



Hawkesbury City Council

ordinary
meeting
business
paper

date of meeting: 26 June 2018

location: council chambers

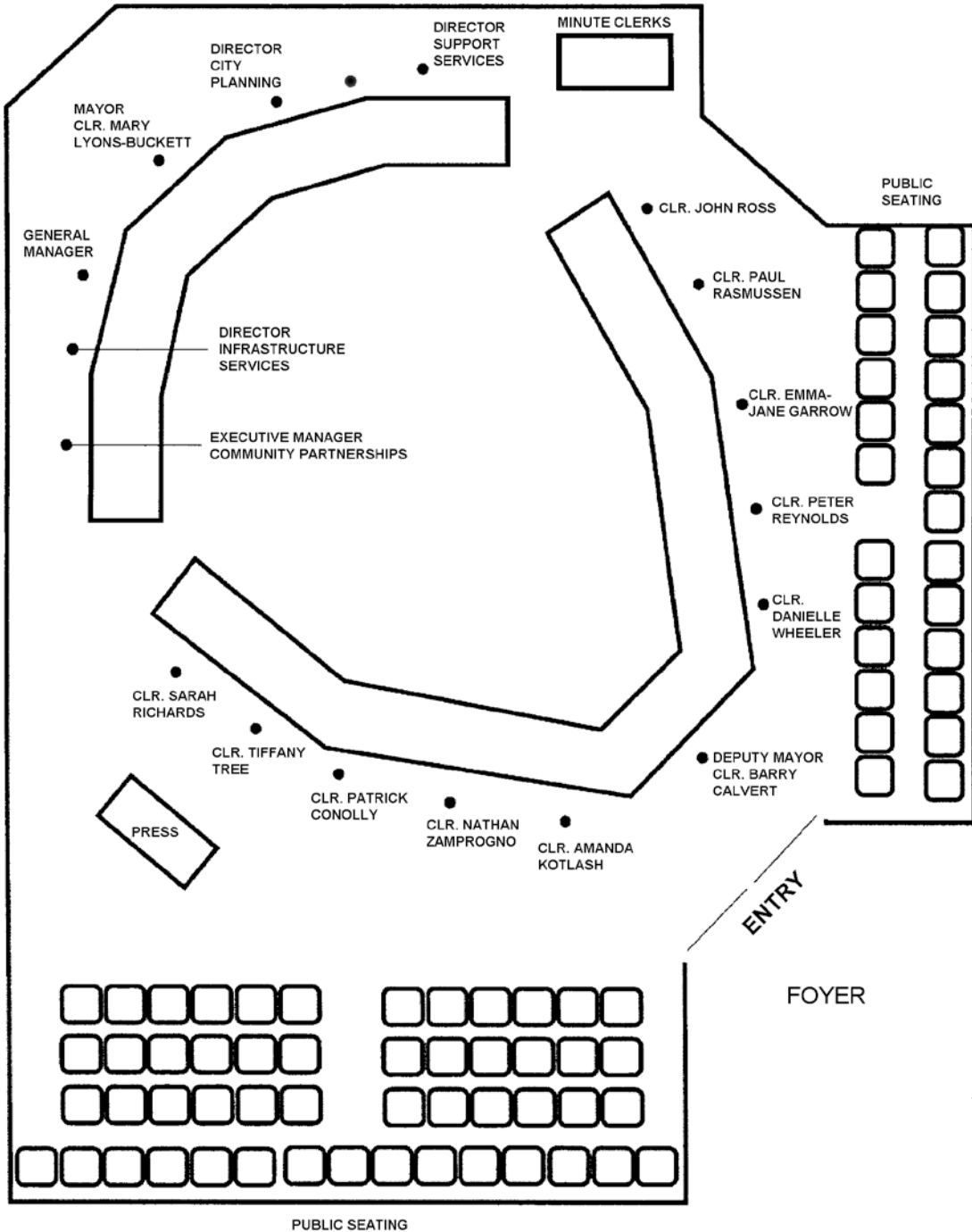
time: 6:30 p.m.



mission statement

***Hawkesbury City Council
leading and working
with our community
to create a healthy
and resilient future.***

Hawkesbury City Council



ORDINARY MEETING
Procedural Matters
Meeting Date: 26 June 2018

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE
SECTION 1 - Confirmation of Minutes		8
SECTION 2 – Mayoral Minutes		11
SECTION 3 – Reports for Determination		15
SUPPORT SERVICES		15
Item: 146	SS - Monthly Investments Report - May 2018 - (95496, 96332)	15
Item: 147	SS - Pecuniary Interest Return - Designated Person - (95496, 96333)	19
Item: 148	SS - 2018/2019 Remuneration for Councillors and Mayor - (95496, 96332)	22
Item: 149	SS - Loan Borrowings and the Low Cost Loan Initiative for Infrastructure identified in the Draft Vineyard Section 7.11 Contributions Plan - (95496)	25
Item: 150	SS - Review of Council's Investment Policy and Appointment of Investment Advisor - (95496, 96332)	29
Item: 151	SS - Outstanding Receivables - Bad Debts Write Off 2017/2018 - (95496, 96332)	46
SECTION 4 – Reports of Committees		53
SECTION 5 – Notices of Motion		57
Item: 152	NM1 - Disclosure outside the North West Growth Sector - (79351, 138884)	57
Item: 153	NM2 - Third Crossing of the Hawkesbury River at North Richmond - (79351, 138879)	59
QUESTIONS FOR NEXT MEETING		61
Item: 154	Councillor Questions from Previous Minutes and Responses - 8 May 2018 - (79351)	61
Item: 155	Councillor Questions from Previous Meetings and Responses - 29 May 2018 - (79351)	67
CONFIDENTIAL REPORTS		71
Item: 156	SS - Lease to Vannarith Chea and Sayoen Khun - Shop 4, Wilberforce Shopping Centre - (113051, 109556, 95496, 112106)	71
Item: 157	SS - Licence to Tomra Collection Pty Ltd - Part of 1 Kable Street, Windsor - (95496, 92432, 112106)	72

ORDINARY MEETING

Procedural Matters

Meeting Date: 26 June 2018

PROCEDURAL MATTERS

Welcome

The General Manager will address the Council meeting, mentioning:

- Acknowledgement of Indigenous Heritage
- Emergency Procedures
- Recording of the Council Meeting
- Statement regarding people addressing the Meeting
- Mobile phones.

Attendance

Attending Councillors and Council staff members will be noted for the purposes of the Minutes.

Apologies and Leave of Absence

The Mayor will ask for any Apologies or Leave of Absence Requests to be noted.

Declaration of Interest

The Mayor will ask for any Declaration of Interests from the attending Councillors. These will then be addressed at the relevant item.

Acknowledgement of Official Visitors to the Council

The Mayor will acknowledge and welcome official visitors to the Council and make any relevant presentations as required.

ordinary

section 1

confirmation of minutes

ORDINARY MEETING

SECTION 1 - Confirmation of Minutes

Meeting Date: 26 June 2018

SECTION 1 - Confirmation of Minutes

ordinary

section 2

mayoral minutes

ORDINARY MEETING
SECTION 2 – Mayoral Minute
Meeting Date: 26 June 2018

ORDINARY MEETING
SECTION 2 – Mayoral Minute
Meeting Date: 26 June 2018

SECTION 2 – Mayoral Minutes

No Mayoral Minutes.

ORDINARY MEETING
SECTION 2 – Mayoral Minute
Meeting Date: 26 June 2018

ordinary

section 3

reports
for determination

ORDINARY MEETING

SECTION 3 – Reports for Determination

Meeting Date: 26 June 2018

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018

SECTION 3 – Reports for Determination

SUPPORT SERVICES

Item: 146 **SS - Monthly Investments Report - May 2018 - (95496, 96332)**

Previous Item: 97, Ordinary (30 May 2017)

Directorate: Support Services

PURPOSE OF THE REPORT:

The purpose of this report is to provide the Council with a written report setting out details of all money that the Council has invested under Section 625 of the Local Government Act 1993.

EXECUTIVE SUMMARY:

This report indicates that Council held \$54.25 million in investments at 31 May 2018 and outlines that all investments were made in accordance with the Act, the Regulation and Council's Investment Policy.

RECOMMENDATION SUMMARY:

It is recommended that the Monthly Investments Report for May 2018 be received and noted.

REPORT:

Context and Background

The following table indicates that Council held \$54.25 million in investments as at 31 May 2018. Details of the financial institutions with which the investments were made, the maturity date (where applicable), the rate of return achieved, the credit rating of the institutions both in the short term and the long term, and the percentage of the total portfolio, are provided below:

Investment Type	Institution Short Term Rating	Institution Long Term Rating	Lodgement Date	Maturity Date	Interest Rate %	Principal \$	Percentage of Portfolio	Total \$
On Call								
CBA	A1+	AA-			1.25%	2,200,000	4.06%	
TCorp*					2.27%	2,051,988	3.78%	
Total On-call Investments								4,251,988
Term Investments								
Bankwest	A1+	AA-	22-Nov-17	19-Sep-18	2.55%	1,000,000	1.84%	
Bankwest	A1+	AA-	13-Apr-18	24-Oct-18	2.70%	1,000,000	1.84%	
Bankwest	A1+	AA-	18-Apr-18	24-Oct-18	2.70%	500,000	0.92%	
Bankwest	A1+	AA-	27-Apr-18	08-Nov-18	2.70%	1,000,000	1.84%	
Bankwest	A1+	AA-	22-Nov-17	21-Nov-18	2.55%	1,500,000	2.76%	
Bankwest	A1+	AA-	22-Feb-18	22-Feb-19	2.60%	500,000	0.92%	
Bankwest	A1+	AA-	09-May-18	08-May-19	2.70%	500,000	0.92%	
Bankwest	A1+	AA-	09-May-18	08-May-19	2.70%	1,500,000	2.76%	

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018

Investment Type	Institution Short Term Rating	Institution Long Term Rating	Lodgement Date	Maturity Date	Interest Rate %	Principal \$	Percentage of Portfolio	Total \$
CBA	A1+	AA-	03-Aug-17	18-Jul-18	2.54%	2,000,000	3.69%	
CBA	A1+	AA-	13-Dec-17	13-Dec-18	2.57%	3,000,000	5.53%	
CBA	A1+	AA-	21-Dec-17	21-Dec-18	2.61%	1,000,000	1.84%	
CBA	A1+	AA-	12-Jan-18	16-Jan-19	2.63%	1,500,000	2.76%	
CBA	A1+	AA-	31-Jan-18	31-Jan-19	2.65%	2,500,000	4.61%	
CBA	A1+	AA-	14-Mar-18	14-Mar-19	2.66%	1,000,000	1.84%	
CBA	A1+	AA-	04-Apr-18	04-Apr-19	2.74%	1,000,000	1.84%	
CBA	A1+	AA-	24-Aug-17	23-Aug-19	2.72%	3,000,000	5.53%	
CBA	A1+	AA-	02-Mar-18	04-Mar-20	2.79%	1,000,000	1.84%	
CBA	A1+	AA-	04-Apr-18	03-Apr-20	2.85%	1,000,000	1.84%	
NAB	A1+	AA-	16-Aug-17	16-Aug-18	2.52%	1,500,000	2.76%	
NAB	A1+	AA-	02-Mar-18	19-Sep-18	2.52%	500,000	0.92%	
NAB	A1+	AA-	16-May-18	15-May-19	2.65%	2,000,000	3.69%	
Westpac	A1+	AA-	14-Jun-17	14-Jun-18	2.65%	2,000,000	3.69%	
Westpac	A1+	AA-	28-Jun-17	28-Jun-18	2.65%	2,000,000	3.69%	
Westpac	A1+	AA-	05-Jul-17	05-Jul-18	2.65%	2,500,000	4.61%	
Westpac	A1+	AA-	03-Aug-17	03-Aug-18	2.60%	800,000	1.47%	
Westpac	A1+	AA-	03-Aug-17	03-Aug-18	2.60%	1,000,000	1.84%	
Westpac	A1+	AA-	03-Aug-17	03-Aug-18	2.60%	1,000,000	1.84%	
Westpac	A1+	AA-	16-Aug-17	16-Aug-18	2.65%	500,000	0.92%	
Westpac	A1+	AA-	24-Aug-17	24-Aug-18	2.70%	400,000	0.74%	
Westpac	A1+	AA-	24-Aug-17	24-Aug-18	2.70%	800,000	1.47%	
Westpac	A1+	AA-	09-Oct-17	09-Oct-18	2.70%	2,000,000	3.69%	
Westpac	A1+	AA-	08-Nov-17	08-Nov-18	2.60%	500,000	0.92%	
Westpac	A1+	AA-	07-Feb-18	07-Feb-19	2.59%	2,000,000	3.69%	
Westpac	A1+	AA-	22-Feb-18	22-Feb-19	2.62%	500,000	0.92%	
Westpac	A1+	AA-	02-Mar-18	06-Mar-19	2.60%	1,000,000	1.84%	
Westpac	A1+	AA-	04-Apr-18	04-Apr-19	2.75%	1,500,000	2.76%	
Westpac	A1+	AA-	31-May-18	05-Jun-19	2.75%	1,000,000	1.84%	
Westpac	A1+	AA-	31-May-18	05-Jun-19	2.75%	1,000,000	1.84%	
Westpac	A1+	AA-	14-Mar-18	13-Mar-20	2.81%	500,000	0.92%	
Westpac	A1+	AA-	18-Apr-18	17-Apr-20	2.93%	500,000	0.92%	
Total Term Investments								50,000,000
TOTAL INVESTMENT AS AT 31 May 2018								54,251,988

*Tcorp is wholly owned by the NSW State Government

Performance by Type

Category	Balance \$	Average Interest	Bench Mark	Bench Mark %	Difference to Benchmark
Cash at Call	4,251,988	1.74%	Reserve Bank Cash Reference Rate	1.50%	0.24%
Term Deposit	50,000,000	2.65%	UBS 90 Day Bank Bill Rate	1.94%	0.71%
Total	54,251,988	2.58%			

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018

Restricted/Unrestricted Funds

Restriction Type	Amount \$
External Restrictions -S94	12,162,084
External Restrictions - Other	7,796,021
Internal Restrictions	17,967,381
Unrestricted	16,326,502
Total	54,251,988

Unrestricted funds, whilst not subject to a restriction for a specific purpose, are fully committed to fund operational and capital expenditure in line with Council's adopted Operational Plan. As there are timing differences between the accounting for income and expenditure in line with the Plan, and the corresponding impact on Council's cash funds, a sufficient level of funds is required to be kept at all times to ensure Council's commitments are met in a timely manner. Council's cash management processes are based on maintaining sufficient cash levels to enable commitments to be met when due, while at the same time ensuring investment returns are maximised through term investments where possible.

In addition to funds being fully allocated to fund the Operational Plan activities, funds relating to closed self-funded programs and that are subject to legislative restrictions cannot be utilised for any purpose other than that specified. Externally restricted funds include funds relating to Section 94 Contributions, Domestic Waste Management, Sewerage Management, Stormwater Management and Grants.

Funds subject to an internal restriction refer to funds kept aside for specific purposes, or to meet future known expenses. This allows for significant expenditures to be met in the applicable year without having a significant impact on that year. Internally restricted funds include funds relating to Tip Remediation, Workers Compensation, and Elections.

Detailed History, including previous Council Decisions

Council considered and adopted Council's Investment Policy on 30 May 2017.

Policy considerations

According to Clause 212 of the Local Government (General) Regulation 2005, the Responsible Accounting Officer must provide the Council with a written report setting out details of all money that the Council has invested under Section 625 of the Local Government Act 1993. The report must include a certificate as to whether or not investments have been made in accordance with the Act, the Regulation and the Council's Investment Policy.

Investment Certification

I, Emma Galea (Responsible Accounting Officer), hereby certify that the investments listed in this report have been made in accordance with Section 625 of the Local Government Act 1993, Clause 212 of the Local Government (General) Regulation 2005 and Council's Investment Policy.

Consultation

The issues raised in this report concern matters which do not require community consultation under Council's Community Engagement Policy.

Conformance to the Hawkesbury Community Strategic Plan 2017-2036

The proposal is consistent with the following Focus Area, Direction and Strategies within the CSP.

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018

Our Leadership

1.3 Financial Sustainability - Build strong financial sustainability for now and future generations.

1.3.1 In all of Council's strategies, plans and decision making there will be a strong focus on financial sustainability.

1.3.2 Meet the needs of the community now and into the future by managing Council's assets with a long-term focus.

Discussion

During the reporting period, the investment portfolio increased by \$1.8 million reflecting funds received, payments made, and redemption of invested funds and lodging of new term deposits, which is driven by cash flow requirements.

The investment portfolio currently involves a number of term deposits and on-call accounts. Council's current investment portfolio is not subject to share market volatility.

As at 31 May 2018, Council's investment portfolio is all invested with major Australian trading banks or wholly owned subsidiaries of major Australian trading banks and in line with Council's Investment Policy.

The investment portfolio is regularly reviewed in order to maximise investment performance and minimise risk. Independent advice is sought on new investment opportunities, and Council's investment portfolio is independently reviewed by Council's investment advisor each calendar quarter.

Financial Implications

The matters raised in this report have direct financial implications. The income applicable is provided for in the 2017/2018 Adopted Operational Plan.

Fit For The Future Strategy Considerations

The proposal is aligned with Council's long term plan to improve and maintain the organisational sustainability and achieve Fit for the Future financial benchmarks.

Conclusion

Council has investments totalling \$54.25 million as at 31 May 2018, invested in accordance with Council's Investment Policy.

RECOMMENDATION:

That the Monthly Investments Report for May 2018 be received and noted.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF REPORT Oooo

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018

Item: 147 **SS - Pecuniary Interest Return - Designated Person - (95496, 96333)**

Directorate: Support Services

PURPOSE OF THE REPORT:

The purpose of this report is to table a Disclosure of Pecuniary Interests and Other Matters Return, which has been recently lodged by a Designated Person, as required by Section 449(1) of the Local Government Act 1993.

EXECUTIVE SUMMARY:

Councillors and other members of Council staff identified as Designated Persons under the Local Government Act are required to complete a Pecuniary Interest Return form identifying any pecuniary and other types of interests that they hold as at their date of commencement with Council.

One such Return has recently been lodged with the General Manager, and is now tabled at the first Council meeting held after the required lodgement date.

RECOMMENDATION SUMMARY:

That the information be received and noted.

REPORT:

Context and Background

Councillors and other members of Council staff who hold a position involving the exercise of functions that, in their exercise, could give rise to a conflict between the person's duty as a member of staff and the person's private interest, are identified by Council as a "Designated Person", as defined by Section 441 of the Local Government Act.

Designated Persons are required by Section 449 of the Local Government Act to complete a Return form identifying any pecuniary and other types of interests that they hold as at their date of commencement with Council.

These Return forms must be lodged with the General Manager within three months of the Designated Person's date of commencement with Council, and must be tabled at the first Council meeting held after the required lodgement date.

Policy considerations

Section 450A of the Local Government Act, 1993 relates to the register of Pecuniary Interest Returns and the tabling of these Returns, which have been lodged by Councillors and Designated Persons. Section 450A of the Act is as follows:

- "1. *The General Manager must keep a register of returns required to be lodged with the General Manager under section 449.*

2. *Returns required to be lodged with the General Manager under section 449 must be tabled at a meeting of the council, being:*

ORDINARY MEETING

SECTION 3 – Reports for Determination

Meeting Date: 26 June 2018

- (a) *In the case of a return lodged in accordance with section 449 (1)—the first meeting held after the last day for lodgement under that subsection, or*
- (b) *In the case of a return lodged in accordance with section 449 (3)—the first meeting held after the last day for lodgement under that subsection, or*
- (c) *In the case of a return otherwise lodged with the general manager—the first meeting after lodgement."*

With regard to Section 450A(1), a register of all Returns lodged by Councillors and Designated Persons, in accordance with Section 449 of the Act, is currently kept by Council as required by this part of the Act.

With regard to Section 450A(2), all Returns lodged by Councillors and Designated Persons, under Section 449 of the Act, must be tabled at a Council Meeting as outlined in subsections (a), (b) and (c).

Consultation

The issues raised in this report concern matters which do not require community consultation under Council's Community Engagement Policy.

Conformance to the Hawkesbury Community Strategic Plan 2017-2036

The proposal is consistent with the following Focus Area, Direction and Strategy within the CSP.

Our Leadership

1.5 Regulation and Compliance - Encourage a shared responsibility for effective local compliance.

1.5.2 Best practice, sustainability principles, accountability and good governance are incorporated in all activities undertaken by Council.

Discussion

With regard to Section 450(2)(a), the following Section 449(1) Return has been lodged:

Position	Return Date	Date Lodged
Acting Director City Planning	12 March 2018	23 May 2018

The above Designated Person has lodged their Section 449(1) Return prior to the due date (being three months after the Return Date), as required by the Act for the receipt of the Return.

The above details are now tabled in accordance with Section 450A(2)(a) of the Act, and the abovementioned Return is available for inspection if requested.

Financial Implications

There are no financial implications applicable to this report.

Fit For The Future Strategy Considerations

The proposal is aligned with Council's long term plan to improve and maintain organisational sustainability and achieve Fit for the Future financial benchmarks. The proposal has no resourcing implications, outside of Council's adopted 2017/2018 Operation Plan, which will adversely impact on Council's financial sustainability.

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018

Conclusion

The Designated Person has lodged their Section 449(1) Return with the General Manager prior to the required due date.

The Return has now been tabled at a Council meeting as required by the Local Government Act, and is available for inspection if required.

RECOMMENDATION:

That the Section 449(1) Pecuniary Interest Return be received and noted.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF REPORT Oooo

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018

Item: 148 **SS - 2018/2019 Remuneration for Councillors and Mayor - (95496, 96332)**

Directorate: Support Services

PURPOSE OF THE REPORT:

The purpose of this report is to obtain Council's endorsement of the provision of annual remuneration for Councillors and the Mayor for the 2018/2019 financial year.

EXECUTIVE SUMMARY:

The Local Government Act 1993 provides for the payment of fees to mayors and councillors. The minimum and maximum amount of fees permitted to be paid to mayors and councillors is determined by categories defined by the Local Government Remuneration Tribunal (the Tribunal).

The minimum and maximum amount of fees permitted to be paid to mayors and councillors is reviewed annually by the Tribunal. The categories into which councils are divided are reviewed by the Tribunal at least once every three years. The categories were reviewed in 2017. The annual determination of fees and categories for the 2018/2019 financial year has been issued.

RECOMMENDATION SUMMARY:

That Council set the maximum allowable amount of fees for Councillors and the Mayor for the 2018/2019 financial year.

REPORT:

Context and Background

The Local Government Act 1993 (the Act) provides for the payment of fees to mayors and councillors. The minimum and maximum amount of fees permitted to be paid to mayors and councillors is determined by categories defined by the Local Government Remuneration Tribunal (the Tribunal).

The Act stipulates that councils must pay an annual fee to each councillor and to the mayor, with the mayoral fee being paid in addition to the fee paid to the mayor as a councillor. Councils are permitted to fix these fees, in which case the fees must be fixed in accordance with the determination of the Tribunal. If a council does not fix a fee, the council is required to pay the relevant minimum fee determined by the Tribunal.

Prior to the 2017/2018 financial year, the Tribunal undertook a significant review of the criteria of the categories, and the allocation of NSW councils into those categories. That review was prompted by the creation of 20 new councils as a result of the amalgamation process, and the overall reduction of the number of NSW councils from 152 to 128.

As a result of that review, the Tribunal adopted a new categorisation model which classifies councils based on geographic location, population, economic influence, and availability of regional services.

In 2017/2018, Hawkesbury City Council was categorised as "Regional Rural", and there has been no change in that categorisation for the 2018/2019 financial year. The Tribunal reviewed the criteria that apply to the categories and the allocation of councils into those categories and found that there was no strong case to change the criteria of the allocation of councils into categories.

ORDINARY MEETING
SECTION 3 – Reports for Determination

Meeting Date: 26 June 2018

The annual fees to be paid to mayors and councillors for the period 1 July 2018 to 30 June 2019 for a Regional Rural Council (which includes Hawkesbury City Council) are:

Councillor Annual Fee		Mayor Additional Fee*	
<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>
\$8,970	\$19,790	\$19,100	\$43,170

**This fee must be paid in addition to the fee paid to the Mayor as a Councillor.*

In past years, it has been the usual practice for Council to pay the maximum fee to Councillors and to the Mayor, with a fee of 15% deducted from the total allowable Mayoral fee and allocated to the Deputy Mayor.

The current annual fees for the 2017/2018 financial year for Councillors and the Mayor are \$19,310 and \$55,112 respectively, with an additional fee of \$6,318 which is deducted from the Mayor's total allowable fee and paid to the Deputy Mayor.

The Tribunal's determination for the 2018/2019 financial year has provided a general increase in all fees of 2.5 per cent, which is consistent with the NSW Government's public sector wages policy.

The below table depicts the annual and monthly payments that would be allocated to Councillors, the Mayor, and the Deputy Mayor, for the 2018/2019 financial year, should Council continue the present practice to pay the maximum fees:-

	Councillor Fees		Mayor / Deputy Mayor *		Maximum Total	
	<i>Maximum - Annual</i>	<i>Maximum - Monthly</i>	<i>Maximum - Annual</i>	<i>Maximum - Monthly</i>	<i>Annual</i>	<i>Monthly</i>
Councillor	\$19,790	\$1,649.17			\$19,790	\$1,649.17
Mayor	\$19,790	\$1,649.17	\$43,170.00 – \$6,475.50 \$36,694.50	\$3,057.88	\$56,484.50	\$4,707.05
Deputy Mayor	\$19,790	\$1,649.17	\$6,475.50	\$539.63	\$26,265.50	\$2,188.80

**Pursuant to Section 249(2) of the Act, these fees must be paid in addition to the fees paid to the Mayor and Deputy Mayor as Councillors.*

Based on Council's previous practice of paying the maximum allowable fees, the proposed fees displayed in the above table are submitted for Council's consideration.

Consultation

The issues raised in this report concern matters which do not require community consultation under Council's Community Engagement Policy.

Conformance to the Hawkesbury Community Strategic Plan 2017-2036

The proposal is consistent with the following Focus Area, Direction and Strategy within the CSP.

Our Leadership

1.1 Local Leadership and effective governance - Provide representative, responsive and accountable governance.

1.1.1 Council's elected leaders will actively connect and collaborate with the community.

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018

Financial Implications

The matters raised in this report have direct financial implications. The expenditure applicable is provided for in the 2018/2019 Adopted Operational Plan.

Fit For The Future Strategy Considerations

The proposal is aligned with Council's long term plan to improve and maintain organisational sustainability and achieve Fit for the Future financial benchmarks. The proposal has no resourcing implications, outside of Council's draft 2018/2019 Operational Plan, which will adversely impact on Council's financial sustainability.

Conclusion

In accordance with the Local Government Act, the Local Government Remuneration Tribunal has determined the categories and the amount of fees that councils are required to pay to councillors and mayors in the 2018/2019 financial year. It is recommended that Council endorse payment of the maximum allowable fees, in line with Council's practice of previous years.

RECOMMENDATION:

That:

1. The annual fee for Councillors for 2018/2019 be set at \$19,790.
2. The additional annual fee for the Mayor be set at \$43,170, and the Deputy Mayor's additional annual fee be set at \$6,475.50, to be deducted from the Mayor's annual fee.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF REPORT Oooo

ORDINARY MEETING

SECTION 3 – Reports for Determination

Meeting Date: 26 June 2018

Item: 149 **SS - Loan Borrowings and the Low Cost Loan Initiative for Infrastructure identified in the Draft Vineyard Section 7.11 Contributions Plan - (95496)**

Directorate: Support Services

PURPOSE OF THE REPORT:

The purpose of this report is to seek approval from council to borrow \$16.5 million in order to construct relevant infrastructure identified in the Draft Vineyard Precinct Section 7.11 Contributions Plan (formerly Section 94 Plan). Approval to borrow \$16.5 million will provide Council with the option of applying for an interest subsidy available under the Low Cost Loan Initiative, a joint project of the NSW Department of Planning and Environment, NSW Office of Local Government and the NSW Treasury Corporation.

EXECUTIVE SUMMARY:

In April 2018, the NSW Department of Planning and Environment have advised of the launch of a Low Cost Loan Initiative designed to accelerate the provision of infrastructure for new housing. The Low Cost Loan Initiative reimburses 50% of the interest paid on eligible infrastructure loans that enable investment in the necessary infrastructure that must be provided for at the same time as new communities are built.

Council, at its Ordinary Meeting on 8 May 2018, resolved to publicly exhibit the Draft Vineyard Precinct Section 7.11 Contributions Plan. The draft plan identifies that \$16.5 million of infrastructure is required to ensure timely delivery of necessary trunk infrastructure prior to the accumulation of sufficient contributions from development, thereby necessitating the use of loan funding. The purpose of the identified loan meets the requirements under the Low Cost Loan Initiative.

The closing date to apply to participate in the first round of the Low Cost Loan Initiative is 1 July 2018. As part of the application process, a Council resolution approving borrowings for infrastructure supporting increased housing is required.

The exhibition period in respect of the Draft Vineyard Precinct Section 7.11 Contributions Plan closed on 18 June 2018. A report advising Council of the outcome of the exhibition and to consider the adoption of the Plan will be provided to Council in July 2018

This report has been submitted to obtain the approval to undertake loan borrowings for the infrastructure identified within the Draft Vineyard Precinct Section 7.11 Contributions Plan. This will provide Council with the option of submitting an application for the Low Cost Loan Initiative by the required closing date.

RECOMMENDATION SUMMARY:

That Council approve the use of loan borrowings of \$16.5 million to provide for the infrastructure required as identified in the exhibited Draft Vineyard Precinct Section 7.11 Contributions Plan to enable Council to apply for an interest subsidy under the NSW Department of Planning and Environment's Low Cost Loan Initiative.

REPORT:

Context and Background

In April 2018 the NSW Department of Planning and Environment advised of the launch of a Low Cost Loan Initiative, designed to accelerate the provision of infrastructure for new housing. The Low Cost Loan

ORDINARY MEETING

SECTION 3 – Reports for Determination

Meeting Date: 26 June 2018

Initiative reimburses 50% of the interest paid on eligible infrastructure loans that enable investment in the necessary infrastructure that must be provided for at the same time as new communities are built.

The Low Cost Loan Initiative is one of the measures identified by the NSW Government in its Housing Affordability Strategy released in 2017. The Initiative addresses a key aim of the Strategy which is to accelerate the delivery of infrastructure to support growing communities. It supports local councils to borrow up to \$500 million for infrastructure that enables new housing supply by halving the cost of interest on their loans.

The aim of the Initiative is to help fund critical enabling infrastructure projects that support and accelerate housing supply. The Low Cost Loan Initiative is available for infrastructure such as roads, drainage and quality open space that is needed to enable increased housing in areas experiencing population growth.

Applications for the Low Cost Loan Initiative close on 1 July 2018. To qualify for the Initiative, a number of criteria must be met, including:

- Infrastructure is required to support increased housing supply
- Borrowings have been approved by Council
- Infrastructure is included in an approved Contributions Plan
- Infrastructure will be substantially completed by 30 June 2021
- Loan must be greater than \$1 million, at a fixed interest rate and repaid within 10 years.

The infrastructure identified within the Draft Vineyard Precinct Section 7.11 Contributions Plan meets most of the criteria. The Plan identifies \$16.5 million to be sourced by a loan in order to provide the infrastructure necessary for the additional housing, prior to the accumulation of sufficient contributions. The infrastructure will be substantially completed by 30 June 2021 and the loan terms can be aligned with the stipulated criteria.

Detailed History, including previous Council decisions

By way of background, the rezoning of Stage 1 of the Vineyard Precinct was released by the Department of Planning and Environment's on 15 December 2017. This was undertaken without a:

- Growth Centre Precincts Development Control Plan for Hawkesbury being in place.
- Contributions Plan for the Vineyard Precinct being in place.

A draft Contributions Plan for the Vineyard Precinct was received from the Department of Planning and Environment in January 2018. Following subsequent meetings with the Department of Planning and Environment, Council then engaged consultants in order to finalise the Draft Contributions Plan. The draft plan was reported to Councils Ordinary Meeting on 8 May 2018.

The Draft Vineyard Precinct Section 7.11 Contributions Plan relates to Stage 1 of the Vineyard Precinct development. The expected development in this area includes 2,500 new residential dwellings and 5,500 square metres of land for retail purposes. Included in the Plan is a \$16.5 million loan to complete the following works:

- \$0.6 million for the survey and design of collector roads
- \$8.8 million for the acquisition of land for trunk stormwater drainage purposes
- \$7.1 million for the design and construction of trunk stormwater drainage infrastructure

Council at its Ordinary Meeting on 8 May 2018, resolved to publicly exhibit the Draft Vineyard Precinct Section 7.11 Contributions Plan in accordance with Section 26(4) of the *Environment Planning and Assessment Regulation 2000*.

The Draft Vineyard Precinct Section 7.11 Contributions Plan was exhibited between 18 May 2018 and 18 June 2018. A report seeking approval of the Plan will be submitted for Council's consideration in July 2018.

Consultation

The issues specifically raised in this report concern matters which do not require community consultation under Council's Community Engagement Policy. The Draft Vineyard Precinct Section 7.11 Contributions Plan was exhibited between 18 May 2018 and 18 June 2018. The exhibited draft Plan includes the identification of the requirement to borrow \$16.5 million to bring forward critical infrastructure.

Conformance to the Hawkesbury Community Strategic Plan 2017-2036

The proposal is consistent with the following Focus Areas, Directions and Strategies within the CSP.

Our Leadership

- 1.3 Financial Sustainability - Build strong financial sustainability for now and future generations.
 - 1.3.1 In all of Council's strategies, plans and decision making there will be a strong focus on financial sustainability.
 - 1.3.2 Meet the needs of the community now and into the future by managing Council's assets with a long-term focus.
 - 1.3.3 Decisions relating to determining priorities will be made in the long term interests of the community.

Our Future

- 5.3 Shaping our Growth - Respond proactively to planning and the development of the right local infrastructure
 - 5.3.1 Growth and change in the Hawkesbury will be identified, planned for and valued by the community.
 - 5.3.2 The diverse housing needs of our community will be met through research, active partnerships and planned development.
 - 5.3.3 Plan for a balance of agriculture, natural environment and housing that delivers viable rural production and maintains rural character.

Discussion

As outlined above, the infrastructure identified to be funded via loan borrowings within the Draft Vineyard Precinct Section 7.11 Contributions Plan meets the criterion regarding infrastructure supporting increased housing, as required under the Development of Planning and Environment's Low Cost Loan Initiative.

The loan terms can be aligned with the stipulated criteria under the Low Cost Loan Initiative.

The Low Cost Loan Initiative requires works to be substantially completed by 30 June 2021. The Draft Vineyard Precinct Section 7.11 Contributions Plan stipulates that the works identified to be funded by the loan are scheduled for completion within the 2018-2023 time period.

The Low Cost Loan Initiative also requires an approved Contributions Plan. As outlined above, Council is to consider adoption of the Draft Vineyard Precinct Section 7.11 Contribution Plan by 31 July 2018 following the completion of the exhibition period. As the average contribution per lot is greater than \$30,000, the Plan must then be submitted to the Independent Pricing and Regulatory Tribunal for approval. It is anticipated that the final approval will not be received until at least a further 12 months. Council Officers have contacted the NSW Department of Planning and Environment to ascertain whether the timing of the anticipated final approval of the Draft Vineyard Precinct Section 7.11 Contributions Plan would be an issue for Council's application under the Low Cost Loan Initiative. The advice was that Council should proceed with an application.

ORDINARY MEETING

SECTION 3 – Reports for Determination

Meeting Date: 26 June 2018

The application under the Low Cost Loan Initiative, whilst being based on the borrowings identified in the Draft Vineyard Precinct Section 7.11 Contributions Plan will not commit Council to borrow the stipulated amount in the event that the final approved Plan results in a change to the required borrowings amount.

The NSW Government may issue further rounds of the Low Cost Loan Initiative, but this is dependent upon the success of this current round of applications. As further rounds are not guaranteed, it is recommended that Council submits its application for the subsidy on the full projected \$16.5 million loan under this round.

The Low Cost Loan Initiative requires a Council Resolution approving borrowings for the infrastructure. As the Draft Vineyard Precinct Section 7.11 Contributions Plan is not being submitted to Council for consideration of adoption until after the closing date for applications under the Low Cost Loan Initiative, this report has been submitted in order to obtain approval to undertake loan borrowings to enable Council to submit its application for the Low Cost Loan Initiative by the required closing date.

Financial Implications

The matters raised in this report have direct financial implications. The expenditure applicable is not provided for in the 2018/2019 Adopted Operational Plan and will need to be addressed as part of the applicable Quarterly Budget Review. Council's Long Term Financial Plan will also need to be updated to subsidy received, assets created and additional rates revenue in the outer years.

The costs associated with borrowings and the construction of the infrastructure will be funded through a specific externally restricted Reserve. Developer contributions received in due course will be placed in the same Reserve to offset the costs incurred.

Fit For The Future Strategy Considerations

The proposal is aligned with Council's long term plan to improve and maintain organisational sustainability and achieve Fit for the Future financial benchmarks. The proposal will enable Council to continue to provide and maintain service levels to meet established community expectations as currently provided for in the Long Term Financial Plan, noting the Plan will be updated to reflect the impact of the Vineyard Precinct including proposed borrowings, interest payments, interest subsidy, new assets created and additional rates revenue.

Conclusion

Council has the opportunity to apply for an interest subsidy through the Department of Planning and Environment's Low Cost Loan Initiative for the infrastructure identified to be loan funded within the recently exhibited Draft Vineyard Precinct Section 7.11 Contributions Plan. In order to take advantage of this opportunity, approval from Council must be obtained for the proposed loan borrowings of \$16.5 million in time for Council to submit its application by 1 July 2018.

RECOMMENDATION:

That Council approve the use of loan borrowings of \$16.5 million to provide for the infrastructure required as identified in the Draft Vineyard Precinct Section 7.11 Contributions Plan to enable Council to apply for an interest subsidy as part of the NSW Department of Planning and Environment's Low Cost Loan Initiative by the closing date of 1 July 2018.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF REPORT Oooo

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018

Item: 150 **SS - Review of Council's Investment Policy and Appointment of Investment Advisor - (95496, 96332)**

Previous Item: Ordinary, 30 May 2017

Directorate: Support Services

PURPOSE OF THE REPORT:

The purpose of this report is to:

- Submit the reviewed Investment Policy to Council for adoption
- Appoint NSW Treasury Corporation (TCorp) as Council's Investment Advisor for the two year period commencing 1 July 2018 and ending 30 June 2020.

EXECUTIVE SUMMARY:

This report is being submitted to Council to satisfy the requirements of the then Division of Local Government (DLG) Investment Policy Guidelines, issued in May 2010, in regard to the annual review of the Investment Policy and the appointment of an Investment Advisor.

The Investment Policy is to be reviewed at least once a year, or as required in the event of legislative changes. Any amendment to the Investment Policy must be by way of Council resolution.

The current Investment Policy, adopted by Council at the meeting of 30 May 2017, has been reviewed to ensure any applicable legislative changes and Office of Local Government Circulars are taken into account and addressed if necessary.

On 10 October 2017 the Office of Local Government issued Circular 17/29 – Interim TCorp Waiver. The Circular exempts TCorp from certain requirements stipulated in the Investment Policy Guidelines in regard to Investment Advisors. This waiver enables councils to appoint TCorp as their Investment Advisor.

It is proposed to amend the current Investment Policy to include a provision to allow Council to appoint TCorp as its Investment Advisor. It is further proposed to appoint TCorp as Council's Investment Advisor for the two year period commencing 1 July 2018 and ending 30 June 2020.

RECOMMENDATION SUMMARY:

It is recommended that the Investment Policy, as amended and attached as Attachment 1 to this report, is adopted, and TCorp is appointed as Council's Investment Advisor for the two year period commencing 1 July 2018 and ending 30 June 2020.

REPORT:

Context and Background

On 25 May 2010, the then Division of Local Government (DLG) issued Investment Policy Guidelines to assist councils with the preparation of an Investment Policy, and the prudent and appropriate management of Council's surplus funds. The Guidelines, issued under Section 23A of the Local Government Act 1993 (the Act), apply to all general purpose and special purpose councils in NSW.

ORDINARY MEETING

SECTION 3 – Reports for Determination

Meeting Date: 26 June 2018

On 17 February 2011, Circular No.11-01 was issued by the DLG, advising that a revised Investment Order, pursuant to Section 625 of the Local Government Act, 1993, had been issued.

On 10 October 2017 the Office of Local Government (OLG) issued Circular 17/29 – *Interim TCorp Waiver*. The Circular provides a waiver to certain provisions within the Investment Policy Guidelines to allow councils to engage TCorp in the provision of investment advice.

Councils can now seek investment advice from TCorp as part of their financial and strategic planning processes.

OLG Circular 17/29 is summarised as follows:

- Section 5 of OLG's Investment Policy Guidelines requires councils to seek advice only from advisors licensed by the Australian Securities and Investments Commission, to obtain written confirmation that no actual or potential conflicts of interest exist, and to undertake separate reference checks of advisors.
- Those requirements have now been waived to the extent that councils wish to engage TCorp to provide advice about investments.
- The waiver applies only to TCorp and recognises its unique position as a public sector financial services provider. TCorp has in place a robust Conflicts Management Policy, which will apply to any advisory services provided to councils, and is accountable to NSW Treasury.
- Councils are reminded of their fiduciary responsibility when investing, and should exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.
- The OLG will undertake a broader review and update of the Ministerial Investment Order and Investment Guidelines in the coming months. The OLG will consult with councils as part of that process.

The latest Circular triggered the requirement to review the current Investment Policy in regard to the appointment of an Investment Advisor. The Circular has also guided the proposed appointment of Council's Investment Advisor for the 2018/2019 and 2019/2020 financial years.

It is to be noted that the OLG has not as yet undertaken the broader review and update of the Ministerial Investment Order and Investment Guidelines referred to in Circular 17/29.

Detailed History, including previous Council decisions

The current Investment Policy was adopted by Council at its meeting on 30 May 2017. At that meeting Council also appointed its Investment Advisor, Spectra Financial Services Pty Ltd for the financial year ending 30 June 2018.

Policy considerations

This report relates to the Investment Policy adopted on 30 May 2017 and seeks approval for the Policy to be amended to reflect the latest directive issued by the Office of Local Government.

Consultation

The Policy, which is the subject of this report, is being reported to Council in accordance with legislative requirements. The report recommends a minor amendment only to the Investment Policy adopted on 30 May 2017. The amendment reflects a Circular issued by the Office of Local Government. Under these circumstances it is considered that public consultation is not required.

Conformance to the Hawkesbury Community Strategic Plan 2017-2036

The proposal is consistent with the following Focus Area, Direction and Strategies within the CSP:

Our Leadership

1.3 Financial Sustainability - Build strong financial sustainability for now and future generations.

1.3.1 In all of Council's strategies, plans and decision making there will be a strong focus on financial sustainability.

Discussion

Investment Policy

The purpose of the Investment Policy is to establish the guidelines that Council adopts in investing funds surplus to cash flow requirements. The objectives of this Policy are:

1. To comply with the legislative requirements and regulations relevant to the management of Council's investments;
2. To maximise returns to Council consistent with all requirements of the Policy;
3. To preserve the capital of the investment portfolio. Investments are to be placed in a manner that seeks to ensure the security and safeguarding of the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters;
4. To ensure the investment portfolio has sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment;
5. To establish a framework for monitoring the investments. The investment portfolio is expected to achieve a predetermined market average rate of return that takes into account Council's risk tolerance. Any additional return target set by Council will also consider the risk limitation and prudent investment principles; and
6. To confirm delegations and other relevant governance matters in relation to Council's investments.

Under Council's Investment Policy, all investments are made in accordance with:

- The Local Government Act, 1993 - Section 625
- The Local Government (General) Regulation 2005 – Clause 212
- The Local Government Act, 1993 - Order (of the Minister) dated 12 January 2011 and gazetted 11 February 2011
- The Trustee Amendment (Discretionary Investments) Act, 1997 – Sections 14A(2), 14C(1) & (2)
- The Local Government Code of Accounting Practice and Financial Reporting
- Office of Local Government Circulars
- Australian Accounting Standards
- Council resolutions.

The attached Investment Policy provides a framework within which investment decisions are made. Permitted investments, risk management, diversification, term, and liquidity considerations are addressed within the attached Policy. The requirements regarding measurement, benchmarking, reporting and reviewing of Council's Investments are also addressed.

ORDINARY MEETING

SECTION 3 – Reports for Determination

Meeting Date: 26 June 2018

The current Investment Policy has been effective in enabling Council Officers to make investment decisions that achieve a good balance between securing the optimal return whilst maintaining cash flow requirements and managing risk by diversifying across institutions and investment terms.

The proposed amendment to the current Investment Policy are as follows: -

- An addition to Clause 11.0 to include a provision to allow Council to appoint TCorp as its Investment Advisor, as permitted by the OLG Circular 17/29.
- In Clause 1.0 the deletion of reference to Council's Charter and replaced with wording from the Local Government Act regarding principles of sound financial management.
- Reference to the Office of Local Government Circular 17/29 in Clause 3.0 and inclusion of the Circular as Attachment E.

Council's current Independent Investment Advisor, Spectra Financial Services Pty Ltd., has reviewed and endorsed the attached Investment Policy, including the amendment proposed in regard to including the provisions of OLG Circular 17/29. Written confirmation dated 9 May 2018, has been received and is as follows:

"I have reviewed the draft Investment Policy that it is proposed be adopted by Council at its June meeting and confirm that it accords with current Office of Local Government Guidelines and that it is an appropriate policy for Council's use.

In our view, the policy is consistent with the conservative approach required for the stewardship of the restricted and unrestricted reserve monies Council is responsible for."

The Draft Investment Policy, as amended, is attached as Attachment 1 to this report.

Appointment of Investment Advisor

The day-to-day management of investments and placement of funds at maturity is undertaken by Council Officers. On a quarterly basis, Council's appointed Investment Advisor reviews the investment portfolio and provides certification as to whether investments are in accordance with Council's Investment Policy and legislative requirements. On an annual basis, the Advisor assists Council Officers with the review on the Investment Policy prior to it being submitted to Council for consideration.

In light of the permissibility to appoint TCorp as an Investment Advisor, Council has been in discussions with TCorp in regard to their potential appointment as Council's Investment Advisor. TCorp have confirmed that they are able to offer Council an Investment Advisory service within the scope as requested, at no charge.

TCorp's role as the Investment Advisor will be limited to the annual review of Council's Investment Policy and the quarterly certification of Council's investment portfolio to ensure it is within Council's Policy and legislative requirements. In this role, TCorp will have no involvement in the day-to-day management of investments and placing of funds.

The appointment of TCorp as Council's Investment Advisor at no charge is financially beneficial to Council. The exclusion of TCorp from the day-to day management of investments and placing of funds will ensure there are no actual or perceived conflicts of interest between TCorp's role as an Investment Advisor and it being an institution which may receive investment funds.

Accordingly, it is proposed to appoint TCorp as Council's Investment Advisor for the two year period commencing 1 July 2018 and ending 30 June 2020.

Financial Implications

The matters raised in this report have direct financial implications. Whilst TCorp have advised there will be no charge associated with the provision of investment advisory services, \$5,000 has been allowed within the 2018/2019 Operational Plan for potential consultancy that may be required in regard to Investments.

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018

Fit For The Future Strategy Considerations

The proposal is aligned with Council's long term plan to improve and maintain organisational sustainability and achieve Fit for the Future financial benchmarks. The proposal will enable Council to continue to provide and maintain service levels to meet established community expectations as budgeted for in the Long-Term Financial Plan.

Conclusion

The Investment Policy has been reviewed in accordance with the OLG Investment Guidelines. The Policy has been amended to include a provision allowing Council to appoint TCorp as its Investment Advisor should it wish to do so.

It is financially beneficial for Council to appoint TCorp as its Investment Advisor.

RECOMMENDATION:

That Council:

1. Adopt the Investment Policy, as amended, attached as Attachment 1 to this report.
2. Appoint the NSW Treasury Corporation (TCorp), as its Investment Advisor, for the financial year ending 30 June 2019 and for the financial year ending 30 June 2020.

ATTACHMENTS:

AT - 1 Draft Investment Policy June 2018

AT - 1 Draft Investment Policy June 2018



Hawkesbury City Council

Hawkesbury City Council
Policy

DRAFT
Investment Policy
June 2018

ORDINARY MEETING
SECTION 3 – Reports for Determination

Meeting Date: 26 June 2018



Hawkesbury City Council

Draft Investment Policy

1.0 PURPOSE

The purpose of this policy is to establish the framework that Hawkesbury City Council adopts in investing its surplus funds having due consideration of all legislative requirements. All investment decisions must recognise the overall responsibility of Council under the Principles of sound financial management (Chapter 3 – Local Government Act 1993) - "Councils should have effective financial and asset management."

2.0 OBJECTIVES

The objectives of this policy are:

- a) To comply with the legislative requirements and regulations relevant to the management of Council's investments;
- b) To maximise returns to Council consistent with all requirements of the policy;
- c) To preserve the capital of the investment portfolio. Investments are to be placed in a manner that seeks to ensure the security and safeguarding of the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.
- d) To ensure the investment portfolio has sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment;
- e) To establish a framework for monitoring the investments. The investment portfolio is expected to achieve a predetermined market average rate of return that takes into account Council's risk tolerance. Any additional return target set by Council will also consider the risk limitation and prudent investment principles; and
- f) To confirm delegations and other relevant governance matters in relation to Council's investments.

3.0 LEGISLATIVE REQUIREMENTS

All investments are to be made in accordance with:

- a) The Local Government Act 1993 – Section 625 (Attachment A)
- b) The Local Government (General) Regulation 2005 – Clause 212 (Attachment B)
- c) The Local Government Act 1993 - Order (of the Minister) dated 12 January 2011 and gazetted 11 February 2011 (Attachment C)
- d) The Trustee Amendment (Discretionary Investments) Act 1997 – Sections 14A(2), 14C(1) & (2) (Attachment D)
- e) Office of Local Government Circular 17-29 (Attachment E)
- f) The Local Government Code of Accounting Practice and Financial Reporting
- g) Office of Local Government Circulars
- h) Australian Accounting Standards
- i) Council resolutions

4.0 DELEGATION OF AUTHORITY

Authorised Officer	Roles & Responsibilities
General Manager	Authority to invest surplus funds, subject to various dollar limits and restrictions as stated in this investment policy.
Director Support Services	As per Delegation from General Manager
Responsible Accounting Officer	As per Delegation from General Manager
Chief Financial Officer	As per Delegation from General Manager
Deputy Chief Financial Officer	As per Delegation from General Manager

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018



5.0 PRUDENT PERSON STANDARD

The Council's investments will be managed with the care, diligence and skill that a prudent person would exercise. As trustees of public monies, officers are to manage Council's investment portfolio to safeguard the portfolio in accordance with the spirit of this Investment Policy, and not for speculative purposes.

6.0 ETHICS AND CONFLICTS OF INTEREST

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investment portfolio. This Policy requires officers to disclose any conflict of interest to the General Manager.

Independent advisors engaged by Council are also required to declare that they have no actual or perceived conflicts of interest.

7.0 APPROVED INVESTMENTS

All investments must be denominated in Australian Dollars and must be in accordance with the most current Local Government Act 1993 - Order (of the Minister), and relevant Council resolutions.

Investments, only in the forms stipulated in the Order (of the Minister), may be placed with the following:

- a) Tier one major Australian trading banks – ANZ, Commonwealth Bank, National Australia Bank and Westpac.
- b) Wholly owned subsidiaries of the tier one major Australian trading banks provided the institution is authorised under the current Order, and the subsidiary's rating from Standard & Poors, Moody's or Fitch, is at least equivalent to its parent tier one institution rating.
- c) Authorised deposit-taking institutions not included in (a) and (b) above and permitted under the current Order (of the Minister), limited to the amount of the Federal Government's "Guarantee Scheme" if applicable.
- d) Other investment instruments issuing bodies, as referred to in the current Order (of the Minister).

8.0 PROHIBITED INVESTMENTS

In accordance with the Ministerial Investment Order, this Investment Policy prohibits but is not limited to any investment carried out for speculative purposes including:

- Derivative based instruments;
- Principal only investments or securities that provide potentially nil or negative cash flow;
- Stand alone securities issued that have underlying futures, options, forward contracts and swaps of any kind; and
- The use of leveraging (borrowing to invest) of an investment.

9.0 RISK MANAGEMENT GUIDELINES

Investments obtained are to be considered in light of the following key criteria:

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018



- Preservation of Capital – the requirement for preventing losses in an investment portfolio's total value, considering the time value of money;
- Diversification – Setting limits to the amounts invested with a particular financial institution or government authority to reduce credit risk;
- Credit Risk – the risk that the council has invested in fails to pay the interest and / or repay the principal of an investment;
- Market Risk - the risk that the fair value or future cash flows of an investment will fluctuate due to changes in market prices;
- Liquidity Risk - the risk an investor is unable to redeem the investment at a fair price within a timely period;
- Maturity Risk - the risk relating to the length of term to maturity of the investment. The larger the term, the greater the length of exposure and risk to market volatilities;

10.0 INVESTMENT APPROACH

10.1 DIVERSIFICATION

Diversification is used to spread risk through utilisation of maximum percentage investment limits to the following:

- Individual Institutions (varies per credit rating)
- Credit Rating Bands (e.g. AAA v A) – these are Standard & Pools Long Term ratings (or Moody's or Fitch equivalents)

These limits are detailed in the following schedule:

Credit Rating of Institution (Standard & Pools)	Direct Investments	Max % With 1 Institution	Max Term
AAA An extremely strong capacity to pay	100%	45%	5 yrs
AA+, AA, AA- A very strong capacity to pay	100%	40%	5 yrs
A+, A, A- A strong capacity to pay	60%	30%	1 yr
Below A- For example – non-rated Credit Unions and Building Societies that are Approved Deposit taking Institutions and which have a Government Guarantee of deposits.	20%	10% or the Government Guarantee limit, whichever is the lesser	1 yr
TCorp Cash Fund	20%	20%	At Call

The maximum percentage per institution allowable in line with the table above is applicable at the time of placing investments.

The above limits on direct investments and permissible relative amount per individual institution do not apply to issuing bodies listed in the Order (of the Minister) not subject to the credit rating bands above, with the exception of NSW TCorp as shown above or deposits falling within the Federal Government's Financial Claims Scheme (\$250k per institution). Refer 7 (c) above.

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018



10.2 TERM

Council may investment funds for a maximum term of five years. Investments exceeding a term of 12 months will only be placed with tier one institutions, or wholly owned subsidiaries thereof, provided the institution is authorised under the current Ministerial Investment Order, and the subsidiary's rating from Standard & Poors, Moody's or Fitch, is at least equivalent to its parent tier one institution ratings.

10.3 LIQUIDITY

Liquidity refers to the minimum level of liquid funds available to finance day to day requirements. Cash flow must be monitored daily and Council will ensure that it has access within seven days to at least \$3 million or 5% of the value of its total investments, whichever is the greatest amount.

11.0 INVESTMENT ADVISOR

In accordance with the Investment Policy Guidelines issued by the then Division of Local Government in May 2010, the Council's investment advisor must be approved by Council and be licensed by the Australian Securities and Investment Commission. The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended; and is free to choose the most appropriate product within the terms and conditions of the investment policy.

The independent advisor is required to provide written confirmation that they do not have any actual or potential conflicts of interest in relation to the investments they are recommending or reviewing, including that they are not receiving any commissions or other benefits in relation to the investments being recommended or reviewed.

In addition, on 10 October 2017, the Office of Local Government issued Circular No 17-29 – *Investment Policy Guidelines – Interim TCorp Waiver* (Attachment E) to advise that the NSW Government has provided a waiver to certain provisions within the Investment Policy Guidelines issued in May 2010 to allow councils to engage NSW Treasury Corporation (TCorp) in the provision of investment advice.

12.0 MEASUREMENT

A monthly report will be provided to Council by the Responsible Accounting Officer. The report will detail the investment portfolio in terms of performance, percentage exposure of the total portfolio, maturity date and any changes in market value.

The value of Council's investment portfolio is measured and reported annually in line with the Local Government Code of Accounting Practice and Financial Reporting and Australian Accounting Standards.

13.0 BENCHMARKING

The following performance benchmarks will be used:

- Cash – Reserve Bank Cash Reference Rate
- Direct Investments – UBS 90 Day Bank Bill Index

14.0 REPORTING AND REVIEWING OF INVESTMENTS

Documentary evidence must be held for each investment and details thereof are maintained in an Investment Register.

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018



The documentary evidence must provide Council legal title to the investment.

Certificates must be obtained from the financial institutions confirming the amounts of investments held on the Council's behalf as at 30 June each year and reconciled to the Investment Register.

All investments are to be appropriately recorded in Council's financial records and reconciled at least on a monthly basis.

A monthly report will be provided to Council. The report will detail the investment portfolio in terms of performance, percentage exposure of total portfolio, maturity date and changes in market value.

The investment return for the portfolio is to be reviewed quarterly by Council's Independent Financial Advisor by assessing the market value of the portfolio. Within one month of the end of each calendar quarter, Council's Independent Financial Advisor is to certify Council's investments are compliant with Council's Investment Policy.

The Investment Policy will be reviewed at least once a year or as required in the event of legislative changes. The Investment Policy may also be changed as a result of other amendments that are to the advantage of that Council and in the spirit of this policy.

Any amendment to the Investment policy must be by way of Council resolution.

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018



Attachment A

Local Government Act 1993 - Section 625

Section 625: How may councils invest?

1. A council may invest money that is not, for the time being, required by the council for any other purpose.
2. Money may be invested only in a form of investment notified by order of the Minister published in the Gazette.
3. An order of the Minister notifying a form of investment for the purposes of this section must not be made without the approval of the Treasurer.
4. The acquisition, in accordance with section 358, of a controlling interest in a corporation is not an investment for the purposes of this section.

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018



Attachment B

Local Government (General) Regulation 2005 - Clause 212

Clause 212 of the Regulation provides for reporting on council investments by the responsible accounting officer.

212 Reports on council investments

1. The responsible accounting officer of a council:
 - a. must provide the council with a written report (setting out details of all money that the council has invested under section 625 of the Act) to be presented:
 - i. if only one ordinary meeting of the council is held in a month, at that meeting, or
 - ii. if more than one such meeting is held in a month, at whichever of those meetings the council by resolution determines, and
 - b. must include in the report a certificate as to whether or not the investment has been made in accordance with the Act, the regulations and the council's investment policies.
2. The report must be made up to the last day of the month immediately preceding the meeting.

Note. Section 625 of the Act specifies the way in which a council may invest its surplus funds.

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018



Hawkesbury City Council

Draft Investment Policy

Attachment C

**Local Government Act 1993 - Order (of the Minister)
Dated 12 January 2011 and Gazetted 11 February 2011**

LOCAL GOVERNMENT ACT 1993 – INVESTMENT ORDER
(Relating to investments by councils)

I, the Hon. Barbara Perry MP, Minister for Local Government, in pursuance of section 625(2) of the *Local Government Act 1993* and with the approval of the Treasurer, do, by this my Order, notify for the purposes of section 625 of that Act that a council or county council may only invest money (on the basis that all investments must be denominated in Australian Dollars) in the following forms of investment:

- (a) any public funds or securities issued by or guaranteed by, the Commonwealth, any State of the Commonwealth or a Territory;
- (b) any debentures or securities issued by a council (within the meaning of the *Local Government Act 1993* (NSW));
- (c) interest bearing deposits with, or any debentures or bonds issued by, an authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cwth)), but excluding subordinated debt obligations;
- (d) any bill of exchange which has a maturity date of not more than 200 days; and if purchased for value confers on the holder in due course a right of recourse against a bank which has been designated as an authorised deposit-taking institution by the Australian Prudential Regulation Authority;
- (e) a deposit with the New South Wales Treasury Corporation or investments in an Hour-Glass investment facility of the New South Wales Treasury Corporation;

All investment instruments (excluding short term discount instruments) referred to above include both principal and investment income.

Transitional Arrangements

- (i) Subject to paragraph (ii) nothing in this Order affects any investment made before the date of this Order which was made in compliance with the previous Ministerial Orders, and such investments are taken to be in compliance with this Order.
- (ii) Paragraph (i) only applies to those investments made before the date of this Order and does not apply to any restructuring or switching of investments or any re-investment of proceeds received on disposal or maturity of such investments, which for the avoidance of doubt must comply with this Order.

Key Considerations

An investment is not in a form of investment notified by this order unless it also complies with an investment policy of council adopted by a resolution of council.

All councils should by resolution adopt an investment policy that is consistent with this Order and any guidelines issued by the Chief Executive (Local Government), Department of Premier and Cabinet, from time to time.

The General Manager, or any other staff member, with delegated authority by a council to invest funds on behalf of a council must do so in accordance with the council's adopted investment policy.

Councils have a fiduciary responsibility when investing. Councils should exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.

When exercising the power of investment councils should consider, but not be limited by, the risk of capital or income loss or depreciation, the likely income return and the timing of income return, the length of the term of the proposed investment, the liquidity and marketability of the proposed investment, the likelihood of inflation affecting the value of the proposed investment and the costs (including commissions, fees, charges and duties payable) of making the proposed investment.

Dated this 12th day of January 2011 
Hon BARBARA PERRY MP
Minister for Local Government

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018



Attachment D

The Trustee Amendment (Discretionary Investments) Act 1997
- Sections 14A (2), 14C (1) and (2)

14A Duties of trustee in respect of power of investment

1. This section has effect subject to the instrument (if any) creating the trust.
 2. A trustee must, in exercising a power of investment:
 - (a) If the trustee's profession, business or employment is or includes acting as a trustee or investing money on behalf of other persons, exercise the care, diligence and skill that a prudent person engaged in that profession, business or employment would exercise in managing the affairs of other persons, or
 - (b) If the trustee is not engaged in such a profession, business or employment, exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.
- Note:** Some Acts deem investments under the Acts to be investments that satisfy the prudent person test. See, for example, section 39 of the *Public Authorities (Financial Arrangements) Act 1987*.
3. A trustee must exercise a power of investment in accordance with any provision of the instrument (if any) creating the trust that is binding on the trustee and requires the obtaining of any consent or approval with respect to trust investments.
 4. A trustee must, at least once in each year, review the performance (individually and as a whole) of trust investments.

14C Matters to which trustee is to have regard when exercising power of investment

1. Without limiting the matters that a trustee may take into account when exercising a power of investment, a trustee must, so far as they are appropriate to the circumstances of the trust, if any, have regard to the following matters:
 - (a) The purposes of the trust and the needs and circumstances of the beneficiaries,
 - (b) The desirability of diversifying trust investments,
 - (c) The nature of, and the risk associated with, existing trust investments and other trust property,
 - (d) The need to maintain the real value of the capital or income of the trust,
 - (e) The risk of capital or income loss or depreciation,
 - (f) The potential for capital appreciation,
 - (g) The likely income return and the timing of income return,
 - (h) The length of the term of the proposed investment,
 - (i) The probable duration of the trust,
 - (j) The liquidity and marketability of the proposed investment during, and on the determination of, the term of the proposed investment,
 - (k) The aggregate value of the trust estate,
 - (l) The effect of the proposed investment in relation to the tax liability of the trust,
 - (m) The likelihood of inflation affecting the value of the proposed investment or other trust property,
 - (n) The costs (including commissions, fees, charges and duties payable) of making the proposed investment,
 - (o) The results of a review of existing trust investments in accordance with section 14A (4).

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018



2. A trustee may, having regard to the size and nature of the trust, do either or both of the following:
 - (a) Obtain and consider independent and impartial advice reasonably required for the investment of trust funds or the management of the investment from a person whom the trustee reasonably believes to be competent to give the advice,
 - (b) Pay out of trust funds the reasonable costs of obtaining the advice.
3. A trustee is to comply with this section unless expressly forbidden by the instrument (if any) creating the trust.

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018



Hawkesbury City Council

Draft Investment Policy

Attachment E

Office of Local Government
Circular No 17-29 / 10 October 2017 / A524071
Investment Policy Guidelines - Interim TCorp Waiver



Office of
Local Government

Circular to Councils

Circular Details	Circular No 17-29 / 10 October 2017 / A524071
Previous Circular	10-11
Who should read this	Councillors / General Managers / Finance Staff
Contact	Policy Team – 02 4428 4100 or olg@olg.nsw.gov.au
Action required	Information

Investment Policy Guidelines – Interim TCorp Waiver

What's new or changing

- The NSW Government has provided a waiver to certain provisions within OLG's Investment Policy Guidelines to allow councils to engage NSW Treasury Corporation (TCorp) in the provision of investment advice.

What this will mean for your council

- Councils can now seek investment advice from TCorp as part of their financial and strategic planning processes.

Key points

- Section 5 of OLG's Investment Policy Guidelines requires councils to seek advice only from advisors licensed by the Australian Securities and Investments Commission, to obtain written confirmation that no actual or potential conflicts of interest exist, and to undertake separate reference checks of advisors.
- Those requirements have now been waived to the extent that councils wish to engage TCorp to provide advice about investments.
- The waiver applies only to TCorp and recognises its unique position as a public sector financial services provider. TCorp has in place a robust Conflicts Management Policy, which will apply to any advisory services provided to councils, and is accountable to NSW Treasury.
- Councils are reminded of their fiduciary responsibility when investing, and should exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.
- OLG will undertake a broader review and update of the Ministerial Investment Order and Investment Guidelines in the coming months. OLG will consult with councils as part of that process.

Where to go for further information

- The Investment Policy Guidelines are available from the 'Resources' page of OLG's website at www.olg.nsw.gov.au.

Tim Hurst
Acting Chief Executive

Office of Local Government
 50 Keefe Avenue, NSWRA 1509 2511
 Locked Bag 9015, NSWRA 1509 2541
 T 02 4128 4100 F 02 4128 4199 M 02 4128 1908
 E olg@olg.nsw.gov.au W www.olg.nsw.gov.au ABN 41 913 800 016

Strengthening local government

ORDINARY MEETING
SECTION 3 – Reports for Determination
Meeting Date: 26 June 2018

Item: 151 **SS - Outstanding Receivables - Bad Debts Write Off 2017/2018 - (95496, 96332)**

Previous Item: 113, Ordinary 27 June 2017

Directorate: Support Services

PURPOSE OF THE REPORT:

The purpose of this report is to seek Council's approval to write off debts that are not deemed economical to pursue further for the financial year ending 30 June 2018.

EXECUTIVE SUMMARY:

As part of the end of financial year processes, each year Council reviews outstanding sundry debtors to identify debts that are not deemed economical to pursue any further and should be written off. This process ensures outstanding amounts reported reflect amounts recoverable by Council.

Council's Debt Recovery, Pensioner Concession and Hardship Policy allows for any debts under the amount of \$500 to be written off by the General Manager or the Responsible Accounting Officer under delegated authority. Any debts over the amount of \$500 may only be written off by resolution of Council.

The process has been undertaken for the financial year ending June 2018 and two outstanding debts over \$500 have been identified to be written off as Bad Debts. The outstanding amounts total \$6,830.26. These debts have been subject to recovery action and all avenues have been exhausted in recovering these debts with no success.

In accordance with Council's Policy, Council's approval is required to write off these debts.

RECOMMENDATION SUMMARY:

It is recommended that Council write off the following Bad Debts for the financial year ending 30 June 2018:

- | | | |
|--------------------------|---|------------|
| • Debtor Account 7300998 | Richmond Lawn Cemetery Fees and Legal Costs | \$4,820.21 |
| • Debtor Account 7309186 | Food Premises Inspections and Legal Costs | \$2,010.05 |
-

REPORT:

Context and Background

Council provides credit to individuals and businesses in the enforcement of laws and regulations or for the provision of services.

Council's Debt Recovery, Pensioner Concession and Hardship Policy provides a framework for appropriate debt recovery and collection procedures to ensure adequate controls are in place to minimise Bad Debts. However, despite the framework followed by Council Officers for debt recovery, as with all suppliers of credit, some debtors fail to meet their obligations to pay.

To ensure outstanding amounts reported reflect amounts recoverable by Council, as part of the end of financial year processes, each year Council reviews outstanding sundry debtors to identify debts that are not deemed economical to pursue any further and should be written off.

ORDINARY MEETING

SECTION 3 – Reports for Determination

Meeting Date: 26 June 2018

The Local Government (General) Regulation 2005 contains provisions in respect to writing off debts to the Council and the fixing of limits above which require a resolution of the council (Clause 213). An amount of five hundred dollars (\$500) has been adopted as the amount above which debts may be written off by resolution of the Council. Any debts under this amount may be written off by order in writing from the General Manager or the Responsible Accounting Officer.

In accordance with Clause 213(5) (c) of the Regulation, "A debt can be written off, if the council or general manager believes on reasonable grounds that an attempt to recover the debt would not be cost effective."

The bad debts over \$500, which cannot be dealt with under Clause 213(3) of the Regulation by order in writing of Council's General Manager or Responsible Accounting Officer under delegated authority, are as follows:

Debtor Account No.	Amount	Details
7300998	\$4,820.21	Richmond Lawn Cemetery Fees and Legal Costs
7309186	\$2,010.05	Food Premises Inspections and Legal Costs

Details on the debts proposed to be written off have been provided below in a form compliant with Clause 213(4) of the Regulation.

The above debts owed to Council have been subject to recovery action and all avenues have been exhausted in recovering these debts with no success. It is uneconomical to pursue further recovery action.

Policy considerations

The matter considered in this report relates to Council's Debt Recovery, Pensioner Concession and Hardship Policy.

Council's Debt Recovery, Pensioner Concession and Hardship Policy allows for any debts under the amount of \$500 to be written off by the General Manager or the Responsible Accounting Officer under delegated authority. Any debts over the amount of \$500 may only be written off by resolution of Council.

Consultation

The issues raised in this report concern matters which do not require community consultation under Council's Community Engagement Policy.

Conformance to the Hawkesbury Community Strategic Plan 2017-2036

The proposal is consistent with the following Focus Area, Direction and Strategies within the CSP.

Our Leadership

1.3 Financial Sustainability - Build strong financial sustainability for now and future generations.

1.3.1 In all of Council's strategies, plans and decision making there will be a strong focus on financial sustainability.

Discussion

The debts above \$500 identified to be written off by resolution of Council have been subject to recovery action in accordance with Council's Debt Recovery, Pensioner Concession & Hardship Policy. The outstanding amounts total \$6,830.26.

ORDINARY MEETING

SECTION 3 – Reports for Determination

Meeting Date: 26 June 2018

All avenues have been exhausted in recovering these debts with no success. It is uneconomical to pursue further recovery action.

Details in regard to action taken to recover the identified debts prior to recommending write-off are as follows:

Debtor Account No. 7300998

Debtor Account No. 7300998 relates to outstanding amounts for the purchase of burial plots at Council's Richmond Lawn Cemetery plus legal fees. The outstanding amounts total \$4,820.21 made up as follows:

- Invoice 155785 dated 5/01/2015 \$2,878.00
- Invoice 155948 dated 14/01/2015 \$1,160.01
- Legal Costs \$782.20

Following routine debt recovery processes not resulting in payment of outstanding amounts, as a first attempt to recover outstanding amounts a number of payment arrangements were entered into. Following multiple default on these arrangements, legal action was instigated on 26 June 2016. Numerous attempts to garnishee funds from various banks were made as part of this process, with no success.

Following the deregistration of the debtor company on 8 March 2017, Council's debt recovery agent, Recoveries & Reconstruction (Aust.) Pty Ltd advise the account should be closed and the amount be written off as all legal avenues to cover the debt have been exhausted.

The process of receiving payment in regard to burial plots is being reviewed to strengthen credit controls.

Debtor Account No. 7309186

Debtor Account No. 7309186 relates to outstanding amounts for Food Premises Inspections plus legal fees. The outstanding amounts total \$2,010.05 made up as follows:

- Invoice 149941 dated 15/05/2014 \$137.80
- Invoice 149942 dated 15/05/2014 \$199.65
- Invoice 152350 dated 14/08/2014 \$142.00
- Invoice 152351 dated 14/08/2014 \$206.00
- Invoice 161360 dated 18/08/2015 \$146.00
- Invoice 161361 dated 18/08/2015 \$211.80
- Legal Costs \$966.80

Following routine debt recovery processes not resulting in payment of outstanding amounts, legal action was instigated on 22 January 2015. It is noted that Food Premises Inspections continued to be carried out during the legal action process, in line with legislative requirements. As part of the legal process the sheriff has attempted to seize property, however it was deemed uneconomical to repossess. The debtor also failed to appear at an examination hearing.

Recoveries & Reconstruction (Aust.) Pty Ltd advise the account should be closed and the amount be written off as all legal avenues to cover the debt have been exhausted and the debtor is unable to be located.

Financial Implications

The matters raised in this report have direct financial implications. The expenditure applicable is partly provided for in the 2017/2018 Adopted Operational Plan. The amount budgeted for Bad Debts for 2017/2018 is \$5,000. This presents a shortfall of \$1,830.26 in the amount required to write off the two debts identified. This amount will be funded as part of the overall end of year processes.

ORDINARY MEETING

SECTION 3 – Reports for Determination

Meeting Date: 26 June 2018

Fit For The Future Strategy Considerations

The proposal is not currently aligned with Council's long term plan to improve and maintain organisational sustainability and achieve Fit for the Future financial benchmarks. The proposal will require the allocation of additional financial resources which are currently not budgeted for in the Long Term Financial Plan. However, as the amount is minor it is not likely to impact significantly on Council's Long Term Financial plan

Conclusion

The debts owed to Council have been subject to debt recovery action and all avenues have been exhausted in recovering these debts with no success. It is now uneconomical to pursue further debt recovery action.

RECOMMENDATION:

That

1. The debt owed by Debtor Account 7300998 in respect of Richmond Lawn Cemetery Fees and legal costs totalling \$4,820.21 be written off as a Bad Debt.
2. The debt owed by Debtor Account 7309186 in respect of Food Premises Inspections and legal costs totalling \$2,010.05 be written off as a Bad Debt.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF REPORT Oooo

ORDINARY MEETING

SECTION 3 – Reports for Determination

Meeting Date: 26 June 2018

ordinary

section 4

reports
of committees

ORDINARY MEETING

SECTION 4 – Reports of Committees

Meeting Date: 26 June 2018

ORDINARY MEETING

SECTION 4 – Reports of Committees

Meeting Date: 26 June 2018

SECTION 4 – Reports of Committees

No Reports of Committees.

ORDINARY MEETING

SECTION 4 – Reports of Committees

Meeting Date: 26 June 2018

ordinary

section 5

notices of motion

ORDINARY MEETING
SECTION 5 – Notices of Motion
Meeting Date: 26 June 2018

ORDINARY MEETING
SECTION 5 – Notices of Motion
Meeting Date: 26 June 2018

SECTION 5 – Notices of Motion

Item: 152 **NM1 - Disclosure outside the North West Growth Sector - (79351, 138884)**

Submitted by: Councillor Zamprogno

NOTICE OF MOTION:

That:

1. Council notes the community debate about the NSW State Government Corridor projects has brought into focus many questions about the medium to long-term future of the south-eastern part of our city which lays adjacent to urban growth, generally bounded by Windsor Road (both sides), Boundary Road and the Hawkesbury River.
2. Council recognises that development is and will continue to place significant pressure on this part of the Hawkesbury LGA, and that it is necessary for Council's future planning to seek to be well informed about the intent of other tiers of government and their departments, however preliminary, in these areas.
3. Council write to the Greater Sydney Commission, the Department of Planning and Environment, Transport for NSW, Roads and Maritime Services and the State Member for Hawkesbury to seek clarification of statements that seem to indicate a desire to extend development beyond the current Vineyard Precinct, and otherwise to call for transparency, disclosure and co-operation concerning how much more of the Hawkesbury's semi-rural lands are being considered for future development.

BACKGROUND:

The Strategic Environment Assessment for the Outer Sydney Orbital corridor says,

"The Growth Area LUIIPs [Land Use and Infrastructure Implementation Plans] have assumed that the recommended corridor will be formally identified in the future, and will inform more detailed planning for precincts yet to be rezoned. For example, the DPE [Department of Planning and Environment] is considering land immediately north of the Vineyard Precinct as providing future opportunities for employment and industry related to the future OSO infrastructure, with detailed planning to commence once the location of the recommended corridor is formalised." (March 2018, p14)

A June 2005 document titled *Managing Sydney's Growth Centres* includes a map showing the Vineyard Precinct within the North West Growth Sector as currently bounded in the north by Commercial Road and Menin Road in Oakville/Vineyard. However, the map also shows that the State Environmental Planning Policy, the planning instrument enabling the Sector, encompasses a much broader area which takes in all of Oakville, Maraylya, the rest of Vineyard and even parts of McGraths Hill and Mulgrave. Many of these areas are presently zoned rural, and contain prime agricultural land, equine properties, and endangered ecological communities of remnant Cumberland Plain woodland.

There is ample justification for concern that this broader area is already succumbing to development pressure, with the area north of Old Pitt Town Road and east of Boundary road, which is *outside* of the current North West Growth Sector, being permitted to be developed by The Hills Shire Council despite there being no clear imperative from the State Government for them to have done so.

A developer has widely letterboxed residents in Oakville, asking to buy their properties for the purpose of land banking.

ORDINARY MEETING
SECTION 5 – Notices of Motion

Meeting Date: 26 June 2018

A real-estate agent circulates a glossy brochure about the sale of an Oakville property, stating “*With Oakville mentioned as the next suburb to be re-zoned, this is the perfect opportunity to buy into Oakville before prices soar.*”

It is against this backdrop that Council approaches the review of its Residential Land Strategy later this year. It is unacceptable that Council should consider changing land use in this area without frank and co-operative disclosure from State departments and ministries about their intentions.

If Council proceeds in ignorance of the State Government’s medium to long term plans, our Council runs the risk of being seen as recalcitrant on the question of development pressure. Our ability to either protect our rural amenity and productive agricultural lands or manage our own growth may be taken out of our hands.

The corridors issue has already revealed justifiable anger within the community about the dread brought by a lack of certainty, disclosure and consultation.

The purpose of this Motion is therefore to place the State Government on notice: If future development is intended in the Oakville, Maraylya and Vineyard areas, the community are aware of the signs now; they are seeking the right to be involved, and they will not be rebuffed. Both Council and residents in these areas need to be able to plan for the future in an informed manner.

FINANCIAL CONSIDERATIONS:

There are no financial implications applicable to this report.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF NOTICE OF MOTION Oooo

ORDINARY MEETING
SECTION 5 – Notices of Motion
Meeting Date: 26 June 2018

Item: 153 **NM2 - Third Crossing of the Hawkesbury River at North Richmond - (79351, 138879)**

Submitted by: Councillor Richards

NOTICE OF MOTION:

That:

1. Council commends the Hon. Dominic Perrottet MP, State Member for Hawkesbury, Treasurer of NSW and Minister for Industrial Relations, for his announcement in the NSW State Budget last week to provide project funding to the amount of \$25 million to commence the process for constructing a third crossing of the Hawkesbury River.
2. Council acknowledges that it has advocated for the need for a third crossing of the Hawkesbury River for many years.
3. Council write to the Mr Perrottet, congratulating him for this announcement, thanking him for listening to the community on this issue, and for prioritising the implementation of a third crossing of the Hawkesbury River in this year's NSW State Budget.

BACKGROUND:

The 2018-19 NSW State Budget has committed funds towards a third river crossing between Richmond and North Richmond. A total of \$25 million has been promised, with \$7 million in the next financial year being allocated towards planning and a business case for this vital piece of missing infrastructure for the Hawkesbury. Never before has the Hawkesbury had so many bridge projects on the table at once. This is a positive announcement for residents and visitors to the Hawkesbury and the initial business case is the best start to canvassing the issues involved before proceeding to further planning.

A motion was passed by this Council at its Ordinary Meeting on 11 October 2016, being Resolution 341, stating that Council "support an additional crossing of the Hawkesbury River." One Councillor was out of the room with a declared interest and one Councillor specifically requested their name to be recorded against this motion. It is promising to see that the NSW State Government has listened to advocacy within the local community and is starting the process for this much needed piece of public road infrastructure.

There has been community pressure for years for an additional crossing of the Hawkesbury River and this announcement by our state member kick starts that process. This will ease traffic congestion and provide a more flood-resilient route for residents west of the Hawkesbury River. Many vocal community groups, individuals and elected representatives have been pushing for a third crossing. There has been consistent talk of this at community meetings, in the print, radio and online media and on social media.

It is imperative for this Council to support this announcement; the core beneficiaries will be our local residents, whom we have been elected to represent.

FINANCIAL CONSIDERATIONS:

There are no financial implications applicable to this report.

ORDINARY MEETING
SECTION 5 – Notices of Motion
Meeting Date: 26 June 2018

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF NOTICE OF MOTION Oooo

ORDINARY MEETING
Questions for Next Meeting
Meeting Date: 26 June 2018

QUESTIONS FOR NEXT MEETING

Item: 154 **Councillor Questions from Previous Minutes and Responses - 8 May 2018 - (79351)**

REPORT:

Questions - 8 May 2018

#	Councillor	Question	Response
1	Conolly	In relation to the Answer for Question number 6 regarding the proposal to move the church bell at St. Matthews Catholic Primary School, could I be advised before the next Business Paper as to what action the Council has taken in respect to the church bell being relocated.	The Acting Director City Planning advised that architects acting on behalf of St Matthews Catholic Primary School were advised that a Development Application will be required for the relocation of the church bell, and that a Statement of Heritage Impact report will be required to accompany the application as well as photographic evidence of where the bell was located in the past. To date no application has been received.

ORDINARY MEETING

Questions for Next Meeting

Meeting Date: 26 June 2018

#	Councillor	Question	Response
2	Conolly	<p>In relation to the Answer for Question number 6 regarding the change of boundaries around the church at St. Matthews Catholic Primary School and the exact location of the portable classrooms:-</p> <ul style="list-style-type: none"> • Does the SEPP allow owners to do whatever they want in relation to that heritage item. • Have they told Council they are going to put the classrooms there. • Does Council have a say on how close. • What impact it is going to have on the heritage asset. 	<p>The Acting Director City Planning advised that:</p> <ul style="list-style-type: none"> • The State Environmental Planning Policy (Educational Establishments and Childcare Facilities) 2017 requires the proponent to consult with Council in the instance where a Heritage Item is involved. • Architects engaged by the proponent sent correspondence to Council dated 13 April 2018 advising of their intent to locate the proposed demountable classroom on the site under the provisions of the State Environmental Planning Policy Education and Child Care Facilities as Development without consent. Included with the correspondence was the Statement of Heritage Impact report. • Architects engaged by the proponent advised in a revised Statement of Heritage Impact report dated May, 2018, that the proposed demountable classroom will be located 6 metres from the rear of the church. In their correspondence, the Architects also advised that they intend to relocate the church bell to the street frontage of the church (refer to answer in question 1). Given the site is heritage listed, the proponent is required to consult with Council in respect of the proposed classroom. • The Statement of Heritage Impact report was referred to Council's Heritage Advisor for comment on 26 April 2018, who provided the following advice: <ul style="list-style-type: none"> 1. The previous documents had indicated two distances between the demountable structure and the historic St Matthews Church (2 and 8 metres). The current letter and revised Statement of Heritage Impact report has indicated a distance of 6 metres. This distance appears acceptable from a heritage perspective.

ORDINARY MEETING
Questions for Next Meeting
Meeting Date: 26 June 2018

#	Councillor	Question	Response
	Conolly (Cont'd)		2. The Statement of Heritage Impact report recommends an Interpretation Strategy followed by an Interpretation Plan. This is supported and will be included as a condition of DA consent. The Interpretation Strategy is to be forwarded to Council for approval prior a CC certificate approval and the Interpretation Plan is to be developed, and forwarded to Council for approval, then installed prior a OC certificate approval.

ORDINARY MEETING

Questions for Next Meeting

Meeting Date: 26 June 2018

#	Councillor	Question	Response
3	Ross	<p>In relation to the Answer for Question number 1 could the following questions be answered:</p> <ul style="list-style-type: none"> • Does Council have a Memorandum of Understanding with the Hawkesbury Sports Council. • If so, whether it is a Memorandum of Understanding or a Lease. • Does Council have an overriding control of what activity of development that occurs in the Bensons Lane complex. • Would the General Manager agree that Council has the overriding consideration of activities that go on at Benson Lane complex and any developments or changes that might be made with regard to equipment, structures, inclusions, exclusions or whatever. • Who organised the particular project of that area. • What were their credentials. 	<p>The General Manager advised that:</p> <p>Council most recently reviewed its delegations on 25 July 2017. At the time Council endorsed its previous practice of delegating responsibility for active playing fields to Hawkesbury Sports Council Inc. There is no Memorandum of Understanding with the Council with delegation taking precedence.</p> <p>See above.</p> <p>Council has delegated the responsibility for the management of Bensons Lane. Council must provide owners consent if required for development approval.</p> <p>Through its delegation the Sports Council has managed Councils sporting facilities and considered the specific needs of various sporting bodies and associations for many years.</p> <p>In reference to the specific issue of field lighting the Sports Council has installed, modified and upgraded field lighting through various projects over a number of years.</p> <p>Hawkesbury Sports Council has advised that the firm that undertook the installation was a licenced electrical contractor.</p>

ORDINARY MEETING

Questions for Next Meeting

Meeting Date: 26 June 2018

#	Councillor	Question	Response
3	Ross (Cont'd)	<ul style="list-style-type: none">• When was the installation conducted and completed.• In respect to the installation conducted by a third party, on what basis had Council been tendered plans and undergone discussions either with the Sports Council, preferably, or with the third party involved in the installation.• What are the relevant standards as considered by whomever is at the Sports Council who decided what the relevant standards were, or is it Council.	<p>The most recent lighting was completed in May 2018 and was an installation of additional lighting on a partially lit field.</p> <p>All works were undertaken under the auspices of the Sports Council.</p> <p>The relevant lighting standards are based on the requirements of the Sporting Associations for the particular use for that sport. Differing standards apply to training, competition and the competition standard.</p>

ORDINARY MEETING

Questions for Next Meeting

Meeting Date: 26 June 2018

#	Councillor	Question	Response
3	Ross (Cont'd)	<ul style="list-style-type: none"> • At the assessment stage, were Council staff involved in reviewing the assessment of what was required and what was going to be put into the complex. • Upon its installation, what compliance activity was done in reference to its adherence to the agreed framework. • What efforts did Council make in regard to the potential wider element of the interference and loss of amenity to the other residents within eye line or eye shot of that particular property, including those of the higher elevation on the Northern/Western side of the river. • Who conducted the light evaluation. • Was there a lighting simulation done prior to the implementation of the fixtures that the lighting matters. • Enquired as to why at 8:00pm on Friday 25 May 2018, without any warning or any person being on site, the lights turned on, in the evening and were not extinguished until 5:00am. 	<p>Council staff were not involved in assessment of this work as this work is exempt from Planning consent under the Infrastructure SEPP.</p> <p>The Sports Council advised that an assessment of the field lighting was done on completion and adjustments to the installation was undertaken to ensure field lighting requirements were met.</p> <p>In response to a complaint by a land owner Hawkesbury Sports Council undertook an investigation of potential light spill and undertook readings of light levels at a nearby property. Those investigations indicated that there was no increase in lighting at that property as a result of the flood lighting.</p> <p>Those investigations were undertaken by an electrical contractor engaged by the Sports Council.</p> <p>A lighting design and analysis was undertaken by the electrical contractor as part of the project.</p> <p>The Sports Council advised that on this and a number of other occasions the flood lighting experienced an intermittent fault. This is being rectified.</p>
3	Ross (Cont'd)	<ul style="list-style-type: none"> • When would Council anticipate either inspecting or doing something about this to alleviate the difficulties of residents. 	<p>Given the issues identified through this question an independent investigation of light spill will be undertaken by Council by mid-July. This will include adjoining properties as well as properties at higher elevations.</p>

oooO END OF REPORT Oooo

ORDINARY MEETING
Questions for Next Meeting
Meeting Date: 26 June 2018

Item: 155 Councillor Questions from Previous Meetings and Responses - 29 May 2018 - (79351)

REPORT:

Questions - 29 May 2018

#	Councillor	Question	Response
1	Richards	Enquired as to whether Council can find out from local animal groups if there has been an increase in the feral deer population in the Hawkesbury LGA as they are destroying residents' fruit trees and other vegetation.	The Acting Director City Planning advised that enquiries have been made of relevant agencies in order to ascertain whether or not there has been an increase in the feral deer population within the Hawkesbury LGA. Councillors will be advised of the outcome of those enquiries once known.
2	Tree	Enquired as to the status of the Grose River Crossing and if there had been more dialogue between the RMS and Council to get an outcome.	The General Manager advised that representatives of the RMS and Council have reached a verbal agreement as to how the Grose River Crossing will be progressed. Once the written agreement has been finalised it will be presented to Council and the Community Consultation process will commence.

ORDINARY MEETING

Questions for Next Meeting

Meeting Date: 26 June 2018

#	Councillor	Question	Response
3	Conolly	Enquired as to how many times has Council issued orders to have the signs removed from Thompson Square and how much time has Council spent on this matter.	<p>The General Manager advised that Council Rangers have responded to multiple emails and initiated remedial action on 5 occasions regarding signage around Thompson Square.</p> <p>Upon initial observations Council officers have noticed that most of these signs have been erected on either private property or on land controlled by RMS.</p> <p>On one occasion where signs have been erected on private property, Council Officers have been able to negotiate with the property owner and have them removed.</p> <p>Most of the signs that have been installed around Thompson Square have been identified as being on land controlled by the RMS land. These were referred to RMS for appropriate action. As a result of these enquiries RMS have advised of a monitoring program for signs erected on RMS property.</p> <p>Council Officers do have the ability to impound signs if they appear on Council owned land, however if they exist on private land then a notice must be provided before they can be impounded. Signs that exist on RMS land must be referred to the RMS for removal.</p> <p>In order to issue an Order to remove a sign, Council Officer must be able to establish who was responsible for placing the sign in the first place. Essentially Council officers must have evidence that would be supported in court of law.</p> <p>In terms of time spent on this matter, Council officers have responded to each complaint received in relation to Thompson Square.</p>

ORDINARY MEETING

Questions for Next Meeting

Meeting Date: 26 June 2018

#	Councillor	Question	Response
4	Zamprognio	Enquired as to what consultation occurred with Council and the community in the affected areas of the Bells Line of Road and M9 Corridors prior to the corridors announcement in March 2018.	<p>The General Manager advised that Transport for NSW did conduct community consultation for the Bells Line of Road Corridor (in conjunction with the Outer Sydney Orbital) between 6 June 2015 and 7 August 2015. This included drop in sessions and meetings with key stakeholder groups including representatives of Windsor Downs homeowners, Shanes Park residents, various environmental groups and representatives from the freight industry.</p> <p>Additional consultation on the specific identified route occurred with Council prior to the corridors announcement in March 2018. Under embargo, the General Manager and Mayor were advised of the impending announcement one working day prior to the announcement to the general public.</p> <p>A detailed report regarding the Corridors was provided to Councillors at its Extraordinary meeting on 13 June 2018.</p>
5	Calvert	In respect to the charges for a Section 10(7) Environmental Planning Certificate, is it Council's policy to charge a \$54.60 fee for this Certificate to be emailed and no charges for posting the same out.	The Director Support Services advised that a charge of \$54.60 currently applies to an emailed Section (7) Environmental Planning Certificate. This charge has been reviewed for the 2018/2019 financial year. From 1 July 2018, there will be no charge for emailing the Certificate.
6	Wheeler	Requested Council inspect the footpath outside the Richmond Library on the Corner West Market Street, Richmond as it has become a trip hazard due to the tree roots.	The Director Infrastructure Services advised that Council staff had identified those tree roots that were causing hazards and were in the process of investigating possible options to address this matter. Once the investigation is completed, available options are planned to be advertised for community feedback prior to a report being provided to Council for its consideration.

ORDINARY MEETING

Questions for Next Meeting

Meeting Date: 26 June 2018

#	Councillor	Question	Response
7	Garrow	Requested signs or stickers be erected in the Thompson Square area for the EPA – Bin Your Butt Campaign.	The Acting Director City Planning advised that stickers are available from WSROC for the Bin Your Butts Campaign and can be installed in Thompson Square if required. However, the installation of any such stickers should be mindful of the Draft Conservation Management Plan for Thompson Square which is yet to be formally reported to Council, but which recommends a number of policies associated with signage.
8	Rasmussen	Requested that Council be updated regarding the progress of the upgrade to the intersection of Bells Line of Road and Grose Vale Road, North Richmond	The Director Infrastructure Services advised that a request for an update regarding the progress of the upgrade to the intersection had been sent to DM Roads, the contractor completing this project on behalf of the RMS. DM Roads have supplied a copy of their latest update on this project dated April 2018 which has been provided to all Councillors.

oooO END OF REPORT Oooo

ORDINARY MEETING

Confidential Reports

Meeting Date: 26 June 2018

CONFIDENTIAL REPORTS

Item: 156 **SS - Lease to Vannarith Chea and Sayoen Khun - Shop 4, Wilberforce Shopping Centre - (113051, 109556, 95496, 112106)**

Directorate: Support Services

REASON FOR CONFIDENTIALITY

*This report is **CONFIDENTIAL** in accordance with the provisions of Part 1 of Chapter 4 of the Local Government Act 1993 and the matters dealt with in this report are to be considered while the meeting is closed to the press and the public.*

Specifically, the matter is to be dealt with pursuant to Section 10A(2)(c) of the Act as it relates to details concerning the leasing of a Council property and it is considered that the release of the information would, if disclosed, confer a commercial advantage on a person or organisation with whom the Council is conducting (or proposes to conduct) business and, therefore, if considered in an open meeting would, on balance, be contrary to the public interest.

In accordance with the provisions of Section 11(2) & (3) of the Local Government Act 1993, the reports, correspondence and other relevant documentation relating to this matter are to be withheld from the press and public.

ORDINARY MEETING

Confidential Reports

Meeting Date: 26 June 2018

Item: 157 **SS - Licence to Tomra Collection Pty Ltd - Part of 1 Kable Street, Windsor - (95496, 92432, 112106)**

Previous Item: Item 097, 10 April 2018
 Item 122, 8 May 2018

Directorate: Support Services

REASON FOR CONFIDENTIALITY

*This report is **CONFIDENTIAL** in accordance with the provisions of Part 1 of Chapter 4 of the Local Government Act 1993 and the matters dealt with in this report are to be considered while the meeting is closed to the press and the public.*

Specifically, the matter is to be dealt with pursuant to Section 10A(2)(c) of the Act as it relates to details concerning the leasing of a Council property and it is considered that the release of the information would, if disclosed, confer a commercial advantage on a person or organisation with whom the Council is conducting (or proposes to conduct) business and, therefore, if considered in an open meeting would, on balance, be contrary to the public interest.

In accordance with the provisions of Section 11(2) & (3) of the Local Government Act 1993, the reports, correspondence and other relevant documentation relating to this matter are to be withheld from the press and public.



ordinary
meeting

end of
business
paper

This business paper has been produced electronically to reduce costs, improve efficiency and reduce the use of paper. Internal control systems ensure it is an accurate reproduction of Council's official copy of the business paper.