



AGENDA

Extraordinary Council Meeting Friday, 22 January 2021

Date: Friday, 22 January 2021

Time: 9am

Location: Council Chambers, Market Street Balranald

**Oliver McNulty
General Manager**

BALRANALD SHIRE COUNCIL

AGENDA

In Case of an emergency, for example a fire, please evacuate the building following the direction of the Administrator. The order to evacuate may be signified by a council officer or myself. Please proceed to the assembly area (in front of police station) or in the car park across the road. An instruction to evacuate to an area should be followed without delay to assist Council in ensuring the Health and Safety of all staff and visitors.

LIVE STREAMING OF COUNCIL MEETINGS PLEASE NOTE: This Council meeting is being streamed live, recorded, and broadcast online via Facebook. To those present in the gallery today, by attending or participating in this public meeting you are consenting to your image, voice and comments being recorded and published. The Administrator and/or General Manager have the authority to pause or terminate the stream if comments or debate are considered defamatory or otherwise inappropriate for publishing. Attendees are advised that they may be subject to legal action if they engage in unlawful behaviour or commentary.

Our Vision

To create a better, more vibrant, more resilient and more engaged community, by capitalising upon its human, cultural, environmental and business assets and encouraging a strong sense of civic participation and pride.

Our Mission

"Committed to Balranald Shire, Providing for our People, Protecting our Heritage, and Planning for our Future."

Our Values

- Honesty:** We will be transparent, frank and truthful to ourselves, each other and with other people we deal with.
- Respect:** We will treat others as we want to be treated ourselves, we will be tolerant of each other and accept that people have different opinions.
- Enjoyment:** We will create a pleasant and enjoyable working environment with satisfying jobs.
- Teamwork:** We will cooperate and support each other to achieve common goals.
- Openness:** We will collaborate openly and provide opportunities to communicate and network regularly with each other.
- Leadership:** We will provide a clear strategy and direction and support all to achieve organisational and community goals.
- Customer Focus:** We will constantly strive to be responsive to our customers' needs and preferences by providing high quality services.

Notice is hereby given that an Extraordinary Meeting of Council will be held in the Council Chambers, Market Street Balranald on:
Friday, 22 January 2021 at 9am

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1 OPENING OF MEETING

The Council’s Charter

(Chapter 3. Section 8 (1) Local Government Act 1993)

(1) A Council has the following charter:

- To provide directly or on behalf of other levels of government, after due consultation, adequate and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively;
- To exercise community leadership;
- To exercise its functions in a manner that is consistent with and actively promotes the principles of multiculturalism;
- To promote and to provide and plan for the needs of children;
- To properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development;
- To have regard to the long term and cumulative effects of its decisions;
- To bear in mind that it is the custodian and trustee of public assets and to effectively account for and manage the assets for which it is responsible;
- To facilitate the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and co-ordination of local government;
- To raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grants;
- To keep the local community and the State government (and through it, the wider community) informed about its activities;
- To ensure that, in the exercise of its regulatory functions, it acts consistently and without bias, particularly where an activity of the council is affected;
- To be a responsible employer.

(2) A council, in the exercise of its functions, must pursue its charter but nothing in the charter or this section gives rise to, or can be taken into account in, any civil cause of action.

2 ACKNOWLEDGEMENT OF COUNTRY

Acknowledgement of Country

We pay our respect to the Traditional Custodians of the Lands where we hold this meeting to Elders past, present and emerging.

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**3 APOLOGIES**

**4 DISCLOSURE OF INTEREST**

**5 COMMITTEE REPORTS FOR ADOPTION****5.1 REFERRAL OF AMENDED FINANCIAL STATEMENTS FOR AUDIT AND PUBLIC NOTICE OF PRESENTATION OF THE FINANCIAL STATEMENTS BY THE AUDIT OFFICE OF NSW**

|                                    |                                                                                                                                      |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <b>File Number:</b>                | <b>D21.47034</b>                                                                                                                     |
| <b>Reporting Officer:</b>          | <b>Terri Bilske, Director Corporate &amp; Community Services</b>                                                                     |
| <b>Responsible Officer:</b>        | <b>Terri Bilske, Director Corporate &amp; Community Services</b>                                                                     |
| <b>Operational Plan Objective:</b> | <b>Pillar 6: Our Leadership – A community that values and fosters leadership, lifelong learning, innovation and good governance.</b> |

**OFFICER RECOMMENDATION**

That Council

1. Receives the amended Draft 2019-2020 Annual Financial Statements and Draft 2019-20 Special Purpose Financial Statements;
2. Refers to the Draft 2019-2020 Annual Financial Statements and the Draft 2019-20 Special Purpose Financial Statements to audit as tabled;
3. Authorises the Administrator, the General Manager and the Responsible Accounting Officer to sign the Statements in accordance with Section 413(2)(c) of the Local Government Act (1993).
4. Endorses a further extension for completion of the 2019-20 Annual Financial Statements up to 22 February 2021.
5. Gives Public Notice that the Audited Financial Statements will be presented on 16 February 2021 by the Audit Office of NSW.

**PURPOSE OF REPORT**

To seek Council approval to refer the amended Draft 2019-2020 Financial Statements to Audit in accordance with Section 413 of the Local Government Act (1993) and to apply for a further extension to complete the audit of four weeks to 22 February 2021.

This report also sets the date for the Audit Office of NSW to present the Audited Financial Statements as required under Section 418 of the Local Government Act (1993).

**REPORT**

Following a further review of Council's Annual Financial Statements it is necessary to re-issue the Statements for Audit as there have been some significant changes in the interpretation and recognition of grant income and contract liabilities and as well as some other minor changes. The previous Annual Financial Statements were referred to audit in October 2020 and have been reissued.

Council has requested a further extension of four weeks for the audit completion from the Office of Local Government to 22 February 2021. This has been necessary due to lack of resources and the struggle to attract suitably qualified professional staff in rural areas. It is envisaged that the Annual Financial Statements will be finalised by 5 February 2021.

Section 413 (2) OF THE Local Government Act 1993 and Section 41C of the Public Finance and Audit Act 1983 requires Council to provide two statements as part of the auditing of its Annual Financial Statements to confirm:

- the reports present fairly the operating results and financial positions for each of the Councils' declared Business Activities for the period, and accord with the Councils' accounting and other records; and
- Council is not aware of any matter that would render the reports false or misleading in any way.

The Statements are required to be submitted to Council's Auditors prior to the completion of the audit process, which is currently being undertaken. The two Statements are:

1. A statement must be signed by the Administrator, the General Manager and the Responsible Accounting Officer of Council advising that the Annual Financial Statements of the Balranald Shire Council have been drawn up in accordance with:

- (a) the Local Government Act 1993 (as amended), and the Regulations made thereunder,
- (b) the Australian Accounting Standards and professional pronouncements and the Local Government Code of Accounting Practice and Financial Reporting, and confirms:
  - (i) the reports present fairly the Council's operating result and financial position for the period 1 July 2019 to 30 June 2020, in accordance with Council's accounting and other records;
  - (ii) Council is not aware of any matter that would render the reports false or misleading in any way.

2. A statement by the Administrator, the General Manager and the Responsible Accounting Officer of Council is also required to be attached to the Special Purpose Financial Reports of the Balranald Shire Council.

Following the audit of these reports, Council's Auditors, the Audit Office of NSW, will be presenting the Statements to the Administrator and the Community on the audited financial reports at the February Ordinary Council Meeting to be held on 16 February 2021. This will provide the opportunity for an in-depth discussion on the financial results and trends.

## SUMMARY

Prior to referring the General Purpose Financial Statements and the Special Purpose Financial Statements to the Auditors, a statement regarding Council's opinion must be signed by the Administrator, the General Manager and the Responsible Accounting Officer.

The Financial Statements were referred for audit purposes following the October 2020 Meeting of Council, but further review of the General Purpose Financial Reports identified some significant changes in accounting treatments which impacted on the final deficit for Council, hence the need for recognition of the changes and referral of the amended statements.

An extension for completion was initially sought and approved to 25 January 2021, but a further extension is necessary for an additional four weeks to 22 February 2021.

It is predicted that the Annual Financial Statements will be completed by 5 February 2021 and will be presented by the Audit Office of NSW and will be presented to the Administrator and the Community at the Ordinary Meeting of Council on 16 February 2021.

**FINANCIAL IMPLICATION**

Auditors fees as per budget.

**LEGISLATIVE IMPLICATION**

Sec. 415 Local Government Act 1993

**POLICY IMPLICATION**

Nil

**RISK RATING**

Moderate

**ATTACHMENTS**

1. **General Purpose Financial Statements - 2020** 
2. **Special Purpose Financial Statements - 2020** 

**GENERAL MANAGER'S REPORTS (INCORPORATING ALL STAFF REPORTS)****PART A – ITEMS REQUIRING DECISION****6 CORPORATE & COMMUNITY SERVICES REPORTS****6.1 IPART REVIEW OF THE LOCAL GOVERNMENT RATING SYSTEM - SUBMISSION**

|                                    |                                                                                                                                      |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <b>File Number:</b>                | <b>D21.47062</b>                                                                                                                     |
| <b>Reporting Officer:</b>          | <b>Terri Bilske, Director Corporate &amp; Community Services</b>                                                                     |
| <b>Responsible Officer:</b>        | <b>Terri Bilske, Director Corporate &amp; Community Services</b>                                                                     |
| <b>Operational Plan Objective:</b> | <b>Pillar 6: Our Leadership – A community that values and fosters leadership, lifelong learning, innovation and good governance.</b> |

**OFFICER RECOMMENDATION**

That Council receive and note the Report on in relation to the IPART Review of the Local Government Rating System and the Balranald Shire Council's submission as requested by the Office of Local Government NSW.

**PURPOSE OF REPORT**

To inform Council of the Independent Pricing and Regulatory Tribunal (IPART) review of the Local Government Rating System and recommendations made to improve the equity and efficiency of the rating system, in order to enhance councils' ability to implement sustainable fiscal policies over the long term, the Government response to the recommendations made by IPART, and Council's submission towards a fairer Rating System.

**REPORT**

The NSW Government asked IPART to review the local government rating system in NSW which commenced in December 2015.

The review considered the valuation method used to calculate rates, rating categories, the way in which councils' total income increases as population increases, the distribution of rates across different ratepayers, and the eligibility and design of exemptions and concession.

IPART's recommendations were not designed to increase the average rates paid by current ratepayers, but to allow councils to collect revenue more equitably and efficiently from ratepayers.

IPART consulted stakeholders, analysed the current rating system and assessed its performance against the key taxation principles of efficiency, equity, simplicity, sustainability and competitive neutrality.

On completion, IPART provided the Government with a substantial final report that recommended significant reforms addressing a number of complex issues, including the current structure of the rating system.

Recommendations were considered by the Office of Local Government and responses were prepared.

The review resulted in the release of an Exposure Draft of ***the Local Government Amendment (Rating) Bill 2020*** to implement the NSW Government's response to IPART's review of the local government rating system.

The Minister for Local Government, the Hon. Shelley Hancock MP, is seeking feedback on the Bill from councils, communities and other interested individuals and organisations.

The following attachments provide detailed recommendations and responses and the Balranald Shire Councils' submission as follows:-

|              |                                                                                         |
|--------------|-----------------------------------------------------------------------------------------|
| Attachment A | IPART Review of the Local Government Rating System – Government Response                |
| Attachment B | Towards a Fairer rating system – a consultative guide to local government rating reform |
| Attachment C | Towards a Fairer Rating System – Feedback form                                          |

#### **SUMMARY**

The Review of the Local Government Rating System has some significance to ratepayers within the Balranald Shire Council, but is more conducive to amalgamated and larger Councils for a fairer rating system.

Some of the significant points that will impact on the Balranald Shire Council are as follows:

- Proposal to allow council to levy special rates for jointly funded infrastructure.
- Different residential rates in contiguous urban areas.
- Creation of a new rating category for environmental land, including how environmental land is proposed to be defined.
- Portion of land that is subject to a conservation agreement or other similar instrument should be categorised by councils according to the proposed definition of environmental land.
- Proposal to enable different business rates for industrial and commercial land.
- Proposal to allow subcategories for vacant land to be created for residential, business and/or mining land.
- Proposal to enable councils to set farmland rates based on geographic location.
- Proposal to restrict who can seek postponement of rates.
- Proposal to remove the requirement to write off rates debts.
- Proposal to enable councils to sell properties for unpaid rates after 3 years.

Council will submit feedback on the proposed changes to the *Local Government Amendment (Rating) Bill 2020* as requested by the Minister for Local Government.

**FINANCIAL IMPLICATION**

Possible increased rate revenue

**LEGISLATIVE IMPLICATION**

the *Local Government Amendment (Rating) Bill 2020* Sec.

**POLICY IMPLICATION**

Nil

**RISK RATING**

Moderate

**ATTACHMENTS**

1. **IPART - Rating Review** 
2. **Consultation Guide** 
3. **Feedback Form - Towards a Fairer Rating System** 

**7 CLOSURE OF MEETING**