided in the following extract from the Council report.

Description	Comments
Gravel Pit Bingara Road Bundarra Lot 1 DP 1062924	This land was acquired in 2005 by Council in order to extend the gravel pit operating in the adjacent road reserve under consent issued pursuant to DA 2643. As such, the *operational* classification is most appropriate for the land although it has defaulted to *community* in the absence of any action to classify it in the appropriate manner. It is therefore proposed to Lot 1 DP 1062924 as *operational*.
Bundarra West Reservoir Muirhead St Bundarra Lot 1 DP 1165352	This lot and Lot 3 DP 585048 comprise the land containing the reservoir and associated equipment. Lot 3 DP 585048 was classified as *operational* in the 94/95 Management Plan, however no such classification has occurred for Lot 1 DP 1165352 which has therefore defaulted to *community*. Given that the land was originally obtained for operational purposes, and that it adjoins and extends another lot that has already been classified as *operational*, it is proposed to reclassify Lot 1 DP 1165352 as *operational*.
Caravan Park Queen St Uralla Lot 30 DP 793510	The Uralla Caravan Park is located on this land and adjacent Crown Land through Permissive Occupancy (AE88H47) which includes the unformed section of King St. Lot 30 DP 793510 was acquired by Council in 1990 through excision from the Crown land Reserve for Alma Park for operational purposes to allow for operation of the existing caravan park. As such, the *operational* classification is most appropriate for the land although it has defaulted to *community* in the absence of any action to classify it in the appropriate manner. It is therefore proposed to reclassify Lot 30 DP 793510 as *operational*.
Water Race Kliendienst Rd Uralla Lot 613 DP 755846	This lot and associated Lot 22 DP 746984 are enclosed within private property. A separate report to Council has discussed an issue with encroachment on these lots and the proposal to sell them to the property owners. In order to do this, the lots must be classified as *operational*. Lot 22 DP 746984 was so classified in the 94-95 Management Plan, but no such classification action has been taken for Lot 613 DP 755846 which has therefore defaulted to *community*. It is therefore proposed to reclassify Lot 613 DP 755846 to *operational*. This land is within the Rocky River Gold Mining Heritage Precinct and therefore a heritage study will need to be undertaken prior to reclassification.

As per Section 5.5.4 of *A Guide to Preparing Local Environmental Plans 2012* and in addition to the above reasons, the Director General has identified that the following matters that must be addressed.

a. Is the planning proposal a result of a strategic study or report?

There is no relevant strategic study. The only relevant report is the Report to Council prepared for its meeting of 26 November 2012 as referred to above.

b. Is the planning proposal consistent with the Uralla Shire Council's Community Plan or other Local Strategic Plan?

The Community Plan is silent on any specific mention of the subject land. There is nothing about what is proposed that is inconsistent with the Community Plan.

There is no other Local Strategic Plan to consider.

c. Explanation for extinguishment of any interests in the land

No extinguishment of interests in the land will result from the reclassification.

d. Concurrence of the land owner (where land not owned by Council)

All land is owned by Council.

As per Section 2.3 of *A Guide to Preparing Planning Proposals 2013* the following matters must be addressed to demonstrate justification.

Q1. Is the planning proposal a result of any strategic study or report?

There is no relevant strategic study. The only relevant report is the Report to Council prepared for its meeting of 26 November 2012 as referred to above.

Q2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

This is the only way to change the classification of this land.

Q3. Is the planning proposal consistent with the objectives and actions of the applicable regional or subregional strategy (including the Sydney Metropolitan Strategy and exhibited draft strategies)?

There are no applicable regional or subregional strategies.

Q4 Is the planning proposal consistent with a council's local strategy or other local strategy plan?

This planning proposal is consistent with the *New England Development Strategy 2010* and the Department of Planning & Infrastructure's *Land Use Plan 2012.*

Q5. Is the planning proposal consistent with applicable State Environmental Planning Policies?

The planning proposal is consistent with all State Environmental Planning Policies.

Q6. Is the planning proposal the consistent with applicable Ministerial Directions (s.117 directions)?

The planning proposal is consistent with all applicable Ministerial directions.

Q7. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

There would be no adverse affects resulting from this planning proposal. This planning proposal is to enable Council to sell the land. If sold the land is sold and developed a development application would be required. If there are any adverse impacts, they would be addressed as part of the development assessment.

Q8. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

There are no likely environmental effects as a result of this planning proposal.

Q9. Has the planning proposal adequately addressed any social and economic effects?

There are no social or economic effects to be addressed.

Q10. Is there adequate public infrastructure for the planning proposal?

There is adequate public infrastructure available for the planning proposal.

4. Proposed Community Consultation

This planning proposal is required to be on public exhibition for a period of 28 days (p.24 in A guide to preparing local environmental plans0.

Once a Gateway determination to proceed has been received, Council will undertake community consultation in accordance with that determination. It is anticipated that consultation will proceed along the following lines:

- Notification in the local newspaper (Armidale Express);
- Notification on Council's website; and
- Written notification to the adjoining landowners (Councils all subject land and has resolved to seek its reclassification)

In addition, notification will be provided in Council's monthly newsletter which is circulated to all residents.

In addition to that above public consultation, Council is required under the Local Government Act 1993 to conduct a public hearing. The public hearing will be foreshadowed in the above information and will be formally notified at the completion of the exhibition period in accordance with the Act as follows:

- Give notice of the arrangement for the public hearing in a local newspaper, and
- Give notice in a letter to each of the persons who requested a public hearing when making a submission, at least 21 days before the date of the hearing.

5. Mapping of the Proposed Changes

The proposed changes will not result in any changes to mapping in the LEP.

6. Proposed Timeline

Weeks after Gateway Determination	**Item**
0	Gateway determination
8	Completion of heritage study and consideration by Council
12	Exhibition start
16	Exhibition end
21	Public hearing undertaken
25	Consideration of submissions from exhibition and public hearing
32	Gazettal of Amended LEP

Attachment B

00377

NSW GOVERNMENT Planning & Infrastructure

Gateway Determination

***Planning proposal (Department Ref: PP_2013_URALL_001_00)**: to reclassify land at Bundarra and Uralla from 'community' to 'operational'.*

I, the Director General, Department of Planning and Infrastructure as delegate of the Minister for Planning and Infrastructure, have determined under section 56(2) of the EP&A Act that an amendment to the Uralla Local Environmental Plan (LEP) 2012 to reclassify land at Bingara Road and Muirhead Street, Bundarra and Queen Street and Kliendienst Road, Uralla from 'community' to 'operational' land should proceed subject to the following conditions:

1. It is understood that a heritage study will be undertaken to support the planning proposal. If appropriate, Council is to amend the planning proposal to reflect the outcomes of this work, prior to undertaking public exhibition.

2. Prior to undertaking public exhibition, Council is to amend the planning proposal to address matters under Part 3 'Justification' in *A Guide to Preparing Planning Proposals.*

3. Community consultation is required under sections 56(2)(c) and 57 of the Environmental Planning and Assessment Act 1979 ("EP&A Act") as follows:

   (a) the planning must be made publicly available for **28 days**; and
   (b) the relevant planning authority must comply with the notice requirements for public exhibition of planning proposals and the specifications for material that must be made publicly available along with planning proposals as identified in section 5.5.2 of *A Guide to Preparing LEPs (Department of Planning & Infrastructure 2012).*

4. Consultation is not required with public authorities under section 56(2)(d) of the EP&A Act.

5. A public hearing is not required to be held into the matter by any person or body under section 56(2)(e) of the EP&A Act. This does not discharge Council from any obligation it may otherwise have to conduct a public hearing (for example, in response to a submission or if reclassifying land).

6. The timeframe for completing the LEP is to be **9 months** from the week following the date of the Gateway determination.

Dated 22nd day of February 2013.

SHaddad

Sam Haddad
Director General
Delegate of the Minister for Planning and Infrastructure

Attachment C

00378

Heritage Report on Water Race
(land being Lot 22 DP 746984 & Lot 613 DP 755846)

Historical Development of the Water Race

A detailed description of the water race from the Barleyfield Lagoon to Mount Jones was published in the *Armidale Express*, 4 July 1857. J.M. Kerton of the firm Kerton, Allan and Co. and a partner in the Mount Jones Sluicing Company provided the information. At that stage the company had twenty sluice boxes at work and these required washing twice a day. Consequently the company commenced construction of a water race, 12 feet wide by eight feet at the bottom, to move water from the Barleyfield Lagoon to the top of Mount Jones. At that stage some thirty men were engaged in construction of the water race. When the water reached the reservoir, it was expected that there would be employment for 400 men by the four different sluicing companies.

Two major events have impacted on the water race:

- Construction of the Great Northern railway line constructed in the early 1880s which crossed the race and,
- Re-alignment of the New England Highway in 1979-1980 which also crossed the water race.

Other more recent developments have been the construction of Kliendienst Road and Karava Place by the Uralla Shire Council. The construction of a large culvert and high embankment meant that the Karava Place roadway crossed the water race, completely covered it and changed the early levels.

Inspection of the land and properties built on or near the race.

The route of the former water race bounded by Kliendienst Road and Karava Place, Uralla was visited by Arnold Goode (local historian), Mitch Mckay and Graham Wilson (Heritage Advisors) on Tuesday 4 June 2013.

Over the time the area in question has been intensively farmed and fruit orchards were developed. Pears were planted in the wet areas and apples on the granite ridges. Consequently the area has been extensively ploughed particularly on the higher ridges. At various locations, dams have been constructed on the various properties.

1. Karava Place

Lot 4 DP 258433, No. 27 Karava Place; owners Norman and Christine Carter.

We spoke with Norman Carter who was aware of the water race and believed that it went under the water tanks and verandah of his residence. There appeared to be no visible evidence of the water race on the property. It is recorded that the area particularly around the house, was once a large orchard.

Lot 3 DP258433, No. 39 Karava Place' owner Elizabeth Herbert.

We visited the site however the owner was not at home.

There was visible evidence of the water race running throughout the property however it did not appear to be running under the residence. The owners had in fact used the water race line to take water away from the driveway of the garage, effectively using it as a dish drain. The water race then proceeded south behind a shed and close to a water tank on the property.

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The following photographs show that the water race does not run under the property.





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2. Kliendienst Road

Lot 5 DP 258 433, owners Richard O'Halloran and Lynette O'Halloran.

We spoke to Lyn O'Halloran about the water race. Apparently the house has been built on the water race although the owners were led to believe that the water race was situated further to the west on the property. This property had intensive orcharding and there is no evidence of the early water race near the house.

Final conclusions

Recorded history and maps show that an open water race was built from the Barleyfield Lagoon to eventually reach Mount Jones. The water race does not follow a straight line but follows the ridge in order to move the water a great distance. It is a fine example of early colonial engineering and in time, studies could be undertaken of its historical importance to the Rocky River Gold Fields.

Much of the water race has been removed as the area was developed by ploughing to enable extensive orchards to be planted in the area. The significant value of the water race now arises from the available historical records. However, landowners should be encouraged to keep any remains of the water race although small on their property.

Heritage Advisors
Mitch McKay
Graham Wilson

Attachment D

00381

USC Received
13 AUG 2013

General Manager

Uralla Shire Council

PO Box 106

URALLA NSW 2358

Re: Submissions - Planning Proposal Exhibition- Community Land to Operational

We wish to lodge a submission to the proposal to reclassify Community Land to Operational in the following locations;-

Caravan Park - Queen Street Uralla - Lot 1 DP 793510

Experience with Council reclassifying community land to operational land is that it is usually done for the purposes of sale or privatisation of the land. Alma Park in its entirety has been entrusted to the residents of Uralla to protect and preserve for the use and enjoyment of current and future generations. To expose the park to the risk of being possibly sold off in parts is unacceptable and should be avoided at all costs. The classification of Community Land gives the park some protection from commercial benefit and should remain as Community land. This would give the residents of Uralla assurance that Council is accepting their role as trustees of the park and are committed to preserving this park for the benefit of the town and not considering exposing the park to potentially been carved up for sale now, or in the future without public consultation or approval.

Water Race - Kliendienst Rd Uralla - Lot 613 DP 755846 or any land as defined as the Water Race/s

The fact that these water races were identified and classified as Community Land when the area within and surrounding the Karava Place subdivision development took place should indicate that the races had significant historical and engineering value and was intended to be protected. Any remnant should be preserved as much as possible and the importance of preserving the actual visual historical features within the Rocky River Gold Mining Heritage Precinct is important. Having a visual heritage feature rather than it being at risk of finally becoming as quoted in the Heritage Report on Water Races by Heritage Advisors -McKay & Wilson "The significant value of the water race now arises from the available historical records" should be supported by Council. How irresponsible would it be of the current generation, including our elected councillors not to try and preserve any remnant of the visual heritage items of our past, if at all possible.

Our Concern and the purpose of this submission is to gain assurance that the heritage value of these water races is not getting overlooked or lost within the issues regarding the current encroachment on the water races by some property owners. Is the reason to reclassify the land from community to operational being made because the water races no longer have enough significant heritage value to preserve or is it because of the legal implications now due to the encroachments? What happens if

these property owners do not want to buy the land after the reclassification? Will Council still retain the land in parts or will they just proceed to sign it over to the property owners involved? Whatever happens, unfortunately the issue of the unlawful encroachment of these properties on community land appears to be the main contributing factor in driving the reclassification of the land. As a consequence this process has and will most probably come at a cost to the rate payer and to the property owners, as well as the loss of protection for the water races.

Yours faithfully



Mr G J Porter & Mrs N E Porter

59 Maitland Street

URALLA NSW 2358

12 August 2013

Attachment E

00383

RECLASSIFICATION OF LAND

PUBLIC HEARING REPORT

for

URALLA SHIRE COUNCIL

In accordance with
Section 56(2)(e) of the *Environmental Planning and Assessment Act 1979*

Prepared by Gerry Moran
5 December 2013

1. Introduction:

This report is submitted to Uralla Shire Council in accordance with Section 56(2) (e) of the *Environmental Planning and Assessment Act 1979*. The report relates to the public hearing into the proposed reclassification of land in the Uralla local government area from *community* land to *operational* land.

All of the land detailed within this report is classified as *community* land under the *Local Government Act 1993*.

The Local Government Act 1993 requires all public land under the control of Council to be classified as either *community* land or *operational* land. *Community* land is used to identify land managed by Council for a public use with *operational* land being Council owned land that may be used to generate a commercial return, including its sale.

The need for a Public Hearing for the reclassification of the land is required under Section 29(1) of the *Local Government Act 1993*.

2. Subject Land:

The land to be reclassified is formally described as:

1. Gravel Pit, Bingara Rd Bundarra, being Lot 1 DP 1062924
2. Bundarra West Reservoir, Muirhead St Bundarra, being Lot 1 DP 1165352
3. Caravan Park, Queen St Uralla, being Lot 30 DP 793510 and part Permissive Occupancy AE88H47
4. Water Race, Kliendienst Rd Uralla, being Lot 613 DP 755846

All of the subject land is owned by Council and a location map for each parcel of land as prepared by Council is in Attachment A.

3. Background

The reclassification of land was instigated by Council after investigation into Council owned land as its current classification as part of the preparation process of the Local Environmental Plan 2012 gazetted 23 March 2012. Due to grant funding limitations reasons, the land which was identified as requiring reclassification was to be part of a subsequent planning proposal.

Council on review of its land classification procedures found that land acquired after 1993 had been resolved by Council to be classified as operational land within the designated timeframe of acquisition being three months. However

by not giving public notice as to the classification of the land, Council did not comply with Section 34 of the Local Government Act 1993, therefore the land reverted to the classification of community.

The reasons for the reclassification are:

1. Gravel Pit, Bingara Rd Bundarra, being Lot 1 DP 1062924 - This land was acquired in 2005 by Council in order to extend the gravel pit operating in the adjacent road reserve under consent issued pursuant to DA 2643. As such, the *operational* classification is most appropriate for the land although it has defaulted to *community* in the absence of any action to classify it in the appropriate manner. It is therefore proposed to reclassify Lot 1 DP 1062924 as ***operational.***
2. Bundarra West Reservoir, Muirhead St Bundarra, being Lot 1 DP 1165352 - This lot and Lot 3 DP 585048 comprise the land containing the reservoir and associated equipment. Lot 3 DP 585048 was classified as *operational* in the 94/95 Management Plan, however no such classification has occurred for Lot 1 DP 1165352 which has therefore defaulted to *community*. Given that the land was originally obtained for operational purposes, and that it adjoins and extends another lot that has already been classified as *operational*, it is proposed to reclassify Lot 1 DP 1165352 as ***operationa'.***
3. Caravan Park, Queen St Uralla, being Lot 30 DP 793510 - The Uralla Caravan Park is located on this land and adjacent Crown Land through Permissive Occupancy (AE88H47) which includes the unformed section of King St. Lot 30 DP 793510 was acquired by Council in 1990 through excision from the Crown land Reserve for Alma Park for operational purposes to allow for operation of the existing caravan park. As such, the *operational* classification is most appropriate for the land although it has defaulted to *community* in the absence of any action to classify it in the appropriate manner. It is therefore proposed to reclassify Lot 30 DP 793510 as ***operational.***
4. Water Race, Kliendienst Rd Uralla, being Lot 613 DP 755846 - This lot and associated Lot 22 DP 746984 are enclosed within private property. A separate report to Council has discussed an issue with encroachment on these lots and the proposal to sell them to the property owners. In order to do this, the lots must be classified as *operational*. Lot 22 DP 746984 was so classified in the 94-95 Management Plan, but no such classification action has been taken for Lot 613 DP 755846 which has therefore defaulted to *community*. It is therefore proposed to reclassify Lot 613 DP 755846 to ***operational.***

The intent of the reclassification is to achieve better alignment between the current use and the land classification. The classification of the land needs to be changed to allow Council to realise the above.

4. The Local Environmental Plan

The mechanism for reclassifying land from community to operational is a Local Environmental Plan (LEP). The LEP process is the only way in which land can be reclassified.

This report is part of the LEP process.

5. Public Hearing

I was appointed by Uralla Council to conduct the public hearing being a person meeting the requirements of Section 47G(2) of the Local Government Act 1993. My profession includes town planning and I am the Director - Environmental Services at Walcha Council.

The public hearing was held in Council's Council Chambers commencing at 10.00 am on Wednesday 16 October 2013.

There were 6 members of the public in attendance.

Section 57(7) of the *Environmental Planning and Assessment Act 1979* requires "A report of any public hearing is to be furnished to the relevant planning authority and may be made publicly available by that authority". Section 47G(3) of the *Local Government Act 1993* requires that Council must make the report available for public inspection within four days of receiving it.

6. Submissions.

There was one written submission received relating to the Caravan Park land in Queen Street Uralla and the water race land Kliendienst Road Uralla. There was two verbal submissions made at the hearing. A copy of the written submission is attached to this report.

Submission by GJ & NE Porter (written)

Land : Lot 30 DP 793510 and part Permissive Occupancy AE88H47 Caravan Park Queen Street Uralla.

Concern: That by reclassifying this land to *operational* land Council has the opportunity to dispose of the land.

Comment: The use of this land is clearly *operational* land and the classification should reflect its use.

Submission by NE Porter (verbal)

Land: Lot 30 DP 793510 and part Permissive Occupancy AE88H47 Caravan Park Queen Street Uralla.

Concern: That by the conversion of the land in Queen Street (which includes a section of Permissive Occupancy AE88H47) would allow a section of Alma Park to be sold.

Comment: A section of Alma Park is currently used by the Caravan Park. The classification of the land should reflect its use either by acquiring part of the park as free hold or by way of Permissive Occupancy.

Submission by NE Porter (written)

Land : Lot 613 DP 793510 Water Race Kliendienst Road Uralla

Concern: That any remnant of the water race should be preserved as much as possible and the importance of preserving the actual visual historic features within the Rocky River Gold Mining Heritage Precinct is important.

Comment: I refer to the report from Heritage Advisors Mitch McKay and Graham Wilson, Heritage on the Water Race (including Lot 613 DP 755846). The report advises that there has been major development within the vicinity including the construction of the Great Northern Railway and the re-alignment of the New England Highway and that the site has been intensively farmed which included ploughing of the area. Further, the report advises that "the significant value of the water race now arises from the available historical records".

I also note that much of the remnant core elements of the past gold mining practices are contained in the near-by Heritage Conservation Zone.

Submission by Ms Dedrie Truslove (verbal).

Land : General

Concern: Concerned that the community was not aware of the reclassification proposal

Comment: A perusal of the documentation provided indicated Council's compliance with the requirements of the *Local Government Act 1993, Environmental Planning and Assessment Act 1979* and the Gateway Determination issued by the Department of Planning & Infrastructure in relation to community consultation.

Submission by Ms Dedrie Truslove

Land: Lot 30 DP 793510 and part Permissive Occupancy AE88H47 Caravan Park Queen Street Uralla.

Concern: Supported Mrs. Porter's submission of not wanting parts of Alma Park to be able to be sold to private hands.

Comment: See previous comments

I believe that Council has undertaken a complete community consultation regarding the reclassification of land. It has also provided enough information for members of the public to determine the location of the land whether it is via map or by land title. The planning proposal and supporting documentation were on public exhibition during business hours at the Council Offices at 32 Salisbury Street, Uralla, the Uralla Public Library, 106 Bridge Street Uralla, General Stores at Bundarra, Invergowrie, Kentucky and Kingstown or via the Council Website (www.council.uralla.nsw.gov.au) for the period Wednesday 31 July 2013 to Wednesday 28 August 2013.

7. Conclusion

This report fulfils Council's obligations for a public hearing under Section 29(1) and 47G of the *Local Government Act 1993* and Section 56 and 57 of the *Environmental Planning and Assessment Act 1979* in regards to a Local Environmental Plan proposing the reclassification of land.

Considering all the submissions made regarding the reclassification of this land, at the public hearing and the written submission received by Council during the exhibition period, and the relevance to the Local Environmental Plan process, I conclude there are no issues arising that would prevent Council reclassifying the abovementioned land as *operational* in the Local Environmental Plan.

8. Recommendation

Council reclassify the land contained within this report as *operational* land subject to the section of Alma Park currently being used for the overflow of the Uralla Caravan Park reflect its use either by acquiring part of the park as free hold or by way of Permissive Occupancy.

Gerry Moran
Date: 5 December 2013

Attachment A

Location Maps of Affected Land

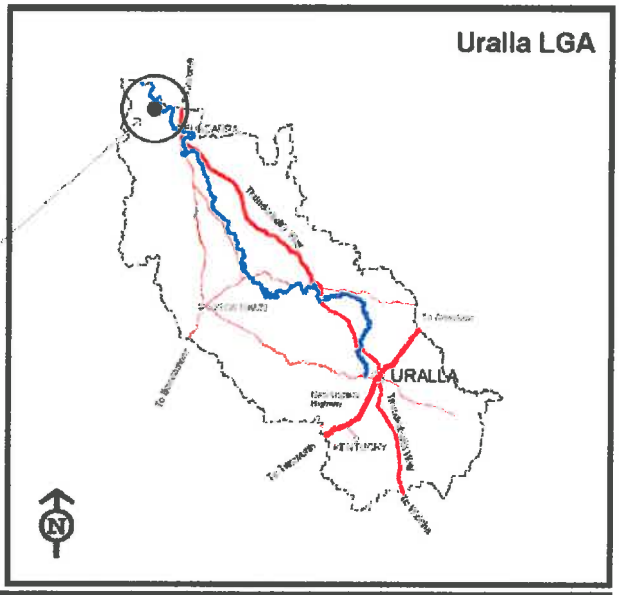
The Location maps are in the following order:

1. Gravel Pit, Bingara Rd Bundarra, being Lot 1 DP 1062924
2. Bundarra West Reservoir, Muirhead St Bundarra, being Lot 1 DP 1165352
3. Caravan Park, Queen St Uralla, being Lot 30 DP 793510 and part Permissive Occupancy AE88H47
4. Water Race, Kliendienst Rd Uralla, being Lot 613 DP 755846

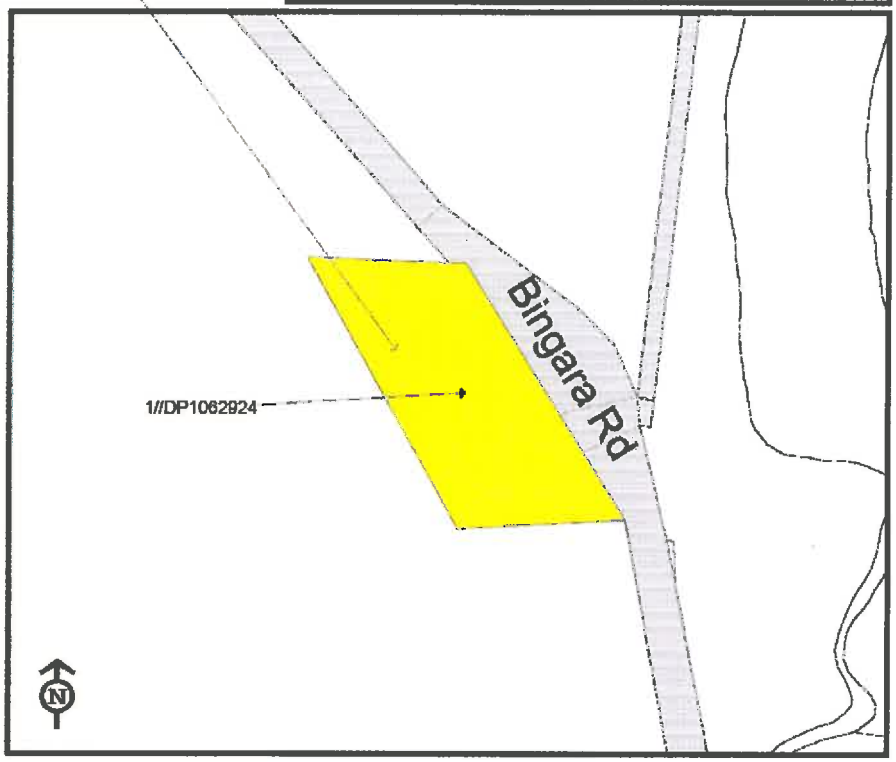
00355

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Phone 02 6778 6300

Item 43
Gravel Pit



Lot 1 DP 1062924

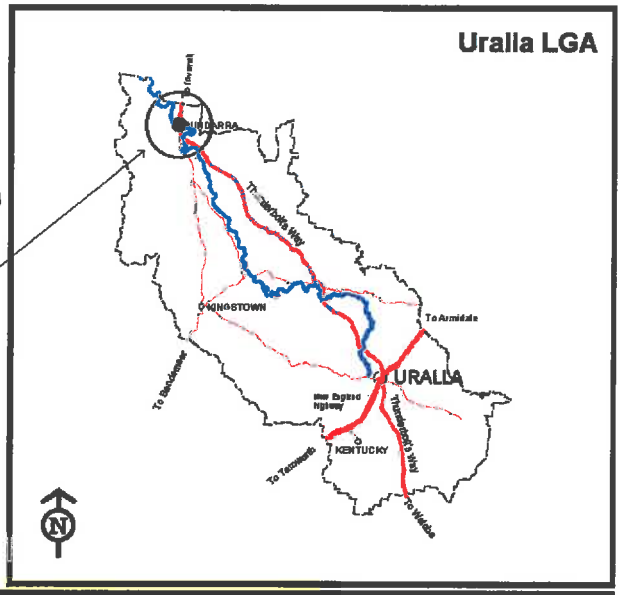


Uralla Shire Council Land Register

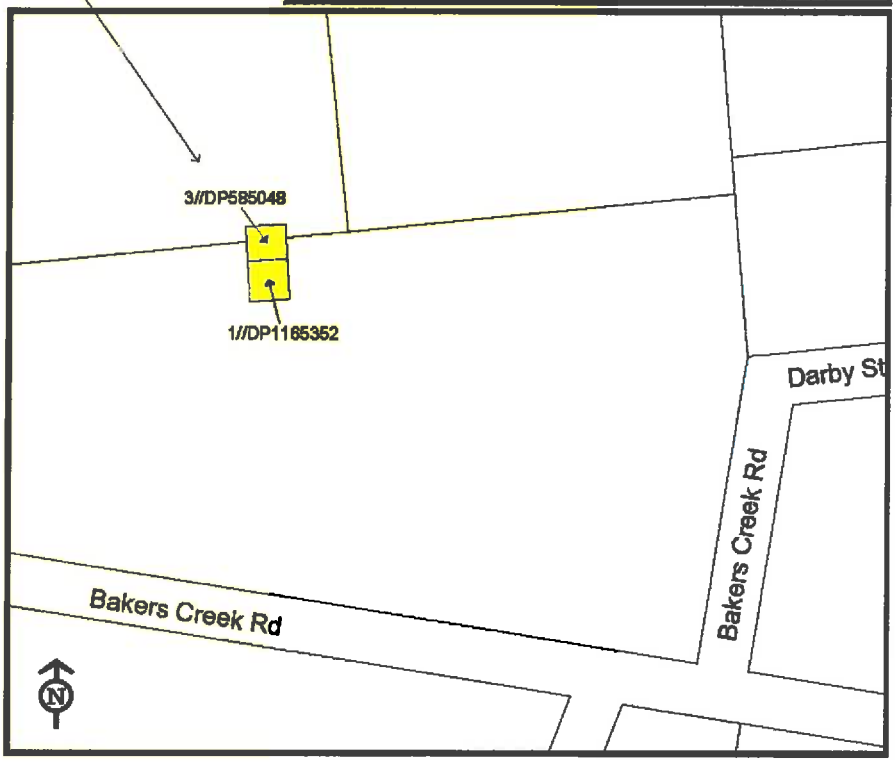
Map printed October 2012

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Item 27
Bundarra West Reservoir



Lot 1 DP 1165352
Lot 3 DP 585048



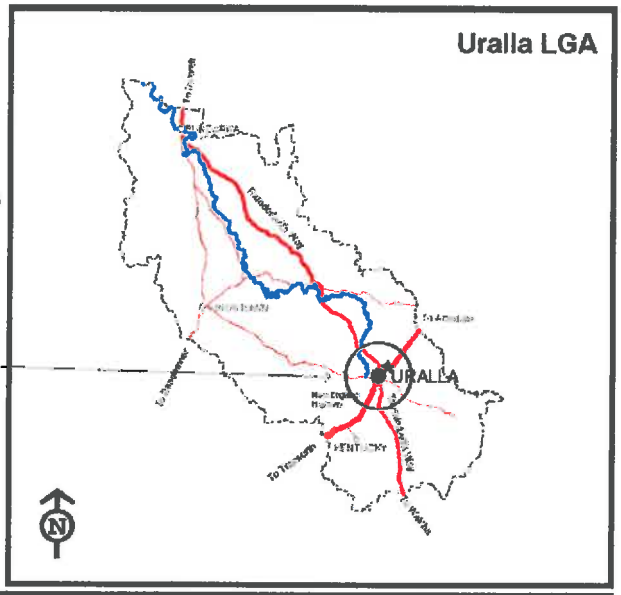
Uralla Shire Council Land Register

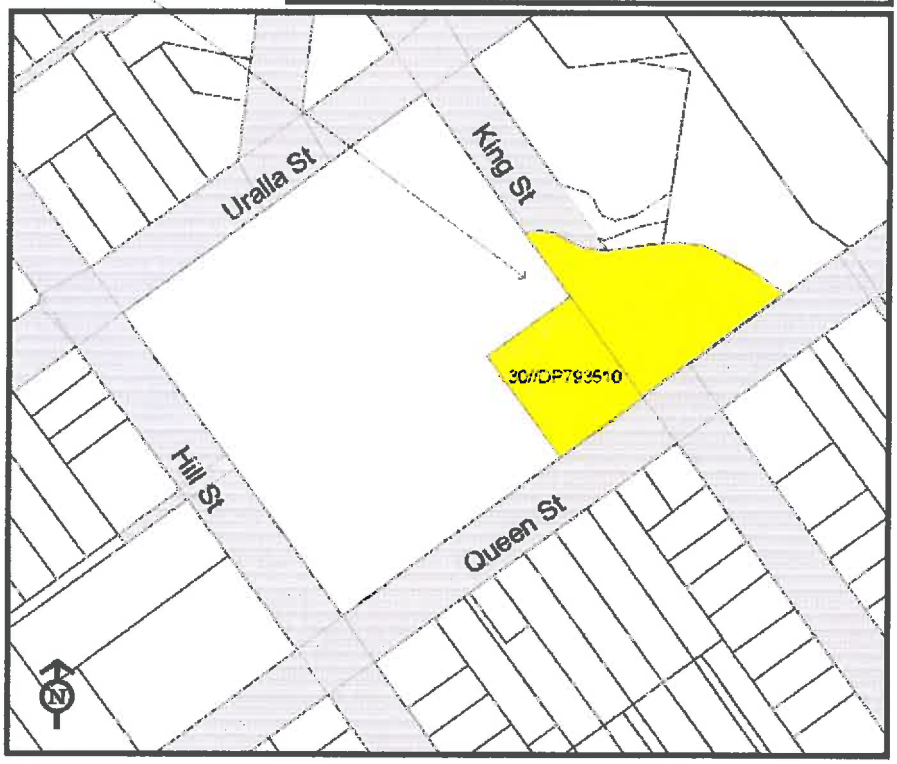
Map printed October 2012

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Item 41
Uralla
Caravan Park

Lot 30 DP 793510,
Closed road,
Parts of
Lot 1 DP1161765 &
Lot 7033 DP 1057499.





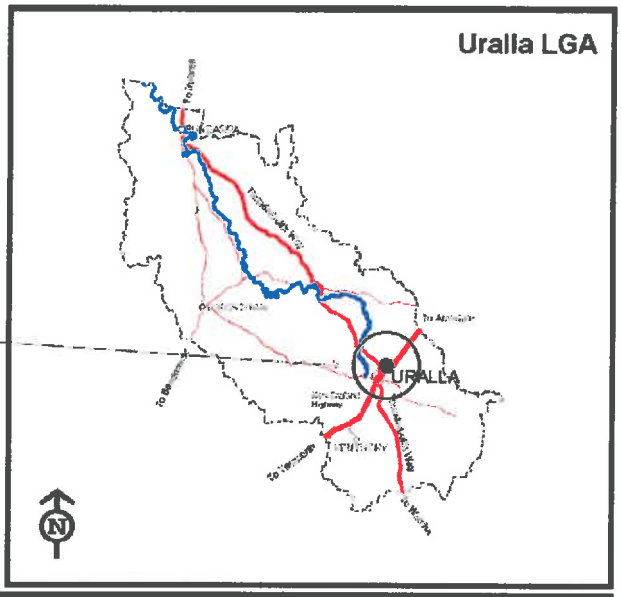
Uralla Shire Council Land Register

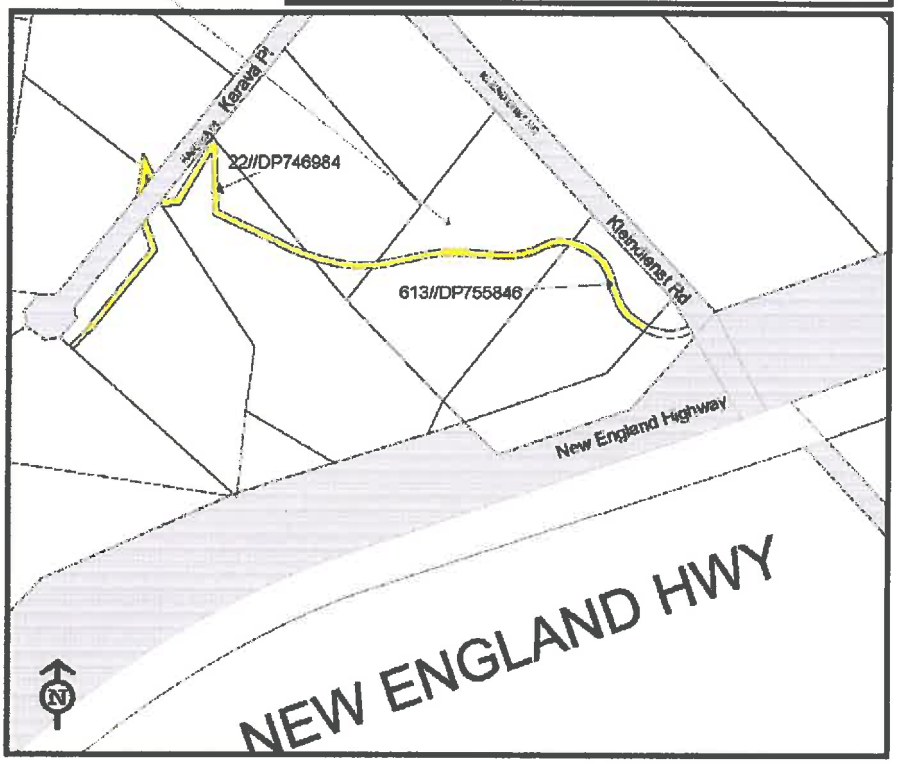
Map printed October 2012

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Item 26
Water Race

Lot 22 DP 746984
Lot 613 DP 755846





Uralla Shire Council Land Register

Map printed October 2012

Attachment B

Written Submission By Mr GJ & Mrs NE Porter

USC received
13 AUG 2013

General Manager

Uralla Shire Council

PO Box 106

URALLA NSW 2358

Re: Submissions - Planning Proposal Exhibition- Community Land to Operational

We wish to lodge a submission to the proposal to reclassify Community Land to Operational in the following locations;-

Caravan Park - Queen Street Uralla - Lot 1 DP 793510

Experience with Council reclassifying community land to operational land is that it is usually done for the purposes of sale or privatisation of the land. Alma Park in its entirety has been entrusted to the residents of Uralla to protect and preserve for the use and enjoyment of current and future generations. To expose the park to the risk of being possibly sold off in parts is unacceptable and should be avoided at all costs. The classification of Community Land gives the park some protection from commercial benefit and should remain as Community land. This would give the residents of Uralla assurance that Council is accepting their role as trustees of the park and are committed to preserving this park for the benefit of the town and not considering exposing the park to potentially been carved up for sale now, or in the future without public consultation or approval.

Water Race - Kliendienst Rd Uralla - Lot 613 DP 755846 or any land as defined as the Water Race/s

The fact that these water races were identified and classified as Community Land when the area within and surrounding the Karava Place subdivision development took place should indicate that the races had significant historical and engineering value and was intended to be protected. Any remnant should be preserved as much as possible and the importance of preserving the actual visual historical features within the Rocky River Gold Mining Heritage Precinct is important. Having a visual heritage feature rather than it being at risk of finally becoming as quoted in the Heritage Report on Water Races by Heritage Advisors -McKay & Wilson "The significant value of the water race now arises from the available historical records" should be supported by Council. How irresponsible would it be of the current generation, including our elected councillors not to try and preserve any remnant of the visual heritage items of our past, if at all possible.

Our Concern and the purpose of this submission is to gain assurance that the heritage value of these water races is not getting overlooked or lost within the issues regarding the current encroachment on the water races by some property owners. Is the reason to reclassify the land from community to operational being made because the water races no longer have enough significant heritage value to preserve or is it because of the legal implications now due to the encroachments? What happens if

these property owners do not want to buy the land after the reclassification? Will Council still retain the land in parts or will they just proceed to sign it over to the property owners involved? Whatever happens, unfortunately the issue of the unlawful encroachment of these properties on community land appears to be the main contributing factor in driving the reclassification of the land. As a consequence this process has and will most probably come at a cost to the rate payer and to the property owners, as well as the loss of protection for the water races.

Yours faithfully

Mr G J Porter & Mrs N E Porter

59 Maitland Street

URALLA NSW 2358

12 August 2013

Attachment F
00396

NSW GOVERNMENT | Planning & Infrastructure

WRITTEN AUTHORISATION TO EXERCISE DELEGATION

Uralla Shire Council is authorised to exercise the functions of the Minister for Planning and Infrastructure under section 59 of the *Environmental Planning and Assessment Act 1979* that are delegated to it by instrument of delegation dated 14 October 2012, in relation to the following planning proposal:

Number	Name
PP_2013_URALL_001_00	The planning proposal seeks to amend the Uralla Local Environmental Plan (LEP) 2012 to reclassify land at Bingara Road and Muirhead Street, Bundarra and Queen Street and Kliendienst Road, Uralla from 'community' to 'operational' land.

In exercising the Minister's functions under section 59, the Council must comply with the Department's "*A guideline for the preparation of local environmental plans*" and "*A guide to preparing planning proposals*".

Dated 22 / 2 / 2013

SHaddad

Sam Haddad
DIRECTOR GENERAL
Department of Planning and Infrastructure

SECTION:	**Planning Matters for Determination**
ITEM NUMBER:	**Item 2 DIVISION DECISION**
SUBJECT:	**Application of Council Seal to Section 88b Instrument**
File Reference:	DA 59-2013/A
Reason:	Application of Council Seal to Section 88b Instrument
Objective:	Finalise Subdivision
Budget Implication:	Nil
Operational Plan:	Part 3 Activity 5

INFORMATION

As part of a subdivision for Moore's Investment Pty Ltd on land known as 31 Bridge Street, Uralla, being Lot 2 DP 544380, a Section 88b land use restriction is required to ensure compliance with the development approval.

The development approval requires a Section 88b instrument for:

1. Provision of easements over sewer and drainage infrastructure

Council's Seal needs to be fixed to the Section 88b instrument to allow registration with the Land Titles Office. A resolution of Council is required to authorise the seal to be affixed.

Prepared by:	Mrs Melody Styles, Technical Services Assistant
Prepared for:	Ms Libby Cumming, Manager of Planning

RECOMMENDATION

That Council endorse the fixing of the Council Seal on the Section 88b Instrument relating to Development Application 59-2013/A on land known as 31 Bridge Street, Uralla, being Lot 2 DP 544380.

Tom O'Connor
General Manager