

Finance & Administration Committee

AGENDA

DOC14/10642



Members Crs H van de Ven (Chairperson), D Betteridge, G Docksey, A Glachan, P Gould, K Mack (Ex Officio) and D Thurley.

Staff General Manager.

Members are advised that the next **Finance & Administration Committee Meeting** will be held in the **Council Chambers**, AlburyCity Administration Building, 553 Kiewa Street, Albury on **Monday 17 February 2014** following the Community & Cultural Committee Meeting.

FAC 1 – CONFLICT OF INTEREST DECLARATIONS RECEIVED BY THE CHAIR

1A Conflict of Interest Declarations

1B Chairperson to advise that the meeting is being recorded for administrative purposes

FAC 2 – APOLOGIES

2A Apologies of Committee Members

FAC 3 – CONFIRMATION OF MINUTES OF PREVIOUS MEETING2

3A Finance & Administration Committee Meeting held on Monday 9 December 2013 at 6.26pm2

FAC 4 – MATTERS ARISING FROM THE MINUTES.....5

FAC 5 – REPORTS/MINUTES OF COMMITTEES & WORKING PARTIES6

FAC 6 – OFFICERS REPORTS FOR CONSIDERATION.....7

6A AlburyCity Submission – Local Government Acts Taskforce (DOC14/6725)7

6B AlburyCity Submission – Revitalising Local Government (DOC14/6745)11

6C Rural Clinical School Albury Wodonga Campus – 2014 Community Liaison Committee (DOC13/111512)16

6D Service and Efficiency Review Program Six Monthly Update February 2014 (DOC14/4591).....19

6E Quarterly Budget Review – December 2013 (DOC14/10224)30

FAC 7 – OFFICERS REPORTS FOR NOTING.....35

7A Delivery Program Six Monthly Progress Review – December 2013 (DOC14/6110).....35

7B Corporate Health Indicators Report – December 2013 (DOC14/4612).....36

7C Investment Balances for Month of December 2013 (DOC14/1557)37

7D Investment Balances for Month of January 2014 (DOC14/10160).....40

FAC 8 – DELEGATES REPORTS FOR NOTING43

FAC 9– NOTICE OF URGENT BUSINESS.....44

Note A light meal will be served at 5.15pm, at 'Charlies on Kiewa', for Councillors and staff required to attend the meeting.

Frank Zaknich
General Manager

13 February 2014

AlburyCity – Finance & Administration Committee

AGENDA

FAC 3 – CONFIRMATION OF MINUTES OF PREVIOUS MEETING

3A Finance & Administration Committee Meeting held on Monday 9 December 2013 at 6.26pm

Present Crs H van de Ven (Chairperson), D Betteridge, G Docksey, P Gould, K Mack (Ex Officio) and D Thurley.

Apologies Cr A Glachan.

Staff General Manager, Director Community & Recreation, Director Corporate Services, Director Economic Development & Tourism, Director Engineering, Director Planning & Environment, Team Leader Parks & Recreation, Governance Team Leader, IT Officer and Governance Officer.

FAC 1 CONFLICT OF INTEREST DECLARATIONS RECEIVED BY THE CHAIR

1A Conflict of Interest Declarations

There were no Conflict of Interest Declarations received by the Chair.

1B Recording of Meeting

The Chairperson advised those present that the meeting is being recorded for administrative purposes.

FAC 2 APOLOGIES

2A Apologies of Committee Members

Cr Mack Moved, Cr Docksey Seconded

That the Committee receive, note and accept the apology of Committee Member, Cr Glachan, and grant leave of absence for the meeting.

CARRIED

AlburyCity – Finance & Administration Committee

AGENDA

FAC 3 CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING

3A Minutes of the Finance & Administration Committee Meeting held on Monday 18 November 2013 at 6.00pm

Cr Docksey Moved, Cr Mack Seconded

That the Committee recommends to Council that the Minutes of the Finance & Administration Committee Meeting held on Monday 18 November 2013, at 6.00pm, be adopted.

CARRIED

FAC 4 MATTERS ARISING FROM PREVIOUS MINUTES

There were no Matters Arising from Previous Minutes.

CARRIED

FAC 5 REPORTS/MINUTES OF COMMITTEES AND WORKING PARTIES

There were no Reports/Minutes of Committees and Working Parties.

FAC 6 OFFICERS REPORTS FOR CONSIDERATION

There were no Officers Reports for Consideration.

FAC 7 OFFICERS REPORTS FOR NOTING

7A 2012-2013 AlburyCity Annual Report (DOC13/106476)

Cr Gould Moved, Cr Betteridge Seconded

That the Committee recommends to Council that Council receive and note the report.

CARRIED

7B Workers Compensation and Safety Performance 2012-2013 (DOC13/106557)

Cr Mack Moved, Cr Thurley Seconded

That the Committee recommends to Council that Council receive and note the report.

CARRIED

AlburyCity – Finance & Administration Committee

AGENDA

7C Investment Balances for Month of November 2013 (DOC13/103609)

Cr Gould Moved, Cr Thurley Seconded

That the Committee recommends to Council that Council receive, note and accept the Investment Balances for the Month of November 2013.

CARRIED

Action Item

Cr van de Ven queried the percentage or in dollar terms, of unexpended loan funds that have already been taken up where the money has not been spent.

The item was taken on notice, by Director Corporate Services, Judy Charlton. Further information to be provided to Councillors.

FAC 8 DELEGATES REPORTS FOR NOTING

There were no Delegates Reports for Noting.

FAC 9 NOTICE OF URGENT BUSINESS

There was no Notice of Urgent Business.

Meeting closed at 6.37pm.

FAC 4 – MATTERS ARISING FROM THE MINUTES

AlburyCity – Finance & Administration Committee

AGENDA

FAC 5 – REPORTS/MINUTES OF COMMITTEES & WORKING PARTIES

There were no Reports/Minutes of Committees & Working Parties.

AlburyCity – Finance & Administration Committee

AGENDA

FAC 6 – OFFICERS REPORTS FOR CONSIDERATION

6A AlburyCity Submission – Local Government Acts Taskforce (DOC14/6725)

DATE 4 February 2014

CONFIDENTIAL YES NO If yes please tick one of the following reasons
Personnel Matters Commercial Legal Security Personal Hardship

ITEM FOR DECISION

Meeting Date Monday 17 February 2014

ITEM FOR NOTING

Meeting Date

FURTHER ENQUIRIES TO

Judy Charlton
Corporate Services

PHONE 6023 8150

Purpose

The Local Government Acts Taskforce has released its final report, "A New Local Government Act for NSW". Submissions were originally invited to be lodged by 7 March 2014. An extension of time has now been granted, with the new closing date now being 4 April 2014. This report provides a *draft* submission for Council's consideration.

Background

The Local Government Acts Taskforce was appointed by the Minister for Local Government to review the *Local Government Act 1993* and the *City of Sydney Act 1988*. The review is being conducted in the context of a number of other significant NSW local government reviews including the Division of Local Government *Destination 2036 Action Plan* and the Independent Local Government Review Panel.

The 1993 Local Government Act principally deals with the legal and governance framework of local councils and county councils in New South Wales.

Council provided a submission to the Taskforce's discussion paper "A New Local Government Act for NSW" in June 2013.

Issues

The Integrated Planning and Reporting (IPR) provisions of the current Act, which commenced in 2009, provide the primary strategic planning mechanism for local government in NSW. The Taskforce state that it is evident that these provisions are working extremely well and have widespread support across local government. The Taskforce considers it is essential for the long term sustainability of local government that IPR is given much greater prominence in the new Act. Accordingly the primary recommendation of the Taskforce is that a new Act be written using IPR as its central framework.

The Taskforce has endeavoured to remove unnecessary prescription from the Act by recommending principles-based legislation that is sufficiently flexible to support the diverse local government sector.

AlburyCity – Finance & Administration Committee

AGENDA

The Taskforce's recommendations are in Section 1.4 Table 2 of the report (*Attachment 1*).

The *draft* submission (*Attachment 2*) supports the Taskforce's proposals. Areas of support where the submission provides additional commentary is summarised below.

3.3.1 Elections

Council has previously provided submissions to the Joint Standing Committee on Electoral Matters in 2009 and 2013 supporting the option of universal postal voting and the use of new technologies.

3.3.3 Appointment and Management of Staff

The title General Manager should be changed to Chief Executive Officer to align with all other Australian states and territory local governments and to remove confusion around role and title.

3.3.9 Financial Governance

Council strongly supports a review of the rating exemptions and concessions to ensure they reflect contemporary situations and provide equity for all rate payers. Council's view is that should there be a reduction in the number of rate payers that are eligible for exemptions and that there is a commensurate increase in the Council's notional yield rather than a redistribution of the existing yield.

As identified in the Independent Panel recommendations Council supports either replacing rate pegging with a new system of rate benchmarking or streamline current arrangements to remove unwarranted complexity, costs and constraints to sound financial management.

3.3.12 Public Private Partnerships (PPP)

If the Act requires a PPP to be included in the IPR framework, this should be based on the project's relationship to a key outcome and strategic action identified in the Community Strategic Plan rather than defining the specific PPP which would need to be approved after a procurement activity.

3.3.13 Acquisition of Land

Any requirement to link a specific compulsory acquisition to IPR processes should relate to identification or demonstration of how the acquisition will work toward the achievement of a "key outcome"; for example; continue to expand the road network as required to meet the growth and development of the community or completion of a "strategic action" identified in the Community Strategic Plan, rather than the need to make reference to a specific property.

AlburyCity – Finance & Administration Committee

AGENDA

If reference to a specific property is required this could artificially inflate land prices in the area of interest, result in speculative land acquisition by private sector investors, unnecessarily delay project progress and restrict Council's ability to respond to unplanned opportunities which may result in best value outcomes for the community.

3.3.14 Public Land

Council supports this recommendation, noting that further development of Asset Management Plans may be required to accommodate this change and Councils will need to be given an appropriate period of time to amend relevant IPR plans and strategies.

Risk

Council has an opportunity to provide feedback on the Taskforce's proposals. Not taking up this opportunity means the Albury community will not be represented by a Council submission.

Community Engagement

The Taskforce held workshops for all interested persons at various locations across NSW on their Discussion Paper during May 2013. AlburyCity Councillor and staff representatives attended a session in Wagga Wagga. The purpose of the workshops was to discuss the options and proposals for the principles of the new legislation contained in the Discussion Paper.

Submissions regarding the final report are open to all members of the community.

It is proposed to place Council's *draft* submission on public exhibition and invite feedback from the community.

Options

Council has the following options:

1. Endorse the draft submission for lodgement by the due date; or
2. Endorse the draft submission with changes determined by Council; or
3. Not lodge a submission.

Conclusion

It is appropriate that AlburyCity provide feedback to the Division of Local Government on the Taskforce's final report prior to the NSW Government's final determination with regard to the recommendations. An LGNSW forum on the proposed reforms is being held in Albury on 17 March 2014 for local Government delegates. After a period of public exhibition the *draft* submission will be returned to Council for final endorsement after considering any submissions.

AlburyCity – Finance & Administration Committee

AGENDA

Recommendation

That the Committee recommends to Council that Council:

- a. endorse AlburyCity's *draft* submission to the Division of Local Government on the Local Government Acts Taskforce Report "*A New Local Government Act for NSW and Review of the City of Sydney Act 1988*";
- b. place the draft submission on public exhibition; and
- c. adopt the final submission at the 24 March 2014 Council Meeting.

- **Attachments**

1. Local Government Acts Taskforce Report, "*A New Local Government Act for NSW and Review of the City of Sydney Act 1988*", 16 October 2013.
2. *Draft* AlburyCity Submission to the Local Government Acts Taskforce.

AlburyCity – Finance & Administration Committee

AGENDA

6B AlburyCity Submission – Revitalising Local Government (DOC14/6745)

DATE 4 February 2014

CONFIDENTIAL YES NO If yes please tick one of the following reasons
Personnel Matters Commercial Legal Security Personal Hardship

ITEM FOR DECISION

Meeting Date Monday 17 February 2014

ITEM FOR NOTING

Meeting Date

FURTHER ENQUIRIES TO Judy Charlton
Corporate Services

PHONE 6023 8150

Purpose

The NSW Independent Local Government Review Panel has released its final report, “*Revitalising Local Government*”. Submissions were originally invited to be lodged by 7 March 2014. An extension of time has now been granted, with the new closing date now being 4 April 2014. This report provides a *draft* submission for Council’s consideration.

Background

The aim of this reform process is to develop stronger, more sustainable local government that will meet the needs of NSW communities over the next 25 years and beyond.

Following the approach from the former Local Government and Shires Associations of NSW, the NSW Minister for Local Government agreed to appoint a three member panel to develop options to improve the strength and effectiveness of local government in NSW. The review will drive key strategic directions identified in the Destination 2036 local government reform initiative and support the broader objectives of the State as outlined in NSW 2021: A Plan to Make NSW Number One (the State Plan).

The panel investigated and identified options for governance models, structural arrangements and boundary changes for local government in NSW, taking into consideration:

- the ability to support the current and future needs of local communities;
- the ability to deliver services and infrastructure efficiently effectively and in a timely manner;
- the financial sustainability of each local government area;
- the ability for local representation and decision maker, and
- the barriers and incentives to encourage voluntary boundary changes.

In conducting the review the panel:

- Ensured recommendations meet the different nature and needs of regional, rural and metropolitan communities.
- Consulted widely with the broader community and key stakeholders.
- Took into account the work completed, and future work to be completed, under the Destination 2036 initiative.

AlburyCity – Finance & Administration Committee

AGENDA

- Took into account the broader interests of the State including as outlined in the State Plan.
- Considered the experiences of other jurisdictions in both the nature and implementation of local government reform.
- Took into account the Liberal-National's 2011 election policy of no forced amalgamations.

Council provided a submission to the Independent Panel when it released its 2013 interim report "*Future Directions for NSW Local Government Twenty Essential Steps*".

Issues

The summary of the Panel's principal recommendations are on page 16 of the Report (*Attachment 1*).

The draft submission (*Attachment 2*) supports the Panel's proposals with one exception. Areas of support where the submission provides some commentary is summarised below.

Areas of Support with Additional Commentary

Strengthening the Revenue Base

Council is very supportive of a review of the rating system to reduce or remove excessive exemptions and concessions to ensure these reflect contemporary situations. Council's view is that should there be a reduction in the number of rate payers that are eligible for exemptions that there is a commensurate increase in the Council's notional yield rather than a redistribution of the existing yield.

Political Leadership and Good Governance

AlburyCity also supports the notion of a Deputy Mayoral Allowance which does not reduce the Mayoral allowance. Deputy Mayors often attend functions in lieu of the Mayor, not just when formally acting as the Mayor. There should be recognition of this additional workload.

Advance Structural Reform

AlburyCity supports the concept of options for local government structures including regional Joint Organisations (JOs). The concern would be that another layer of bureaucracy is embedded into local government. To alleviate this AlburyCity sees merit in the regional city in each of the proposed JOs being the "auspice" body supporting its operation, in lieu of a separate legal entity being created.

AlburyCity strongly objects to further amalgamations involving the Albury Local Government Area based on the experience of the last two boundary adjustments and the cost to Albury ratepayers.

AlburyCity – Finance & Administration Committee

AGENDA

However, AlburyCity supports:

- the revised process for considering potential amalgamations and boundary changes;
- the application of a consistent set of criteria when the re-constituted Boundaries Commission assesses the business case for amalgamations; and
- a range of options to maintain local identity and the principle of local representation.

Regional Joint Organisations

AlburyCity supports:

- the principles outlined, noting there may be a need for flexibility with regard to the exact regional boundaries and the timing pending the outcome of the Boundaries Commission's assessment of each potential change;
- the concept of regional Joint Organisations (JOs). The concern would be that another layer of bureaucracy is embedded into local government. To alleviate this AlburyCity sees merit in the regional city in each of the proposed JOs being the "auspice" body supporting its operation, in lieu of a separate legal entity being created;
- the concept of regional water alliances in each Joint Organisation with each Council retaining its water and sewerage assets;
- the concept of consolidating regional centres;
- the concept of a state-wide network of regional centres;
- the concept of giving particular attention to cross border issues; and
- adding representatives of JOs to State agency regional leadership groups.

Non- Metropolitan Regions

AlburyCity supports:

- the principle of a scheduled timeline. However, there needs to be flexibility with the timeline. For example, depending on the outcome of the final partners for a Joint Organisation, this may impact on the timing and content of particular boundary adjustments / amalgamations;
- the application of a consistent set of criteria when the re-constituted Boundaries Commission assesses the business case for amalgamations; and
- Provision of essential support to Councils during the boundary adjustment process.

AlburyCity sees merit in considering the regional city having an "*auspice*" role in lieu of this further layer of bureaucracy for regional Joint Organisations and the need to create another organisation.

Area where support is not provided

Improvement, Productivity and Accountability

AlburyCity does not support the provision of Annual General Meetings. There are already provisions for the presentation to Council of the annual financial statements, the six monthly report against the

AlburyCity – Finance & Administration Committee

AGENDA

Four Year Delivery Program (one of which would be for the end of June position), and the end of term report. An annual general meeting within the Local Government context could be very confusing for all stakeholders.

Political Leadership and Good Governance

AlburyCity does not support requiring the direct election of mayors in councils with a population of 40,000 or more. AlburyCity's position is that the current provision be retained where there is the choice of direct election of the mayor or election by the Councillors.

Advance Structural Reform and Non-Metropolitan Regions

AlburyCity strongly objects to further amalgamations involving the Albury Local Government Area based on the experience of the last two boundary adjustments and the cost to Albury ratepayers.

Risk

Council has an opportunity to provide feedback on the Panel's proposals. Not taking up this opportunity means the Albury community will not be represented by a Council submission.

Community Engagement

The Panel held a hearing in Albury in mid 2013 for Councillors and senior staff from the broader region. The panel also held a Community Hearing in the region (Corowa) to provide the opportunity for community representatives to put forward their views on the proposed options in the panel's interim report. There has been significant media coverage of the recommendations in the interim report and the final report. Submissions are open to all members of the community.

It is proposed to place Council's *draft* submission on public exhibition and invite feedback from the community.

Options

Council has the following options:

1. endorse the draft submission for lodgement by the due date; or
2. endorse the draft submission with changes determined by Council; or
3. not lodge a submission.

AlburyCity – Finance & Administration Committee

AGENDA

Conclusion

It is appropriate that AlburyCity provide feedback on the Panel's final report prior to the NSW government's final determination with regard to the recommendations. An LGNSW forum on the proposed reforms is being held in Albury on 17 March 2014 for local Government delegates. After a period of public exhibition the *draft* submission will be returned to Council for final endorsement after considering any submissions.

Recommendation

That the Committee recommends to Council that Council:

- a. endorse AlburyCity's *draft* submission to the Division of Local Government on the Independent Local Government Review Panel's final report;
- b. place the *draft* submission on public exhibition; and
- c. adopt the final submission at the 24 March 2014 Council Meeting.

- **Attachments**

1. The NSW Independent Local Government Review Panel's Report "*Revitalising Local Government*" October 2013.
2. *Draft* AlburyCity Submission to the Division of Local Government on the NSW Independent Local Government Review Panel's Final Report.

AlburyCity – Finance & Administration Committee

AGENDA

6C Rural Clinical School Albury Wodonga Campus – 2014 Community Liaison Committee (DOC13/111512)

DATE 19 December 2013

CONFIDENTIAL YES NO If yes please tick one of the following reasons
Personnel Matters Commercial Legal Security Personal Hardship

ITEM FOR DECISION
Meeting Date Monday 17 February 2014

ITEM FOR NOTING
Meeting Date

FURTHER ENQUIRIES TO James Jenkins PHONE 6023 8145
Community & Recreation

Background

The Rural Clinical School Albury Wodonga Campus has written to Council inviting representation on their Community Liaison Committee in 2014.

The Rural School campus was established in 2000 with funding from the Federal Government Department of Health and Ageing and was a campus of the first rural clinical school in Australia. Two years later, based on the success of this School, the Minister of Health at the time, the Hon Dr Michael Wooldridge, released funding to establish another eight rural clinical schools for the Faculties of Medicine at other Universities. Since that time the number of students studying in rural areas has increased enormously and students are achieving at the highest level. At the Albury Wodonga campus, students have received the University Medal for Outstanding academic achievement at an undergraduate level.

At the commencement of the School, the Federal Government established a Community Advisory Board consisting of prominent community members of the cities where the School was located – Albury Wodonga, Wagga Wagga and Griffith. Several years ago this committee became the Community Liaison Committee and each Campus has its own committee. The Rural Clinical School in Albury Wodonga is now seeking a Council representative on the committee. The committee usually meets three times/year with the first meeting for 2014 scheduled for the last week in March.

Albury 2030 Plan

Representation on the committee would capture the essence of the Strategic Community Plan namely the following outcomes and strategic actions:

- 1.5.1 *promote Albury as a major regional economy and the regional city of choice for lifestyle, career and investment opportunities;*
- 3.1 *Albury offers access to a diverse range of educational opportunities; and*
- 4.1 *the community is consulted on all major changes that will affect them;*

AlburyCity – Finance & Administration Committee

AGENDA

Financial

There are no known expenses in relation to Council's representation on the liaison committee. It should be noted that AlburyCity has supported scholarships to local high school graduates who have been accepted into medicine at the University of NSW. The \$5000 scholarships have been awarded since 2007.

Risk

There is no significant business, corporate, WHS or public risks associated with Councillor Representation on the Community Liaison Committee.

Community Engagement

Council's participation on this Community Liaison Committee is an opportunity for the Albury Community to provide local feedback in relation to the operation of the Albury Wodonga Clinical School Campus.

Options

Council has the following options:

1. accept the offer of representation and elect a Councillor to be represented on the Community Liaison Committee;

OR

2. thank Dr Peter Vine for the opportunity but decline to have a representative on the Community Liaison Committee.

Conclusion

There has been a strong association between the University of NSW Rural Clinical School and AlburyCity for a number of years. The School provides Year 4 and 5 medical students with experience working in a rural hospital environment and these close connections to Albury Wodonga have proven to be beneficial in attracting and retaining medical practitioners. The request from the School to have Councillor Representation on their Community Liaison Committee is an opportunity for Council to provide community feedback and advice to this valuable community education and health service.

AlburyCity – Finance & Administration Committee

AGENDA

Recommendation

That the Committee recommends to Council that Council:

- a. accepts the offer for AlburyCity Council to be represented on the UNSW Rural Clinical School Albury Wodonga Campus – Community Liaison Committee;
- b. conducts an election to determine a Councillor Representative; and
- c. amends Council's Committee and Working Party Register to record the committee and Council's representation.

AlburyCity – Finance & Administration Committee

AGENDA

6D Service and Efficiency Review Program Six Monthly Update February 2014 (DOC14/4591)

DATE 3 February 2014

CONFIDENTIAL YES NO If yes please tick one of the following reasons
Personnel Matters Commercial Legal Security Personal Hardship

ITEM FOR DECISION

Meeting Date Monday 17 February 2014

ITEM FOR NOTING

Meeting Date

FURTHER ENQUIRIES TO Judy Charlton
Corporate Services

PHONE 60238150

Purpose

This report provides the six monthly progress report on the Service and Efficiency Review program.

Background

Council has been running operational deficits which are not sustainable long term. A number of significant initiatives have been implemented over the past decade which has had a positive enduring financial impact. However, despite this work, external audit by NSW Treasury Corporation shows Council's financial sustainability is moderate in the long term.

Council now has a long-term plan to move the organisation back to a balanced operational budget. The current Service and Efficiency Review Program aims to deliver the community strategic plan *Albury 2030* while being financially sustainable as an organisation.

It's an opportunity for Council to review its services and service levels and find ways to improve delivery and boost efficiency. Specifically a \$3.5M reduction in the operational deficit by June 2017 has been included in the Four Year Delivery Program. Forty-four services will undergo review from 2013-2017, with the full implementation scheduled to continue until 2020. Every ratepayer dollar invested in Council services needs to represent value for money.

Issues

AlburyCity Values and Guiding Principles

The review program brings together AlburyCity's Values and Guiding Principles, in particular:

- working together, integrity and new ideas;
- red carpet, not red tape;
- value for money guides our spending; and
- short-term gains will not be put before long-term financial and environmental sustainability.

AlburyCity – Finance & Administration Committee

AGENDA

Determining Areas for Review

Each Directorate identified all of its internal and external services. Reviews were then selected and scheduled after considering the following criteria:

- net potential benefit versus ease of implementation – positive cost / benefit ratio;
- quantum of potential savings or income improvement;
- is the service a statutory obligation or a non statutory service? Even if a service is a statutory obligation, Council may still determine that there are efficiencies to be found in the delivery.
- a focus on major activity areas;
- in the long term is this a business we want to be in?;
- opportunity for commercialisation/privatisation of the service; and
- the review may be scheduled if an opportunity arises because undertaking a review at a certain time would be advantageous due to changes in the external environment.

There is a need for flexibility in the review scheduling as it is becoming apparent that changes in one service area will impact on other areas which may then necessitate another review to be brought forward earlier than originally planned and another one deferred.

A review schedule was included in the 2013-2014 Operational Plan. This will be updated each year as part of the annual budget process.

How will the Review be Undertaken?

A review proposal and outcome template has been developed, adopted and implemented. The review process (Part 1 of this template) is assessed by the Management Executive Team (Manex) prior to each individual review commencing. Each review process will be tailored for that specific review. Part 2 of the template is then completed once the review has been finalised. This is presented to Manex in the first instance with a summary of the findings, recommendations and a proposed implementation plan. Individual reviews may present an interim report to Manex to gain feedback on various options before finalising the review.

The program will help Council refocus its resourcing back into its core services. When assessing services, Council will use six criteria:

1. Is Council best placed to provide this service?
2. Is it a legislative requirement that Council deliver this service?
3. Can Council provide this service through an external provider?
4. Is the service a non-core function of Council but is being delivered by Council on a discretionary basis?
5. Are there other operators who could provide this service?
6. If Council is best placed to provide these services, how can we deliver them more efficiently?
Are there any further revenue earning opportunities?

AlburyCity – Finance & Administration Committee

AGENDA

Who will conduct the reviews?

The reviews will be conducted by AlburyCity Teams who will be responsible for examining the selected services. Staff are being asked to participate in the reviews and take ownership of the process. In some instances, external expertise may also be used where it can add value to the process. Review findings, outcomes and recommendations will be presented to Manex, and where appropriate, to Council using Part 2 of the template and accompanied by a cover report. The recommendations, once adopted, may then require a phased implementation plan.

What services are currently being reviewed?

Following is a summary of progress for the reviews already underway.

Energy Management Framework

This project was scheduled to commence after completion of major reviews of existing key assets (Albury Entertainment Centre, Lauren Jackson Centre and Council Administration Building) so that the analysis and recommendations could be incorporated into this project. Those asset reviews have been completed and the Energy Management Framework review is now underway.

Critical areas for investigation that have been identified and will be explored include:

- Examination of organisational knowledge and awareness of energy supply, use and factors affecting consumption and pricing.
- Review of existing frameworks for management, recording and analysis relating to energy systems across the organisation.
- Investigation of critical elements relating to energy management, including collation, assessment and reporting on energy consumption as well as organisational wide resources necessary to provide desired outcomes.
- Identification and analysis of resources required to drive improvements and deliver outcomes identified in Energy Management Framework, Albury Our Future and Albury 2030.
- Mechanisms for collaboration and coordination of energy management practices and outcomes, especially in relation to major projects or in relation to major assets.
- Long term opportunities for developing and responding to energy performance objectives and goals to drive improvement in energy performance.

The first stage Project Report is scheduled for submission to Manex by 30 April 2014.

AlburyCity – Finance & Administration Committee

AGENDA

Council's Asset Lifecycle Rates

The Asset Lifecycle Review is progressing with the roads condition survey completed and the majority of asset data within Council's GIS and Conquest Asset Management System reviewed and updated where necessary. Work continues on Asset Lives and Unit Rates for a number of asset classes with a series of recommendations to be reviewed by the Sustainable Asset Management Working Party in March 2014. Further work is to be undertaken with regard to Residual Values for a number of asset classes.

The scheduled date for the review report to be presented to Manex was 25 February 2014; this date has been revised to 1 April 2014.

Council's Internal Cost Allocation

The review is assessing the principles for providing an equitable, consistent, commercially appropriate and transparent methodology to allocate internal costs within AlburyCity.

Research has been undertaken of the principles and practices that occur in other Local Government Areas and available academic research. Internal AlburyCity stakeholders have been consulted regarding the issues surrounding internal charging. Updated policy positions have been drafted for allocation and charging of internal interest, and management overhead costing and labour on costing. A financial model to automate the distribution within AlburyCity of internal charges has been developed. The report is due to be presented to Manex in March 2014. There will be no direct cost savings. However, a more robust model will ensure all strategic decisions regarding service provision and pricing can rely upon soundly based financial information about the full cost structures of the services.

AlburyCity's Cemeteries and Crematorium

The Cemetery/Crematorium Review has been progressed with an external review of the current business model undertaken and meetings held with key stakeholders, (funeral directors and major suppliers). Feedback has been received on industry trends, operational feedback and pricing strategy. Officers have also identified any service demand issues which could potentially lead to poor productivity and a review of staff tasks has been undertaken to ensure no duplication of duties.

Expressions of Interest have been called for a Landscape Master Plan with a closing date of 18 February 2014, and progress has been made on the Cemeteries and Crematoria Business Plan.

A new Team Leader Cemeteries and Crematoria commenced on 28 January 2014 and he will continue to drive the Review process.

The scheduled date for the review report to be presented to Manex was 25 February 2014; this date has been revised to 29 April 2014.

AlburyCity – Finance & Administration Committee

AGENDA

Albury Entertainment Centre

The review proposal (Part 1) has been endorsed by Manex and work has commenced on the identified research activities. Customer and client surveys are currently underway to determine future programming preferences, changes or improvements to venue operations/facilities to better meet customer needs, and preferences of target markets to improve the effectiveness and outcomes achieved from future marketing and promotion strategies. The review report is being drafted but is awaiting analysis of research findings prior to finalisation. The review is on schedule and expected to be completed by June 2014.

Strategic Property Management

The research phase has been completed. Options have been identified for assisting Council to more strategically manage its property portfolio. Further staff consultation is now occurring. A draft report has been lodged with Manex. Manex requested additional information to be incorporated which is currently being gathered. The final report is due for lodgment with Manex in March 2014.

Procurement

The Part 1 review proposal was endorsed by Manex in late December 2013. The aim will be to determine how AlburyCity can conduct procurement in a more strategic manner that leads to overall better value. The research phase has now commenced. The review report is due for lodgment with Manex in May 2014.

Governance Team Structure

The Part 1 review proposal was endorsed by Manex in late December 2013. The data collection task has commenced with each employee's tasks and time allocation being recorded to enable estimation of future resource requirements and also to identify options for the appropriate organisational structure. Council has agreed to participate in a pilot with three other Councils for some new service review software. It was originally envisaged that the Governance Team Structure review would be applied to this pilot. However, this may need reconsideration as the pilot project has not yet commenced. The review report is due for lodgment with Manex in March 2014.

Information Management

A vacant trainee position in the IT Team has not been filled. The next stage is a review of the IT Team Structure to ensure compliance with the Information Technology Infrastructure Library (ITIL) Standard and to meet the service delivery standards documented in the Information Management Strategy. The review will also ensure Council is well placed to consider shared service arrangements with other Councils under the proposed Local Government reforms. The review has commenced with the staff consultation underway. The Part 1 review proposal was endorsed by Manex in February 2014. The final report is due May 2014.

AlburyCity – Finance & Administration Committee

AGENDA

Immunisation Program

An overview of the program and preliminary recommendations regarding the service are being finalised. Initial meetings have been held with Albury Community Health, however further consultation is required. A preliminary report is planned to go to Manex in February, with a report to Council scheduled for April 2014.

Compliance Services

This review will build on the significant work that has been implemented in recent years across all functions within the team, most notably the workplace agreement for Compliance Officers involved in enforcement and regulation.

The key activities undertaken to date are listed below:

- Analysis of key functions and services, including identification of Statutory, Regulatory and discretionary functions or services.
- Time and motion study of Compliance team, with specific reference to service levels, customer request priorities and community concerns.
- Benchmarking of services and functions against similar regional Councils, this includes consideration and investigation into services and functions provided, level of service, resourcing, new technology, revenue and costs.
- Review of alternative service level provision, including analysis of costs versus level of service and further investigation of regulatory methods and resources.
- Review of long term overheads including overtime and casual employment.
- Preparation of an overall function and service Road Map for the Compliance Team based on a SWOT analysis of the current and potential services and functions of the Team.
- The critical services and functions of the Compliance Team have been listed in the Road Map documentation and any deficiencies, opportunities for efficiency gains, options for further investigation or consideration have now been prepared in DRAFT for input and review by the Steering Committee.
- Preparation of a Community Engagement Strategy for further consultation and engagement with our local community on Compliance Services.

The Steering Group will finalise an interim report to Manex in March identifying recommended actions and outcomes.

Management of Council's Fleet

The Fleet Services Review is progressing with a review of fleet depreciation rates and identification of key fleet environmental tasks completed. A number of tasks are well advanced and due for completion by 27 March 2014. Only one task has not yet commenced.

The scheduled date for the review report to be presented to Manex remains at 30 April 2014.

AlburyCity – Finance & Administration Committee

AGENDA

Events Sponsorship

Preparation of the Part 1 review proposal has commenced although has not been presented to Manex for endorsement due to resource impacts arising from the two major sporting events being hosted by AlburyCity in February. Part 1 is expected to be presented to Manex by the end of March with the review still expected to be finalised by the end of June 2014.

Building Surveying Services

This review has considered the wide range of responsibilities and stakeholders associated with the function.

Key steps undertaken include:

- A full analysis and review of existing functions and services.
- Review of all services to determine and identify Council's role as either regulatory or discretionary services.
- SWOT analysis to identify significant areas for further investigation, research or analysis.
- Time and motion review of Development Applications, Construction Certificates and Complying Development Applications across the building surveying team.
- Cost analysis and review for key functions.
- Benchmarking against comparative service providers.
- Consultation with industry and key clients, including builders and developers forum.
- Customer and key client survey.
- Development of Community Engagement Strategy.
- 4 meetings of the Steering Group have been held with further meetings proposed each month during the final preparation of review report.
- Internal consultation with and survey of other teams, functions that interact with Building Surveying.

The review has identified a number of areas for efficiencies relating to service delivery, costs and resourcing. These areas will be subject to further investigation and research prior to finalising the review. An interim report will be presented in April outlining these recommendations and preliminary findings. It is anticipated that the final report will be completed later in this financial year although a majority of actions will be undertaken or implemented in 2014/15.

Wagirra Trail

The review has commenced with detailed investigation being undertaken to determine other opportunities for funding, identify the outcomes, benefits and the costs of the existing program. Opportunities for funding being explored include undertaking works on behalf of other State/Federal agencies, grant funding or philanthropy. Existing Murray River Experience projects in the 4-year delivery program are also being investigated. There is likely to be carry forward funds due to the successful grant funded boat ramp works program into 2014/2015. A preliminary report is being prepared for Manex in February.

AlburyCity – Finance & Administration Committee

AGENDA

Promotion and Marketing Expenditure

As at 31 December 2013, the Communications Team in collaboration with project officers, achieved a saving (2013/2014 budget v actual) across all closed projects of \$40,265 (target \$100K over 12 months).

Within this same six month period, there has been a \$67,344 or 86% reduction in printed collateral expenditure, compared with the same period last year, (\$92,717 12/13YTD v \$10,699 13/14YTD) an \$82,018 or 87% reduction in graphic design costs (\$76,026 12/13YTD v \$8,682 13/14YTD) and a further \$52,766 or 42% (\$126,274 2012-2013 YTD v \$73,508 13/14YTD) reduction in print advertising (\$126,274 2012-2013 YTD v \$73,508 2013-2014 YTD). This is a total year on year reduction of \$202,128.

The reason the overall saving figure (\$40,265) is much lower than these reductions is due to project officers having already reduced their 2013-2014 communications budgets across the board in an effort to reduce expenditure.

At this stage this project is on track for achieving the \$100K overall saving by the end of the current financial year.

Lauren Jackson Sports Centre

This review, which includes benchmarking against KPIs established by Council some years ago, is now 50% completed. There is a need for further discussion with the Sports Centre Advisory Committee. A preliminary report is scheduled for submission to Manex in March before finalising the review for Council in May.

Aquatic Facilities Contract

The review has been completed and the recommendations from the review are currently being implemented in the contract tender documentation which will be advertised in March. In general:

- the aquatic contractors will have more overall business responsibility for the facilities reducing the management time required to be allocated by staff in the Leisure Facilities, Finance and Engineering areas of Council
- there will be greater control for AlburyCity in the attraction and coordination of major events
- Further clarification around maintenance and operational issues for both contract managers and AlburyCity staff will be provided; and
- contract variation options will be included in the next tender document which may be financially beneficial to AlburyCity.

AlburyCity – Finance & Administration Committee

AGENDA

Children's Services (Family Day Care)

Family Day Care had originally identified that a \$41K in savings was possible. Stage 1 of this review has concentrated on a staff restructure during 2013 and savings of \$53K has been identified. This is a \$12K improvement over the original target. The full effect of the savings will not be realised until the 2014-2015 year as it includes a staff member who had retired pending the conclusion of their leave balances over a 12 month period.

Reviews scheduled to commence in future financial years include:

- Children's Services (OOSH)
- Children's Services (Long Day Care)
- Playground strategy
- Economic Development
- Street lighting
- Sports field lighting strategy
- Waterview Laboratory
- Waste Management
- Parks maintenance and public toilets
- Staff Training and Development.

Financial Impact

The current Four year Delivery Program includes the following figures:

2013-2017 Four Year Delivery Program Budgeted Service and Efficiency Savings - allocated to specific Teams:

2013-2014	2014-2015	2015-2016	2016-2017
\$193,949	\$628,406	\$1,148,948	\$1,651,065

2013-2017 Four Year Delivery Program Budgeted "Savings to be achieved"- not allocated to a specific Team:

2013-2014	2014-2015	2015-2016	2016-2017
Nil	\$354,311	\$118,295	\$1,726,998

The following savings have been achieved at this stage for the 2013-2014 financial year:

- \$40K reduction in Promotion and Marketing expenditure achieved through Communications Service & Efficiency Review.
- \$42K reduction in Information Technology Salary & Wages achieved through Corporate Services Service & Efficiency Savings.

AlburyCity – Finance & Administration Committee

AGENDA

- \$51K was originally budgeted for Planning and Environment Service & Efficiency Savings. This Directorate's Service & Efficiency Reviews are not yet completed, however savings have still been found across the group to offset this. The Review and savings for this Directorate have now been built into the 2014-2015 Budget.

Further improvements to the data collection system to enable reporting and reconciliation of the review program have been identified and these will be implemented prior to July 2014.

Impact on the staff

The intent of the process is not to reduce staffing levels. Rather it is to assess Council services, how efficiently they are being delivered and whether there may be additional revenue opportunities. This may result in some staffing changes. Any such changes will be managed within the provisions of the Local Government Award. An internal stakeholder engagement plan has been developed and is being implemented to ensure staff understand the service and efficiency review process and their role in that process and that they are consulted if the outcomes directly affect them.

As Council gains experience in the reviews, future review methodologies may change.

Reporting

Financial impacts will be included in the annual budget estimates and form part of the annual Operational Plan and the revised Four Year Delivery Program. A six monthly report will be provided to Council in February and November.

Community Engagement

An overarching service and efficiency review community engagement plan has been developed. Each individual review that has an impact on external service delivery will be subject to an individual Community Engagement Plan that fits within the overarching plan. Community members will be invited to have input into decisions that may impact them. Stakeholder consultation will be undertaken on specific service reviews and service levels. The review process will be communicated through a range of mediums to ensure the community is informed. AlburyCity's Corporate Planner will oversee the internal and community engagement process.

Risk

- *Business Risk*

Council may not meet the financial targets through the review program therefore leading to the need for more direct intervention.

AlburyCity – Finance & Administration Committee

AGENDA

The Independent Local Government Review Panel's report "Revitalising Local Government" has been published. This report, which will be considered by the NSW Government following the current round of consultation, identifies a range of measures for the local government sector and for individual NSW Councils to address the issue of financial sustainability. Some of these proposals will be obligations and some will be opportunities. AlburyCity will be well placed to meet these obligations and take up opportunities as a result of previous and current review programs.

- *Corporate Risk*

Whenever services and service levels are being reviewed, there will be concern from stakeholders about changes and how they will be affected. Council has an overarching community engagement strategy and an overarching internal stakeholder engagement strategy to ensure appropriate communication and consultation. It must be acknowledged though that if Council is to reach its financial goals of a breakeven operating position, some difficult decisions will be required and service changes will be required.

Conclusion

Council is implementing a Service and Efficiency Review program with the aim of achieving a breakeven operating result before capital income by June 2017. This report is the first in the program's six monthly reporting regime.

Solid progress has been made in undertaking the service and efficiency review process. This is generally in line with the schedule incorporated in the 2013-2014 Operational Plan. The process is requiring a significant human resource investment whilst maintaining the focus on all the scheduled initiatives and standard business activities.

Recommendation

That the committee recommends to Council that Council receive and note the February 2014 Service and Efficiency Review Program Six Monthly Report.

AlburyCity – Finance & Administration Committee

AGENDA

6E Quarterly Budget Review – December 2013 (DOC14/10224)

DATE 11 February 2014

CONFIDENTIAL YES NO If yes please tick one of the following reasons
Personnel Matters Commercial Legal Security Personal Hardship

ITEM FOR DECISION

Meeting Date Monday 17 February 2014

ITEM FOR NOTING

Meeting Date

FURTHER ENQUIRIES TO Mal Dunstone
Corporate Services

PHONE 6023 8153

Background

Council is required to formally monitor and review the progress of its Budget within two months of the end of each quarter. This report is for the December 2013 quarter.

Issues

Council's financial system serves multiple purposes, however a key role is to measure and inform about the organisation's ability to fund its activities.

Council's financial results as at December have been examined to identify where possible savings are to offset cost shifts, the attached tables summarise the results.

MAJOR VARIATIONS

This report highlights the major variations proposed. Where variations have resulted in a net nil change between accounts, this has not been highlighted below.

Operating Budget

The Total Operating Budget (all Funds) changes represent a net improvement of \$155,253 compared to the September Review Budget.

A small amount of this improvement is made up of costs for projects identified as requiring transfer to Capital. The majority of the improvements are in the Sewer Fund with details shown below.

General Fund

There is a favourable movement in the net operating budget of \$10,387. As per Executive directives, work groups have made efforts to ensure cost increments have been offset by savings in other areas.

As part of the 2013-2014 budget it was identified that General Fund Operating Service and Efficiency Savings were to be achieved.

AlburyCity – Finance & Administration Committee

AGENDA

The following savings have been achieved:

- \$40K reduction in Promotion and Marketing expenditure achieved through Communications Service & Efficiency Review.
- \$42K reduction in Information Technology Salary & Wages achieved through Corporate Services Service & Efficiency Savings.
- \$51K was originally budgeted for Planning and Environment Service & Efficiency Savings. This Directorate's Service & Efficiency Reviews are not yet completed, however savings have still been found across the group to offset this. The Review and savings for this Directorate have now been built into the 2014-2015 Budget.

Other major variations to budget have been identified below.

Improvements

- \$14K increase in Art Gallery touring income due to additional exhibitions.
- \$54K transfer from operating costs to capital for the Art Gallery
- \$35K transfer to Capital for Wagirra.
- \$20K reduction in Corporate Services LG NSW Subscription and Membership costs due to a refund which relates to expenditure in the 2012-2013 period.
- \$40K reduction in Building Surveying and Town Planning Salary and Wages due to an unfilled Position.

Deteriorations

- \$16K additional costs in Visual Arts due to additional exhibitions and the Art Gallery being open for slightly longer than initially anticipated.
- \$22K additional expenditure in Cultural Services related to a variety of projects which include an initiative with other major regional cities investigating the economic value of cultural facilities, obtaining urban and public art advice and developing a detailed plan for landscaping at the community wood fire oven.
- \$7K increase in Corporate Services valuation expenditure to match actual costs as received from the Valuer Generals Department.
- \$100K budget assumed vacant position saving has now been updated and offset by reduction in payrolls across groups.
- \$20K reduction in Development Application income.

AlburyCity – Finance & Administration Committee

AGENDA

Water Fund

The forecast is a favourable change to budget of \$22,951.

Improvements

\$250K; increase in water usage income, due to higher consumption.

Deteriorations

\$215K; increase in water pump station electricity, in response to higher consumption.

Sewer Fund

The forecast is a favourable change to budget of \$121,915.

Improvements

- \$40K increase in interest income to recognise actual results.
- \$73K savings in laboratory Salaries and Wages.
- \$27K reduction in Re-use Scheme expenses.
- \$87K savings in electricity from original estimate.

Deteriorations

\$116K reduction in Trade Waste income, consequent to a major customer modifying their process and reducing waste disposal.

CAPITAL BUDGET

The capital budget has a favourable change to budget of \$5,826,495.

General Fund

The forecast is an unfavourable change to budget of \$186,449. This includes a \$60K increase in Library Museum asset purchases as per Council Resolution dated Monday 25 November 2013. The remainder is made up of transfers from operating.

AlburyCity – Finance & Administration Committee

AGENDA

Water Fund

There is a favourable movement in the water fund capital budget of \$494,544.

Improvements

- \$590K rescheduling of projects from the current year budget, these projects are “Water PS No 4.14B (Water Filter Gallery) conversion to DAF” and “Conversion of water telemetry to IP”. The expenditure for these projects has now been deferred to the 2014-15 New Initiatives for consideration.
- \$78K Reduction in the budget for Broad Street works (costs of project were lower than anticipated).
- \$53K Reduction in the budget for Pemberton St standpipe reallocation (costs of project were lower than anticipated).

Deteriorations

\$225K; increase in the cost of Table Top Water Supply Augmentation, initial estimates varied from final pipe and construction costs.

Sewer Fund

There is a favourable movement in the sewer fund capital budget of \$5,518,400.

Improvements

- \$5.7M Rescheduling of projects from the current year budget, these projects are titled:
 - biosolids (sewer sludge) reuse,
 - sewer Pump Station 1 Wodonga Place Depot upgrade,
 - sewer Pump Station 37 (North Albury Pump Station),
 - sewer Pump Station No 41 (Lipsett),
 - Waterview WWTP (Filters & UV),
 - Thurgoona Sewerage Augmentation, and
 - Albury Industrial Hub (Nexus).

Future stages of these projects will now be considered as part of the upcoming Four Year Delivery Program.

Deteriorations

- \$84K increase in the cost of Sewer Pump Station 14 (Olive St), additional costs required for reinstatement works.
- \$42K added to the budget for Kremur ST WWTP upgrade electrical switchboard.

AlburyCity – Finance & Administration Committee

AGENDA

Council has the following options in respect to the December Financial Review:

1. adopt the review as presented;
OR
2. vary the review by not agreeing to the variations to the program as proposed.

Conclusion

The attached results reflect the complexity of activities that Council manages. The full year result (combined operating and capital) is now forecast to be an improvement of \$5,981,748 compared to the September Review. The primary reason for the large improvements is \$5.7M of Sewer projects being rescheduled. These projects have now been resubmitted into the New Initiatives as part of the 2014-2015 budget process for consideration.

All opportunities will continue to be sought to find savings to offset expenditure variations where appropriate. Management will continue to apply strict cost controls to manage the full year result.

Recommendation

That the Committee recommends to Council that Council:

- a. receive and note this report;
- b. adopt the review of the Financial Plan for the quarter ending 31 December 2013; and
- c. adopt the variations to the 2013-2014 Financial Plan, as outlined in this report.

• Attachments

1. December Quarter 2013-2014 Budget Review Operating Results Report Group Structure Format.
2. December Quarter 2013-2014 Budget Review Operating Results Report Statutory Accounts Format.
3. December Quarter 2013-2014 Budget Review Operating Results Report Function Format.
4. December Quarter 2013-2014 Budget Review Capital Results Report.
5. Cash Flow.
6. Consultancy and Legal Expenditure Report.
7. Contract Expenditure Listing.
8. Cash and Investment Report.
9. Report by Responsible Officer
10. Capital Results Changes (*to be tabled*).
11. Operating Results Changes (*to be tabled*).

AlburyCity – Finance & Administration Committee

AGENDA

FAC 7 – OFFICERS REPORTS FOR NOTING

7A Delivery Program Six Monthly Progress Review – December 2013 (DOC14/6110)

Date 24 January 2014

CONFIDENTIAL YES NO If yes please tick one of the following reasons
Personnel Matters Commercial Legal Security Personal Hardship

ITEM FOR DECISION

Meeting Date

ITEM FOR NOTING

Meeting Date Monday 17 February 2014

FURTHER ENQUIRIES TO

Judy Charlton
Director Corporate Services

PHONE 6023 8150

Background

The Council is required to report six monthly against its delivery program. The Delivery Program Six Monthly Progress Report – December 2013 is attached.

Recommendation

That the Committee recommends to Council that Council receive and note the Delivery Program Six Monthly Progress Report – December 2013.

- **Attachment**

1. Delivery Program – Six Monthly Progress Report – December 2013.

AlburyCity – Finance & Administration Committee

AGENDA

7B Corporate Health Indicators Report – December 2013 (DOC14/4612)

DATE 20 January 2014

CONFIDENTIAL YES NO If yes please tick one of the following reasons
Personnel Matters Commercial Legal Security Personal Hardship

ITEM FOR DECISION
Meeting Date

ITEM FOR NOTING
Meeting Date Monday 17 February 2014

FURTHER ENQUIRIES TO Judy Charlton PHONE 6023 8150
Corporate Services

Background

A graphic snapshot of key Organisational Performance Indicators is provided to Council each quarter, along with the Quarterly Budget Review and Quarterly Operational Plan update.

Variance Commentary

It is the intention to only comment on variances from the planned outcome. For this quarterly report, commentary has been provided for Staffing Levels and Delivery Program – Operational Plan Actions.

Staffing Levels

There has been minimal movement in the staffing levels during the second quarter, October to December 2013. A trainee position has been approved to a temporary status to fill a maternity leave position. Other insignificant movements have occurred as a result of approved flexible work requests and changes to positions standard hours through the recruitment approval process. The current staffing levels are significantly less than the target FTE of 432.

NB: The current 43 trainee positions are not included in the management FTE reporting.

Delivery Program – Operational Plan Actions

Operational Plan Actions are progressing to schedule. The increase in the number of actions completed during September and December is a result of actions that are only required to be reported on each quarter.

Recommendation

The Committee recommends to Council that Council receive and note the Corporate Health Indicator December 2013 Report.

- **Attachment**
 1. Corporate Health Indicator Report – December 2013.

AlburyCity – Finance & Administration Committee

AGENDA

7C Investment Balances for Month of December 2013 (DOC14/1557)

DATE 9 January 2014

CONFIDENTIAL YES NO If yes please tick one of the following reasons
 Personnel Matters Commercial Legal Security Personal Hardship

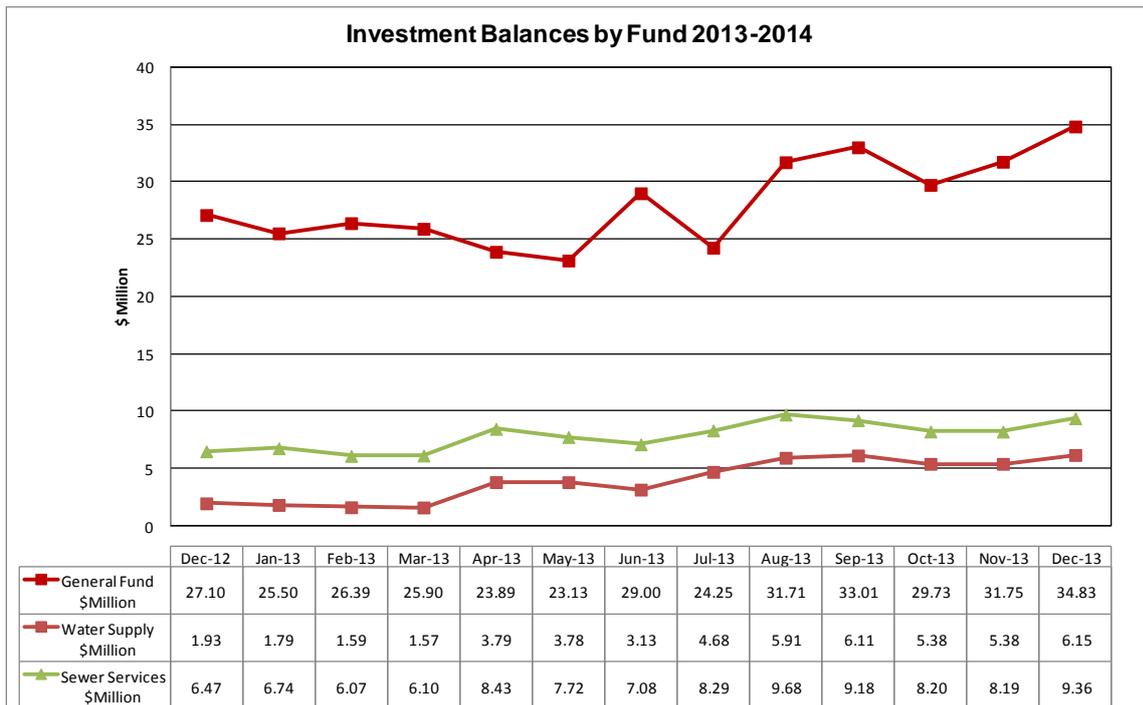
ITEM FOR DECISION ITEM FOR NOTING
 Meeting Date Meeting Date Monday 17 February 2014

FURTHER ENQUIRIES TO Leon Baker PHONE 6023 8114
 Corporate Services

Introduction

AlburyCity investments are managed by Fund (General, Water and Sewer) as required by the Local Government Act and detailed in this report.

Council's portfolio increased by \$5m from the previous month due to receipt of water charges.



AlburyCity – Finance & Administration Committee

AGENDA

CDO Investment History of Transactions and Remaining Balances as at December 2013

Year Ended 30 June	FULL PRODUCT NAME	\$ COST	Valuation \$ Amount (may or may not reflect future disposal value)	Date Sold or projected Maturity	Maturity \$ Amount	Loss (Realised or Potential) Incurred on Sale
2009	Beech Trust (Westpac)	1,000,000				
	Midgard (CBA)	1,000,000				
	UBS AG	500,000				
	Longreach Series 18	1,000,000				
	ASPRIT 11	1,000,000				
	Corsair (Kakadu)	500,000				
	Helium (Scarborough)	1,500,000				
2010	Zircon (Coolangatta)	500,000				
	Beech Trust (Westpac)	1,000,000				
	Midgard (CBA)	1,000,000				
	UBS AG	500,000				
	Longreach Series 18	1,000,000				
	ASPRIT 11	1,000,000				
	Corsair (Kakadu)	500,000				
2011	Helium (Scarborough)	1,500,000				
	Zircon (Coolangatta)	500,000				
	Beech Trust (Westpac)	1,000,000		20/12/2010	1,000,000	-
	Midgard (CBA)	1,000,000				
	UBS AG	500,000				
	Longreach Series 18	1,000,000				
	ASPRIT 11	1,000,000				
2012	Corsair (Kakadu)	500,000				
	Helium (Scarborough)	1,500,000				
	Zircon (Coolangatta)	500,000				
	Midgard (CBA)	1,000,000		31/12/2011	1,000,000	-
	UBS AG	500,000				
	Longreach Series 18	1,000,000				
	ASPRIT 11	1,000,000				
2013	Corsair (Kakadu)	500,000				
	Helium (Scarborough)	1,500,000				
	Zircon (Coolangatta)	500,000				
	UBS AG	500,000		3/12/2012	500,000	
	Longreach Series 18	1,000,000		26/06/2013	1,000,000	
	ASPRIT 11	1,000,000		4/04/2013	1,000,000	
	Corsair (Kakadu)	500,000				
2014	Helium (Scarborough)	1,500,000				
	Zircon (Coolangatta)	500,000		26/02/2013	494,877	5,123
	Corsair (Kakadu)	500,000	101,650	20/03/2014		398,350
	Helium (Scarborough)	1,500,000	0	23/06/2014		1,500,000
Result forecast for remaining items		\$ 2,000,000	101,650			\$ 1,898,350
Transaction Summary on Sold Investments		\$ 5,000,000			\$ 4,994,877	\$ 5,123
Totals all Investments (including forecast outcomes)		\$ 7,000,000				\$ 1,903,473

Recommendation

That the Committee recommends to Council that Council receive, note and accept the Investment Balances for the Month of December 2013.

AlburyCity – Finance & Administration Committee

AGENDA

7D Investment Balances for Month of January 2014 (DOC14/10160)

DATE 11 February 2014

CONFIDENTIAL YES NO If yes please tick one of the following reasons
 Personnel Matters Commercial Legal Security Personal Hardship

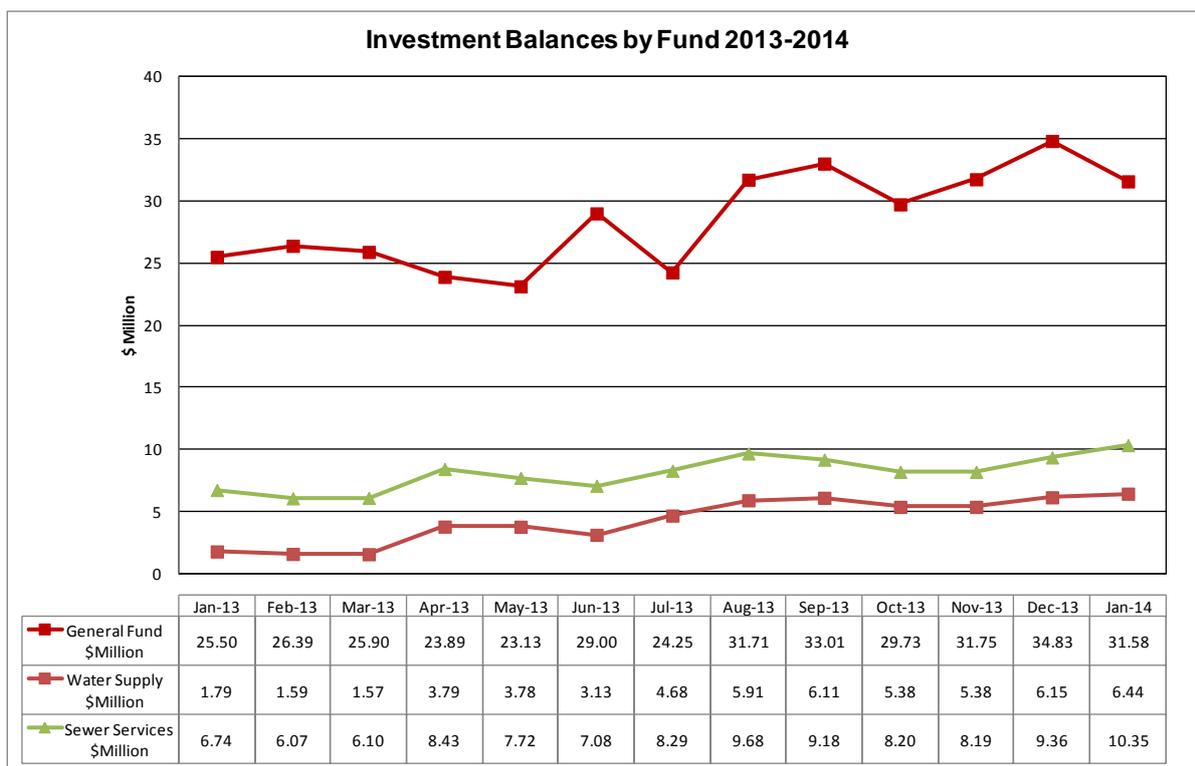
ITEM FOR DECISION Meeting Date
 ITEM FOR NOTING Meeting Date Monday 17 February 2014

FURTHER ENQUIRIES TO Leon Baker PHONE 6023 8114
 Corporate Services

Introduction

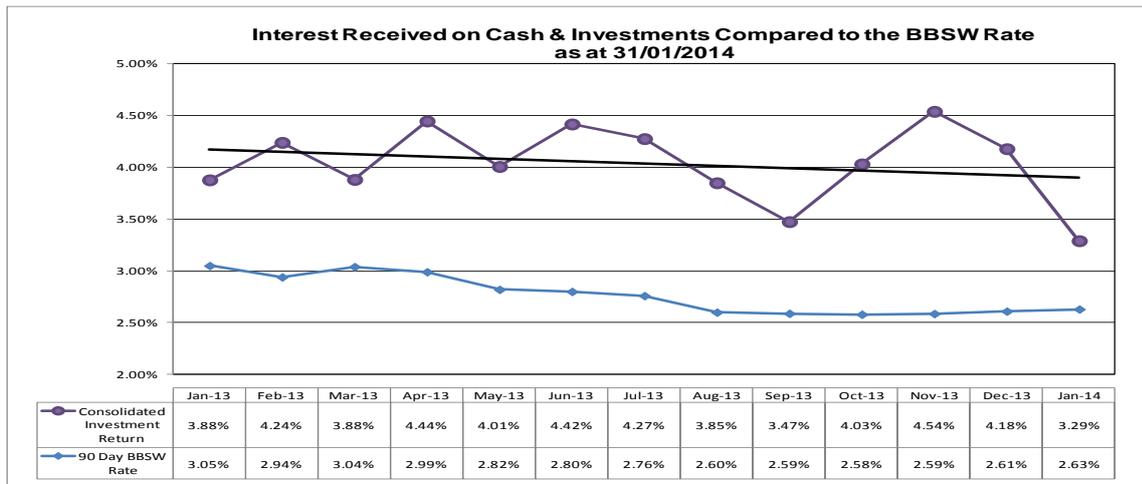
AlburyCity investments are managed by Fund (General, Water and Sewer) as required by the Local Government Act and detailed in this report.

Council's portfolio decreased by \$2m from the previous month with expected income and expenditure levels.



AlburyCity – Finance & Administration Committee

AGENDA



BBSW

The Bank Bill Swap reference rate (BBSW) is the average of mid-rate bank-bill quote from brokers on the BBSW Panel. The BBSW is calculated daily. Floating rate securities are most commonly reset quarterly to the 90-day BBSW.

31/01/2014	FACE VALUE	Current or assessed market value @ 30/6/13	Issuer/Security	Product	DATE INVESTED	YIELD %	PERIOD DAYS	MATURITY DATE	
					AVE. MONTHLY YIELD	3.58%	All Investments		
					AVE. MONTHLY YIELD	3.69%	Excludes Nil Return Investments		
Note	1,500,000	1,500,000	CBA		23/12/2013	3.36%	45	6/02/2014	
	2,000,000	2,000,000	CBA		19/12/2013	3.37%	49	6/02/2014	
	1,000,000	1,000,000	CBA		2/01/2014	3.36%	42	13/02/2014	
	1,500,000	1,500,000	CBA		16/01/2014	3.40%	35	20/02/2014	
	1,000,000	1,000,000	CBA		17/01/2014	3.40%	41	27/02/2014	
	1,000,000	1,000,000	CBA		16/01/2014	3.40%	42	27/02/2014	
	1,000,000	1,000,000	CBA		28/11/2013	3.36%	92	28/02/2014	
	1,000,000	1,000,000	CBA		30/01/2014	3.36%	35	6/03/2014	
	1,500,000	1,500,000	CBA		23/01/2014	3.40%	42	6/03/2014	
	2,000,000	2,000,000	CBA		23/01/2014	3.41%	49	13/03/2014	
	4,000,000	4,000,000	NAB		30/10/2013	3.90%	155	3/04/2014	
	2,000,000	2,000,000	NAB		28/11/2013	3.82%	181	28/05/2014	
	2,000,000	2,000,000	NAB		28/11/2013	3.82%	181	28/05/2014	
	2,020,000	2,020,000	NAB		23/12/2013	3.85%	182	23/06/2014	
	2,000,000	2,000,000	NAB		20/01/2014	3.80%	191	30/07/2014	
	2,000,000	2,000,000	Westpac		2/09/2013	3.89%	365	2/09/2014	
	2,000,000	2,000,000	Westpac		4/11/2013	3.96%	365	4/11/2014	
	4,000,000	4,000,000	Westpac		7/11/2013	3.96%	365	7/11/2014	
	3,000,000	3,000,000	Westpac		20/12/2013	3.75%	364	19/12/2014	
	2,000,000	2,000,000	Suncorp-Metway		28/11/2013	3.60%	120	28/03/2014	
	1,000,000	1,000,000	Suncorp-Metway		16/12/2013	3.70%	182	16/06/2014	
	2,000,000	2,000,000	IMB LTD		28/11/2013	3.50%	91	27/02/2014	
	1,000,000	1,000,000	IMB LTD		2/12/2013	3.50%	184	4/06/2014	
	1,731,181	1,731,181	WAW		16/12/2013	3.80%	120	15/04/2014	
	1,138,865	1,138,865	WAW		14/01/2014	3.90%	120	14/05/2014	
	1,140,058	1,140,058	Hume Build. Soc.		5/11/2013	3.70%	92	5/02/2014	
	1,129,927	1,129,927	Hume Build. Soc.		18/11/2013	3.70%	91	17/02/2014	
	59,876	598,754	Hume Build. Soc.		29/01/2014	3.70%	181	29/07/2014	
	\$ 47,719,906	\$ 48,258,784							
**	500,000	101,650	Corsair (Jersey) No 4	***	Kakadu	5/12/2006	4.02%	2662	20/03/2014
	1,500,000	-	Helium Capital Ltd	***	Scarborough	25/05/2006	0.00%	2951	23/06/2014
	\$ 2,000,000	\$ 101,650							
	\$ 49,719,906	\$ 48,360,434							
			\$1,047,620		13/14 YTD Interest Earnings				
			\$858,960		12/13 YTD Interest Earnings				
			\$208,438		Earnings lost: estimated YTD on coupon suspension				
	** Note - Coupon (interest) payments have been suspended permanently								
	*** Note - Purchased through a Broker								

The investments detailed have been made in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005, and Council's Investment Policy.

AlburyCity – Finance & Administration Committee

AGENDA

CDO Investment History of Transactions and Remaining Balances as at January 2014

AlburyCity								
CDO Investment History of Transactions and remaining Balances							as at	Jan-14
Year Ended 30 June		FULL PRODUCT NAME	\$ COST	Valuation \$ Amount (may or may not reflect future disposal value)	Date Sold or projected Maturity	Maturity \$ Amount	Loss (Realised or Potential) Incurred on Sale	
2009		Beech Trust (Westpac)	1,000,000					
		Midgard (CBA)	1,000,000					
		UBS AG	500,000					
		Longreach Series 18	1,000,000					
		ASPRIT 11	1,000,000					
		Corsair (Kakadu)	500,000					
		Helium (Scarborough)	1,500,000					
2010		Zircon (Coolangatta)	500,000					
		Beech Trust (Westpac)	1,000,000					
		Midgard (CBA)	1,000,000					
		UBS AG	500,000					
		Longreach Series 18	1,000,000					
		ASPRIT 11	1,000,000					
		Corsair (Kakadu)	500,000					
2011		Helium (Scarborough)	1,500,000					
		Zircon (Coolangatta)	500,000					
		Beech Trust (Westpac)	1,000,000		20/12/2010	1,000,000	-	
		Midgard (CBA)	1,000,000					
		UBS AG	500,000					
		Longreach Series 18	1,000,000					
		ASPRIT 11	1,000,000					
2012		Corsair (Kakadu)	500,000					
		Helium (Scarborough)	1,500,000					
		Zircon (Coolangatta)	500,000					
		Midgard (CBA)	1,000,000		31/12/2011	1,000,000	-	
		UBS AG	500,000					
		Longreach Series 18	1,000,000					
		ASPRIT 11	1,000,000					
2013		Corsair (Kakadu)	500,000					
		Helium (Scarborough)	1,500,000					
		Zircon (Coolangatta)	500,000					
		UBS AG	500,000		3/12/2012	500,000		
		Longreach Series 18	1,000,000		26/06/2013	1,000,000		
		ASPRIT 11	1,000,000		4/04/2013	1,000,000		
		Corsair (Kakadu)	500,000					
2014		Helium (Scarborough)	1,500,000					
		Zircon (Coolangatta)	500,000		26/02/2013	494,877	5,123	
		Corsair (Kakadu)	500,000	101,650	20/03/2014		398,350	
		Helium (Scarborough)	1,500,000	0	23/06/2014		1,500,000	
Result forecast for remaining items			\$ 2,000,000	101,650			\$ 1,898,350	
Transaction Summary on Sold Investments			\$ 5,000,000			\$ 4,994,877	\$ 5,123	
Totals all Investments (including forecast outcomes)			\$ 7,000,000				\$ 1,903,473	

Recommendation

That the Committee recommends to Council that Council receive, note and accept the Investment Balances for the Month of January 2014.

AlburyCity – Finance & Administration Committee

AGENDA

FAC 8 – DELEGATES REPORTS FOR NOTING

There were no Delegates Reports for Noting.

AlburyCity – Finance & Administration Committee AGENDA

FAC 9– NOTICE OF URGENT BUSINESS

Items raised by Councillors at the Meeting.