

11 February 2020

Dear Councillors and Committee Members,

You are kindly requested to attend the **Finance Committee Meeting** of Wingecarribee Shire Council to be held in **Council Theatre, Civic Centre, Elizabeth Street, Moss Vale** on **Wednesday 19 February 2020** commencing at 9.00am.

Yours faithfully

Barry W Paull  
**Deputy General Manager Operations, Finance & Risk**

**DISTRIBUTION:**

***Councillors***

Mayor Cllr T D Gair (Chair)  
Cllr G J Andrews  
Cllr K J Halstead  
Cllr G McLaughlin  
Cllr G Markwart  
Cllr P W Nelson  
Cllr I M Scandrett  
Cllr G M Turland  
Cllr L A C Whipper

***Staff***

General Manager  
Deputy General Manager Operations, Finance and Risk  
Deputy General Manager Corporate, Strategy and  
Development Services  
Chief Financial Officer  
Group Manager Corporate and Community  
Group Manager Infrastructure Services  
Deputy Chief Financial Officer  
Management Accountant  
Administration Assistant

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## **Business**

**1. OPENING OF THE MEETING**

**2. ACKNOWLEDGEMENT OF COUNTRY**

**3. APOLOGIES**

Nil

**4. ADOPTION OF MINUTES OF PREVIOUS MEETING**

Finance Committee Meeting held on 20 November 2019

**5. DECLARATIONS OF INTEREST**

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**6. AGENDA REPORTS**

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**7. CLOSED COUNCIL**

Nil

**9. DATE OF NEXT MEETING**

**10. MEETING CLOSURE**

## Our Mission, Our Vision, Our Values

### OUR MISSION

To create and nurture a vibrant and diverse community growing and working in harmony with our urban, agricultural and natural environments

### OUR VISION

**Leadership:** *'An innovative and effective organisation with strong leadership'*

**People:** *'A vibrant and diverse community living harmoniously, supported by innovative services and effective communication with Council'*

**Places:** *'Places that are safe, maintained, accessible, sympathetic to the built and natural environment, that supports the needs of the community'*

**Environment:** *'A community that values and protects the natural environment enhancing its health and diversity'*

**Economy:** *'A strong local economy that encourages and provides employment, business opportunities and tourism'*

### OUR VALUES

Integrity, trust and respect

Responsibility and accountability

Communication and teamwork

Service quality

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## **Acknowledgement of Country**

I would like to acknowledge the Traditional Custodians of this land and pay my respect to Elders both past and present. I would also like to extend that respect to all Aboriginal and Torres Strait Islanders present here today.

## **Apologies**

## **Adoption of Minutes of Previous Meeting**

## **Declarations of Interest**

The provisions of Chapter 14 of the *Local Government Act 1993* regulate the way in which Councillors, Committee Members and nominated staff of Council conduct themselves to ensure that there is no conflict between their private interests and their public trust.

The Act prescribes that where a member of Council (or a Committee of Council) has a direct or indirect financial (pecuniary) interest in a matter to be considered at a meeting of the Council (or Committee), that interest and the reasons for declaring such interest must be disclosed as soon as practicable after the start of the meeting.

As members are aware, the provisions of the Local Government Act restrict any member who has declared a pecuniary interest in any matter from participating in the discussions or voting on that matter and further require that the member vacate the Chamber.

Council's Code of Conduct provides that if members have a non-pecuniary conflict of interest, the nature of the conflict must be disclosed. The Code also provides for a number of ways in which a member may manage non pecuniary conflicts of interest.

**Where necessary any Councillor, Committee Member and nominated staff of Council should disclose any interest and the reason for declaring such interest in the matters under consideration at this meeting.**

Councillors and Committee Members are requested to complete the appropriate form to be handed up at the Meeting.

## 6 AGENDA REPORTS

### 6.1 Establishment of Mayoral Relief Fund (Public Appeals)

Reference:	102/8
Report Author:	Financial Accountant
Authoriser:	Chief Financial Officer
Link to Community	
Strategic Plan:	Effective financial and asset management ensure Council's long term sustainability

#### PURPOSE

The purpose of this report is to formally advise Council of the establishment of the Mayoral Relief Fund (Public Appeals) and to also inform Council on the status of its application to the Australian Taxation Office (ATO) for endorsement of Council's Mayoral Relief Fund as a Deductible Gift Recipient.

#### RECOMMENDATION

1. **THAT Council note the establishment of the Mayoral Relief Fund (Public Appeals).**
2. **THAT Council notes the approval by the Australian Taxation Office of the Mayoral Relief Fund as a public fund for persons in necessitous circumstances (Deductible Gift Recipient Endorsement).**

#### REPORT

Since late 2019 bushfires have resulted in significant devastation in large areas of south east Australia. The Green Wattle Creek and Morton fires have directly affected residents of Wingecarribee Shire. Out of a desire to assist residents directly impacted by the Green Wattle Creek Fire, on the 23 December 2019, the Mayor Councillor Duncan Gair announced the establishment of a Mayoral Relief Fund.

While Council has essentially operated an emergency relief fund for many years previously, the Mayoral Relief Fund has been established to enable donations to be made by members as of the public. The Fund has been established with a separate bank account into which Council can receive donations for that purpose.

The establishment of the fund has subsequently required Council to take a number of steps to enable the Mayoral Relief Fund (via Council) to be endorsed by the Australian Tax Office as a Deductible Gift Recipient (DGR).

While the community has shown support for the fund with donations in excess of \$50,000 received to date, it was considered the public would be increasingly willing to make donations to such a fund if those donations were tax deductible.

For donations made to the Mayoral Relief Fund to be tax deductible, the fund is required to be endorsed by the Australian Taxation Office (ATO) as a Deductible Gift Recipient (DGR)

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Other nearby local government areas which have also taken steps to assist their residents through the establishment of a Mayoral Relief Fund are shown in the table below.

LGA	DGR status	Means of accepting donations
Wollondilly Shire	Yes Mayoral relief fund	Relief fund accepting tax deductible donations to Mayor's relief fund bank account by EFT, at Council's administration building or at a NAB branch.
Shoalhaven City	Yes Mayoral relief fund	Relief fund accepting donations to Mayor's relief fund bank account by EFT, at Council's administration building or at a CBA branch.
Blue Mountains City Council	Yes Mayoral relief fund	Relief fund accepting tax deductible donations to Mayor's relief fund bank account by EFT, at Council's administration building or at a NAB branch.

#### Mayoral Relief Fund Rules & Governance Structure

The Mayoral Relief Fund has been established on the basis that it will exist in perpetuity. This will ensure that the Fund is able to be used in the event of any future natural disaster event.

To ensure appropriate governance controls are in place for the management of the Mayoral Relief Fund, Council staff have prepared a set of rules (Governing Principles) which were provided to the ATO as part of Council application for DGR Endorsement.

#### DGR Application

Based on a review of information available from the ATO and the establishment of nearby councils' relief funds as DGRs, the most appropriate type of endorsement was considered to be a *public fund for persons in necessitous circumstances*.

A public fund for persons in necessitous circumstances is a fund which is established and maintained to provide relief for individuals in Australia who are in necessitous circumstances.

The term 'necessitous circumstances' refers to financial necessity. It does not extend to needs generally - for example, being sick, incapacitated or aged are not necessitous circumstances on their own. Being in necessitous circumstances:

- involves poverty, though it may not be abject poverty or destitution
- does not mean just being without luxuries.

The particular circumstances giving rise to financial necessity will not necessarily be permanent. For example, tropical cyclones, floods and other disasters can cause people to be in short-term financial need.

Council staff consulted with the ATO and it was confirmed that under this DGR type, endorsement as a DGR can be retrospective. Therefore, Council applied for its endorsement date to be the date of establishment of the Mayoral Relief Fund (23 December 2019).

Council was advised on the 7 February 2020 that its application for Deductible Gift Recipient Status had been approved and subsequently backdated to the 23 December 2019. The application was endorsed on the basis of the Mayoral Relief Fund being a *public fund for persons in necessitous circumstances*.

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## **COMMUNICATION AND CONSULTATION**

### **Community Engagement**

There was no Community Engagement undertaken.

### **Internal Communication and Consultation**

Executive

### **External Communication and Consultation**

The Australian taxation Office (ATO).

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## **SUSTAINABILITY ASSESSMENT**

- **Environment**

There are no environmental issues in relation to this report.

- **Social**

There are no social issues in relation to this report.

- **Broader Economic Implications**

There are no broader economic implications in relation to this report.

- **Culture**

There are no cultural issues in relation to this report.

- **Governance**

Council will need to maintain procedures to keep Mayoral Relief Fund monies separate from Council's own funds. This has already been established through the creation of a separate bank account. Additionally, as part of the operations of a DGR fund, there is a requirement to perform a regular (annually is recommended) assessment of continued eligibility for DGR status. The ATO provides a template assessment form for this purpose.



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## **COUNCIL BUDGET IMPLICATIONS**

There was no cost to Council to apply for DGR endorsement or to operate the Mayoral Relief Fund.

The donations received are held in a separate bank account and interest earned on the fund remain in the fund and available for distribution under the fund's governing rules. The fund will only distribute donations contributed to the fund, therefore, there are no direct financial implications for Council.

**It is important to note that all administrative expenses in relation to the operation of the fund will be covered by existing Council budgets. Every dollar donated into the Fund will be distributed in accordance with the Fund's Governing Rules.**

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## **CONCLUSION**

In response to the recent bushfires which have significantly impacted both the northern and southern parts of the Wingecarribee Shire, a Mayoral Relief Fund (Public Appeals) was established. This report provides Councillors with an overview of how this Fund and confirms its successful application to the Australian Taxation Office for DGR endorsement.

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## **ATTACHMENTS**

There are no attachments to this report.

## 6.2 Water Polo NSW Country Championships - Donation of Fees and Charges

Reference:	6700
Report Author:	Manager Open Space, Recreation and Building Maintenance
Authoriser:	Deputy General Manager Operations, Finance and Risk
Link to Community	
Strategic Plan:	Effective financial and asset management ensure Council's long term sustainability

### PURPOSE

The purpose of this report is to formalise the donation of the fees and charges associated with the Water Polo NSW Country Championship held at the Mittagong Pool in January 2020.

### RECOMMENDATION

1. **THAT Council approve the donation of \$3,663.70 towards the cost of hiring Mittagong Pool for the Water Polo NSW Country Championship held over the 2020 Australia Day long weekend.**
2. **THAT the donation be funded from the Councillor Contingency Fund.**

### REPORT

#### **BACKGROUND**

Councillors were informed by email on the 13 December 2019 that a request had been made by Water Polo NSW to waive the fees and charges in relation to the Country Championships to be held over the 2020 Australia Day long weekend.

Support for this request was given by Council (via email) in December 2019, however this report will formalise this request and recommend that the donation be funded through the Councillor Contingency Fund.

#### **REPORT**

Water Polo New South Wales (WPNSW) reserved the 50m Swimming Pool at Mittagong Pool for the 2020 Australia Day long weekend for the water polo country club championships. The booking effectively meant that the 50m pool would be booked out for the 3 days of the long weekend. The baby pool and the splash pads areas however remained open to the public for the duration of the event.

At the time of booking, WPNSW were not aware of the fees and charges for the hire of the 50m pool. In previous situations where WPNSW had held the country championships in other Local Government areas, they had secured a waiver or a significant reduction in the rate charged.

WPNSW reviewed Council's fees and charges for the hourly hire of the facility and were of the view that the rates would make the event financially unviable by several thousand

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dollars. The event coordinator made contact with Council staff and requested that Council provide a favourable reduction to the fees and charges.

The fees which would be levied under Council's adopted 2019/20 fees and charges schedule are as follows:

Day	Hourly Rate	Time Period	Total Cost Per day
25 January 2019	\$104.55	12pm – 6pm (6)	\$627.30
26 January 2019	\$151.82	8am – 6pm (10)	\$1,518.20
27 January 2019 (Public Holiday)	\$151.82	8am – 6pm (10)	\$1,518.20
		<b>TOTAL</b>	<b>\$3,663.70</b>

*Note: These figures are GST Exclusive*

WPNSW requested an urgent response from Council, on the basis that it would have to find another venue if no waiver or reduction is given.

This request was considered in light of the positive impact this event would have on the Mittagong area, as it would draw a large number of athletes and supporters into the area over a three day period.

The General Manager sought the position of Council via email and as a result of sufficient Council support, informed WPNSW that no fees would be charged for the event.

## COMMUNICATION AND CONSULTATION

### Community Engagement

The event, and subsequent closure of the 50m pool was advertised at the Mittagong Pool and also on Council's website.

### Internal Communication and Consultation

Executive

Manager Open Space and Buildings

### External Communication and Consultation

Water Polo NSW

## SUSTAINABILITY ASSESSMENT

- **Environment**

There are no environmental issues in relation to this report.

- **Social**

There are no social issues in relation to this report.

- **Broader Economic Implications**

There are no broader economic implications in relation to this report.

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- **Culture**

There are no cultural issues in relation to this report.

- **Governance**

There are no governance issues in relation to this report.

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### **COUNCIL BUDGET IMPLICATIONS**

The current balance of the Councillor Contingency Fund is \$27,384. This does not account for any items considered at the Council meeting held on the 12 February 2020.

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### **CONCLUSION**

Council advised WPNSW in early December of its decision to not charge any fees in relation to the Country Championships held at Mittagong Pool over the 2020 Australia Day long weekend. This report is to formalise this request and to obtain Council approval to donate the fees and charges from the Councillors Contingency Fund.

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### **ATTACHMENTS**

There are no attachments to this report.

## 6.3 Implementation of Purchase Card System

Reference:	2103
Report Author:	Coordinator Procurement and Fleet
Authoriser:	Chief Financial Officer
Link to Community Strategic Plan:	Effective financial and asset management ensure Council's long term sustainability

### PURPOSE

The purpose of this report is to advise Council of the intended expansion of its Purchase Card expense management system and to seek approval to increase the current credit facility to \$300,000.

### RECOMMENDATION

1. **THAT Council note the expansion of the Purchase Card expense management system.**
2. **THAT the General Manager and Mayor be delegated authority to execute under the Common Seal of Council all documents which are required to increase Council's credit facility to \$300,000.**

### REPORT

#### **BACKGROUND**

Council utilises a number of different payments methods for the purchase of goods and services for maintenance and program activities. These payments methods include electronic funds transfer (EFT), cheque and purchase cards.

Purchase Cards have been used by the organisation for a number of years and effectively operate very similar to a credit card, where Council staff can use this card for the purchase of small / miscellaneous items where there is often no other form of payment accepted.

All Purchase Cards have monthly limits which cannot be exceeded and there are strict internal controls in place for the use, approval and monitoring of Purchase Card expenditure. The use of Purchase Cards is covered under Council's comprehensive Procurement Guidelines.

The use of Council's Purchase Cards has been the subject of a number of internal audits and no adverse findings have been identified in relation to the use of these cards and the appropriateness of expenditure incurred.

Council is currently expanding its use of Purchase Cards to operational areas of Council and as a result; is seeking approval from Council to increase its current credit facility from \$150,000 to \$300,000. It has been in excess of 15 years since this credit facility was increased.

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#### **REPORT**

The expansion of Council's Purchase Card expense management system was identified as an internal improvement under the Business Transformation Program. Expense management systems provide staff with a convenient, low cost method of purchasing goods and services of small value. They have strong internal controls to ensure transparency and accountability in their use.

Council has used Purchase Cards as part of its payment systems for a number of years. The current Purchase Card system is provided through Council's corporate banking partner, the National Australia Bank (NAB).

Council staff have been progressing the upgrade of this expense management system with the NAB for the past several months. The upgrade will include additional functionality such as mobility features, workflow management and robust internal controls for the approval, reporting and monitoring of expenditure. The expense management system also has the ability the block certain category expenditure which will be put in place.

A major benefit of expanding the use of Purchase Cards across Council's operational areas is that the transactional cost of processing small payments will be reduced by anywhere between 50% to 75%. The upgrade will transition existing card holders and new users to an online expense management system and eliminate the need for paper documentation.

It should be noted that Purchase Cards will not be used for expenditure where quotes are required to be obtained in accordance with Council's Procurement Guidelines.

#### **Audit Recommendation**

The expansion of Council's Purchase Card expense management system has been identified through the Audit Risk and Improvement Committee as an improvement which will address a number of findings in relation to Council's payment and procurement systems.

The expansion of the Purchase Card System expense management system will address these findings and will also eliminate the use of a number of trade cards which are currently used by operational staff.

#### **Legislative requirement**

Under Section 377 of the *Local Government Act 1993*, Council cannot delegate to the General Manager or any other member of staff the *Borrowing of Money*. A credit facility in financial terms is considered equivalent to borrowings, albeit short term as all expenditure incurred on Purchase Cards are paid at the end of each month.

As such a formal Council resolution is required to increase the credit facility and the Council Seal is to be affixed to all documents approving this increase.

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## **COMMUNICATION AND CONSULTATION**

#### **Community Engagement**

None required.

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#### **Internal Communication and Consultation**

Finance and Procurement

#### **External Communication and Consultation**

National Australia Bank

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### **SUSTAINABILITY ASSESSMENT**

- **Environment**

There are no environmental issues in relation to this report.

- **Social**

There are no social issues in relation to this report.

- **Broader Economic Implications**

There are no broader economic implications in relation to this report.

- **Culture**

There are no cultural issues in relation to this report.

- **Governance**

There are no governance issues in relation to this report.

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### **COUNCIL BUDGET IMPLICATIONS**

There will be no additional fees incurred as a result of increasing Council's credit facility to \$300,000.

The expansion of Council's Purchase Card expense management system is funded within the 2019/20 budget and will ultimately result in a short pay-back period in terms of reduced transactional cost in relation to the processing of payments by EFT and cheque. There is a minor monthly administration fee applied to each card which will be funded from existing budgets.

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### **RELATED COUNCIL POLICY**

Council's *General Manager Practice Note – Use of Council Seal* will be complied with in relation to this report.

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### **CONCLUSION**

Council is currently expanding the use of its Purchase Card expense management system to operational areas of Council. This will address a number of findings presented to the Audit Risk and Improvement Committee. It will also reduce transactional cost and provide staff with a mobile, convenient means of purchasing small value goods and services.

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To permit the expansion of Council's Purchase Card expense management system, approval is sought to increase Council's credit facility to \$300,000.

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### **ATTACHMENTS**

There are no attachments to this report.

## 6.4 Budget Review to 31 December 2019

Reference:	2120/19
Report Author:	Management Accountant
Authoriser:	Chief Financial Officer
Link to Community Strategic Plan:	Effective financial and asset management ensure Council's long term sustainability

### **PURPOSE**

The purpose of this report is to inform Council of the results of the budget review undertaken for the period ending 31 December 2019 and to seek approval to make the necessary adjustments to the 2019/20 Budget.

The Quarterly Review of the Budget is reported to Council at the end of each quarter in accordance with Section 203 of the *Local Government (General) Regulation 2005*.

### **RECOMMENDATION**

1. **THAT Council approve the budget variations reported at the December Quarterly Review as listed in Attachment 1 to the report.**
2. **THAT Council note the projected position for the 2019/20 Financial Year remains a balanced budget.**

### **REPORT**

#### **BACKGROUND**

At its meeting of 12 June 2019 Council adopted the 2019/20 Operational Plan, Budget and Revenue Policy (MN 270/19).

The 2019/20 Original Budget was adopted by Council as a deficit budget of \$123,000. This was due to an announcement made by the NSW State Government on the 8 May 2019 that there would be a significant increase in the statutory contribution for the emergency services contribution (Rural Fire Services, State Emergency Services and Fire & Rescue NSW) for the 2019/20 financial year. This Was subsequently funded through the NSW State Government and reported as part of the September Quarterly Review.

This report presents the recommended adjustments which have been submitted by Council Officers for the second quarter of the 2019/20 financial year.

#### **MAIN REPORT**

Taking into consideration all adjustments requested as part of the December Quarterly Review, the projected budget result for the 2019/20 financial year remains a balanced budget.

**PROPOSED BUDGET VARIATIONS**

Proposed budget variations (Greater than \$15,000) which have been submitted as part of the December Quarterly Review are shown in the table below:

<b>December Review - Proposed Variations (&gt;\$15,000)</b>	<b>2019/20</b>
<b>2019/20 September Budget Review</b>	<b>Balanced</b>
<b>Income Adjustments</b>	
Southern Phone Share Sale and Dividend – increase in income	\$854,895
Sale of Road Reserve Bendooley/Bowral Street – increase in income	\$100,000
Rate income – increase in income	\$42,081
<b>Total Budget Variations – Income</b>	<b>\$996,976</b>
<b>Expenditure Adjustments</b>	
Purchase Green Waste Slow Shredder – increase in expense	\$600,000
Development Services Contractors – increase in expense	\$500,000
Development Services Employment – decrease in expense	(\$500,000)
Mittagong Playhouse Investigation Works – increase in expense	\$175,000
Mittagong Pool Balance Tank Repairs – increase in expense	\$120,000
Mittagong Pool Landscaping – decrease in expense	(\$100,000)
Mittagong Memorial Hall Wall Stabilisation – increase in expense	\$100,000
Cornerstone Licence – increase in expense	\$42,081
<b>Total Budget Variations - Expenditure</b>	<b>\$937,081</b>
<b>Reserve Adjustments</b>	
Transfer to Southern Phone Reserve – increase in expense	\$854,895
Transfer from Waste Reserves – increase in income	(\$600,000)
Transfer from Capital Projects Reserve – increase in income	(\$175,000)
Transfer from SRV Reserve – increase in income	(\$20,000)
<b>Total Reserve Adjustments</b>	<b>\$59,895</b>
<b>Projected 2019/20 Budget result as at 31 December 2019</b>	<b>Balanced</b>

Further commentary on variations to the budget is provided in **Attachment 1**.

There are a number of proposed adjustments to Council's adopted Capital Works Program. These adjustments have been included in Council's Quarterly Budget Review Statement and comments have been provided.

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#### **PROPOSED EXPENDITURE REVOTES**

As part of the December Review of the 2019/20 Budget, Managers have identified those projects which will not be completed (or not yet commenced) by 30 June 2020. This is to ensure Council is able to frame a realistic Budget for the 2020/21 financial year and to ensure sufficient resources are available to deliver works.

The following table provides details of the proposed expenditure revotes identified as part of the December Review:

<b>Proposed Expenditure Revotes</b>	<b>2019/20</b>
Station Street Upgrade	\$2,334,945
Church Rd Amenities Building	\$411,075
Australia Avenue Sewer Pumping Station	\$900,000
<b>Total Major Capital Works Expenditure Adjustments</b>	<b>\$3,646,020</b>

#### **COUNCILLOR CONTINGENCY FUND**

The uncommitted balance of the contingency fund for the 2019/20 financial year as at 31 December 2019 is \$27,385. Funds have been allocated to the following groups during 2019/20:

<b>Contingency Fund</b>	<b>2019/20</b>
2019/20 Approved Budget	\$25,000
2018/19 Expenditure Revote	\$21,159
<b>Total – 2019/20 Budget Available</b>	<b>\$46,159</b>
MN 551/17 – Mental Health Week	\$3,370
MN 127/18 – The Bundanoon Club	\$3,044
MN 354/18 – Triple Zero cricket challenge traffic Mgmt	\$508
MN 214/19 – Refund DA Fees Moss Vale Anglican Church	\$330
MN 335/19 – Bowral Classic Cycling Event	\$3,000
MN 352/19 – Winterfest Bundanoon	\$854
MN 391/19 – Illawarra Academy of Sport	\$2,000
MN 441/19 – Refund DA Fees Highlands Botanic Gardens	\$3,008
MN 460/19 – Bikes 4 Life financial assistance	\$1,000
MN 518/19 – Refund DA Fees Robertson Men's Shed	\$387
MN 583/19 - Refund DA Fees Highlands Artisans Collective	\$285
MN 583/19 - Refund DA Fees Hill Top Men's Shed	\$988
<b>Total Funds Allocated 2019/20</b>	<b>\$18,774</b>
<b>Uncommitted Balance – Contingency Fund</b>	<b>\$27,385</b>

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Please note that the Contingency Fund balance does not include the request from the Council meeting of 12 February, or the \$3,663 request from Water Polo NSW included as a separate report in this agenda.

### **SOUTHERN REGIONAL LIVESTOCK EXCHANGE (SRLX)**

A copy of the financial report for the Southern Regional Livestock Exchange including proposed adjustments as part of the December Budget Review is provided in **Attachment 2**.

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### **COMMUNICATION AND CONSULTATION**

#### **Community Engagement**

There was no Community Engagement undertaken.

#### **Internal Communication and Consultation**

Council's Executive and Managers

#### **External Communication and Consultation**

There was no External Consultation undertaken.

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### **SUSTAINABILITY ASSESSMENT**

- **Environment**

There are no environmental issues in relation to this report.

- **Social**

There are no social issues in relation to this report.

- **Broader Economic Implications**

There are no broader economic implications in relation to this report.

- **Culture**

There are no cultural issues in relation to this report.

- **Governance**

Council is required to approve the Quarterly Review of the budget within eight weeks of the end of the quarter in accordance with section 203 of the Local Government (General) Regulation 2005.

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#### **COUNCIL BUDGET IMPLICATIONS**

The budget adjustments listed in Attachment 1 will result in Council maintaining a balanced budget position.

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#### **RELATED COUNCIL POLICY**

2019/20 Operational Plan and Budget

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#### **CONCLUSION**

The December Review of the 2019/20 Budget has identified a number of significant adjustments to the budget including the Southern Phone Share Sale and Dividend, the purchase of a Green Waste Slow Shredder, Remediation and Stabilisation Works at Mittagong Memorial Hall, and Mittagong Pool Repair Works. There has also been a significant adjustment in the Planning, Development and Regulatory Services branch to recognise the use of Contractors. After all adjustments have been taken into account Council's projected budget result remains a balanced budget.

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#### **ATTACHMENTS**

1. Quarterly Budget Review Statement 2019/20 - *circulated under separate cover*
2. Southern Regional Livestock Exchange Quarterly Budget Review Statement December 2019 - *circulated under separate cover*

## 6.5 Quarterly Progress Report Operational Plan 2019/20, 1 October 2019 to 31 December 2019

Reference:	501/2019
Report Author:	Governance Officer
Authoriser:	Coordinator Corporate Strategy and Governance
Link to Community Strategic Plan:	An enhanced culture of positive leadership, accountability and ethical governance that guides well informed decisions to advance agreed community priorities

### PURPOSE

The purpose of this report is to provide the Finance Committee (the 'Committee') with an overview of Council's progress towards delivering its annual Operational Plan 2019/20.

### RECOMMENDATION

**THAT** the Quarterly Progress Report Operational Plan 2019/20, 1 October 2019 to 31 December 2019 be noted.

### REPORT

#### **BACKGROUND**

The Operational Plan 2019/20 contains 205 projects, programs and activities (referred to as annual deliverables) covering the five key themes outlined in the Community Strategic Plan, *Wingecarribee 2031*. The Operational Plan 2019/20 demonstrates how Council will meet its commitments in the Delivery Program 2017-2021 during the 2019/20 financial year.

#### **REPORT**

The Quarterly Progress Report Operational Plan 2019/20, 1 October 2019 to 31 December 2019 (**Attachment 1**) is an exception report which provides the Finance Committee with an overview of Council's key achievements, areas which require future attention, and programs and projects that have been placed on hold during the reporting period.

At the end of December 2019, 97.6 per cent of all annual deliverables were on track, 2 per cent required attention, and 0.5 per cent were on hold. Further details are provided in **Attachment 1** to this report.

#### **CAPITAL WORKS PROGRESS REPORT**

In addition to the Quarterly Progress Report Operational Plan 2019/20, 1 October 2019 to 31 December 2019, **Attachment 2** provides a progress report on all major capital works projects with a value greater than \$5 million.

This progress report will continue to be provided to the Committee on a quarterly basis.

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## **COMMUNICATION AND CONSULTATION**

### **Community Engagement**

Nil.

### **Internal Communication and Consultation**

Coordinators

Branch Managers and Group Managers

Executive

### **External Communication and Consultation**

Nil.

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## **SUSTAINABILITY ASSESSMENT**

- **Environment**

There are no environmental issues in relation to this report.

- **Social**

There are no social issues in relation to this report.

- **Broader Economic Implications**

There are no broader economic implications in relation to this report.

- **Culture**

There are no cultural issues in relation to this report.

- **Governance**

This report seeks to enhance transparency and accountability by providing an overview of Council's progress towards the commitments set out in the Operational Plan 2019/20.

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## **COUNCIL BUDGET IMPLICATIONS**

Nil.

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## **RELATED COUNCIL POLICY**

Nil.

## **AGENDA FOR THE FINANCE COMMITTEE MEETING**

Wednesday 19 February 2020

### **AGENDA REPORTS**



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#### **OPTIONS**

The option available to the Committee is to note this report.

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#### **CONCLUSION**

The Quarterly Progress Report Operational Plan 2019/20, 1 October 2019 to 31 December 2019 provides the Committee with an overview of Council's progress in achieving the commitments outlined in the Operational Plan 2019/20, including key achievements, areas which require future attention, and programs and projects that have been placed on hold during the reporting period. The report shows that, overall, Council is on track and progressing well in achieving the 205 annual deliverables for the 2019/20 financial year.

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#### **ATTACHMENTS**

1. Quarterly Progress Report Operational Plan 2019/20, 1 October 2019 to 31 December 2019
2. Major Capital Projects (Greater than \$5 Million) - Quarterly Progress Report for Quarter Ended 31 December 2019



## Quarterly Progress Report Operational Plan 2019/20 For Council Finance Committee

1 October 2019 to 31 December 2019



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## Operational Plan Progress - Summary

The following section provides an overview on Council's progress towards delivering its annual Operational Plan 2019-20. The Operational Plan contains 205 projects, programs and activities (annual deliverables) across the five key themes from Wingecarribee 2031 Community Strategic Plan. Table 1, below, outlines how Council is tracking at the end of the December 2019 reporting period (three month period) to achieve the annual deliverables for each theme.

Table 1: below outlines how Council is tracking in the December quarter to achieve the annual deliverables for each Theme.

Progress Status						
W2031+ Theme	Delayed	No Response Provided	On-hold	Critical	Needs Attention	On-Track
Leadership	-	-	1.7%	-	5.1%	93.2%
People	-	-	-	-	-	100%
Places	-	-	-	-	2%	98%
Environment	-	-	-	-	-	100%
Economy	-	-	-	-	-	100%
Total for all annual deliverables	-	-	0.5%	-	2%	97.6%

**6.5 Quarterly Progress Report Operational Plan 2019/20, 1 October 2019 to 31 December 2019****ATTACHMENT 1 Quarterly Progress Report Operational Plan 2019/20, 1 October 2019 to 31 December 2019**

## Operational Plan Progress - Highlights

### Award Recognition

Council received the following three awards during the quarter:

- Gold for Destination Southern Highland's 2019 Pie Time campaign at the Canberra Tourism Awards held in November 2019.
- Winner of Division B of the Roadside Environmental Management category for Council's Integrated Roadside Environmental Management Framework and Highly Commended in Division B of the Behaviour Change in Waste category for Council's waste education programs at the Local Government NSW Excellence in the Environment Awards held in December 2019.

### Leadership

- Council's initial actions in response to the impacts of the Green Wattle Creek fire included the establishment of a Mayoral Relief Fund to which Council made an initial contribution of \$50,000; organising buses for directly impacted residents to inspect fire-affected Balmoral and Buxton; the distribution by staff on 24 and 27 December 2019 at the Balmoral Village Rural Fire Service shed of cash cards to fire-affected residents and supporting the work of the Emergency Operations Centre.
- Council's Annual Report 2018/19 was finalised and made publicly available electronically via Council's website and in hard copy at the Wingecarribee Public Libraries.
- The 2018/19 Financial Statements and Auditors Reports were presented to Council on 13 November 2019. Unmodified audit opinions were issued for Council's General Purpose Financial Statements, Special Purpose Financial Statement, Permissible Income for General Rates and Roads to Recovery Annual Report.
- The NSW Electoral Commission was contracted to administer Council's local government election in 2020 in accordance with Council resolution MN 461/19 from the ordinary meeting of 25 September 2019. Surveys were also undertaken seeking information from potential candidates and former councillors which will guide the preparation of promotional material, information sessions, induction programmes and the provision of resources.
- Council approved a number of leases during the quarter, including a lease of the Aboriginal Community Cultural Centre to the Illawarra Aboriginal Land Council. This lease was approved following extensive community engagement including two separate periods of public exhibition and consultation with the traditional Gundungurra people and other local Aboriginal people within the Shire.
- Formal confirmation was received from the Office of Local Government in November 2019 that Council's initial categorisation of Crown Land has been fully approved. This will allow Council to commence the development of Plans of Management for certain Crown Land reserves.
- The Development Application Determination Time project has shown significant measurable improvement in key performance indicators for new residential developments. The success of the Responsive Outcomes Unit has resulted in the development of a plan to incorporate the successful aspects of this project into the general assessment of development applications.
- Council publicly exhibited and subsequently adopted in December 2019 an updated Community Engagement Strategy, as well as a Wingecarribee Animal Shelter Alternatives to Euthanasia Policy which provides guidelines to maximise re-homing opportunities for animals at the Animal Shelter. A number of other projects, plans, policies and proposals were also placed on public exhibition during the reporting period including the Draft Cemetery Policy and the Draft Masterplan for Seymour Park.

**6.5 Quarterly Progress Report Operational Plan 2019/20, 1 October 2019 to 31 December 2019****ATTACHMENT 1 Quarterly Progress Report Operational Plan 2019/20, 1 October 2019 to 31 December 2019****People**

- Council partnered with the NSW Department of Communities and Justice to organise a Homelessness Forum with a focus on the services that are currently provided by Council, key issues that are unique to the Wingecarribee Shire and the identification of service gaps in support of the NSW Premier's priority to reduce homelessness in NSW by 50 per cent by 2025.
- The Wingecarribee Community Services Expo was delivered in October 2019, with an emphasis on providing activities for children and young people. Feedback from the organising committee and attendees was positive; however, there will be a focus on improving the promotion of the event in future.
- A number of capital works projects were either commenced or completed during the quarter as part of Council's commitment to provide community facilities through its Capital Works Program. Such projects included improvements to accessibility and amenities at Leighton Gardens, renewal and replacement of the roof, lighting, air conditioning and insulation and internal painting at the Mittagong Branch Library, upgrades to the Welby Oval clubhouse and building extension works to Wingecarribee Adult Day Care Centre in Bowral.
- On 27 November 2019, Council resolved to continue the direct service delivery of the Wingecarribee Family Day Care and Wingecarribee Out of School Hours (WOOSH) Care services for a further three-year period, with a focus on implementing the Business and Marketing Plan, sustainability of the services, and the development and implementation of a workforce plan for WOOSH.
- A number of students completing the Higher School Certificate were provided with an opportunity to study free from distraction at the Old Town Hall in Bowral between 8 and 10 October 2019. Paws Pet Therapy visited the facility each day, giving students an opportunity to de-stress during their studies.
- Council was successful in an application for a Youth Opportunities funding grant, receiving \$50,000 to deliver music programs to be planned and implemented by young people in 2020.
- The Southern Highlands Nature Map was launched in October 2019, providing an opportunity for citizens to discover the natural environment around them and contribute to biodiversity monitoring due to the ability to report sightings of particular species in the Wingecarribee Shire.
- Council delivered a number of key events during the quarter, including International Day of People with Disability (in partnership with Disability Services Australia) and Grandparents Day which was held at Council's Civic Centre in Moss Vale. The 2019 Southern Highlands Art Studio Trail also took place and included an opening event that was attended by over 300 people.

**Places**

- Council undertook both programmed and reactive maintenance on its footpaths, cycleways and road networks. Maintenance works included footpath maintenance at Valetta Street in Moss Vale and non-programmed road grading on Canyonleigh Road, Tugalong Road and Old Mandemar Lane. In total, 69 unsealed roads were graded during the quarter.
- Council continued to address the recommendations of the Local Planning Strategy 2015-2031 with the adoption of the Rural Tourism Policy in November 2019.
- The 2019/20 Heritage Assistance Grants Scheme resulted in four successful grant applications with a total grant value of \$17,600.
- A tender was awarded for the Civic Centre rectification work, with works scheduled to commence in January 2020.

**6.5 Quarterly Progress Report Operational Plan 2019/20, 1 October 2019 to 31 December 2019****ATTACHMENT 1 Quarterly Progress Report Operational Plan 2019/20, 1 October 2019 to 31 December 2019**

- Minor capital works projects for Council buildings completed during the quarter included air conditioning renewal at Bundanoon Preschool and drainage works at Bundanoon Soldier's Memorial Hall.
- Council completed a number of projects in delivering its Roads Capital Works Program, including reconstruction on the Old Hume Highway at Berrima, Belanglo Road gravel resheeting at Belanglo and road and drainage improvements at the intersection of Queen and Banksia Streets in Bowral.
- Council delivered stormwater drainage works as per its Capital Works Program, including the construction of drainage pits at Waverley Parade in Mittagong. Council also continued to maintain its stormwater assets, completing both programmed and reactive maintenance at various locations such as table drain clearing at Dora Street in Hill Top and Buskers Avenue in Exeter.

**Environment**

- Council received two Local Government NSW Excellence in the Environment Awards in December 2019. Council was the winner of Division B of the Roadside Environmental Management category for its Integrated Roadside Environmental Management Framework and received a highly commended in Division B of the Behaviour Change in Waste category for its waste education programs.
- Council's Bushcare team undertook more than 800 hours of direct weed management and restoration work across bushland reserves. Further weed management and restoration works valued at \$32,600 were completed by specialist contractors across four bushland reserves and management sites.
- Council continued to support the NSW Biodiversity Conservation Trust (BCT) in launching the Southern Highlands Koala Habitat Tender. 75 tender applications were received from private landholders, breaking the NSW record for Expressions of Interest submitted to a BCT tender.
- Development commenced on the Local Strategic Planning Statement which seeks to guide land use in the Wingecarribee Shire over the next 20 years, offering greater protection to the Shire's natural resources.
- Council delivered Schools Environment Day on 22 October 2019, with approximately 600 students participating in 25 different activities.

**Economy**

- Destination Southern Highlands won a gold award for its 2019 Pie Time campaign at the Canberra Tourism Awards held in November 2019.
- Work commenced on a request for quotation to engage a consultant to undertake community consultation for the preparation of the 10 year Southern Highlands Destination Plan.
- A thank you morning tea and cheque presentation to Council's 2019 Tulip Time charity partner, Variety – the Children's Charity, was held on 25 November 2019 with approximately 50 attendees. A request for Expressions of Interest for the 2020 Tulip Time charity partner was also prepared and advertised in the local media.
- Destination Southern Highlands launched a new industry webpage, Southern Highlands Corporate, in December 2019.
- Upgrades to the Southern Regional Livestock Exchange remained ongoing, with upgrades completed during the quarter including a Voice over Internet Protocol system at the gates which allows for communication between persons entering the premises and the call centre. The floor area above the arena was also repainted in preparation for a replacement of seating in the arena area.



## Operational Plan Progress – Exceptions

Operational Plan Item	Status	Remedial Action	Approval Status
<b>OP011 - Implement improvements to work health and safety management systems</b>			
RO:Malcolm Lindsay SOA:John Burgess	Needs Attention	In response to ongoing resourcing issues, Organisational Development staff have developed a proposal to get the outstanding WHS procedures developed and implemented. This proposal is currently with the DGM Operations, Finance and Risk for consideration.	Approved
<p>The development of Corporate WHS procedures has slowed due to reduced team resources and competing business priorities.</p> <p>There are currently a number of WHS procedures nearing completion. These include:</p> <ul style="list-style-type: none"> <li>- WHS Induction - Draft has been completed and ready for wider consultation</li> <li>- WHS Internal Audit - Draft being finalised in consultation with key stakeholders</li> <li>- Traffic Management - Finalising draft</li> <li>- Remote and Isolated Worker - Finalising draft</li> </ul>			
<b>OP024 - Undertake a review of all Farmland rating properties to ensure they comply with Section 515 of the Local Government Act 1993</b>			
RO:Jeanette Curley SOA:Richard Mooney	On Hold		Approved
<p>In May 2019, Council approved a further extension of its rates deferral scheme for all eligible farmland rated properties for the 2019/20 rating year.</p> <p>Given the current drought conditions which are being experienced across the Shire, a review of all farmland rated properties would be difficult to undertake due to the levels of de-stocking which is taking place. The practice of de-stocking will significantly distort this review and will not be a true reflection of those properties which meet the requirements for farmland rating under the Local Government Act.</p> <p>A comprehensive review will be undertaken once drought conditions ease and farming practices are resumed across the Shire.</p>			



Operational Plan Item	Status	Remedial Action	Approval Status
<b>OP036 - Implement the Asset Management Improvement Plan</b>			
RO:Stace Lewer SOA:Stace Lewer	Needs Attention	The maturity assessment has been scheduled to be completed in quarter 4 2019/20. The improvement plan will be updated and implemented in 2020/21.	Approved
Due to competing priorities little progress has been made on completing the Asset Management Maturity Assessment during the quarter.			
<b>OP038 - Develop Plans of Management for Crown Lands, where Council is deemed to be the Crown Land Manager</b>			
RO:Rachel Forte SOA:Stace Lewer	Needs Attention	Recruitment efforts are currently under way.	Approved
The Crown has confirmed Council's proposed community land categorisations, allowing the development of Plans of Management to proceed. Resourcing constraints have delayed the development of the Plans of Management.			
<b>OP110 - Facilitate the development of the Master Plan for Winifred West Park</b>			
RO:Rachel Forte SOA:Stace Lewer	Needs Attention	Recruitment efforts are currently under way. Development of the Winifred West Masterplan will remain on hold until the recruitment activities have successfully concluded.	Approved
The Winifred West Park Masterplan was programmed to be completed in the second half of 2019/20. Resourcing constraints have delayed the development of the Masterplan.			



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### Major Capital Projects (Greater than \$5 Million) – Quarterly Progress Report for Quarter Ended 31 December 2019

Project Name	Approved Budget	Total Actual Expenditure	Expected Completion Date	Current Project Milestone	Next Steps	Officer Comments
Civic Centre Refurbishment	\$9,260,000	\$1,572,726	December 2020	Council resolution provided for tender award to Matrix Co. Pty Ltd. Site establishment and commencement scheduled for January 2020. Enabling works including furniture removal/relocation, vegetation removal and traffic management changes have been completed.	Commencement of site establishment and site works scheduled for January 2020. Site fencing, demolition activities and civil works to be undertaken. Further staging/planning to be completed in preparation for internal mechanical works for an effective and efficient transition for staff.	Kick off meeting to be undertaken during the week of 13 January to establish key contractual requirements and stakeholder management. Expected completion is December 2020.
Station Street Upgrade	\$16,330,000	\$2,063,237	November 2021 Dependant on timely execution of Memorandum of Understanding (MOU)	Final designs are being completed as Council is anticipating the execution of the MOU between Council, RMS and Sydney Trains. Approval in principle has been provided for Council's proposal, although works cannot proceed until MOU has been completed.	Enabling works on Kirkham Road have been completed. Kirkham Road construction scheduled to commence on 20 Jan 2020. Once MOU is executed final design reviews will be undertaken and the procurement process will commence to competitively tender for the works.	The Transport for NSW representative has assured Council that the MOU will be completed in a timely fashion. Any delays from Transport for NSW will further affect the delivery program.
Southern Regional Livestock Exchange (SRLX) Upgrade	\$5,200,000	\$175,590	July 2021	Selling arena seating is completed. Design finalisation for holding pens and yards is being undertaken.	Finalisation of design for holding pens/yard including specification and tender documents. Competitive tender for the works is expected to be released in April 2020.	Extensive consultation and value engineering is being undertaken to design a fit for purpose facility within the budget parameters.
Sewage Treatment Plant (STP) Upgrade Moss Vale	\$29,600,000	\$153,000	March 2024	Concept Design is significantly completed. However, following a review by Council officers the concept is being revised to provide a more practical and flexible staging strategy.	Completion of revised Concept Design. The water quality (discharge) monitoring and assessment, as required by the Environment Protection Authority (EPA) and WaterNSW to inform the tertiary treatment in the detailed design, is continuing.	Intention is to tender for the consultancy services for the Mittagong STP Detailed Design following the award of the contract of the Mittagong STP Detailed Design (which will follow the progressing of the Bowral STP Detailed Design)
STP Upgrade Bowral	\$31,500,000	\$192,000	March 2023	With the completion of the Bowral STP concept, request for tender documentation for the detailed design has been completed and published for tender on 18 November 2019.	Request for tender for consultancy services to undertake the detailed design closes on 21 January 2020. Evaluation of submissions expected to be completed by March 2020. Detailed Design phase is expected to take in the order of nine months to complete.	Funding of \$6.6M has been endorsed via Restart NSW equating to 25% of project value. Finalisation of detailed design will be pending on the water quality (discharge) monitoring results (as required by the EPA and WaterNSW). Water Quality Impact Monitor and Assessment report expected to be completed by May 2020.
STP Upgrade Mittagong	\$15,700,000	\$169,000	September 2024	Concept design has been completed following review and provision of comments by Council officers. The draft Review of Environmental Factors has been received from the consultant and is currently being reviewed by Council officers	With the completion of the Mittagong STP Augmentation Concept Design, the request for tender documentation for the detailed design will be prepared. The water quality (discharge) monitoring and assessment, as required by the EPA and WaterNSW to inform the tertiary treatment in the detailed design, is continuing.	Intention is to tender for the consultancy services for the Mittagong STP Detailed Design following the award of contract of the Bowral STP Detailed Design.

**6.5 Quarterly Progress Report Operational Plan 2019/20, 1 October 2019  
to 31 December 2019**

**ATTACHMENT 2 Major Capital Projects (Greater than \$5 Million) -  
Quarterly Progress Report for Quarter Ended 31 December 2019**



Barry W Paull

**Deputy General Manager Operations, Finance and Risk**

Tuesday 11 February 2020