



BALRANALD SHIRE COUNCIL

ALL COMMUNICATIONS
MUST BE ADDRESSED TO
THE GENERAL MANAGER

RS:CH:

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5th March 2018

The Hon Gabrielle Upton MP
Minister for the Environment
Minister for Local Government
Minister for Heritage
GPO Box 5341
Sydney NSW 2001

Dear Minister

I refer to your letter to Council of the 19th December 2017.

Council at its Ordinary Meeting on the 20th February 2018 adopted the Implementation Plan – (copy attached) and noted the progress to date and revised programs for delivery.

Work on the Implementation Plan has been ongoing however progress did slow with the departure of the General Manager and Director Corporate and Community Development in December 2017. Progress was further delayed by the failure to fill three newly created positions being Manager Finance/Governance, Manager HR/Risk and Communications Officer, to add additional capacity to the organisation.

The recruitment of skilled and capable staff continues to be an issue for Balranald Council.

Council recognised the importance of progressing actions on the Improvement Plan recruited two experienced local government professionals to backfill the General Manager and Director Corporate and Community Development positions. Council sought to employ an experienced General Manager to assist it in the further improvement of Council operations. The new General Manager will commence on 12th March 2018.

The employment of an Acting General Manager and Director Corporate & Community Development enabled council to submit to IPART a SRV Application, with assistance of an external consultant.

It also delivered to Council a Long Term Financial Plan, an Asset Management Plan and a program to review councils rating structure.

The assistance of the adviser, Mr Alan McCormack to Council and especially to the Mayor and Acting General Manager has enabled a more strategic focus by Councillors on their roles and possibilities.

As part of assisting Council to meet its obligation a monthly strategic briefing session is now programmed to occur the week before the Ordinary meeting.

The first session in January 2018 enabled the organisation to address the critical issues such as the Hostel, Caravan Park, Plant and JO's.

The Acting General Manager has identified that Council needs to rebuild many of its internal systems along with a major organisation cultural change and processes to meet the required standards of a modern contemporary council. This will take time and needs to be built into the Delivery and Operational Plans.

As you are aware Balranald is a Far Western Council and saw the original proposal contained in the Far West Initiative as a mechanism of addressing many of the fundamental issues of these Councils. Council was disappointed it was not advanced.

However, Balranald Shire Council will consider embracing the JO concept and including joining a JO with Broken Hill, Wentworth, and Central Darling. Council would ask the NSW Government to develop an ongoing package of assistance to address the fundamental issues of these Councils.

I would encourage you to recognise the achievements of the Implementation Plan to date that we have been able to achieve.

Yours faithfully



Leigh Byron
MAYOR

Cc – Katrina-Annis Brown – Office Local Government
Alan McCormack

BALRANALD SHIRE COUNCIL

S463F Compliance Report

13 March 2018



s 436F Compliance Report

Introduction

The Minister for Local Government issued Balranald Council with a Performance Improvement Order under s 438A of the *Local Government Act 1993* on the 26 April 2017.

Reasons for Order - section 438A (3) (a)

1. A failure of Council to meet its legislative responsibilities in respect of its financial and governance obligations.
2. Council has budgeted for and subsequently run large operating deficits over a number of years. At the same time, Council has not had a reliable Long Term Financial Plan (LTFP) to provide a path to achieve a break-even result or an operating surplus in the future.
3. There remains considerable risk to Council in not having an audit committee or internal audit function. As a direct consequence, Council was not aware of, nor was it involved in, the preparation of a response to the issues raised in the external auditor's management letters in 2013/14 and 2014/15.
4. Council's policies do not appear to have been reviewed and/or updated since 2008. Notably, Council has seemingly dealt with code of conduct complaints (one of which has been referred to the Office for misconduct) pursuant to a superseded code and/or one which has not been adopted by Council.
5. Councillors failing to identify the nature of the interest when disclosures are made at the commencement of the meetings (pecuniary or non-pecuniary). There is no record of what, if any, action was taken by Councillors to manage identified conflicts.
6. I believe the appointment of a temporary adviser to assist the Council in meeting the actions required is reasonably necessary in the circumstances.

Action required to improve performance - section 438A (3) (b)

1. That Council develop an implementation plan acceptable to the Minister that addresses the findings and recommendations from the Office of Local Government's report entitled '*Balranald Shire Council report on Preliminary Enquiries dated August 2016*' (the Report).
2. That Council utilise the services of the temporary adviser to assist in identifying any additional risks and areas of non-compliance in Council's controls and processes and incorporate these in the implementation plan.
3. The implementation plan must:
 - a. Demonstrate how Council will address the findings and recommendations in the Report.
 - b. Demonstrate how Council will address any additional risks and areas of noncompliance in Council's controls and processes.
 - c. Identify specific completion dates.
 - d. Identify the person/s responsible for implementation activities.
 - e. Identify what, if any, additional resources are required to give effect to the plan.
4. If the plan is satisfactory to the Minister, the Council is to adopt the plan and commence its implementation.

Council in August 2017 refined its initial Implementation Plan to address the Order and incorporate the findings of the Report prepared by the temporary adviser Alan McCormack dated 3rd July 2017.

On the 13 December 2017 Council was visited by senior OLG officers and progress on the Implementation Plan was discussed. OLGs letter of the 15 December noted agreement on the following actions:

- *Councillors gave a commitment to implement the plan under the PIO.*
- *There would be a regular report to the Council on progress in implementing the PIO plan.*
- *Councillors would utilise the skills and experience of the temporary adviser and a process would be established to enable this to occur efficiently and effectively.*
- *Councillors would work constructively with the General Manager and with each other.*
- *The report on the SRV process was Council's opportunity to review the consultation work - the SRV application is due to be submitted in mid-February and Councillors needed to commit to this.*
- *There would be work undertaken to improve communication with the community.*

On the 19th December 2017, the Minister advised Council that, "On the available information, Council has substantially complied with the requirements of the PIO by developing an implementation plan that addresses the findings and recommendations from the Office of Local Government's preliminary enquiry report (compliance report 1). I also note that Council has incorporated the recommendations made by the temporary adviser relating to additional risks and areas of noncompliance identified by him.

The PIO appears to have been largely successful in enabling Council to recognise the significant and serious risks facing Council's operations and ensuring that Council is in a position to meet its legislative responsibilities.

Council must now adopt the implementation plan and provide me with a written report on its progress against the implementation plan within 12 weeks of the date of this letter (compliance report 2).

Upon receipt of Council's report I will determine what, if any, further intervention action is required."

Implementation Plan

Council at its Ordinary Meeting held on the 20th February 2017 by resolution adopted the Implementation Plan- Annexure 1. This Annexure details outcomes on each recommendation, responsible person, required resources and outcomes.

Compliance Report

S 438F of the *Local Government Act*

1993 requires

- (1) *A council must provide the Minister with written reports on its compliance with a performance improvement order as required by the order.*
- (2) *Such a report is referred to in this Part as a **compliance report**.*
- (3) *A compliance report must specify any actions taken that demonstrate compliance with the performance improvement order.*
- (4) *A compliance report must comply with any requirements specified in the performance improvement order.*

Background

Balranald Shire is experiencing unprecedented investment:

The following projects have commenced:

- Maffra – goFARMS \$80m investment to turn 2193 hectares from dryland farming into almond orchard
- Cristal Mining Australia- Atlas Mine – Mineral Sands Project Mining Lease 1767. Commence 5 March 2018
- The following projects are in the planning phase:
- Sunraysia Solar- 200MW solar farm and associated infrastructure- development consent issued
- Limondale Solar- 250 MW Solar farm and associated infrastructure – development consent issued
- Balranald Mineral Sands- mine – Development consent issued

Council has received grant funding for the following projects to commence in the budget year 18/19:

- Stronger Communities Fund- \$923,330 Market Street Balranald -Streetscape Revitalization Project
- Wool Track Road- \$2-775m Road upgrading

Balranald Council is an essential community agency for its residents and is often the first contact point for many issues. Council has recognised that it must transform to be a modern contemporary council that meets its legislative responsibilities whilst providing best value services to its community.

Status Commentary

The Implementation Plan is an attachment to this report and details status as at February 2018. Several target dates have been reviewed to reflect current circumstances and to set realistic timeframes given resources.

Progress has been significantly impacted by the departure of the General Manager and Director of Corporate and Community Services along with the Christmas New Year period. Council commenced recruitment of the General Manager and an appointment is expected by mid- March. Recruitment of the Director is to commence upon appointment of the General Manager.

To ensure progress continued Council recruited experienced temporary senior staff being Bob Stewart Acting General Manager and Terri Bilske as Acting Director Corporate Community Services.

A Strategic Workshop was held on the 10th January 2018 to consider priority issues facing the organisation. The Temporary Adviser was in attendance. The Workshop Presentation and Outcome Report are attached as Annexure 2 .

Integral to making significant progress on the Improvement Plan was having the staff resources for day to day operations and to action the plan.

Council undertook an organisation restructure to create capacity but has not been able to fill the two newly created management positions for Finance/ Governance and HR/ Risk or the Communications Officer (part time) despite advertising and interview.

To ensure progress continues options are being explored including the use of contractors and working with other councils on specific projects to build capacity. The Tourism Coordinator position is currently vacant following resignation.

The recruitment to fill these positions will be a priority action for the new General Manager. To ensure continued progress particularly 2018/18 budget preparation the Acting DCCS position contract position has been extended till 1 July 2108.

The recruitment of skilled and experienced staff to fill positions at Balranald Shire is a continuing challenge and impacts on the organisations day to day operating capacity. The Council has recognised the reputational loss it has suffered.

The Major Issues

Finance

The Improvement Plan requires:

Item 1- That Council finalises and resolves to adopt a LTFP that has CLEAR links to Councils Asset Management Plans.

Asset plan adopted 8 February 2018 on recommendation of Infrastructure and Development Committee.

Item 8 -Council should establish an audit committee and an internal audit framework pursuant to OLGs Internal Audit Framework

At Councils Ordinary Meeting on the 20th December 2017 it was resolved

12.16.3897 RESOLVED on the motion of Cr Mannix and Ugarte that

1. The minutes of the Ordinary Meeting of Council held on Tuesday 15th November 2016 be adopted; and
2. An Audit Committee be formed and finalise the structure at the February Ordinary Council Meeting.

At Councils Ordinary meeting on the 21ST February 2017,

It was resolved;

ITEM G - 5 INTERNAL AUDIT COMMITTEE

File number: 001

Officer Recommendation:

That Council:

- Adopt the Draft Internal Audit Committee Charter.
- Appoint two local representative committee members.
- Seek expressions of Interest for the two independent external members.
- Negotiate the remuneration of the Chairperson when that person is appointed.
- Set the remuneration for the other independent Internal Audit Committee member at \$280 per meeting, increasing by the CPI index after 12 months.

02.17.3925 RESOLVED on the motion of Cr Purtill and Allen that the report be received and recommendation be adopted with Crs Purtill and Mannix being nominated as committee members.

External members were appointed at the April 2107 Council Meeting and the first Audit Committee Meeting was held on the 1June 2017. The Audit Committee is to meet quarterly. Meetings have been held 1June 2017, 9th and 23 November 2017 and 8February 2018.

A copy of the Minutes of the Balranald Internal Audit Committee Meeting held 8th February 2018 is attached as Annexure 4

Item 14- That Council ensures an authentic and informed LTFP is presented to Council in August 2017

The plan was prepared by Morrison Low and was placed on exhibition October 17. Plan adopted 8 February 2018 and forms part of the SRV application to IPART.

Item 20 of the Improvement Plan requires:

That preparations commence for a general Special Rate (SRV) variation and that Council look at the possibility of SRVs for mines and solar farms approved or planned.

On the 15th December 2017 Council lodged with IPART the required Notification of Intention to apply for a special variation

On the 12 February, Council lodged an application for a SRV supported by an adopted Long Term Financial Plan (LTFP) and Asset Management Plan.

A decision is expected by 15May 2108. See the IPART web site for verification.

The LTFP and Asset Management Plan were adopted at the Extra Ordinary Meeting held 8 February 2018 by resolution - Annexure 3.

The SRV process has demanded considerable organisation time and commitment including the use of consultants Morrison and Low.

It also identified several underlying organisational issues that require addressing being;

- Budget document prepared for Council and adopted – more than 50% of totals have been hard coded instead of using formulas. Impact is that all need to be checked as errors detected and need to be budget variations.
- General Ledger and Chart of Accounts needs to be restructured to reflect requirements in the Local Government Financial Accounting Standards. Should be streamlined to reflect the statements and easily identified.

- GL accounts are not coded and the Financial Statement Standard Report has never been set up. This is a lengthy process.
- Activity Centers need to be restructured to reflect the areas of responsibility – currently there are line items in incorrect areas which will impact on end of year processes and could potentially have information missed and reported in incorrect areas.
- Many account descriptions need to be more specific to reflect actual expenditure or income. There is not enough information e.g. expenses are lumped under materials or Repairs and Maintenance. In some instances there are expenses going to accounts where there is no budget.
- Budget document needs to be improved so that staff and Councillors can easily understand.
- The current Payroll system needs to be reviewed in that calculations that should be system driven are manually done.
- Job Costing system needs to be improved in conjunction with the Engineering staff to capture the information that they need particularly in the Infrastructure area.
- Staff training on all aspects of income and expenditure for Orders, payments, timesheets etc. so that more accurate information can be provided.
- Currently using Practical financial system that appears to have not been reviewed since 2000 on set up
- Require property data base administration review
- Waste, Water, Sewer service charging review
- Financial delegation review
- Timely Implementation of Council resolutions
- Checking of Minutes to ensure accuracy

These are matters that should be considered for inclusion in the Improvement Plan

Item 19 requires:

That council undertake a rates review to ensure the correct categorisation of properties to ensure equity and income maximisation

As part of the development of the SRV application Council examined its rating structure and has resolved to undertake a review in 2019/20. This will be critical as many of the submissions on the SRV from rural ratepayers raised the inequity of the current rating system.

Item 16 That Council consider divesting the management and possibly ownership of the Bidgee Haven Hostel in Balranald to ensure income losses do not impact on Council's limited budget and risks to Council are minimised.

The Bidgee Hostel has and is projected to impact negatively on Councils financial position and the temporary advisor made comment.

1. That Council consider divesting the management and possibly ownership of the Bidgee Haven Hostel in Balranald to ensure income losses do not impact on Council's limited budget and risks to Council are minimized.

The Bidgee Haven Hostel owned and operated by Council is a valuable community asset. This asset should be retained within the town of Balranald for the benefit of the older citizens of the Shire. It is important for Council to give peace of mind to residents and their families and constant publicity of the future of the Hostel must be unsettling.

The question is whether Council should continue to incur substantial losses as will happen in 2016/17 and are forecast for 2017/18. Hard financial analysis would suggest not. In a time where other Councils are relinquishing ownership of Hostels and Retirement Homes it is appropriate that Balranald Council look at its options. In any case Council needs to ensure that the Hostel is conducted under proper business principles as required for this type of organisation.

Despite the intent of Integrated Planning and Reporting it seems that Balranald Council does not fully engage with its community (this is a deficiency which will be mentioned elsewhere). Should the community be absolute in its resolve to have Council continue to manage the Hostel such resolve could support the case for a SRV. However, such solid support is not evident and Council should consider options for divesting itself of the financial and enterprise risks.

At the January Strategic Workshop Council developed a strategy going forward for the Aged Care Facility being:

- Continue to operate within legislative requirements to ensure minimal budget losses over 17/18 whilst exploring operating options and disposal
- Work with local community group to explore independent operation and put an end date before adoption of the 18/19 budget
- Allocate funds in 18/19 budgets to explore options for disposal
- Examine options to close hostel at end 2018 or disposal as a going concern.

The Workshop outcome was reported to the February 2017 meeting and it was resolved that the General Manager incorporate the strategy into operations.

The Hostel Monthly Financial Report to the February Ordinary Meeting details that it is projected to make a \$50,000 profit for 17/18 following management review of operations. The report is attached as Annexure 5. This outcome is in line with the adopted strategy and reporting monthly will enable Council monitoring.

Governance

Item 21 requires:

That Council embed the recently adopted improvement Plan into its operations.

The Improvement Plan is to be reported on each month to Councils Ordinary meeting to enable ongoing performance monitoring by Council. Reported to February Meeting.

Ongoing implementation and performance reporting will form part of the new General Managers Performance Agreement as per Item 34 of the IP.

The following new polices have been adopted since the Issue of the Order and development of the Improvement Plan to embed them into operations.

21 March 2017 Minute Number **03.17.3962**

1. Assistance with Payment of Rates, Fees and Charges
2. Collection of Outstanding Rates
3. Collection of outstanding Fees and Charges

4. Business Ethics Policy
5. Councillor Training Policy
6. Education Assistance Policy
7. Gifts and Benefits Policy
8. Investment Policy
9. Records Management Policy

Ongoing policy review is now embedded in the organisation with the following policies under development:

- Plant Replacement Policy
- Cemetery Policy
- Water Supply Policy
- Road side Verge Policy
- Tree replacement Policy

Item 15 requires:

Council consider future operations of the Balranald Caravan Park to ensure the park continues to be a major asset for the district and produces realistic income with minimum risk.

The Adviser made comment:

The Council's Caravan Park at Balranald is a major income earner for Council generating a large section of Council's income. It is located on a Crown Reserve. The management lease on the Park is expiring towards the end of the year. It should be remembered though that there is a caveat on income (it is to be redirected back into the Reserve or an associated function).

Council has received a presentation suggesting a long term lease arrangement. This would appear to have financial benefits and would remove Council from exposure to many of the risks associated with the operation. This proposal should be seriously considered.

At Councils January Strategic Workshop the Caravan Park was discussed and it was agreed that:

- Go to tender early in 2018 noting Crown Lands requirements.
- Engage independent organisation to assess tender
- that lease needs to be signed off by the Minister for Lands
- Noting Council resolution on selective tenderers stands

Council at its February 2018 Ordinary Meeting considered a report (a copy is attached as Annexure 6) on the status of the Caravan Park, its obligations to manage as a trust and its decision to go to tender for a lease of two years.

The Director of Infrastructure and Development at the above meeting reported on Tender arrangements to meet the s23A *Tendering Guidelines for NSW Local Government* and the need to address lease issues to remove risk and clarify service charges.

Council resolved to review the tender documentation. This was listed as an item of business at an Extra-ordinary Meeting to be convened Wednesday 28th February.

A detailed report with all tender documentation was considered and resolved that;

Item I – 1 BALRANALD CARAVAN PARK TENDER DOCUMENTATION
File number: Legal

Reporting Officer: Director Infrastructure and Development – Andre Pretorius

Reason for Confidentiality

This report is CONFIDENTIAL in accordance with Section 10A (2) (c) of the Local Government Act 1993, which information that would, if disclosed, confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business.

Operational Plan Objective: Pillar 2: Our Leadership – A community that values and fosters leadership, lifelong learning, innovation and good governance.

Officer Recommendation:

That Council as the Balranald Caravan Trustee:

1. Considers and adopts the recommendations set out in the Balranald Caravan Park Trust Lease – Lease report (Ref AD 2.383) dated 20 January 2018
2. Considers and adopts the proposed evaluation criteria for inclusion into the DRAFT Tender Assessment Report for the Balranald Caravan Park Tender dated 20 January 2018
3. Note the DRAFT Tender Documentation, with the acknowledgement that minor administration errors needs to be fixed pending a final review.
4. Note the DRAFT Probity Plan noting that minor administration errors be fixed pending a final detailed review.
5. Endorses the appointment of an external probity auditor to audit the Tender Process, pending receipt of a letter from DPI Lands.
6. Endorses the appointment of an independent external Tender Evaluation Panel/ Committee. This is usually an operational activity without any involvement from Council.
7. Note the Draft Project Delivery Risk Register.

02.18.4245 RESOLVED on the motion of Cr Allen and Ugarte that the report be received and recommendation be adopted with the inclusion of the following clauses -

8. Sewer and Water charges be moved to Special Schedule 3 of the Caravan Park Trust Lease
9. Council is prepared to make financial contribution for sewer and water and advertise accordingly in accordance with *Section 356 of the Local Government Act 1993.*

Purpose of Report

Presentation of Tender Documentation to a full Council is unusual and is considered to be an operational matter. Council receives a tender assessment report and determines the awarding of the Tender.

Item 35 requires:

That Council undertake a definite and sustained campaign to of Community engagement

Item 39

That the Council do more to sell itself by promoting good news and achievements

Both of these items have proved difficult to achieve as recruitment of a communications officer was not successful and Councils Tourism Officer resigned. The February monthly newsletter changed focus to tell Councils story. See Annexure 7

The General Managers Weekly Update has been used to provide Councillors updates and commentary on important local and sector issues. This is aimed at providing Councillors with timely information that they can use to inform their constituents and community.

It will always be difficult to get Councils story out as the Shire does not have a local paper and regional electronic media is Victorian focused and ABC coverage tends toward Wagga Wagga and Mildura.

The Newsletter has been refocused to that of a local newspaper reporting on Council activities.

Greater social media presence is required and the recruitment of a communications officer is essential.

Council must in future better engage through Integrated Planning and Reporting to ensure the community owns the Community Strategic Plan and feels confident that its council understands the community's vision for the future.

Item 37

That Councillors recognize the dignity and the authority of the position of the Mayor at all times.

The introduction of the Model Code of Meeting Practice and Councillor Professional Development Program will enable further training to be delivered. The Mayor has requested the Acting General Manager to issue a Memo to all Councillors on Order at Meetings.

Summary

Council has made significant progress and this needs to be viewed against available resources and circumstances over the period as detailed. Continued and substantive progress will prove challenging for the organisation considering day to day service demands.

It has been recognized that Councillors need to focus on setting strategic policy direction and be provided with the opportunity for informed decision making. The Acting General Manager restructured Council business paper preparation to ensure delivery in a timely manner plus the convening of a councillor workshop a week before the Ordinary Meeting.

This coupled with the Improvement Plan being a standing item in the Meeting agenda and forming part of the GMs Performance Framework will provide and strengthen the opportunity for continued oversight by Council.

Annexures

- Annexure 1 - Adopted Implementation Plan (Feb 2018)
- Annexure 2 - Workshop Presentation and Outcomes Report
- Annexure 3 - Resolutions- Extra Ordinary Meeting held 8th February 2018
- Annexure 4 - Minutes of the Balranald Internal Audit Committee Meeting
- Annexure 5 - Hostel Monthly Financial Report
- Annexure 6 - Caravan Park Reports
- Annexure 7 - February Newsletter.

ADOPTED**Balranald Shire Council Implementation Plan dated February 2018”**

	OLG REPORT RECOMMENDATIONS	PROPOSED OUTCOMES	ACTION BY	STATUS AT February 2018	ADDITIONAL RESOURCES	COMPLETION DATE
1	That Council finalise and resolve to adopt a LTFP that has clear links to Council's asset management plans.	Creditable LTFP	GM	Adopted Extraordinary Meeting – 8th February 2018. Resolution No. 02.18.4207	In-house	Complete Jan 2018
2	That Council reviews its Quarterly Budget Review Statement with Councillors to ensure accuracy and relevance for decision-making at a strategic level.	Councillors review the Quarterly Budget Review Statement at the Extraordinary Meeting	DCCD	Reviewed at November 2017 December review. February 2018. See Agendas	In-house	Complete 15-Nov-17
3	That all elected Councillors undertake financial and code of conduct training directly after the next Council election.	LG NSW organised training day for Code of Conduct scheduled for 19 January 2017 and Finance Training Day on 10 March 2017.	GM	All Councillors attended the Code of Conduct training held on 19 January 2017. Finance Training day held on 10 March 2017.	Delivered by LGNSW	Complete 10-Mar-17
4	That Council undertake a comprehensive review of all its policies and ensure they are submitted to Council for adoption.	All of Council Policies to be reviewed and adopted by Council at the February 2017 Council meeting. In doing so identify any critical outstanding policies and included them for adoption.	GM	A total of 40 policies were adopted by Council at the February 2017 Council meeting.	In-house.	Complete 21-Feb-17
				Adopted Policies since February 2017 include Assistance with Payment of Rates Fees and Charges as a result of Hardship, Collection of outstanding rates, Collection of outstanding Fees and Charges, Business and Ethics, Councillor Training, Education Assistance, Gifts and Benefits, Investment and Records Management.	On-going – In-house	Complete
				Policies subject to review Plant Replacement Policy, Cemetery Policy, Water Supply Policy, Verge Policy, Tree Replacement Policy.	In-house	June 2018
5	That Council develop a plan to improve its document management processes and system which will meet the requirements of the State Records Act 1998.	Electronic Management System installed, Dedicated staff member appointed to manager the system Staff provided training to utilise the system.	DCCD	Installed and operating other modules to be commenced.	In House	Complete September 2017
				Ongoing Refinement required	In House	June 2018
6	That until Council has an audit committee, councillors review responses to the issues raised in the external auditor's management letters on an annual basis at a Council meeting.	External auditor's management letters Reported to the February 2017 Council Meeting	DCCD	External auditor's management letters Reported to the 21 February 2017 Council Meeting. The Inaugural Audit Committee Meeting was held on 1 June 2017 with a progress report to the June 2017 Council meeting.		1-Jun-17 Ongoing
7	That Council's progress in implementing the recommendations from the external auditor's management letter is reported to Council each month.	A monthly progress report be provided to Council up to and including the December 2017 meeting.	DCCD	Audit management letters were reported to the December 2016 and February 2017 meetings with a monthly progress report being reported to the June & July 2017 Council meetings.		Ongoing
8	Council should establish an audit committee and an internal audit framework pursuant to OLG's <i>Internal Audit Guidelines</i> .	Internal audit framework established and first Audit Committee meeting held prior to 30 June 2017.	GM	Internal Audit Committee Framework adopted at the February 2017 Council meeting. External members were appointed at the April Council meeting and the inaugural Audit Committee meeting was held on 1 June 2017. Completed. Audit Committee meets quarterly. 1st June 2017, 9th & 23rd November 2017 and 8th February 2018.		Ongoing
9	That Council develop a fraud and corruption policy and conduct a fraud risk assessment.	Fraud and corruption policy adopted by Council – Resolution No. 02.17.3924 and Consultant undertake a fraud risk assessment by 31 August 2017.	GM	Policy adopted at the February 2017 Council meeting. Crowe Horwath have undertaken a survey of all management staff against the key areas of fraud control & will provide a Fraud Risk Assessment Spreadsheet by 18 August.	Crowe Horwath have undertaken an Independent fraud risk assessment.	Completed
					Council to appoint Internal Auditor – Quotation Received	June 2018
10	That in addition to the current arrangements, credit card statements for the Mayor and General Manager be reviewed, approved and signed off by another councillor in line with expenditure that has been approved	Implement Report Recommendation.	GM	Process implemented 15 November 2016 where all relevant staff have been informed in writing of the process and the DCCD will audit.		15-Nov-16 Ongoing
				Completed.		
11	That for any staff provided with a credit card, their transactions are signed off and approved by the General Manager and the Finance Coordinator.	Implement Report Recommendation.	GM	Process implemented 15 November 2016 where all relevant staff have been informed in writing of the process and the DCCD will audit. Completed. – process in place.		15-Nov-16 Ongoing
12	That Council develop an end of year plan to complete and finalise Council's audited financial statements each year and report regularly to a Council meeting on its progress.	End of year plan reported to the June Council meeting with a progress report to the following 3 Council meetings.	DCCD	Initial report provided to February 2017 Council meeting with a follow up report to the June 2017 Council meeting. – Completed 2017/18 Audit Plan to be developed.	In-house	29-Sep-17
						Ongoing
13	That Council pursue unpresented payments including several EFT payments and cheques dating back to August 2014 and February 2014, respectively.	As per report recommendation	DCCD	4 Cheques have been cancelled and reissued 15/11/16. Council's financial system provider rectified the EFT payments. Completed.		15-Nov-16 Ongoing

ADOPTED
Balranald Shire Council Implementation Plan dated February 2018”

	OLG REPORT RECOMMENDATIONS	PROPOSED OUTCOMES	ACTION BY	STATUS AT February 2018	ADDITIONAL RESOURCES	COMPLETION DATE
14	That Council ensure an authentic and informed LTFP is presented to Council in August 2017.	Adoption of Long term Financial Plan	GM	Morrison Low undertook the preparation of the LTFP in conjunction with the rating review and SRV process. Plan adopted at Extraordinary Meeting 8th February 2018 underpins SRV	Consultant – Morrison Low	Completed
15	That Council consider the future operations of the Balranald Caravan Park to ensure the Park continues to be a major asset for the District and produces realistic income with minimum risk.	Options for future management of the Caravan Park considered and implemented by Council.	GM	Sustainable Park Solutions were appointed by Council at the June meeting to prepare a Master Plan and Business Plan for the Balranald Caravan Park. Council resolved to not to renew the current lease.		Completed
				Council to go to Selective Tender February 2018. See reports 20th and 28th February 2018.		May 2018
16	That Council consider divesting the management and possibly ownership of the Bidgee Haven Hostel in Balranald to ensure income losses do not impact on Council's limited budget and risks to Council are minimized.	Options for the future ownership and management of the facility considered and Council decision made.	DCCD	Report with options being present to the August Meeting. Decision on way forward expected at that meeting detailing strategy for ongoing management/		June 2018
				Report to February 2018 Council of Workshop (10 January 2018). Adopt Strategy February 2018.		February 2018
				See financial report – Ordinary meeting 20th February 2018. Attached		February 2018
17	That regardless of the success or otherwise of the application for IWCM business plans be prepared for the Water and Sewer Funds.	Adoption of a IWCM strategy including business plans for the Water & Sewer Funds.	DID	Funding sought from government program for 2017/2018. Council has budgeted \$120k in the budget with the offset of grant income of \$60k. No action to date, meeting with Public works prepared to go to tender/quotation. – <i>Adopt Strategy Will need 2018/2019 budget</i>	Consultant \$60K extra in 2018/19 budget	June 2020 completed
18	That the “sugar hit” from the sale of the Caltex Service Station be applied to current areas of deficiency (such as staff levels) or modernisation of approaches (such as a Document Management System) or building up Reserves. Council should determine a plan of where the proceeds will be applied or conserved.	Sale of site and funds reserved for specific purposes	DCCD	Council divesting ownership now imminent (contracts exchanged), Council conscious of the need for judicious expenditure of the sale proceeds Settlement has occurred (\$1,901,154.39)	In-house	30 November 2017
				Report to February 2018 Council Meeting to establish reserve.		Complete February 2018
19	That Council undertake a rates review to ensure the correct categorisation of properties to ensure equity and income maximization.	Review completed in this calendar year	GM	Council considered report from Morrison Low and resolved for Rates Review 2019/2020. Resolution No. 10.17.4110	In House	February 2019
20	That preparations commence for a general Special Rates Variation (SRV) and that Council look at the possibility of SRVs for mines and solar farms approved or planned.	SRV preparation work undertaken and SRV application submitted	GM	Morrison Low engaged to undertake the SRV in conjunction with staff. IPART notified 15 December 2017. SRV Application lodged 12.02.2018. Decision May 2018.	In House	May 2018
21	That Council embed the recently adopted Business Improvement Plan into its operations.	Recognition of the importance of the Business improvement plan and regularly reporting to Council.	GM	Improvement Plan adopted February 2018 Council Meeting. Update reported monthly to Council. Embed Plan in 2018/19 budget and ongoing council reporting and monitoring,	In-house	March 2018 Ongoing
22	That Council look to adopting S.94 or S.94A plans to ensure future income opportunities are not lost.	Council is in a position to readily assess impacts of major developments in the shire	DID	No action to date Budget Allocation required	Consultant (estimate \$10k)	30 July 2018
23	That a review of all fees and charges be undertaken, before the next Budget, with a view to establishing full cost recovery or identifying the reasons for not pursuing full cost recovery.	Maximize Council's income from these sources.	DCCD	Part of 2018/19 budget process. Budget timetable to be presented to March meeting.	In-House	30 April 2018.
24	That a review of plant charges and on costs be made, before the next Budget, to ensure profitability is maximized and all overheads are correctly charged and recovered.	Maximize Council's income from these sources.	DID	Report to Infrastructure & Development Committee with recommendations to April 2018 for inclusion in 2018/2019 budget consideration. Committee Meeting scheduled for 15th March 2018.	In-House	30 April 2018.

ADOPTED
Balranald Shire Council Implementation Plan dated February 2018”

	OLG REPORT RECOMMENDATIONS	PROPOSED OUTCOMES	ACTION BY	STATUS AT February 2018	ADDITIONAL RESOURCES	COMPLETION DATE
25	That Council recognize that approaches in previous years of not funding depreciation have reduced the cash position of Council and Council commit to cash funding of depreciation.	Council's budgeting process allows for depreciation to be funded.	DCCD	The recent road revaluation reduced Council's total annual depreciation by the amount of \$2.2M. The LTFP will address the issue.	In-House	30 November 2017
26	That a long term financial and improvement plan be prepared for the Visitors Information Centre.	Council adopts a precinct management plan for the Visitor Information Centre and surrounds	DCCD	Draft – Precinct Masterplan adopted December 2017 and to be on exhibition for 28 days from March 2018	In-House	June 2018
27	That Council move quickly to fill staff vacancies as identified in the latest staff structures as presented to Council.	A full complement of suitability qualified staff.	GM	Structure adopted by Council. Positions advertised, Manager Finance/Governance, HR /Risk Officer. Need to re-advertise along with Tourism Officer after General Manager commencement.	In-House	28 March 2018
28	That Directors of Council be given more security of tenure.	Directors appointed permanently to positions.	GM	DID – Contract position appointed completed	In-House	30 October 2017
				Director Corporate & Community Development vacant and to be advertised once General Manager appointed.		May 2018.
				GM Interview – 28th February 2018 GM is commencing 12th March 2018	In-House	February 2018
29	That Council consider a Staff Education Assistance and Encouragement Policy.	Adoption of a formal Staff Education policy	DCCD	Policy Adopted	In-House	Completed
				Staff training Plan Developed	In-House	August 2018
30	That Council look to a succession planning approach with staff.	Adopted Workforce Plan that addresses staff succession issues	DCCD	The proposed currently in consultation provides a career path for staff which combined with staff education and training will address succession planning issues.	In-House	31 March 2018
31	That Council monitor Secondary Employment to ensure worker safety is paramount, work obligations are not compromised and conflicts of interest are minimized.	Ongoing monitoring & development of a secondary employment policy	DCCD	Code of conduct training provided to all staff to make them aware of their responsibilities in relation to secondary employment. Reminders will be reissued to staff by end of February 2018. - Completed	In-House	30 October 2017
32	That Council require the General Manager and Directors to undergo personality profiling and follow up interviews to align their personalities with the rigors of the roles.	Profiling of General Manager and Directors completed	GM	Part of General Manager recruitment process	LGNSW	February 2018
				Part of Director Corporate & Community Development process		
				DID to undergo. – Arrangements in Place	LGNSW	March 2018
33	That Council's newly appointed Performance Review Panel conduct two formal assessments annually and also meet quarterly for discussions with the General Manager.	Action to be implemented	GM	Panel in place New General Manager be appointed part of recruitment process is to establish within 3 months. Consultant appointed to oversee review 3 months upon commencement.		June 2018
34	That the General Manager's Performance Agreement be a meaningful agreement which reflects the aspirations and obligations of Council including subscribing to Fit for the Future requirements, adherence to the Business Improvement Plan, strategic planning and community engagement.	New Performance Agreement to be established.	GM	Consultant will assist development To be negotiated and overseen by GM Review Committee with advice from LGNSW	Consultant – within budget	June 2018
35	That Council undertake a definite and sustained campaign of community engagement.	Appointment of a 0.5FTE communication officer	DCCD	The 0.5FTE communication officer advertised. Position re-advertised. No appointment Refocus newsletter to deliver council news on activities works, etc.	In-house & budgeted for	Ongoing & according to requirements April 2018
36	That Council undertake a service level review to inform the planning documents.	Service Levels established for key delivery areas	GM	Part of Infrastructure Committee review – service level review program to be submitted for budget process	Consultants & In-house Estimate of \$50k	November 2018
37	That Councillors recognise the dignity and authority of the position of Mayor at all times.	Awareness of the appropriate relationships emanating from the Code of Conduct, Code of Meeting Practice and Councillor/Staff Interaction Policy.	GM	Ongoing issue with compliance with Act, Regs and Code of Meeting Practice. Appropriate policies are established, polices to be reinforced from time to time. Training to be given on adoption Code of Meeting Practice and Councillor Professional Development and Code of conduct.	In-house	ongoing

ADOPTED
Balranald Shire Council Implementation Plan dated February 2018”

	OLG REPORT RECOMMENDATIONS	PROPOSED OUTCOMES	ACTION BY	STATUS AT February 2018	ADDITIONAL RESOURCES	COMPLETION DATE
38	That the Mayor preside over all gatherings where Councillors are present. (Meetings and Workshops). Further that the Mayor familiarise himself with the respective Codes governing behaviour by Councillors and Staff (Code of Conduct, Code of Meeting Practice and Councillor/Staff Interaction Policy) and enforce good behavioural practices.	Authority of Mayor established. Training for Mayor and Training for Councillors	GM	This recommendation has been implemented. Additional Training to be scheduled upon implementation of new Code of Meeting Practice adopted by Office Local Government. Mayor requested GM to provide Memo to Councillors on “Order at Meetings”.	OLG Workshop	Ongoing
						Completed February 2018
39	That Council do more to “sell itself” by promoting positive news and achievements.	Improved communication and public relation	DCCD	Develop Culture of engagement with Community through social media committees and groups. To be actioned following the appointment of a communications officer. Newsletter- February 2018 focus on council needs. Attached	In-house	ongoing

Annexure 2 – Workshop Presentation

Balranald Shire Council

Strategic Workshop

10 January 2018



Improvement Performance Order

WHY?

- * Failure to meet legislative responsibilities in respect to its financial and governance operations
- * Council has budgeted for and run large operating deficits over a number of years
- * No reliable Long Term Financial Plan to achieve a path to achieve a break even result or an operating surplus in the future



WHY?

- * Risk of not having an audit committee or internal audit function
- * Outdated policies
- * Councillors failing to identify the nature of interest when disclosing or a record of action taken by Councillors to manage the identified conflict
- * Appointment of a temporary advisor



What does the order require?

- * Develop implementation plan including additional risks of non compliance in controls and processes
- * Adoption of the plan and implementation
- * Compliance Report on progress against the plan within 12 weeks of the Ministers satisfaction with the plan



Appointment of Adviser

Appointed for the period up until the submission of the final compliance report to the Minister.



Role of the adviser

- Provide advice and assistance to Council
 - review and evaluate Council plan
- obtain evidence of the effectiveness of controls and processes
 - provide assistance to identify additional risks and areas of non compliance



Council commitment to OLG

- * Adopt and Implement Improvement Plan(IP)
- * Regular reports to Council on IP progress
- * Councillors would utilise skills of adviser and a process established to enable this to occur
- * Councillors would work constructively with the General Manager and each other
- * Review consultation work with community on the SRV process
- * Improve communication with the community



Ministers Response 19 Dec 2018

- * Council must now adopt IP(**Feb 18**)
- * Within 12 weeks of the Ministers letter provide a written report on its progress against the IP(**due 13 March 2018**)
- * Upon receipt of the report the Minister will determine what ,if any further intervention action is required



The Big Issues

- * Implementation Plan
- * SRV
- * Hostel
- * Caravan Park
- * Plant
- * JOs
- * GM /DCS Recruitment
- * Culture



The next twelve weeks?

- * Substantive progress on IP and report
- * Recruit new GM/ DCS
- * Commence 2018/19 Operational Plan and Budget
- * Submit SRV application to IPART by 12 Feb 2018
- * Consider JOs
- * Wool Track project planning
- * Day to day service delivery



Implementation Plan

- * 39 individual actions
- * Council has made substantive progress
- * GM to review current workloads and target completion dates
- * Review progress to date at Feb Workshop
- * Report to Feb Ordinary Meeting on progress and formal adoption of the plan by Council
- * Plan progress to be listed as monthly agenda item



Organisational Culture

- *Business as usual not an option
- *Change starts in this Chamber



SRV

- * Tcorp and OLG have raised issues on Councils long term financial sustainability
- * Council is subject to a Ministerial PIO- April 17
- * The Balranald Community Strategic Plan -2017 flags the need for a SRV to be implemented in 18/19 and has been listed in the Delivery Plan -2017



Options for SRV

- * Options detailed in Report to Extra Ordinary Meeting.



Achieving Financial Sustainability

- * Increase unrestricted cash
- * Create sufficient financial capacity to employ resources to deliver current services
- * Increase asset maintenance expenditure to meet required ratio
- * Increase capital and renewal expenditure to achieve target infrastructure backlog ratio



Community Engagement Plan

- * Information Leaflet plus “Have your say Form”
- * Frequently Asked Questions
- * Community Survey on SRV
- * Presentation to Focus Group Meetings
- * 5 Community Focus Group Meetings attended by 153 individuals
- * 187 written submissions
- * Online community feedback survey -15 respondents
- * Consultation conducted Nov 2017



Engagement Summary

- * 187 Written submissions-155 did not support increasing the rates above the rate peg. 14 supported the SRV, with a further 9 suggesting a lower SRV increase. 9 respondents had np preference.
- * Written Submissions made available to Councillors at the Council Chambers



Engagement Summary

- * 5 Focus Group Meetings
- * Unanimous agreement at all meetings that Council should be sustainable
- * Strong opposition to rate increase of 10%/yr plus rate peg for seven years. Suggestion of lower increase due to affordability.
- * All largely satisfied with current services with exception of roads
- * Suggested lower increase with Council making savings and efficiency improvements



Engagement Summary

- * Online Survey with 15 respondents
- * 90% wanted a sustainable Council
- * 40% satisfied with current services
- * 40% somewhat satisfied
- * 11 out of the 15 respondents wanted no rate increase above the rate peg



Summary

General view Council should improve :

- * operational performance
- * Productivity and efficiencies
- * Communication with residents
- * Governance
- * Accountability and transparency
- * Management of assets including sale
- * Financial performance and management of Bidgee Haven Hostel



Hostel

- * Develop agreed strategy
- * Continue to operate within legislative requirements to ensure minimal budget losses over 17/18 budget whilst exploring operating options and disposal.



Hostel Options 18/19

- * Local Incorporated Community group preparing business plan to own and operate. Group requested to provide a timeline on when Council may expect a proposal. Council needs to put a end date before adoption of 18/19 budget.
- * Explore options to dispose of the hostel as a going concern. Funds to be allocated.(18/19 budget)
- * Examine options to close the hostel end of 2018 and possible alternative uses for site disposal.



Caravan Park

- * Council manages the park on behalf of the Crown under the Crown Lands Act 1989 through the Balranald Caravan Park Trust
- * Minister for Lands gives consent to lease and conditions
- * Tender process to be conducted under Local Government Act



Caravan Park

- * Tender documents to be prepared in early Jan 2018 with an aim to go out to selective Tender in early Feb 2018.
- * The following documents need to be prepared/ updated
 - Tender Evaluation Plan.
 - Tender Probity Plan.
 - Risk Management Plan.
 - Tender Opening Procedure - Delegations.
- * Detailed site Inventory with photographic evidence (Dilapidation Report) of the Caravan Park by an independent consultant



Caravan Park

- * Requires a rescission motion to include Sustainable Park Holdings into the selective tender process
- * Resolution to engage an independent organization to assess the tender and fund from the Caravan Park Reserve.
- * A Lease agreement has been drafted based on the original Lease Agreement. Need to review definitions of minor and major renovations and to spread/share the risk between both parties. Documentation to be reviewed by Council legal advisers and approved by Minister



Plant

- * Review plant utilisation and income including lease v purchase
- * Plant to be purchased “*fit for purpose*” and involvement of operators in selection
- * Develop a 10 year Plant Replacement Program and Policy
- * The Works and Infrastructure Committee including the Works Engineer be requested to report to Council by April 2018



JOs

- * To commence July 2018
- * must align with one of the states planning regions(Riverina-Murray)
- * Demonstrate a clear community of interest between member Councils and regions
- * Not adversely impact on other councils or Jos
- * Be based around a strong regional centre or centres
- * Be of appropriate size and capacity to partner the NSW and Federal Government and other agencies.



Next Steps for Council

- * **Plan-** identify the planning region noting Balranald falls into the Far West region, review existing regional collaboration arrangements.
- * **Consult-** other Councils within preferred regional grouping . Each JO to have 3 member Councils
- * **Endorse**-once a council reach agreement it must endorse by resolution
- * **Nominate** – Submit request to establish a JO to OLG by 28 Feb
- * **Establish**- Final framework by March and proclamation in April 2018 to commence in July2018



JOs

- * **Commence-** Hold first meeting and elect Chair and recruit EO.



BALRANALD OPTIONS

- * Mayor and GM attended meeting of RAMROC to consider options.
- * Preferred option is 2 separate JOs across the Murray/Murrumbidgee region with Balranald and Wentworth having non-voting status to the board.
- * BSC to meet with Far West Councils , Report Feb Meeting



GM Recruitment

- * To be undertaken in accordance with the s23A Guidelines issued for the Appointment and Oversight of General Managers . July 2011
- * Compliance with Guidelines is mandatory
- * Mayoral Minute to Feb Ordinary Meeting.



Wool Track Grant

- * The NSW Government will provide a specific purpose grant of up to \$4.7 million to Balranald and Central Darling Shire Councils toward the sealing of The Wool Track between Balranald and Ivanhoe.
- * Funds will be released by Roads and Maritime on progressive completion of works against an agreed funding schedule.
- * Funding will be provided to Balranald Shire Council (\$2.775 million) and Central Darling Shire Council (\$1.9m)
- * Balranald and Central Darling Shire Councils will be the delivery agents for the works and bear the risk for the works accordingly. As both Councils are the road authority for this road, they will be solely responsible for any project cost overruns.
- * The NSW Government will not be responsible for any future or ongoing maintenance arising from these works.



Organisational Culture

- *Business as usual not an option
- *Change starts in this Chamber



The Questions

- * What is your vision for Balranald Shire ?
- * What type of organization do you want Balranald Council to be in 4 years?
- * What are the characteristics of this organization?
- * How do we get there?



DISCUSSION



Item C – COUNCIL STRATEGIC WORKSHOP

File number:

Reporting Officer: Acting General Manager RK Stewart

To report on Councils Strategic Workshop held on 10 January and seek Council resolutions on identified actions.

Operational Plan Objective: Pillar 6: Our Leadership – Provide good governance, prudent financial management and effective support services for all its activities.

Officer Recommendation:

1. That Council note the outcomes of the Strategic Workshop and that the General Manager commences to incorporate them into operational responses.

Purpose of Report

To report on Councils Strategic Workshop held on 10 January and seek Council resolutions on identified actions.

Report

Several matters were discussed and required actions developed:

1. Implementation Plan
 - The GM to review the 39 actions against current circumstances and workloads to set realistic target dates for discussion at the February workshop noting the Ministers letter 19th December 2017.
 - Report to the February Council Meeting for formal adoption of the Plan
 - Plan progress report to be listed as a monthly agenda item
2. SRV
 - The application process to date was reviewed noting
 - Tcorp and OLG have raised concerns on Councils long term financial sustainability
 - The Ministers Performance Improvement Order
 - The Balranald Community Strategic Plan and the Delivery Plan list a SRV for 2018/19
 - The community engagement process and feedback from residents
 - General view Council should improve operational performance, communication, governance, management of assets, and operations at the hostel
3. Hostel Strategy
 - Continue to operate within legislative requirements to ensure minimal budget losses over 17/18whilst exploring operating options and disposal
 - Work with local community group to explore independent operation and put an end date before adoption of the 18/19 budget
 - Allocate funds in 18/19 budgets to explore options for disposal
 - Examine options to close hostel at end 2018 or disposal as a going concern.

4. Caravan Park
 - Go to tender early in 2018 noting Crown lands requirements.
 - Engage independent organisation to assess tender
 - that lease needs to be signed off by the Minister for Lands
 - Noting Council resolution on selective tenderers stands
5. Plant
 - Need to review plant utilisation and income including lease v purchase
 - Plant to be purchased "*fit for purpose*"
 - Infrastructure committee to meet and report by April with a 10 year plant replacement program
6. JOs

Council to meet with Far West Councils and a report is presented to February meeting
7. GM Recruitment
 - To be undertaken in accordance with S23 Guidelines
 - Noted actions to engage recruitment assistance
 - Mayoral Minute to February meeting.
8. Wool Track Funding
 - Project noted
9. Organisational Culture
 - Business as usual not an option
 - Change starts in the council chamber

<u>Financial Implication</u>	To be identified
<u>Legislative Implication</u>	Council; at all times must comply with the relevant legislative requirements
<u>Policy Implication</u>	Nil
<u>Attachments</u>	

BALRANALD SHIRE COUNCIL



MINUTES OF THE *EXTRA-ORDINARY MEETING*

8th February 2018

Minutes of the Extraordinary Meeting of the Balranald Shire Council held in Council Chambers, Market Street, Balranald commencing at 4pm on Wednesday 8th February 2018.

PRESENT: Cr L. Byron (Mayor), Cr A. Purtill (Deputy Mayor), Cr G. Ugarte, Cr T. Jolliffe, Cr S O'Halloran, Cr D Allen and Cr J. Roberts.

Acting General Manager Robert Stewart, Director Infrastructure & Development Andre Pretorius and Acting Director Corporate & Community Development Terri Bilske were also in attendance

APOLOGIES: Cr J Mannix

02.18.4205 RESOLVED on the motion of Cr Roberts and Cr Ugarte that the apology from Cr J Mannix be accepted.

DISCLOSURE OF INTERESTS:

General Manager's Report

Balranald Shire Council
Minutes of the Extra-Ordinary Meeting Wednesday 8th February 2018

**Item C – 1 AMENDMENT OF JUNE 2017 MINUTES TO INCLUDE THE
RESOLUTION ADOPTING THE DELIVERY PROGRAM AND
OPERATIONAL PLAN**

File number:

Reporting Officer: Acting General Manager – RK Stewart

Operational Plan Objective: Pillar 6: Our Leadership – Provide good governance, prudent financial management and effective support services for all its activities

Officer Recommendation:

That Council amend the adopted Minutes of June 2017 Ordinary Meeting to include the resolution

06.17.3988 RESOLVED on the motion of Cr Mannix and Purtill
that Council

- Formally adopt the 2017-2021 Delivery Plan
- Note proposed changes to the 2017-18 operational budget;
and
- Formally adopt the 2017-18 Operational Plan, incorporating
the 2017-18 Revenue Policy and Operational Budget.

02.18.4206 RESOLVED as per motion of Cr Allen and Purtill that the report be received and recommendation be adopted.

Cr O'Halloran voted against the motion.

Purpose of Report

To report on the adoption of the 2017/18 Delivery Program and Operational Plan by Council

Item C – 2 SPECIAL RATE VARIATION

File number: 130

Reporting Officer: Acting General Manager - RK Stewart

Operational Plan Objective: Pillar 6: Our Leadership – Provide good governance, prudent financial management and effective support services for all its activities.

Officer Recommendation:

That Council resolve to:

1. Adopt the updated LTFP which includes the SRV of 10% per year (including rate capping) each year for seven years and incorporate the approved 17/18 - 2-3% rate peg increase following Community consultation and consideration of IPART comments.
2. Adopt the Asset Management Plan as per the recommendation of the Infrastructure Committee Meeting 9 October 2017
3. Adopt the revised Delivery Program and place on public exhibition seeking submissions for 28 days from Friday 9 February 2018
4. Make an application to IPART for a Special Rate Variation (Option 2) to commence 2018/19 whereby Council seeks a permanent SRV of 10%, including the rate cap per year for seven years.

02.18.4207 RESOLVED as per motion of Cr Ugarte and Roberts that the report be received and recommendation be adopted.

Cr Jolliffe entered the meeting at 3.04pm

Director Corporate & Community Development Terri Bilske and Director Infrastructure & Development entered the meeting at 3.06pm

Cr O'Halloran voted against the motion.

02.18.4208 RESOLVED as per motion of Cr Ugarte and Jolliffe a detailed explanatory diagram regarding Special Rate Variation be included in the next Council Newsletter.

Purpose of Report

To finalise Council's submission to apply for a special rate variation so that it may be lodged with IPART by the 12 February 2018.

Balranald Shire Council
Minutes of the Extra-Ordinary Meeting Wednesday 8th February 2018

CLOSURE: There being no further business the meeting closed at 3.15pm.

Confirmed, Chairman of the Ordinary Meeting of the Balranald Shire Council held on Tuesday 19th February 2018 at which the meeting the signature was subscribed hereto;


Chairman


General Manager

Annexure 4 – Minutes of Internal Audit Committee Meetings

MINUTES OF THE BALRANALD SHIRE COUNCIL INTERNAL AUDIT COMMITTEE MEETING HELD ON THURSDAY 1ST JUNE 2017 AT 12 NOON.

1. PRESENT:

Members: Rosanne Kava – Chairperson; Sandra Gordon - Murray River Shire Council; Councillor Alan Purtill; Councillor Jeff Mannix

Ex-Officio: Aaron Drenovski – General Manager; Charmaine Murfet – Director Corporate Community Development; Robert Stewart – Acting Director Infrastructure and Development

Secretariat: Rhani Neville, Finance and Governance Officer

Observer:

Alan McCormack – Advisor to Balranald Shire Council

2. APOLOGIES: Nil

The Chair opened the meeting at 12:10pm and welcomed the members and other attendees to this inaugural Audit Committee meeting.

3. CONFLICTS OF INTEREST:

No conflicts of interest were identified.

The Chair requested that the independent Members be provided with Conflict of Interest Declaration Forms before the next meeting of the Committee.

4. PRESENTATION TO COMMITTEE BY ADVISOR

The Chair invited Alan McCormack to provide an overview on the Performance Improvement Order recently placed on Balranald Shire Council (Council). Mr McCormack noted he is employed by the Office of Local Government (OLG) and therefore independent of Council. Mr McCormack outlined his role is to assist Council in identifying risks associated with its future operations. He advised the Committee that the Minister had identified a number of performance improvement requirements and that Council is well on track to finalising the items identified. A copy of the Performance Improvement Order was provided to the meeting.

The Committee noted this information and requested that the General Manager provide an update on progress towards rectifying the issues identified to future meetings of this Committee.

Mr Mc Cormack left the meeting following this presentation.

5. TERMS OF REFERENCE

The Committee considered the Terms of Reference for its operation, as previously endorsed by Council. Following discussion, it was moved by Mr Purtill, second by Ms Gordon and the Committee was all in favour to recommend to Council that monitoring of an internal function be added to the Terms of Reference, with a budget allocation of \$30,000 to be included for external provision of the internal audit function in the 2017-18 Budget.

The Committee further suggested a provision be made in the Terms of Reference for 'Out of Session' communication/discussions and agreed this could consist of email communications where all responses are to be sent to the group.

6. PROPOSED WORK PLAN FOR NEXT TWELVE MONTHS

The Committee agreed that, subject to Council agreeing to allocate funding for an internal audit function, the selected provider should be asked to prepare a three year internal audit plan for consideration of the Committee and Council.

The Committee requested an audit committee calendar be prepared and reviewed at its next meeting.

7. DRAFT BUDGET

The Committee reviewed the draft budget, and discussed the underlying assumptions.

The Committee noted annual depreciation is high and was advised that adjustments were expected to these figures following a revaluation of road assets.

8. MARCH 2017 QUARTERLY BUDGET REVIEW (QBR)

The Committee reviewed the latest QBR report and noted delays in construction work might be impacting on the projected year end results. The Committee requested some changes to the format of the report where a percentage column be inserted to improve usability.

9. WORK PLAN FOR END OF YEAR FINANCIAL STATEMENTS

The Director, Corporate and Community Development provided the Committee with an update of the status of the end of year financial statements work plan and details of information received to date from Audit. The Committee requested the letter outlining audit requirements be circulated out of session.

10. 2015-16 FINANCIAL STATEMENT AUDIT REPORT

The Committee requested an additional column be inserted in the spreadsheet showing 'matters arising from the audit'. This column will allow the Committee visibility to monitor progress against each of the items.

NEXT MEETING

Thursday 5th October 2017 at 12:00

File note - Audit Committee Meeting 9 November 2017

1. PRESENT:

Members: Rosanne Kava – Chairperson; Councillor Alan Purtill;
Ex-Officio: Aaron Drenovski – General Manager; Charmaine Murfet – Director Corporate Community Development;
Secretariat: Rhani Neville, Finance and Governance Officer
Phone conference:
Karen Taylor – Director, Financial Audit Services (Audit Office of NSW)

2. APOLOGIES:

Members: Sandra Gordon - Murray River Shire Council; Councillor Jeff Mannix
This meeting did not have a quorum. Informal discussion held. Minutes were not required.
This file note is to document the discussions.

3. SUMMARY OF DISCUSSIONS:

Phone conference with Karen Taylor commenced at 12:30 and finished at 13:08pm
Ms Taylor will be attending the next Ordinary Council meeting schedule for 15 November 2017. At this meeting Ms Taylor will provide an overview of the audit outcome to Council.
Ms Taylor pointed out:

- Balranald Shire Council (BSC) met the Office of Local Government (OLG) timeframe.
- Improvements for next year are mainly around timing for both BSC and the audit provider. This year was a bit rushed towards the end of timeframe. Perhaps next year BSC could aim to provide audited statements to the Audit Office of NSW earlier in October.
- 'unmodified opinion' provided by the Audit Office of NSW.
- Audit Office of NSW will now develop their consolidated report for Parliament which is due March 2018. If BSC are to be mentioned in this report, the Audit Office of NSW will notify BSC around Feb 2018.
- Statewide audit issue where Rural Fire Service (RFS) do not recognize trucks or buildings in their statements. BSC does not recognize the trucks either. Estimated value is approx. \$610k and not considered material. No adjustment required.
- Value of the Caltex building was adjusted throughout the audit. No further adjustment required.
- Hostel beds will need to be revalued before the end of 2017-18 to include revaluation in next financial statements.

- All outstanding audit issues from prior year have been cleared before this audit opinion.
- Ms Taylor provided positive comments regarding Charmaine Murfet's conduct in particular thanked Ms Murfet for her communication by keeping Ms Taylor in the loop.

Rosanne Kava (Audit Committee Chair) comments included:

- Urging future draft statements to be provided to the Audit Committee before going to Council so they can provide their recommendation to Council.
- Thank you to Ms Murfet and the team for meeting the timeframe and all the work involved.

4. Next meeting date:

Thursday 23 November 2017 (12:00 to 14:00)

MINUTES OF THE BALRANALD SHIRE COUNCIL INTERNAL AUDIT COMMITTEE MEETING HELD ON THURSDAY 23rd NOVEMBER 2017 AT 12 NOON AT COUNCIL CHAMBERS, 70 MARKET STREET, BALRANALD.

1. PRESENT:

Members: Rosanne Kava – Chairperson; Sandra Gordon - Murray River Shire Council; Councillor Alan Purtill;

Ex-Officio: Charmaine Murfet – Director Corporate Community Development;

Secretariat: Rhani Neville, Finance and Governance Officer

2. APOLOGIES:

1. Councillor Jeff Mannix
2. Aaron Drenovski (GM)

The Chair opened the meeting at 12:30pm and welcomed the group.

3. CONFLICTS OF INTEREST:

Conflict of Interest Declaration Forms were distributed to the members of the Committee.

No conflicts of interest were declared.

4. ACTION ITEMS

The Committee reviewed the action items:

1. Conflict of interest forms were distributed to the Independent members of the Committee and will be completed and returned before next Audit Committee meeting.
2. The performance improvement order progress report was received.
3. The updated Audit Committee charter was received.

4. The Committee agreed a tender is not required for the provision of an internal audit provider and suggested a request for quote should be developed and circulated to the Committee out of session. Recommendation to be presented at next Committee meeting.
5. The Committee suggested the internal audit provider should conduct a strategic risk assessment plan before identifying the 3 year work plan.
6. The Committee agreed any emails sent 'out of session' should be sent to the group.
7. Audit committee calendar should be developed.
8. The quarterly budget review was received and should be included in future agendas for the Audit Committee.

5. MINUTES

The Committee confirmed the draft minutes from its meeting on 1st June

Motion: Councillor Alan Purtill

Second: Sandra Gordon

6. FILE NOTE

The Committee, noting that the previous Audit Committee meeting did not have a quorum, agreed the file note of its informal meeting on 9th November 2017 was an accurate record of discussions including the scheduled phone hook-up with Karen Taylor (Audit Office NSW) who provided comments on and responded to questions on the Financial Statements.

7. REVIEW OF FINANCIAL STATEMENT

The Committee received an updated final version of the financial statements and discussed two reports from the NSW Auditor General, namely

1. The report on the conduct of the audit; and
2. Client service report

The Committee noted:

- Rural Fire Service (RFS) assets remains an unresolved matter.
- Hostel bed licences will be revalued prior to 2017-18 year-end.
- Improved results with the ratios, particularly the outstanding rates.
- Gravel pits have not been costed in the past and work is being done to show whole of life costings – Sandra Gordon to provide benchmark costings.

The Committee requested copies of the Asset Management Plan, IT Strategic Plan and Disaster Recovery Plan once they have been developed.

The Committee requested for future years that the Auditors be asked to be available to present the outcome of the Financial Statements audit process to the Audit Committee prior to financial statements being presented to Council.

The Committee endorsed the general purpose financial statements and the special purpose financial statements for 2016-17.

Motion: Sandra Gordon.

Second: Councillor Alan Purtill.

8. UPDATE OF FRAUD RISK ASSESSMENT

The Committee noted the report on Fraud Risk Assessment and discussed the residual fraud risks. The Committee requested the due dates and responsibility owners for action be completed and progress to be reported back to the Audit Committee.

Fraud policy to be circulated to the Committee.

9. COUNCIL'S IMPLEMENTATION PLAN

The Committee discussed the progress report and is looking forward to reviewing future progress reports.

10. Long Term Financial Plan (LTFP)

The Committee noted the draft LTFP and emphasised the importance of developing a sustainable future financial position. The Committee noted Council's future financial sustainability will be underpinned by the special rate variation that was in the process of being put forward to the community for comment.

11. Other

The Committee discussed the difficulty of obtaining a quorum in the event that one member is away, due to the small size of the Committee. It was agreed to request that Council nominate a substitute/alternate Councillor to attend Audit Committee meetings in the event that one or other of the appointed Councillors is unavailable.

Motion: Councillor Alan Purtill

Second: Sandra Gordon

All in favour.

Meeting closed at 2:30pm.

NEXT MEETING

Thursday 8th February 2018 at 12:00

**MINUTES OF THE BALRANALD SHIRE COUNCIL INTERNAL AUDIT
COMMITTEE MEETING HELD ON THURSDAY 8th FEBRUARY 2018 AT 12
NOON AT COUNCIL CHAMBERS, 70 MARKET STREET, BALRANALD.**

5. PRESENT:

Members: Rosanne Kava – Chairperson; Sandra Gordon - Murray River Shire Council; Councillor Alan Purtill; Councillor German Urgarte (substitute)

Ex-Officio: Robert Stewart – Acting General Manager, Terri Maguire – Acting Director Corporate Community Development;

Secretariat: Rhani Neville, Finance and Governance Officer

6. OPEN AND WELCOME:

The Chair opened the meeting at 12:20pm and thanked Councillor German Urgarte for substituting Councillor Jeff Mannix who was unavailable on this occasion. The Chair invited Councillor Urgarte to attend any future meetings as an observer if available. The Committee was all in favour.

The Chair also welcomed Robert Stewart (Acting GM) and Terry Maquire (Acting Director Corporate Community Development) to their first Audit Committee meeting.

7. APOLOGIES:

1. Councillor Jeff Mannix.

8. CONFLICTS OF INTEREST:

Annual Conflict of Interest Declaration Forms were received from Rosanne Kava.

The committee was made aware that Ms Maguire, Mr Stewart and Ms Kava had had previous experience with some of the internal audit providers who responded to the request for quote. The committee agreed this previous experience did not constitute a conflict of interest.

Nil conflicts of interest were declared.

2. MINUTES

The Committee endorsed the draft minutes from its meeting on 23rd November 2017.

Motion moved by: Councillor Alan Purtill

Second by: Sandra Gordon

All in favour.

3. ACTION ITEMS

The Committee reviewed the action items:

9. Progress on Performance Improvement Order is ongoing.
10. Internal Audit Provider – 3 quotes received and about to undergo internal assessment process for selection.
11. Internal Auditor to draft a 3 year work plan – Internal Audit Provider to be selected.
12. Audit Committee calendar has been developed and circulated.
13. Format to the Quarterly Budget Review report needs to be updated to include a percentage of work completed column.
14. Conflict of interest forms were received.
15. Fraud risk assessment needs to be updated to include risk owner and due date.
16. Council nominated an alternate/substitute member – Councillor German Urgarte.

4. INTERNAL AUDIT PROVIDER

A verbal update was delivered by Robert Stewart.

Mr Stewart informed the Committee that the Western Division expect to make a decision by the 28 February 2018 whether they will form a Joint Organisation (JO). One of the shared services within the JO that could be undertaken would be internal audit. The State Government will contribute at least \$300,000 to the Western Division to set up the JO.

The Committee noted the potential formation of a JO and agreed the internal audit selection process should continue pending any decision on the formation of a JO. The Committee agreed the selected provider could commence work on the risk assessment and 3 year work plan and selected audits in the meantime. The Committee noted this work would facilitate the work of the JO if Council decides to opt into this structure and might straddle the process if necessary.

The Committee discussed the internal audit provider selection process and asked that the General Manager's selection be provided to the Audit Committee (out of session) for their information before finalising the process.

The Committee discussed the terms of contract and agreed the tenure should be for 12 months with options to extend or exit.

The Committee discussed the budget and agreed each audit would be bound by the agreed scope and budgeted within the \$30,000 annual budget for internal audit services.

Motion moved by: Sandra Gordon

Second by: Councillor Urgarte

All in favour.

5. FRAUD RISK ASSESSMENT

Action item from November 23 2017 meeting was carried forward and should be circulated out of session.

"The Committee noted the report on Fraud Risk Assessment and discussed the residual fraud risks. The Committee requested the due dates and responsibility owners for action be completed and progress to be reported back to the Audit Committee."

6. COUNCIL'S IMPLEMENTATION PLAN

Mr Stewart provided a verbal update on the progress of the business improvement order and the implementation plan. Mr Stewart indicated his agreement to the Committee's request that future reports would be in writing and circulated with the Audit papers a week in advance of the Audit Committee meeting.

Mr Stewart informed the Committee that a letter was received on the 19th December 2017 from the Office of Local Government. This letter stated that the implementation plan should be adopted and a written report be provided on progress within 12 weeks. The implementation plan will be provided to Council at its ordinary meeting in February and will be a standing agenda item until it has been completed.

Mr Stewart informed the Committee that substantial progress has been made against the recommendations outlined in the business improvement order. In particular:

- Progress has been made on the special rate variation (SRV);
- The long term financial plan (LTFP) is scheduled to be adopted 8th February;
- The business improvement order along with the Ministers Order, SRV and other relevant documents will be collectively made available on the Balranald Shire website.

The Committee thanked Mr Stewart for his report on Council's Implementation Plan and noted the progress made and other information provided.

7. Long Term Financial Plan

Mr Stewart provided a verbal update on the LTFP and informed the Committee that Council is scheduled to adopt the draft LTFP on the 8th February 2018 at an extraordinary meeting. Mr Stewart informed the Committee that the Independent Pricing and Regulatory Tribunal (IPART) reviewed the LTFP and commentary included:

- The rate peg rate applied in previous versions of the LTFP was too high. As a result the rate peg was altered in the LTFP and a final version was delivered.
- The 2nd scenario described in the LTFP is the recommended approach where a 10% increase including the rate peg will apply; and
- IPART were not satisfied with scenario 3.

The Committee requested that the LTFP along with its paper provided to Council should be circulated out of session to the Audit Committee.

8. OTHER

Caravan Park

Mr Stewart provided a verbal update on the caravan park.

Mr Stewart highlighted to the Committee that one of the recommendations on the business improvement order is that Council enter into an improved contract with the caravan park managers. Mr Stewart highlighted Council is the trustee of the caravan park property and Council will need to work with the Department of Crown Lands to ensure the new contract meets legislative requirements of the Crown Lands Act. A selective tender process will commence in the near future.

Hostel

Mr Stewart provided a verbal update of the aged care facility (hostel).

Mr Stewart highlighted to the Committee that one of the recommendations on the business improvement order is that Council formulate a clear strategy with timeframes of the future for the hostel.

The Committee agreed they would like to see the strategy of the future for the hostel once formulated.

Recruitment

Mr Stewart informed the Committee that the process around recruiting the next General Manager (GM) has commenced. Once the GM has been recruited the process for engaging the Director of Corporate and Community Development will begin.

MEETING CLOSED

Meeting closed at 1:30pm.

NEXT MEETING

Thursday 3rd May 2018 at 12:00 – 14:00

Annexure 5 – Hostel Monthly Financial Report

Corporate and Community Development Division

Item C - Bidgee Haven Hostel – Financial Report

File number:

Reporting Officer Director of Corporate and Community Development

Operational Plan Objective: Pillar Six: Our Leadership – a community that values and fosters leadership, lifelong learning, innovation and good governance

Officer Recommendation:

That Council

- Note the information

Purpose of Report

To provide Council with an update regarding the financial operations of the Bidgee Haven Hostel (the Hostel) at 31 January 2018.

Report

Council, at its last meeting, requested it be given monthly financial reports for the Bidgee Haven Hostel. At the 31st January 2018, the Hostel shows an operating loss of \$52,035 against a budgeted loss YTD of \$184,039. This improvement in the net operating result is predominantly due to

- increased government subsidies as a result of work done to catch up amounts not previously claimed; and
- lower than anticipated in all areas of expenditure, excluding general expenses. The increased cost in general expenses is due to fees paid for assistance in identifying revenue that had not been claimed. Salary costs are down on budget due to tighter controls around the use of staff overtime.

A proposed budget variation is required based on the expected income and expenses for the financial year 2017-18 and is listed in the last column of the Profit and Loss Statement. This will be a variation in the December Quarterly Budget Review.

A copy of the profit and loss statement to the end of January 2018 is included below:

BIDGEE HAVEN RETIREMENT HOSTEL					
PROFIT AND LOSS AS AT 31 JANUARY 2018					
	BUDGET 2017-18	YTD BUDGET	YTD ACTUAL	VARIANCE	PROPOSED BUDGET
Income:					
Respite Care Subsidies	\$620,000	\$361,667	\$473,139	131%	\$883,392
Resident Care Fees	\$240,000	\$140,000	\$123,438	88%	\$211,608
Respite Care Fees			\$2,710		\$5,000
Bond Retention			\$100,000		\$100,000
Fundraising donations	\$1,000	\$583	\$0	0%	
	\$861,000	\$502,250	\$599,287	119%	\$1,100,000
Expenditure					
Salaries	\$880,983	\$513,907	\$424,203	83%	\$716,000
Contract Staff			\$64,334		\$64,500
Training	\$5,000	\$2,917	\$726	25%	\$3,000
Pharmaceutical Supplies	\$10,800	\$6,300	\$2,247	36%	\$4,000
Hostel -Medical Expenses	\$3,000	\$1,750	\$3,960	226%	\$6,000
Doctors Visits Hostel			\$1,391		\$2,000
Food Supplies	\$45,000	\$26,250	\$20,501	78%	\$35,000
Linen Replacements	\$500	\$292		0%	\$500
Electricity - Operational	\$30,000	\$17,500	\$7,541	43%	\$15,000
General Expenses	\$600	\$350	\$535	153%	\$1,000
Consultancy			\$3,300		\$6,000
Laundry Expenses	\$3,200	\$1,867	\$4,604	247%	\$7,500
Cleaning Materials	\$7,000	\$4,083		0%	\$1,000
Printing and Stationery	\$3,500	\$2,042	\$1,599	78%	\$3,000
Rates & Charges on Council P	\$10,113	\$5,899	\$7,790	132%	\$10,000
Subscriptions & Membership	\$5,200	\$3,033	\$2,599	86%	\$5,200
Licence Fees			\$258		\$300
Advertising	\$1,000	\$583	\$60	10%	\$1,000
Administration fees	\$102,500	\$59,792	\$59,790	100%	\$102,500
Insurance	\$15,100	\$8,808	\$14,470	164%	\$14,500
Telephone	\$3,000	\$1,750	\$917	52%	\$2,000
Repairs & Maintenance	\$50,000	\$29,167	\$30,497	105%	\$50,000
	\$1,176,496	\$686,289	\$651,322	95%	\$1,050,000
Net profit (Loss)	-\$315,496	-\$184,039	-\$52,035		\$50,000
Capita Expenditure	\$20,000	\$0	\$0		\$20,000

Financial Implication	Impact on Council's Operational Budget
Legislative Implication	Nil
Policy Implication	Nil
Attachments	Nil

Item G – BALRANALD CARAVAN PARK TRUST- LEASE

File number: Legal 2.388

Reporting Officer: Acting General Manager- RK Stewart

Operational Plan Objective: Pillar 6: Our Leadership – Provide good governance, prudent financial management and effective support services for all its activities.

Officer Recommendation:

1. That Council note the current contract, with conditions to be replicated for a further 2 years, contained a provision that the lessee pay for rates and water. That this contract was approved by the Minister and the new contract will also require Ministerial consent.
2. That Council note that, where decisions are made in relation to the operations of the Caravan Park, those decisions are made by the Reserve Trust which must act in the best interests of the community.
3. That Council consider if it is prepared to make a financial contribution for the rates and sewer and waste services water charges (if the new contract requires these to be paid by the lessee) and if Council determines it will make a financial contribution the requirements of Section 356 of the Local Government Act 1993 be followed.
4. That the General Manager prepare a report on a Terms of Reference for the Balranald Caravan Park Committee
5. That Council notes the proposed Tender Documentation, Tender Evaluation Plan, Probity Plan and Project Risk Assessment.
6. That Council endorses the suggested conditions to be included in the contract.

Purpose of Report

Council at the January 2018 Strategic Workshop indicated that it wished to utilise the existing contract in the tender documentation. This needs to be decision of the Balranald Caravan Park Trust.

To assist Council understand its roles and responsibilities this report details Councils obligations as a Reserve Trust under the *Crown Lands Act 1989*

Council was appointed as the Balranald Caravan Park Reserve Trust by the Minister on the 28TH March, 2008 to manage the Caravan Park R68009 which purpose is for Public Recreation, Resting Place.

A reserve trust is the legal body holding ownership of reserved or dedicated Crown land on a temporary basis (being for the life of that reserve trust), for the purposes of facilitating the management of the land on behalf of the public

A trust can only make decisions and take actions concerning the reserve if those decisions and actions are in the interests of the reserve and the public,

and are consistent with the range of powers and responsibilities set out in the *Crown Lands Act 1989*.

A reserve trust is responsible for the care of public land in the interests of the community. Everything the reserve trust does should therefore take place and be recorded in an open and accountable manner. This will ensure public confidence in reserve trust operations is maintained.

Council in making decisions on the operation of the reserve must do so as the Reserve Trust.

All of the provisions of the *Crown Lands Act* with respect to reserve trust management apply to corporate reserve trust managers apart from provisions specific to other types of reserve trust managers, e.g. trust boards. Corporate trusts are also bound by corporations' law and other legislation when relevant e.g. the Local Government Act 1993.

A lease or licence is an important contract which regulates the use of the leased/licensed area and sets out the rights and responsibilities of both the reserve trust and the lessee/licensee. It therefore requires a formal agreement.

The importance of this formal agreement is reflected in the need for the Minister's consent and the early involvement of Crown Lands. Together, these ensure that the agreement is properly structured and meets the requirements of the State and local governments, as well as the community.

Devolution of care, control and management of reserves under the provisions of Section 48 of the *Local Government Act 1993* does not empower them to enter into lease/licence agreements without the Minister's consent.

Considerations with respect to Minister's consent

In considering whether or not consent will be given to the grant of a lease or licence the following issues will be considered:

- whether the proposed lease or licence is in the public interest
- whether the purpose of the proposed lease or licence is compatible with the reserve purpose
- the environmental impacts of the activities to be permitted by the lease or licence
- the proposed term of the lease or licence
- whether the proposed lease or licence was or is proposed to be selected by public competition or, if not, the circumstances relating to the selection of the proposed lessee or licensee
- whether the proposed rent represents a proper return to the public for the use of the public land
- whether the proposed lease or licence will contain provisions for the periodic updating or review of the rent
- whether the proposed lease or licence contains clauses relating to:
 - o the termination of the lease or licence in the event of a revocation of the reserve
 - o the indemnification of the reserve trust, the Crown and the NSW Government against claims for compensation

o appropriate insurance provisions.

Crown Lands has a number of requirements which must be incorporated in any lease or licence

The procedure that should be followed is set out below:

1. The reserve trust consults the Crown Lands Reserves Team as to the appropriateness of the proposed use and the leasing or licensing arrangements. Preliminary discussions should include market rent for the site, appropriate discounts for non-commercial users, and potential improvements.
2. The reserve trust should generally invite competitive tenders or proposals in order to attract the best operator and financial return. Crown Lands will advise whether it wishes to be involved in the review and selection process.
3. Once the most suitable lessee or licensee has been selected, the reserve trust's solicitor prepares a draft lease or licence using, as far as practicable, the standard lease conditions template or standard licence template.
4. The reserve trust's solicitor provides the draft lease/licence to the lessee/licensee.
5. If the lessee/licensee requests any amendments that the reserve trust agrees are acceptable, the amendments are incorporated into the draft lease/licence.
6. The reserve trust sends the final draft to Crown Lands for comment and/or in-principle approval.
7. Crown Lands notifies the reserve trust of any amendments and any in-principle approval. If the agreement is a lease for a term exceeding 5 years, advertising costs will be requested and on receipt, arrangements made to advertise the Minister's intention to give consent in accordance with Section 102(2) of the Crown Lands Act. Following advertising, and provided any concerns that may be received from the public are resolved satisfactorily, the reserve trust will be requested to prepare the final documents.
8. When the final form of the lease/licence document is agreed to by all parties and approved by Crown Lands, the reserve trust's solicitor issues three copies to the lessee/licensee for signing.
9. All three copies are signed by the parties, stamped with the appropriate stamp duty (for leases only) and returned to Crown Lands. Execution of the lease/licence by the reserve trust needs to be in accordance with Section 50 of the *Interpretation Act 1987*.
10. The three executed documents are checked to confirm that they match the approved draft and include any amendments as required by Crown Lands. The Minister's consent is then added to the documents.
11. One copy is retained by Crown Lands and two copies are returned to the reserve trust's solicitor for registration and delivery to the parties.
12. With respect to leases over three (3) years, the reserve trust is required to register the lease at Land & Property Information NSW. All leases may be also be registered on the title.
13. Prior to the termination date of the lease/licence, the reserve trust should undertake, where appropriate, a competitive tendering process for the granting of a new lease or licence if the leasing or licensing arrangements are to continue. For some leases or licences the tendering process may need to commence some 12 to 18 months before the terminating date of the

lease or licence. You should advise the Crown Lands Reserves Team of any proposed tendering for a new lease or licence.

Other points to be kept in mind

- The Minister may not consent to the granting of a lease for a term exceeding 5 years (or a lease for a term that, by the exercise of an option, could exceed 5 years) unless at least 14 days have elapsed from the date of a notice of intention to give consent published in a newspaper circulating in the locality in which the land is situated or in a newspaper circulating generally in the State.
- Rent should reflect a commercial approach, having regard to purpose of the lease or licence, site value, and ownership of existing improvements. Reserve trusts are encouraged to seek advice from the Crown Lands Reserves Team or have an independent valuation undertaken to determine the market rent of the site of the proposed lease or licence.
- Crown Lands has established a policy (Policy on concessions and hardship relief for Crown lands tenures) to guide reserve trust managers when considering applications for rental rebates, waivers and hardship relief. This policy will also be used by Crown Lands when considering any request for the Minister's consent to any concessions proposed by a reserve trust in relation to a proposed tenure. The policy can be found at: www.ipma.nsw.gov.au/crown_lands/leases/concessions_and_hardship_relief
- The standard templates require rent to be adjusted annually using the Consumer Price Index with market rent determinations occurring once every three years for the term of the lease.
- Where a nominal rental is imposed because the lessee/licensee is a charitable or non-profit organisation, such rental should generally not be less than the statutory minimum rental applicable to tenures under the Crown Lands Act. The discount given to the lessee or licensee is to be specified in the agreement. Contact the Crown Lands Reserves Team for advice on the current statutory minimum rental.
- For reserve trusts managed by a local council it is important to ensure a separation of council and reserve trust business. The lease/licence should only reflect the business of the reserve trust.

All of the above raises issues for Council particularly compliance with the *Local Government Act 1993* and the *Crown Lands Act 1989*.

Local Government Act 1993

A review of our records indicates that Council has paid Sewer, Water, waste and land Rate charges when it operated the park.

It appears this practice was continued when leases were entered into by way of contract to manage the park and have been funded from the Trusts component of revenue. It can be argued that this approach is limiting the trusts ability to implement improvements on the publics behalf.

The current lease contains clauses requiring payment by the lessees for water, land rates and service charges. It should be noted that the signed lease is the one agreed to by the Minister and it is necessary to seek Ministerial consent to any variance. It appears that this has not been done.

Compliance with the contract was raised at the Caravan Park Committee Meeting by the General Manager held on the 4th March, 2016 and the Committee agreed that council continue to pay for water. The notes and minutes from this meeting are silent on other rates and charges.

The Minutes of the Caravan Park Committee Meeting of the 16th March, 2016 are included as an attachment to this Report.

In preparing the tender documentation for the Caravan Park the question arose as to the payment of service charges by the lessees, which is in the current lease agreement as signed off by the Minister.

The current contract states that

12 LESSEE TO PAY RATES

12.1 The Lessee will when the same become due for payment pay all (or in the first and last year of the Term the appropriate proportionate part) rates, taxes (including Land Tax), assessments, duties, charges and fees whether municipal, local government, parliamentary or otherwise which are at any time during the currency of this Lease separately assessed and lawfully charged upon, imposed or levied in respect of the Lessee's use or occupation of the Premises to the extent referable to the Lessee's use or occupation of the Premises.

This Clause is excluded by way of Special Schedule 3 and rates are payable by the lessor

14 LESSEE TO PAY FOR SERVICES

The Lessee will as and when the same become due for payment pay to the Lessor or to any other person or body authorised to supply the same all proper charges for gas, electricity, water or other services supplied to the Lessee or consumed in or on the Premises, by the Lessee.

A review of Council records indicates the matter was considered as set out below:

REPORT & RECOMMENDATIONS FROM THE BALRANALD SHIRE COUNCIL CARAVAN PARK COMMITTEE MEETING HELD AT THE BALRANALD SHIRE COUNCIL CARAVAN PARK ON FRIDAY 4th MARCH 2016 COMMENCING AT 4 PM.

PRESENT: Cr Jeff Mannix (Chair), Cr Steve O'Halloran, Cr Trevor Jolliffe, Cr Elaine Campbell, General Manager Aaron Drenovski, Matt and Dee Jess. APOLOGIES: Cr Leigh Byron.

Rates & Water Charges

General Manager advised the committee that it states in the current contract that lessees pay the costs of water and rates.

The committee agreed, although it is worded in the contract the committee has resolved for Council to continue to pay for water.

Recommendation that council:

- 1. Receive and note the Caravan park Committee report; and***
- 2. Adopt the recommendations within the Caravan Park report.***

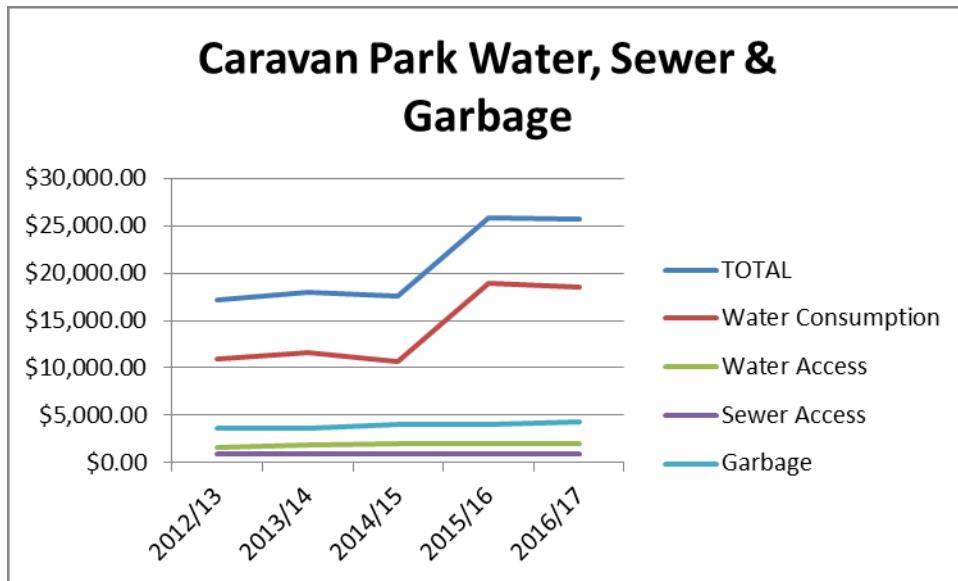
The purpose of the committee is set out as-

CARAVAN PARK COMMITTEE

To consider matters in regard to the maintenance, improvement and management of the Balranald Caravan Park for recommendation to Council. Meet Bi-Monthly 1st Thursday.

No record can be found of the Committee Minutes being put to Council for adoption or a previous resolution where Council as the Trust resolved to pay the service charges and not the lessee.

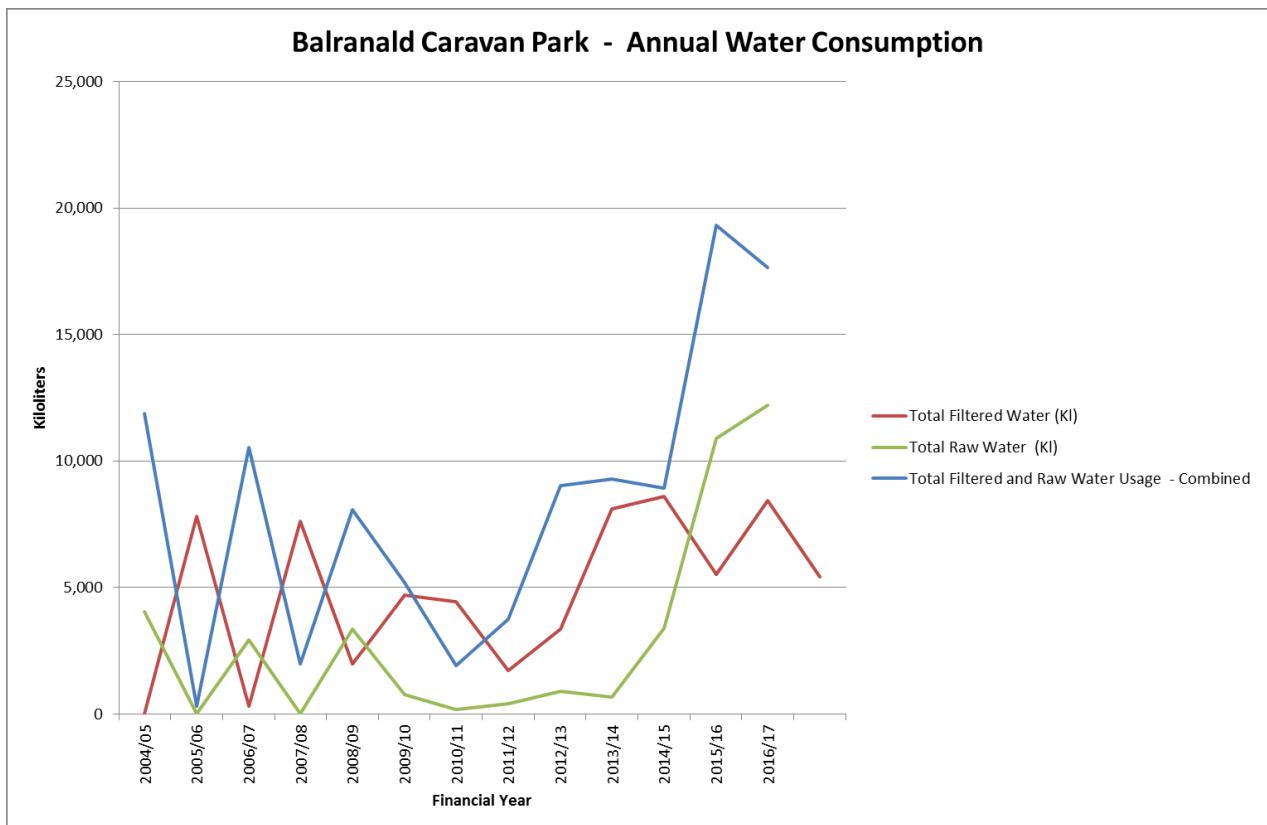
The annual contribution has been growing as shown by the table below.



Payment of rates and charges by lessees are typical requirements (outgoings) in commercial leases and are inserted as this approach represents sound financial management and return to the public. This matter has been dealt with by way of Special Schedule 3.

The greatest component of cost is water charges and the graph details cost for raw and potable water.

Water consumption has also increased over time as the graph below illustrates.



There is no record of Council as the trust seeking Ministerial consent to vary the signed lease so that payment of water, sewer and waste are the responsibility of the lessor.

Investigations have also revealed that Council as the Trust is paying for the telephone service and recovers costs for calls made. This is reasonable as the telephone number remains with the business. The Trust also meets bank charges for credit card transactions.

Contract review also found that Council resolved that

VARIATION TO CLAUSE 33

ADOPTED 20TH May 2014

05.14.3864 RESOLVED on the motion of Cr Mannix and Jolliffe that the variation be inserted in the contract.

33 RODENTS AND VERMIN

The Lessee will take all reasonable precautions to keep the premises free of rodents, vermin, insects and pests. The Lessor will appoint a duly certified pest exterminator to undertake the annual inspection and fumigation of all buildings on the premises. In performing its obligations pursuant to this clause the Lessee and any person acting on the Lessee's behalf will not use any substance or undertake any activity prohibited by any law.

No record can be found that Ministerial consent was gained to vary the lease and this needs to now be inserted in the new lease.

If the Council wishes to provide financial assistance to the park it must do so in accordance with s356 of the *Local Government Act 1993*.

- A council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.
- (2) A proposed recipient who acts for private gain is not ineligible to be granted financial assistance but must not receive any benefit under this section until at least 28 days' public notice of the council's proposal to pass the necessary resolution has been given.
 - (3) However, public notice is not required if:
 - (a) the financial assistance is part of a specific program, and
 - (b) the program's details have been included in the council's draft operational plan for the year in which the financial assistance is proposed to be given, and
 - (c) the program's proposed budget for that year does not exceed 5 per cent of the council's proposed income from the ordinary rates levied for that year, and
 - (d) the program applies uniformly to all persons within the council's area or to a significant group of persons within the area.
 - (4) Public notice is also not required if the financial assistance is part of a program of graffiti removal work.

Note.

Part 4 of the *Graffiti Control Act 2008* deals with graffiti removal work.

Compliance with s356 ensures transparency as it permits the public to be aware of council decision making and to provide input for Council consideration.

OLGs letter of the 6 November 2017 urged Council to seek a "best value outcomes" and raises concerns that Councils dealings "have not been open, transparent and accountable."

The Ministers Performance Improvement Order issued on the 29 April 2016 details one of the reasons for the order is *Councils failure to meet its legislative responsibilities in respect to its financial and governance obligations.*

Council must at all times demonstrate compliance across all of its functions.

Crown Lands Act 1989

Council has indicated in a recent workshop that it wishes the current contractual arrangements be carried over for the next two years for the term of the new operating lease. Council will need to follow the process as set out by Crown Lands as detailed above.

Advice from Lands is that we need to use the Crown Lands Lease template as it has proved to be robust and any variance will require approval which may add time to the process.

The Director compared the two documents to see if there are potential issues which will also entail consultation with lands on any specific requirements. At this stage the comparison did not reveal any inconsistencies between the two documents.

It is suggested to include the alternative wording in the Lease Agreement and to cross it out as suggested below.

Effect of Instrument

- 1.1 The Lessor and the Lessee expressly acknowledge that no rights or interests are conferred on either Party by the provisions of this instrument unless the Minister has granted consent under Section 102 of the CL Act to the grant of this Lease.

or alternative

~~The Lessor and the Lessee expressly acknowledge that no rights or interests are conferred on either Party by the provisions of this instrument unless the Minister has authorised the grant of this Lease without consent~~

The review did however raised some opportunities for improvement regarding managing risk between the Lessor and the Lessee and to facilitate day to day operational matters and to manage risk of both parties.. These opportunities should be considered and included since a wider audience, consisting of individuals and a company will be approached for the select tender.

This is therefore the appropriate time to make any amendments to the lease to reflect current requirements by the Trust and Lands.

Recommendations from the Draft Audit Management Letter, dated 28 November 2017, indicated that Management review and determine the practicality of introducing procedures whereby reconciliation between the Practical financial system and the Balranald caravan park booking records occurs. Additionally, procedures such as random checks of caravan park occupations and agreement to booking records should be considered.

Suggested additions, which includes the introduction of a Cash Handling Procedure, to the Special Conditions are presented in Attachment 1

Crown lands were contacted regarding the current Lease and they informed the Director that Schedule 3 – Special Conditions were additions made by Council. Crown Lands do not have an objection in principle if amendments were made, provided that the Minister gave his/her approval.

Crown lands did however requested that the following documentation be provided to them (as a minimum) once a recommendation was made to the Minister:

- Complete Tender documentation
- Tender Evaluation Plan
- Probity Plan

If Council as the Trust at any time during the leases term of operation wishes to vary terms of the contract is executed the approval of the Minister is required. The current practice of the trust paying of rates and charges are at variance with the approved lease arrangements.

It suggested that the Lessee be made aware of Probity and Code of Behaviour which is presented in Attachment 2.

Attachment 3 illustrates DRAFT requirements when submitting invoices for payment, which will be reviewed as part of the Cash Handling Procedure.

Attachment: 1

1.8 Cash Handling

- (a) Prior to site possession under the Lease the Lessee shall submit a DRAFT Cash Handling Procedure to the nominated Lessor Contact Person for review.
- (b) The DRAFT Cash Handling Procedure shall be submitted by the Lessee to the nominated Contact Person within 14 days of signing the Lease. The Cash Handling Procedure will be used by the Contact Person or nominated person to evidence that the Lessee understands and has the ability to meet the requirements of the Lease and will implement responsible practices.
- (c) Failure to submit the DRAFT Cash Handling Procedure without a valid reason within the required timeframe may result in the termination of the Lease.

1.9 Invoicing and Payment

In addition to Clause 1.3, the following shall apply

(a) Invoicing

The Lessee shall provide the following information on all invoices as a minimum:

- (i) The words “tax invoice”
- (ii) The date of issue of the invoice
- (iii) Council’s name and address
- (iv) The Lessee’s business trading name and 11 digit business ABN
- (v) A brief description of work undertaken
- (vi) The cost of work undertaken
- (vii) Cumulative expenditure/ income to date
- (viii) GST amount shown separately
- (ix) Council’s purchase order number/s for any work being undertaken.

(b) The Lessee shall provide a summary report with each claim for payment describing at least:

- (i) A description of work undertaken covering tasks and resources.
- (ii) Daily Cash Report indicating all income streams.

(c) Under no circumstances shall these reports be varied or altered without the written consent from the nominated Lessor’s Contact Person.

(d) The Lessor will not pay for any work until the Lessee submits a tax invoice and summary progress report addressing the above requirements.

14 LESSEE TO COMPLY WITH ALL COMMONWEALTH AND NSW STATE LAWS

In addition to the provisions of Clause 54 the Lessee's attention is drawn to the Access to Information (GIPA Act S 121, 2009) and to the provisions of the Government Information (Public Access) Act 2009 (GIPA) regarding public access to information.

- (a) The Lessee shall comply with the provisions of GIPA and in particular provide copies of any information (at its own expense) requested by the Lessor in order for the Lessor to meet its obligations under the Act. Failure to comply with the provisions of GIPA may result in Failure to comply with the provisions of GIPA may result in the termination of the Lease.
- (b) The Lessee shall provide the Lessor with access to all information required by the Lessor in relation to Work and the Lease within 14 days of the Lessor requesting such information, unless otherwise agreed in writing between both parties. Information must not be unreasonably withheld.

15 DUE DILIGENCE

- (a) The Lessee shall undertake its own due diligence and satisfy itself as to the actual conditions of the site and associated infrastructure and requirements of the work.
- (b) Lessee shall rely wholly on their own due diligence and shall not at any time assert or claim that the work or the conditions under which the work will be undertaken or the information supplied by the Lessor was not fully disclosed, or incomplete or inaccurate or in some other way misleading.
- (c) The Lessee shall make its own interpretation, deductions and conclusions from the information supplied by the Lessor and shall accept full responsibility for all such interpretations, deductions and/or conclusions.

16 Long Service Levy

- (a) The Lessee shall be liable for the payment of a long service levy if required by the Long Service Payments Corporation. Evidence of payment of long service leave or exemption of payment provisions shall be submitted to the Lessor prior to commencement of the Lease.
- (b) The Lessee shall maintain records of payment of long service leave or exemption of payment provisions during the Lease period and shall submit evidence of payment or exemption to the Lessor at any time during the execution of the Lease if so requested by the Lessor.

17 Quality Assurance

- (a) The Lessee shall:
 - (i) Comply with all the quality requirements as provided in the contract documents.
 - (ii) Ensure that each of its Subcontractors and Consultants comply in like manner.
 - (iii) Demonstrate to the Lessor whenever required that all the quality requirements of the contract are being met.

- (b) Where inappropriate or inadequate provision of quality supervision by the Lessee or Lessee's Subcontractor results in costs, losses or damages incurred by the Lessor or claims by third parties against Lessor for either direct or consequential costs, losses or damages, the Lessee shall be liable for such costs, losses or damages associated with any claim including but not limited to administration costs incurred by the Lessor in resolving such claim.

18 Workplace Health and Safety

- (a) General Requirements

The Lessee shall:

(i) Comply with the NSW Work Health and Safety Act 2011 and the NSW Work Health and Safety Regulations.

(ii) Ensure that each of its subcontractors and consultants comply with the NSW Work Health and Safety Act 2011 and the NSW Work Health and Safety Regulations

(iii) Prior to the commencement of work, provide the Lessor's Contact Person with evidence that it can meet the work health and safety requirements of the Lease

(iv) Demonstrate to the Contact Person that it is complying with the work health and safety requirements of the Lease during the Lessor's Contract Period by:

a. Undertaking bi-annual inspections / reviews with a nominated person from the Lessor.

(b) Prior to commencing work under the Lease the Lessee shall submit a Work Health and Safety Management Policy or Statement to the Lessor. The Work Health and Safety Management Policy or Statement shall address at least the following issue:

(i) Development and implementation of Safe Work Method Statements (SWMS) for high risk work and Standard Operating Procedures (SOPs) for low risk work, and emergency plans.

(ii) Procedures for:

a. Managing compliance with WHS legislation, regulations, standards and codes.

b. Planning and conducting safety training, including induction for new employees.

c. Monitoring and reporting WHS performance by the Lessee and Subcontractors including reporting incidents and accidents and collating accident and injury statements and statistics.

d. Investigating incidents and accidents and initiating corrective actions to eliminate or reduce risk.

e. Quarantining unsafe work areas, materials, plant and equipment

f. Rehabilitating injured employees.

(c) The WHS Policy or Statement shall be submitted to the Contact Person within 14 days of signing the Lease. The WHS Statement will be used by the Lessor for

evidence that the Lessee understands and has the ability to meet the work health and safety requirements of the Lease and will implement responsible work practices.

- (d) The Lessee's workers shall obtain a general site induction from the Lessor's safety officer before site possession.
- (e) The Lessee should be aware that the potential of asbestos Containing Material (ACM) exists on site. The Lessor or his nominated contractor will conduct an asbestos audit to determine if ACM is present.

19 Pedestrian and Traffic Management

- (a) Prior to site possession under the Lease the Lessee shall submit a DRAFT Pedestrian and Traffic Management Plan to the Lessor Contact Person for review.
- (b) The Pedestrian and Traffic Management Plan shall be submitted by the Lessee to the Contact Person within 14 days of signing the Lease. The Pedestrian and Traffic Management Plan will be used by the Contact Person or nominated person to evidence that the Lessee understands and has the ability to meet the requirements of the Lease and will implement responsible practices.
- (c) Consideration should be given to the location of Muster points, Hazardous and Dangerous goods storage, delivery vehicles, etc when developing the Pedestrian and Traffic Management Plan.
- (d) Where the Lessee or the Lessee's Subcontractor/s management of pedestrian and traffic is inappropriate or inadequate and results in costs, losses or damages incurred by the Lessor or claims by third parties against the Lessor for either direct or consequential costs, losses or damages, the Lessee shall be liable for such costs, losses or damages associated with any claim including but not limited to administration costs incurred by the Lessor in resolving such claim

20 Emergency Management

- (a) The Lessee shall prepare an Emergency Management Plan in consultation with the Lessor.
- (b) This Emergency Management Plan shall at least contain the following information:
 - (i) Responsible officers, roles and responsibilities and emergency contact details
 - (ii) Hazardous/ Dangerous goods inventory
 - (iii) Safety Data Sheets
 - (iv) Scenario Planning
 - (v) Training
 - (vi) Emergency procedures
 - (vii) Recovery
- (c) The cost of developing this plan shall be at the Lessee's cost.

A copy of a Draft Management Plan can be downloaded from:

<https://www.business.gov.au/info/plan-and-start/templates-and-tools/emergency-management-template-and-guide>

21 Telephone and Internet

- (a) The Lessee shall maintain a telephone and internet line.
- (b) The Lessee shall pay all costs associated in the maintenance or upkeep of the telephone and internet.
- (c) The Lessee shall be responsible for the payment of calls.
- (d) The Lessee shall transfer or handover the telephone number and internet IP address upon the Lease Expiry or Lease Termination.

To be attached as part of Code of Conduct

S.C.1. Probitry and Code of Behaviour

- S.C.1.1 The Lessee shall observe the highest standard of integrity, ethics and probity during the execution of the Lease with the Lessor and to adhere to BSC's Business Ethics Policy
- S.C.1.2 The Lessee signed Code of Conduct Declaration shall form part of the Lease
- S.C.1.3 The Lessor will recommend to the Minister to cancel the Lease where the Lessor determines that:
- a) The Lessee has engaged in or is engaging in corrupt or fraudulent practices
 - b) The Lessee obligation to other clients is impairing or is likely to impair its ability to carry out this assignment in the best interest of the Lessor or the Crown
 - c) The Lessee has a real or perceived conflict of interest that will or is likely to impair its ability to carry out the assignment in the best interest of the Lessor or the Crown
- S.C.1.4 For the purposes of the Contract the Lessor defines, "Corrupt Practice" and "Fraudulent Practice" as follows:
- a) "**Corrupt practice**"; the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in procurement processes and/or in the execution of contracts;
 - b) "**Fraudulent practice**"; misrepresentation of facts in order to influence procurement or execution of a contract to the detriment of BSC or the Crown, and includes collusive practice among Consultants and/or Contractors (prior to or after award of Contract) designed to deprive the Lessor of the benefits of free and open competition
- S.C.1.4 The Lessor regards canvassing (and the like) of BSC team members and/or BSC Councillors and/or Trustees to gain unfair advantage or benefit over other participants in the project as a corrupt and fraudulent act.
- S.C.1.5 The Lessor may declare a Lessee ineligible from participating in future contracts either indefinitely or for a definite period of time if at any time Lessor determines that the Lessee has engaged in corrupt or fraudulent practices.

Attachment 3:
Weekly Summary Sheet – Date XXXX to Date XXXXX 2018

	CASH	EFTPOS	CHEQUE	DIRECT CREDIT	TOTAL
THURSDAY					
FRIDAY					
SATURDAY					
SUNDAY					
MONDAY					
TUESDAY					
WEDNESDAY					
TOTAL					

	ACCOMODATION	LINEN HIRE	SHOP SALES	TOTAL
THURSDAY				
FRIDAY				
SATURDAY				
SUNDAY				
MONDAY				
TUESDAY				
WEDNESDAY				
TOTAL				

Cash payments to council	Cash	Direct Credit	Cheque	Total
Washing Machines				
Rent				
All Other				
Total				

LEASEE PAYMENT CALCULATION			
	Total ex-GST	GST	Total inc -GST
Park Revenue			
less shop			
less linen hire			
Sub Total			
Lease Fee 60%			
100% Shop			
100% Linen Hire			
Total Due			
Rent 60% (non GST)			
		INVOICE TOTAL	

MONEY TENDERED	
100	
50	
20	
10	
5	
TOTAL NOTES	
2	
1	
.50	
.20	
.10	
.05	
TOTAL COINS	
TOTAL MONEY	

Attachment 4

Item I – BALRANALD CARAVAN PARK TENDER SELECTION AND SCORING CRITERIA

File number: Legal 2.388

Reporting Officer: Director Infrastructure and Development – Andre Pretorius

Operational Plan Objective: Pillar 2: Our Leadership – A community that values and fosters leadership, lifelong learning, innovation and good governance.

Officer Recommendation:

That Council considers and adopts the proposed evaluation criteria for inclusion into the Tender and Tender Assessment for the Balranald Caravan Park Tender.

Purpose of Report

For Council to consider and adopt the proposed evaluation criteria for inclusion in the Tender and Tender Assessment for the Balranald Caravan Park Tender.

Report

Council is required to specify the criteria on which the evaluation of tenders will be based. Tender evaluation criteria have therefore been created which is proposed in the table below.

Clause 170 of the Local Government Regulation, 2005 states:

"Tender documents

(1) The tender documents relating to a proposed contract must:

(a) give details of the work to be carried out, the goods or facilities to be provided, the services to be performed or the property to be disposed of and, if the proposed contract is an instalment contract:

- (i) give details of the instalments to be paid by or to the council, and*
- (ii) specify the period over which the instalments are to be paid, and*
- (iii) specify the intervals between payment of the instalments, and*

(b) specify the criteria on which the assessment of tenders will be based, and

(c) specify the name of a person to whom requests for information concerning the proposed contract may be addressed and how the person can be contacted, and

(d) indicate whether formal tender documents must be submitted in relation to the tender and, if so, how they may be obtained, and

(e) if the proposed contract is for the performance of domestic or other waste management services of the same kind as those performed under a contract in force

immediately before the tenders are invited (an "existing contract")--specify the information which must be submitted about the continuity of employment of workers employed or engaged by the contractor under the existing contract to perform the domestic or other waste management services (the "existing workers")."

Section 23A of the Local Government Act, 1993 provides that a Council must take any relevant guidelines issued under this section into consideration before exercising any of its functions. Accordingly, Councils must ensure their tendering procedures do not conflict with the current Tendering Guidelines for NSW Local Government.

The following selection criteria and a scoring system are therefore proposed for the Tender and for assessment purposes:

Evaluation Criteria	Main Reference Schedule	Weighting
Mandatory Requirements Mandatory requirements are as listed:		
Completed and signed Tender Form	Tender Form	
Tenderer's Acknowledgement of Instructions	Nomination of required Tender Submissions Form	conforming or non-conforming
Attendance at Tenderer Meeting	Record of Attendance	
Statutory Declaration on Non-Collusive Tender Declaration	Statutory Declaration on Non-Collusive Tender Declaration	
Tenderer WH&S	Tenderer WH&S Management System Questionnaire	
Capability (the tenders ability to fully meet the requirements of the project)		20
Demonstrated ability to deliver the Lease Contract including the financial viability of the tenderer and warranties and guarantees offered.	Tenderer's particulars – Current Commitments Tenderer's particulars – Prior termination of Leases Tenderer's Particulars – Personnel Tenderer's particulars – Financial (general)	10
Experience in providing similar goods/services	Tenderer's particulars – Project History <ul style="list-style-type: none">• Similar Projects/ Role• Similar Size/ Complexity• Balranald Shire Council previous experience with tenderer.• Demonstrated commitment to partner with the Balranald Shire Council to develop long term strategic plans and capital works programs.• Provided referees from hospitality	10
Value added and community good services		60
Marketing	Previous experience with: <ul style="list-style-type: none">• Short, medium and long term marketing plans.• Website development/ implementation and	10

Evaluation Criteria	Main Reference Schedule	Weighting
	<p>maintenance.</p> <ul style="list-style-type: none"> • Business marketing on social media. • The accreditation regime applicable to caravan parks, obtaining and maintaining proposed accreditation. 	
Customer service	<p>A statement setting out the available resources to operate the caravan park in accordance with the terms of the Lease, including the following details:</p> <ul style="list-style-type: none"> • Who will be operating the park on a day to day basis, and how, the number of personnel that the Tenderer intends to dedicate to the operation of the caravan business under the Lease; • How will the Tenderer ensure that there will be a continuing availability of sufficient resources throughout the term of the Lease, including the Tenderer's ability to respond to short term increases in demand at short notice? • An outline of the Tenderer proposed management plan for the caravan park. • Demonstrated ability and experience to partner with events coordinators. 	15
Computer skills	<p>Demonstrated experience with:</p> <ul style="list-style-type: none"> • Electronic booking system/accommodation management system (such as RMS) • Accounting systems • Microsoft Office suite including, Word, Excel, Outlook 	10
Cash handling / Business Skills	<ul style="list-style-type: none"> • Demonstrated experience in: <ul style="list-style-type: none"> • Cash collection. • Goods/ services provided or received. • Invoicing. • Preparation and submission of claims. • Provision of the Tenderer's balance sheet and any other relevant financial statements. 	15
Maintenance landscaping / handyman / general maintenance	<p>Previous and demonstrated maintenance experience. (include trade qualifications in building/landscaping)</p>	10
Risk		20
To the success of the contract, the perceived risk in tenderer's ability to deliver and manage successfully.	All Schedules	10
WH& S	Section B, Volume 4, Part A	5
Quality Assurance	Section B, Volume 4, Part A Quality Assurance	5
	Total	100

<u>Financial Implication</u>	Nil.
<u>Legislative Implication</u>	Compliance Clause 170 of the Local Government Regulation, 2005 Section 23A of the Local Government Act, 1993
<u>Policy Implication</u>	Nil.
<u>Attachments</u>	Nil.

Councilor Contact Details

Mayor
Cr Leigh Byron
0428 201 301

Deputy Mayor
Cr Alan Purtill
0429 201 301

Cr Steve O'Halloran
0429 619 880

Cr German Ugarte
0407 267 087

Cr Jo Roberts
0409 147 787

Cr Trevor Jolliffe
0408 066 460

Cr Doug Allen
0421 526 671

Cr Jeff Mannix
0409 783 075

Up-Coming Events

4 Mar	MotoX—MX Practice Day
16 Mar	Balranald Central School P&C International Night
17-18 Mar	MotoX—MX Rd 1 and Rd 2
24-25 Mar	2018 Murrumbidgee Fishing Classic
31 March	BFNC Annual Billy Goat Races and Cowpad Lotto from 2pm at Greenham Park
4 - 15 Apr	Seniors Week 2018—event details to follow
14 Apr	First round for the 2018 football/netball season: Balranald V Kerang Greenham Park
13 - 22 Apr	Youth Week 2018—event details to follow
22 Apr	MotoX—MX Rd 3
23-24 June	MotoX—Balranald Enduro TBC
29 July	MotoX—MX Rd 4

What's on at Balranald Club
Mondays Sun - Wed Members Seniors Lunch Happy hour 5-6pm \$10 lunch 12-2pm Dinner 6 - 9pm
Mon - Fri
Mon - Sun
Tue & Thu
Fridays
Saturdays
[facebook.com/clubbalranald](#)

Also available at the Club-

- * Member drink prices must show membership card
- *Full TAB facilities, *Keno, *Coffee shop, *Pre-paid phone credit, *City Link passes *Fishing licenses, *Pre-paid Broadband vouchers, *Seniors Kiosk & internet access, *Free WiFi, *Outdoor seating & smoking area & area within the main bar for under 18's, ** must be accompanied by a Parent/Guardian

What's on at Euston Club Resort

7 Days/week Station46 Bistro open daily - Breakfast Mon-Thurs 7am-9.30am & Fri-Sun 7am-10am Lunch 12 - 2pm Dinner 6-8.30pm. Café open all day
Mon/Thurs Free Bingo Mon 10.15am Thurs 7pm
Tues / Sun Poker Tues from 6.30pm Sun from 6pm
Wednesday Raffle night & members draw from 6pm
Members cash draw from 7pm
Riverina Super draw 7 - 9pm
Members cash draw from 6pm-8pm
Social Bowls. Registration 12.45am - call John Bond on 5026 4244
Fri & Sat Free Live Entertainment from 7.30pm
MEGA Raffle last Wednesday of month
[facebook.com/eustonclubresort](#)

FREE live entertainment Friday & Sat from 7.30pm and Sunday from 1.30pm to 5pm



Disclaimer - Balranald Shire Council reserves the right to edit or rewrite submissions for grammar, style and clarity or to conform to restrictions of space. Council makes every effort to ensure the accuracy of this information and does not accept responsibility for errors or omissions contained within this publication. If you are aware of errors please notify Council by email: council@balranald.nsw.gov.au or phone Council on 03 5020 1300.

COMMUNITY GENERAL INTEREST

Adult Day Care Monday 10am-2pm, Thursday 10am-2pm at the Hospital. Contact 03 5071 9800

Seniors Club every Friday 2pm Senior Citizens Hall

Hospital Auxiliary 2nd Monday of month 2.30pm, Adult Day Care Centre. Contact Dawn 03 5020 1311

Health Advisory Council (HAC) 4th Monday of month 7:00pm. Contact 03 5071 9800

Baby & Child Clinic Mon, Wed, Thu, Fri - Balranald Tue - Euston

Balranald Immunisation Clinic every 2nd Wed 9.30-11.00am at the Hospital. 0427 699 485 to book

Little Bunyips Playgroup each Thursday 10am to 1pm - River Street. Contact Dee 0429 201 460

Singing Group Friday 1.30pm Presbyterian Church all welcome

Men's Shed Tuesdays & Thursdays 8am at Heritage Park (behind Visitor Information Centre)

Take Off Weight Naturally Club Mondays 6pm, Multipurpose Centre. Contact Betty 0417 589 284

Optometrist (from Deniliquin) last Wednesday of month. Appointments made at Balranald Chemist

Balranald Wool Centre 3rd Friday of month, 11am - 3pm at the Gallery. New members welcome

Balranald Community Arts & Crafts Open most weekdays 10am - 4pm or by appointment. Meetings 3rd Monday of month, 2pm at the Gallery.

Balranald Hospital Auxiliary 2.30pm every 2nd Monday of month at the Adult Day Care Centre

Narelle's Driving School Contact 0402 782 597

Balranald History Group 4th Tuesday of month from 5pm, Theatre Royal Ticketing Office

CanAssist Balranald Branch 2nd Monday of month 4pm - 92A Market St. Second-hand book shop open Mon to Sat 10am & Wednesday 1.30pm Contact Karen 0404 842 037 or Kirstyn 0448 158 709

Vision Australia - Phone Yann 03 5023 9500

Sureway Employment & Training Tuesday & Wednesday 8.30am-5pm. Contact Michael 03 4028 4900

Balranald Presbyterian Church - Mon Ladies KYB 7.30pm, Last Tues of month PWA, Thurs Music Group worship 5pm, Mens KYB 7.30pm, Fri Ladies KYB 10am, 3rd Sat of the month, Bidgee Haven service 3pm Sun, Worship Service 10am (last Sunday of Month, Hospital service - 2.30pm)

Balranald Rescue Squad meet 3rd Thursday of month, 8pm, Rescue Squad headquarters.

Friends of the Southern Cross Market Day - Last Saturday of month—Woodsys corner 8.30am

LiveBetter Community Transport for non-urgent transport. Contact Connie on 0428335711

Ability Links Balranald Wednesday's - 0487740000

ROAR – Reach Out and Relax Last Tuesday of month. Contact Chris 0428 096 462

ISSUE

2

February
2018**Balranald Shire Council NEWSLETTER****Amendment to the adopted 2017-2020 Delivery Plan**

Council's adopted Delivery Program has been amended.

An Appendix to the Document has been added outlining further information regarding the application to the Independent Pricing and Regulatory Tribunal for a Special Rate Variation.

Council welcomes Community feedback and comments on the amendments. Copies of both the original Delivery Program and Amended Delivery Program can be located on Council's website and hard copies will be available to view at Balranald Shire Council Office, Balranald Library and Euston Post Office.

Written submissions will be received at Council by 5.00pm, Monday 12 March 2018.

To make a submission during the exhibition period, you can write a letter addressed to:

The General Manager
PO Box 120 Balranald NSW 2715
Email:council@balranald.nsw.gov.au

Performance Improvement Order

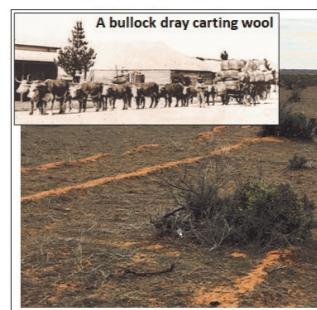
Council at its February Meeting adopted a 39 point Improvement Plan (IP) that addressed the Minister of Local Government Performance Improvement Order.

The IP is available on Council's website. While Council has made substantive progress, much is still to be done.

Council will by the 13 March 2018 submit to the Minister a progress report.

Wool Track project

Called the "Wool Track" due the historic significance of the bullock drays that delivered wool-laden wagons to the Murrumbidgee River barges in Balranald, today the Balranald-Ivanhoe Road section (MR67) represents a strategic freight route for agriculture and mining.



The Wool Track Road Project
Right—Wool Wagon tracks near MR67
Left—MR67 looking southward
Below—Project planning

**Greenham Park**

Council has resolved to set up a Section 355 Committee to work with all users of this facility, following a written request.

The Committee will

- provide advice to Council on the management of Greenham Park
- develop a Management Plan for the Park's delivery.

Special Rate Variation

See inside for report.

Rubbish Tip Hours

BALRANALD

1 October - 30 April

Tuesday 5.00 - 7.00pm

Thursday 5.00 - 7.00pm

Saturday 10.00am - 1.00pm

Sunday 10.00am - 3.00pm

1 May - 30 September

Tuesday 3.00 - 5.00pm

Thursday 3.00 - 5.00pm

Saturday 10.00am - 1.00pm

Sunday 10.00am - 3.00pm

EUSTON

Tuesday 1.00pm - 6.00pm

Thursday 1.00pm - 6.00pm

Sunday 9.00am - 3.00pm

Tip Tokens \$11.00 are available from

Councils office,

Visitor Information Centre,

Market Street, Café Cassaro

Euston Post Office & Takeaway

Fees start from \$11 per one axle trailer or utility

Garbage Collection



Please don't over fill your bin!

Residents, please note!

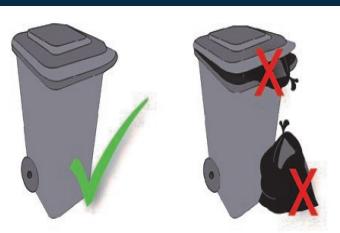
Only Council stamped bins, green with red lids, will be collected by the contractor.

As previously advised, waste must be confined to allow the bin lid to fully close at the kerbside pickup.

Overfilled bins result in littering and will not be collected by the contractor.

Your help is greatly appreciated.

Ensure your bin is put out on the kerb the



From the Mayor's Office

Mayor
Leigh Byron

We are now well into the New Year and have experienced a sustained period of hot weather.

Whilst Council did not hold a meeting during January, work has continued.

Council after much deliberation and consideration of the issues, resolved to apply for a SRV as part of the solution to address its long term financial sustainability. A detailed report is included in this newsletter.

The recruitment of a new General Manager has commenced and Council hopes to announce an appointment in early March. Once this appointment is finalised we will commence the appointment of a new Director Corporate and Community Development.

Acting General Manager, Bob Stewart, and myself travelled to Broken Hill, meeting with representatives of the Far West Councils for a presentation from the Office of Local Government regarding the options for Joint Organisations in our region.

Council hosted the Western Division Conference on the 24–27 February 2018, this brought over 55 visitors to our Shire and was a fantastic event. Look out in next month's newsletter for a full report.

I would like to thank all our guests who attended, our speakers for presenting and the following sponsors for their support: Cadia, Office of NSW Small Business, Service NSW, NBN, Glacier, Blackadder, Balmoral, and Kyalite Pistachios.

In other news, funding of the Wool Track Project has been confirmed and details on project planning are reported in this newsletter.

Next Ordinary Meeting of Council The next meeting will be on Tuesday 20 March 2018



Balranald Police Update

Narelle Tucker, Sergeant

8th January 2018 a 45 year old male was charged with giving firearms to a person not authorised. He will appear at Hay Local Court on 19th February 2018.

11th January 2018 a 23 year old Balranald male was charged with Intimidation. He will appear at Hay Local Court on 19th February 2018.

31st January 2018 a 48 year old Balranald male was charged with Breach AVO and is currently bail refused.

2nd February 2018 a 52 year old Euston male was charged with driving unlicensed. He will appear at Hay Local Court on 19th March 2018.

4th February 2018 a 37 year old Swan Hill male was charged with driving unlicensed. He will appear at Hay Local Court on 16th April 2018.

11th January 2018 a 32 year old Balranald female was issued a Parking Infringement Notice for parking in a disabled zone. Police would like to remind residents it is an offence to park in a disabled zone without a permit. The penalty for this offence is a \$549.

If you see or hear anything suspicious please contact Police on 03 5020 1404 or Crime Stoppers 1800 333 000.

Community News

There is a great selection of community events coming up in March. Please see below:

Balranald Football Netball Club

Balranald Football Netball Club will be holding the annual Billy Goat Races and Cow Pad Lotto on Saturday, 31 March 2018 from 2pm at Greenham Park.

Balranald Central School P & C International Night

Friday 16 March 2018 A selection of culinary delights from many different cultures plus a performance from 'Rhythm of Life African Drummers' with traditional singing and accompanying harp and djembe drum as well as performances from our many talented students and locals! This will be another amazing event bringing our community together. Bring the kids, the grandparents and all the family along for a great evening of entertainment and fun!

MotoX

See the calendar of events for upcoming activities

The Gallery

The Balranald Gallery is applying for a grant to replace the deteriorated main gallery roof. The grant will also include a nearby storage shed with a modern picture storage system and space for student materials needed for current and future programs.

Seniors WEEK 2018

Balranald Shire Council's Senior's Week event will be held in April 2018.

If you are a senior (60 years and over), Aboriginal / Torres Straight Islander 50 years or over, or over the age of 50 and have a life-long disability and have not previously been part of these celebrations but would like to be involved, please contact Council to have your details registered. Phone 03 5020 1300 or email council@balranald.nsw.gov.au

Special Rate Variation

Council on 12 February 2018 lodged its application with the Independent Pricing and Regulatory Tribunal (IPART) seeking a Special Rate Variation for the Balranald Shire Council General Rate.

The Variation sought is:-

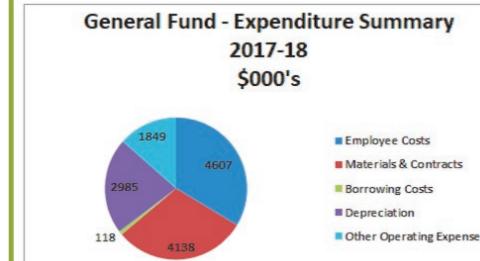
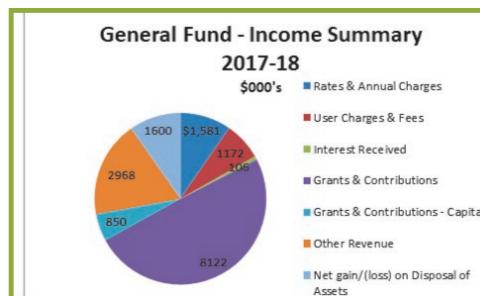
'a maximum of 10% increase per annum including the annual rate peg for seven years'.

If the application for IPART is approved it is proposed to commence in the 2018/19 Financial Year.

There have been a number of external assessments of Council's financial sustainability and capacity to deliver services and manage, maintain and fund assets. These reports indicate that Council currently is in a weak financial position and lacks capacity to effectively manage assets at a sustainable level.

Council's current low rate base is inadequate to sustain a financially viable Council with the capacity to deliver services, assets and regulatory obligations to the satisfaction of the Community and Government.

In April 2017, the NSW Minister issued Council with a Performance Improvement Order which required Council to address amongst other issues, its finances.



The above graphs indicate Council's Income and Expenditure break up

Category	Impact of Average Rates by Category				
	Ave Land Value 2017/18	Average Rates per Assessment	Average Rates Year 1 SV	Average Rates Year 4 SV	Average Rates Year 7 SV
Farmland General	700,174	2,838	3,122	4155	5531
Farmland - Other Rural	72,489	363	399	531	707
Farmland - Intense	123,369	1,183	1301	1732	2305
Farmland - Average	438,314	1,946	2140	2848	3791
Residential - Balranald	40,536	299	329	438	583
Residential - Euston	51,740	293	322	429	570
Residential - General	20,488	189	208	277	368
Residential - Average	41,238	283	311	414	551
Business - Balranald	44,059	1,395	1534	2042	2718
Business - Euston	113,600	2,352	2587	3443	4583
Business - Mining	41,473	470	517	688	916
Business - Rural	8,706	288	317	422	562
Business - Average	35,597	960	1056	1406	1871
Total Average	159,973	861	947	1260	1678

Balranald Shire Council has a low rate base and after reviewing operational expenditure and opportunities to maximise non-rating income including grants, was left with only one option to:

- Review its Rating Structure and apply for a Special Rate Variation

A council's rating structure and valuation changes are the main factors that will determine what happens to rates on an individual property. A general revaluation by the Valuer General may result in the value of some land in a Council area increasing or decreasing by more than other land. Where this happens, the rate burden will shift.

During consultation on the Special Rate Variation, there was considerable concern expressed about the current rate structure and the burden imposed on rural lands. Council will revise its rate structure in 2019/20.

IPART will announce its decision on Council's application on 12 May 2018.

IPART is currently accepting public submissions for 4 weeks from 12 February to 12 March 2018. For further information, please visit IPART's website: www.ipart.nsw.gov.au

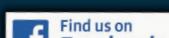
Balranald Visitor Information & Discovery Centre



Cnr Market and River Streets

Open Daily
10.00am to 4.00pm

Phone 03 5020 1599
www.visitbalranald.com.au



CountryLink tickets and fishing licences can be purchased from the Visitor Information Centre

Council Easter Office Closures

Balranald Shire Council Office will be closed from 5pm Thursday 29th March 2018 and will re-open at 8.30am Tuesday 3rd April 2018. To report emergencies call 0418 322 902

Service NSW (formerly RTA/RMS) will be closed from 4pm Thursday 29th March 2018 and will re-open at 9.30am Tuesday 3rd April 2018. Please call Service NSW with any enquiries on 13 77 88

Balranald Library will be closed from 5.30pm Wednesday 28th March 2018 and will reopen 9am Wednesday 4th April 2018.

Balranald Visitor Information Centre will be closed Good Friday and open regular hours all other days.

Easter 2018 Garbage Collection

Balranald Businesses & Euston residents who have their bins collected on Fridays are advised that Easter Collection will be Thursday 29th March 2018 (instead of Good Friday).

Balranald Residents who have their bins collected on Mondays are advised that Easter collection will be same as usual, on Monday.

