



URALLA SHIRE COUNCIL BUSINESS AGENDA

Notice is hereby given, in accordance with the provision of the Local Government Act 1993 that a Meeting of Uralla Shire Council will be held in the Council Chambers, 32 Salisbury Street, Uralla.

FINANCE ADVISORY COMMITTEE MEETING

20 September 2022

Commencing at 4:00pm

Kate Jessep
GENERAL MANAGER

UINT/22/11652

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1 OPENING & WELCOME

2 PRAYER

3 ACKNOWLEDGEMENT OF COUNTRY

4 WEBCAST INFORMATION

5 APOLOGIES & APPLICATIONS FOR LEAVE OF ABSENCE BY COUNCILLORS

6 DISCLOSURES & DECLARATIONS OF INTEREST

To be tabled at the Meeting.

7 CONFIRMATION OF MINUTES

7.1 FINANCE ADVISORY COMMITTEE HELD 14 JUNE 2022

Minutes of the Finance Advisory Committee Meeting held 14 June 2022 were presented to the 26 July 2022 Ordinary Council Meeting where as a committee of the whole they were adopted as a true record.

MINUTES

Finance Advisory Committee Meeting

14 June 2022, at 10:30am Council Chambers

Attendees:

Mayor R Bell (Chair)
Cr R Crouch(Deputy Mayor)
Cr T Bower
Cr S Burrows
Cr B McMullen
Cr T O'Connor
Cr T Toomey

Apologies:

Cr L Petrov
Cr L Doran

In Attendance:

General Manager – Ms K Jessep
Consultant LG Outcomes – Mr C Weber
Chief Financial Officer/Director Corporate Services – Mr S Paul
Director Infrastructure of Development – Mr T Seymour
Director Community Services – Ms C Valencius
Manager Governance - Ms N Heaton
Minute Clerk – Wendy Westbrook

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CONFIRMED

1. MEETING OPENING & WELCOME

The Chair declared the meeting open at 10:34am.

2 PRAYER

The Chair read the prayer.

3 ACKNOWLEDGEMENT OF COUNTRY

The Chair acknowledged Country and Elders past and present.

4 WEBCAST INFORMATION

The Chair advised that the meeting is audio recorded and the recording is made available on Council's website after the meeting.

5 APOLOGIES, REQUESTS FOR LEAVE OF ABSENCE AND OBSERVERS

Moved: Cr Burrows / Seconded: Cr Bower

That Committee note apologies from Crs Petrov & Doran.

For: Mayor Bell Crs Crouch, Burrows, Toomey, Bower, O'Connor, McMullen

Against: Nil

Absent: Nil

FAC01.06/22 CARRIED

6 DISCLOSURE AND DECLARATIONS OF INTEREST - Nil

7 CONFIRMATION OF MINUTES

7.1 Minutes from the 10 May 2022 Finance Advisory Committee Meeting.

That Financial Advisory Committee noted that at the 24 May 2022 Ordinary Council Meeting the minutes of the Finance Advisory Committee Meeting of 10 May 2022 were adopted.

For: Mayor Bell Crs Crouch, Burrows, Toomey, Bower, O'Connor, McMullen

Against: Nil

Absent: Nil

FAC02.06/22 CARRIED

8 LATE ITEM – Nil

9 REPORTS

9.1 DRAFT BUDGET 2022-2023 – REVISION TO VERSION ON PUBLIC EXHIBITION

Cr Burrows left the meeting 10:56am.

The Chair called for an adjournment 11:36am.

The Chair resumed the meeting at 11:58am.

Cr Burrows returned to the meeting at 11:58am.

MOTION Moved: Cr O'Connor / Seconded: Burrows

That the Finance Advisory Committee note the conversation held on the draft 2022-2023 budget currently on public exhibition, at the Finance Advisory Committee Meeting at 14 June 2022 and that the review will continue into the first quarter of the financial year.

For: Mayor Bell, Crs Crouch, Burrows, Toomey, Bower, O'Connor, McMullen

Against: Nil

Absent: Nil

FAC03.06/22 CARRIED

10 CONFIDENTIAL BUSINESS – Nil

11 NEXT MEETING

Date of next Finance Advisory Meeting is scheduled for 9 August 2022 (TBC)

12 MEETING CLOSED

Meeting closed at 12:38pm

CONFIRMED

8 URGENT, SUPPLEMENTARY AND LATE ITEMS OF BUSINESS

8.1 LATE REPORTS TO COUNCIL

8.2 URGENT ITEMS

8.3 SUPPLEMENTARY ITEMS

9 REPORTS

9.1 FINANCIAL SUSTAINABILITY PRESENTATION



Department: General Manager's Office

Prepared by: *General Manager*

TRIM Reference: UINT/22/11546

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK

Goal: 2.0 We drive the economy to support prosperity

Strategy: 4.2 A strategic, accountable and representative Council

SUMMARY:

1. Council's financial sustainability is a key priority for Council. Understanding Council's current position and practical options on a factual basis (separate to emotive considerations) is critical for good decision making.
2. The purpose of this report is to introduce Professor Joseph Drew and to hear his introductory presentation on local government financial sustainability.
3. Professor Drew has consulted with numerous Victorian, Tasmanian, South Australian and New South Wales councils on accounting, finance and economic matters.
4. Professor Drew will attend the Finance Advisory Committee to give his presentation during the meeting.

RECOMMENDATION:

That Financial Advisory Committee receive the Financial Sustainability presentation by Professor J Drew.

REPORT:

5. Some background on Professor Joseph Drew:
 - a. Professor of Local Government and head of the Australian Centre for Local Government which sits within the Institute for Public Policy & Governance at the University of Technology Sydney.
 - b. Adjunct Professor at the Department of Business Administration, Tokyo Metropolitan University.
 - c. His research interests focus on public finance, performance measurement, local government structural reform, natural law philosophy and corporate governance.
 - d. Previously he worked in executive positions in the retail banking sector. His work has been recognised in the 2004 Australian College of Educators awards and he is the recipient of the University Medal (Griffith University, 2003) and the D H Drummond award (University of New England, 2014). Recent publications have appeared in Public Administration, Local Government Studies, Public Administration Quarterly,

Publius: The Journal of Federalism, the Australian Journal of Public Administration, Australian Journal of Political Science, and Policy & Politics.

- e. He has consulted with numerous Victorian, Tasmanian, South Australian and New South Wales councils on accounting, finance and economic matters.
 - f. Professor Drew has also been called as an expert witness for multiple Australian State and Federal Government Upper House inquiries into local public finance, as well as working on a number of projects of national significance abroad. His fourth book titled *Natural Law and Government: After the COVID Revolution?* was published in May 2022.
 - g. Professor Drew serves on the Editorial Board of Australia's highest ranked public administration journal – the Australian Journal of Public Administration.
6. Professor Drew has assisted a number of local government councils, and is currently working with Walcha Council to assess their financial sustainability including the community's capacity to pay.
 7. Professor Drew can be engaged to conduct a financial sustainability analysis. This generally involves a review of around 50 metrics, for the last three years. Comparisons are made against fourteen peers which council has input to selecting. Long term financial plans are interrogated and demographic trends which might reasonably be expected to affect financial sustainability are identified. The analysis is made with strong reference to economic theory and the scholarly literature.
 8. The presentation will enable Council to consider the opportunity to engage Professor Drew's professional expertise supported by his extensive network to assist in planning Council's financially sustainable future.

CONCLUSION

This presentation is for information and no decisions of the Committee or Council are required at this time.

9.2 PREPARATION OF END OF FINANCIAL YEAR – VERBAL REPORT

A brief for Council on the status of the preparation of the End of Year Financial Report.

9.3 AGED CARE REFORM LEGISLATIVE EFFECTS ON COUNCIL'S AGED AND COMMUNITY CARE



Department: Community Services
Prepared by: Director Community Services
TRIM Reference: UINT/22/11560 Effects of Aged Care Reform Program

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK

Strategy: We have an accessible, inclusive & sustainable community

- 1.1 A growing community with an active volunteer base and participation in community events
- 1.4 Access to and equity of services and ethics

Strategy: We drive the economy to support prosperity

- 2.2 Growing and diversified employment, through growth in existing, sunrise and new businesses
- 2.3 Communities that are well serviced with essential infrastructure

Strategy: We are a prosperous and well-governed community

- 4.1 Informed and inspired leadership in our community
 - 4.2 A strategic, accountable and representative Council
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SUMMARY:

1. This report is to provide information, including a presentation, on the progress of the Aged Care Reform Program and possible financial impacts on Aged and Community Care to assist the Council and Executive on future changes to the Council's aged care services.
2. In March 2021, the Royal Commission into Aged Care Quality and Safety (**Royal Commission**) handed down its *Final Report: Care, Dignity and Respect*. The final report of the Royal Commission makes 148 recommendations.
3. The new *Aged Care and Other Legislation Amendment (Royal Commission Response) Act (Royal Commission Response Bill)* that received royal assent on 5 August 2022 implements a number of measures and responds to 17 recommendations of the Royal Commission into Aged Care Quality and Safety. Details will be provided in the presentation and handout.
4. The new *Aged Care Amendment (Implementing Care Reform) Bill 2022 (Implementing Care Reform Bill)* has now passed through the House of Representatives. The Bill's successful passage follows recent approval by the Senate Standard Committee on Community Affairs
 - a. A Bill for an Act to amend *the Aged Care Act 1997*
 - b. Includes the mandatory requirement for residential aged care facilities to have a Registered Nurse on site 24/7
 - c. Increased transparency measures for providers
 - d. A cap on home care charges – potential financial impact on Community Care

RECOMMENDATION:

That the Finance Advisory Committee note the report and presentation on the effects of Aged Care Reform.

REPORT:

5. Uralla Shire Council provides a range of aged and community care services through three service areas:
 - a. McMaugh Gardens
 - b. Tablelands Community Support
 - c. Tablelands Community Transport
6. These services are funded through a combination of Commonwealth and State subsidies and grants and through Uralla Shire Council Fees and Charges.
7. McMaugh Gardens provides Permanent Residential Care for 35 residents and maintains a Residential Respite room that is mostly booked out well in advance.
8. Tablelands Community Support provides services for 76 Home Care Packages Level 1 to 4; 227 Commonwealth Home Support Program Services; services for 9 National Disability Insurance Scheme clients, services for 1 DVA client and services for 1 private client.
9. Tablelands Community Transport currently provides transport for 1032 clients across five local government areas (Uralla Shire Council, Armidale Regional Council, Inverell Shire Council, Tamworth Regional Council and Walcha Council).
10. The combined FTE of 47.29 across the three services includes Permanent Full-Time, Permanent Part-Time and Casual staff.
11. Aged and Community Care are undergoing significant change driven by the Aged Care Royal Commission, the new government Aged Care Agenda, the development of a new Aged Care Act, detailed review of the Aged Care Quality Standards and the Aged Care Reform Program.
12. The Royal Commission into Aged Care Quality and Safety was established on 8 October 2018 to inquire into the quality and safety of aged care in Australia. Royal Commissioners, the Honourable Tony Pagone QC and Lynelle Briggs AO presented the Final Report of the Royal Commission into Aged Care Quality and Safety to the Governor-General, His Excellency, General the Honourable David Hurley AC DSC (Retd) on 26 February 2021. It was tabled on 1 March 2021. The Final Report: Care, Dignity and Respect calls for fundamental reform in aged care and lists 148 recommendations.
13. The new [*Aged Care and Other Legislation Amendment \(Royal Commission Response\) Bill 2022*](#) implements nine new measures and responds to 17 recommendations of the Royal Commission into Aged Care Quality and Safety including establishing the Australian National Aged Care Classification (AN ACC) funding model that replaces the current Aged Care Funding Instrument (ACFI) on 1 October 2022. The AN-ACC Profile of facilities will be used to determine the increased Registered Nurse and Direct Care Minutes that will be required to be implemented by each facility. This will impact on McMaugh Gardens Budget due to requirement to increase current roster Direct Care minutes. This impact will be assessed at Quarterly Budget Review two.
14. The new [*Aged Care Amendment \(Implementing Care Reform\) Bill 2022*](#) includes the requirement for a qualified registered nurse to be on site in every residential aged care home 24 hours a day, seven days a week and is expected to be implemented by July 2023. This will impact on

McMaugh Gardens Budget due to requirement to roster a registered nurse for all Morning, Evening and Night Shifts. Currently McMaugh Gardens rosters a registered nurse for Morning and Evening Shifts and has a registered nurse on call for night shift

15. The Aged Care Reform Program is likely to require changes to the aged and community care budgets including changes such as a cap on home care charges for Tablelands Community Support and requirements to increase direct care roster hours for McMaugh Gardens. The degree or significance of impacts will not be fully understood until Quarterly Budget Review two and is dependent on factors such as resident mix and the rate of introduction of each of the measures.

CONCLUSION:

16. This report and presentation to the Finance Advisory Committee provides an overview of pending changes to Council's aged care service delivery. It is anticipated that changes will require amendment to the current budget and these will be presented through Quarterly Budget Review two early in 2023.

COUNCIL IMPLICATIONS

17. Community Engagement/Communication

Provide updated information to stakeholders

18. Policy and Regulation

Aged Care Act 1997

Aged Care Reform Program

19. Financial/Long Term Financial Plan

Possible financial impacts on Aged and Community Care

Possible Quarterly Budget Review two adjustments

20. Asset management/Asset Management Strategy

Nil.

21. Workforce/Workforce Management Strategy

Will require additional recruitment of registered nurses and direct care staff

22. Legal and Risk Management

Legal

Maintenance of Accreditation through compliance with the *Aged Care Act 1997* and Aged Care Quality Standards

- Managed through meeting the requirements of the Aged Care Quality and Safety Commission Audits, actively participating in the Aged Care Reform Program and ongoing service Continuous Improvement Programs including audits and benchmarking

Financial

Risk of expenses exceeding revenue

- Managed through close monitoring of service budgets, applying for costs reimbursements as opportunities become available and monitoring claiming for optimal subsidies and grants

Workforce

Risk of not having sufficient skilled staff to provide services

- Managed through active recruitment and Expressions of Interest; liaison with Technical and Further Education Aged Care Department for student work placement options; University of New England Nursing Faculty for students wanting casual work while studying Bachelor of Nursing and participation in the Department of Health and Aged Care – Aged Care Workforce Strategy and Programs

23. Reputation:

Accreditation of Aged and Community Care Services maintained through meeting requirements of the Aged Care Quality and Safety Commission Audits including compliance with the Aged Care Reform Program

24. Performance Measures

Deadlines for implementation of Aged Care Reforms are met and Accreditation of services maintained.

25. Project Management

Director Community Services; Director of Nursing/Facility Manager McMaugh Gardens; Manager Community Care

Department: General Manager's Office

Prepared by: General Manager

TRIM Reference: UINT/22/11616

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK

Goal: 2.0 We drive the economy to support prosperity

Strategy: 4.2 A strategic, accountable and representative Council

SUMMARY:

1. The purpose of this report is for Mr Chris Weber of LG Outcomes to present his preliminary findings from the conduct of an independent review of the 2022/23 budget.
2. Mr Weber will attend the Finance Advisory Committee to give his presentation during the meeting and to discuss his draft recommendations.

RECOMMENDATION:

That the Financial Advisory Committee receive the Draft Independent Review of the 2022-23 budget by C Weber of LG Outcomes.

REPORT:

3. At the Council's Ordinary Meeting on 24 May 2022, Council resolved 20.05/22 which included:
That:
 2. concurrently, Council vote funds [per report] to engage an independent financial expert to assist Council with the review of the draft budget to identify any further saving and revenue options for the 2022-23 budget including:
 - a. the forecast fees and charges revenue
 - b. kerbside collections optimum service delivery method
 - c. optimised staffing costs
 - d. retaining services within budget
4. Mr Weber of LG Outcomes was engaged in June 2022 to undertake the review. Subsequently, in July 2022 Mr Weber was also engaged on a part-time basis as Interim Director Corporate Services which has provided him even greater insight to the operations and performance of Council which has concurrently assisted his ongoing review of the budget.
5. Chris Weber previously worked with Macquarie Bank, as Director Corporate & Governance for Tamworth Regional Council and as the Interim General Manager for Walcha Council. More recently Chris has provided consultancy services to a number of New South Wales councils on corporate and governance matters including the preparation of integrated planning and reporting documents, various corporate service reviews and audits, and the preparation of information technology strategies and action plans.
6. The presentation will enable discussion of the preliminary findings of the review of the 2022/23 budget to date and for discussion on the draft recommendations with the

Finance Advisory Committee, Manager Finance and Information Technology and Executive.

CONCLUSION

7. The independent review by Mr Weber will be finalised concurrent to Council's completion of the 2021/22 end of year financial statements and preparation of quarterly budget review one.
8. The final report by Mr Weber will be presented to a future Council meeting.

10 CONFIDENTIAL MATTERS

11 CONCLUSION OF THE MEETING

END OF
Finance Advisory Committee
BUSINESS AGENDA