

**NARROMINE SHIRE COUNCIL**  
**ORDINARY MEETING BUSINESS PAPER – 10 APRIL 2019**  
**REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY**

**1. BUDGET REPORT – KEY PERFORMANCE INDICATORS – 31 MARCH 2019**

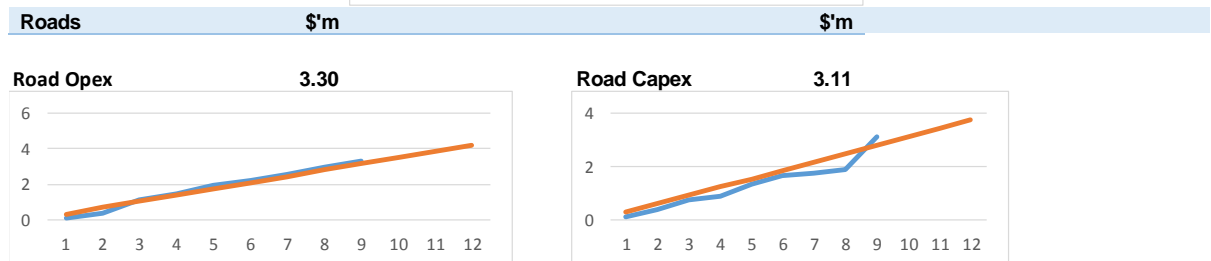
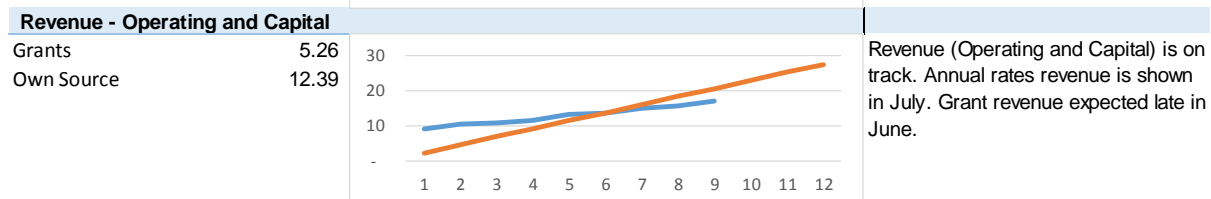
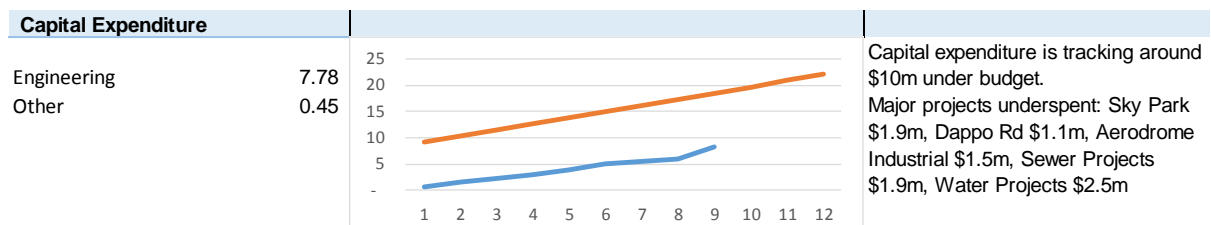
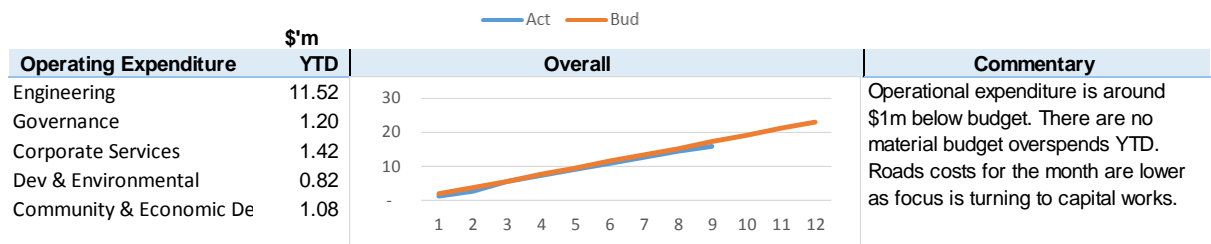
Author Director Finance and Corporate Strategy  
 Responsible Officer Director Finance and Corporate Strategy  
 Link to Strategic Plans CSP – 4.3.1 Operate and manage Council in a financially sustainable manner that meets all statutory and regulatory compliance and Council policies

**Executive Summary**

This report is presented to Council as a concise method of understanding Council's financial performance in key areas.

**Report**

A compact representation of the Council's performance to budget for key areas is shown below.

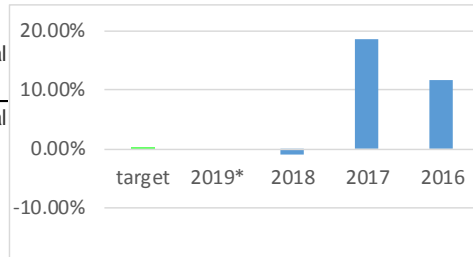


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**1. BUDGET REPORT – KEY PERFORMANCE INDICATORS – 31 MARCH 2019 cont'd**  
**Local government industry indicators – consolidated**

**1. Operating performance ratio**

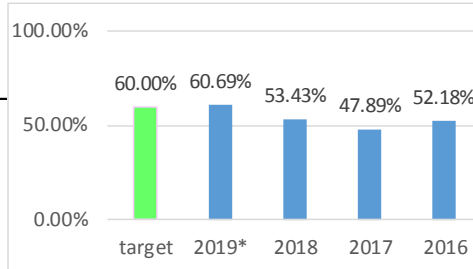
$$\frac{\text{Total continuing operating revenue excluding capital grants and contributions less operating expenses}}{\text{Total continuing operating revenue excluding capital grants and contributions}}$$



Favourable - OLG benchmark is to breakeven (0%) or better which NSC are on track to achieve.

**2. Own source operating revenue ratio**

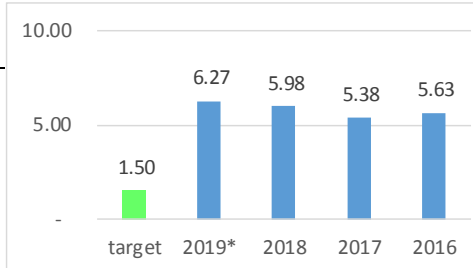
$$\frac{\text{Total continuing operating revenue excluding all grants and contributions}}{\text{Total continuing operating revenue}}$$



Favourable - OLG recommendation is 60% own sourced or higher. NSC is currently 60.7%.

**3. Unrestricted current ratio**

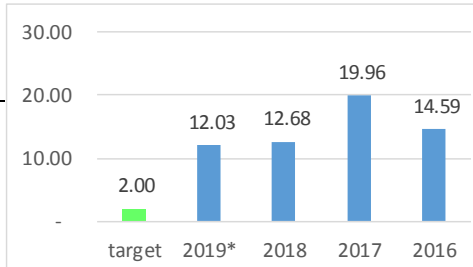
$$\frac{\text{Current assets less all external restrictions}}{\text{Current liabilities less specific purpose liabilities}}$$



Favourable - OLG recommendation is 1.5 times or higher. NSC is currently 6.3 times.

**4. Debt service cover ratio**

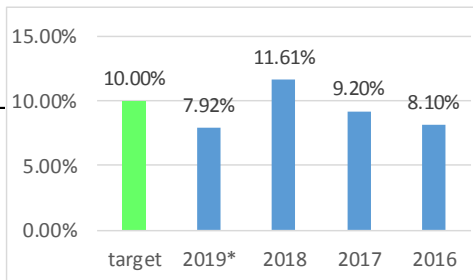
$$\frac{\text{Operating result before capital excluding interest and depreciation/impairment/amortisation}}{\text{Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)}}$$



Favourable - OLG recommendation is 2.0 times or higher. NSC is currently 9.0 times.

**5. Rates, annual charges, interest and extra charges outstanding percentage**

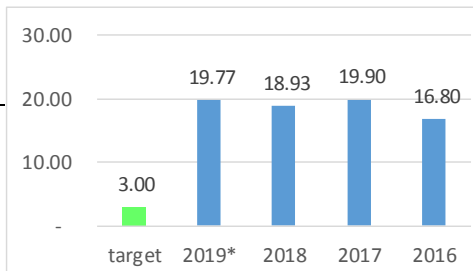
$$\frac{\text{Rates, annual and extra charges outstanding}}{\text{Rates, annual and extra charges collectible}}$$



Favourable - OLG recommendation is 10% overdue or less. NSC is currently 7.9% overdue.

**6. Cash expense cover ratio**

$$\frac{\text{Current year's cash and cash equivalents plus all term deposits}}{\text{Payments from cash flow of operating and financing activities}}$$



Favourable - OLG recommendation is 3.0 times or higher. NSC is currently 19.8 times.

**1. BUDGET REPORT – KEY PERFORMANCE INDICATORS – 31 MARCH 2019 (cont'd)**

***Financial Implications***

Nil

***Legal and Regulatory Compliance***

- Local Government Act, 1993 – Section 748
- Local Government (General) Regulation, 2005 – Clause 202(b)

***Risk Management Issues***

Nil

***Internal/External Consultation***

Nil

**Attachments**

Nil

**RECOMMENDATION**

1. That the report regarding Council's Key Performance Indicators be received and noted.

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**REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY**

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## **2. INVESTMENT REPORT AS AT 31 MARCH 2019**

<b>Author</b>	Director Finance & Corporate Strategy
<b>Responsible Officer</b>	Director Finance & Corporate Strategy
<b>Link to Strategic Plans</b>	CSP – 4.3 A financially sound Council that is responsible and sustainable DP - 4.3.1.5 Provide monthly cash balances and detailed quarterly financial reports to Council.

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### **Executive Summary**

Council's investments are made in accordance with legislative requirements and are certified as such by the Responsible Accounting Officer.

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### **Report**

Under the Local Government Act 1993 and Local Government (General) Regulation 2005, the Responsible Accounting Officer is required to report on Council's Investment portfolio on a monthly basis.

The management of Council's Investments is delegated by the General Manager to the Director of Finance and Corporate Strategy.

Council's current investment portfolio is diversified across a number of investment types and institutions. This includes term deposits, on-call accounts and managed funds. Investments are in accordance with the Office of Local Government's Guidelines and Council's Investment Policy.

The Government Guarantee on aggregated Investments up to \$1 million per account holder per institution expired 1 February 2012 and the new cap is \$250,000.

The investment portfolio increased **\$1,244,311** during the reporting period. This increase is due mostly to more Rates receipts than Capital and Operational Payments which was anticipated.

### **Financial Implications**

The 2018/19 Budget estimates the total annual Investment Revenue as \$504,687 which represents an estimated return of 2.5% and is split proportionally across General, Water and Sewer Funds and changes on a monthly basis in accordance with cash flow requirements.

The market value of Council's Investments held as at **31 March 2019** is **\$21,815,183**. The full list of investments is in **Attachment No. 1**.

## **2. INVESTMENT REPORT AS AT 31 MARCH 2019 (Cont'd)**

### ***Legal and Regulatory Compliance***

- Local Government Act, 1993 – Section 625
- Local Government (General) Regulation, 2005 – Clause 212
- Council Investment Policy adopted 11 March 2015
- Ministerial Investment Order – 12 January 2011

### ***Risk Management Issues***

Council's risk management strategy is to diversify the allocation of funds across different financial institutions and government authorities based on credit ratings as per the Investment Policy. The investment portfolio is regularly reviewed in order to maximise investment performance and minimise risk.

### **Certification – Responsible Accounting Officer**

I hereby certify that the investments listed in the 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.

### **Attachments**

- 1 Investments – 31 March 2019

## **RECOMMENDATION**

1. That the report regarding Council's Investment Portfolio be received and noted;
2. That the certification of the Responsible Accounting Officer is noted and the report adopted.

### **3. GARBAGE COLLECTION AREAS**

<b>Author</b>	Director Finance and Corporate Strategy
<b>Responsible Officer</b>	Director Finance and Corporate Strategy
<b>Link to Strategic Plans</b>	CSP – 3.1.7 Reduce waste to landfill through effective and efficient domestic waste and recycling services to the community. CSP – 4.3.1 Operate and manage a Council in a financially sustainable manner that meets all statutory and regulatory compliance and Council policies.

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#### **Executive Summary**

This report is presented to Council to adopt the expanded waste collection service areas in the townships of Narromine, Trangie and Tomingley.

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#### **Report**

Council at its 13 February 2019 Ordinary meeting resolved to approve the proposed waste collection areas of Narromine, Trangie and Tomingley to be placed on public exhibition for a period of 28 days with public submissions made to Council during this period. (Resolution no. 2019/026).

Accordingly, the proposed expanded waste collection areas were placed on public exhibition for 28 days with submissions closing 21 March 2019. No submissions were received.

#### **Financial Implications**

The 2018-19 Budget will not be impacted by a proposed change in the annual levy of domestic waste collection service areas as it is proposed to start 1 July 2019.

Revenue and costs will only be impacted for occupied addresses as those unoccupied will pay \$88.00 per annum which is the same as the current rural land waste depot charge.

#### **Legal and Regulatory Compliance**

Section 496(1) - Local Government Act 1993  
Office of Local Government - Council Rating and Revenue Raising Manual  
Existing Contract for Garbage Collection

The newly expanded areas will be added to the existing garbage collection contract with effect from 1 July 2019.

#### **Risk Management Issues**

Nil

### **3. GARBAGE COLLECTION AREAS (Cont'd)**

#### ***Internal/External Consultation***

The proposed expanded areas were placed on public exhibition for a period of 28 days, allowing for public submissions, none of which were received.

#### **Attachments**

- 2.1 Proposed Narromine Waste Collection Areas
- 2.2 Proposed Trangie Waste Collection Areas
- 2.3 Proposed Tomingley Waste Collection Areas

#### **RECOMMENDATION**

1. That Council approve the waste collection areas of Narromine, Trangie and Tomingley as attached to the report, effective from 1 July 2019.

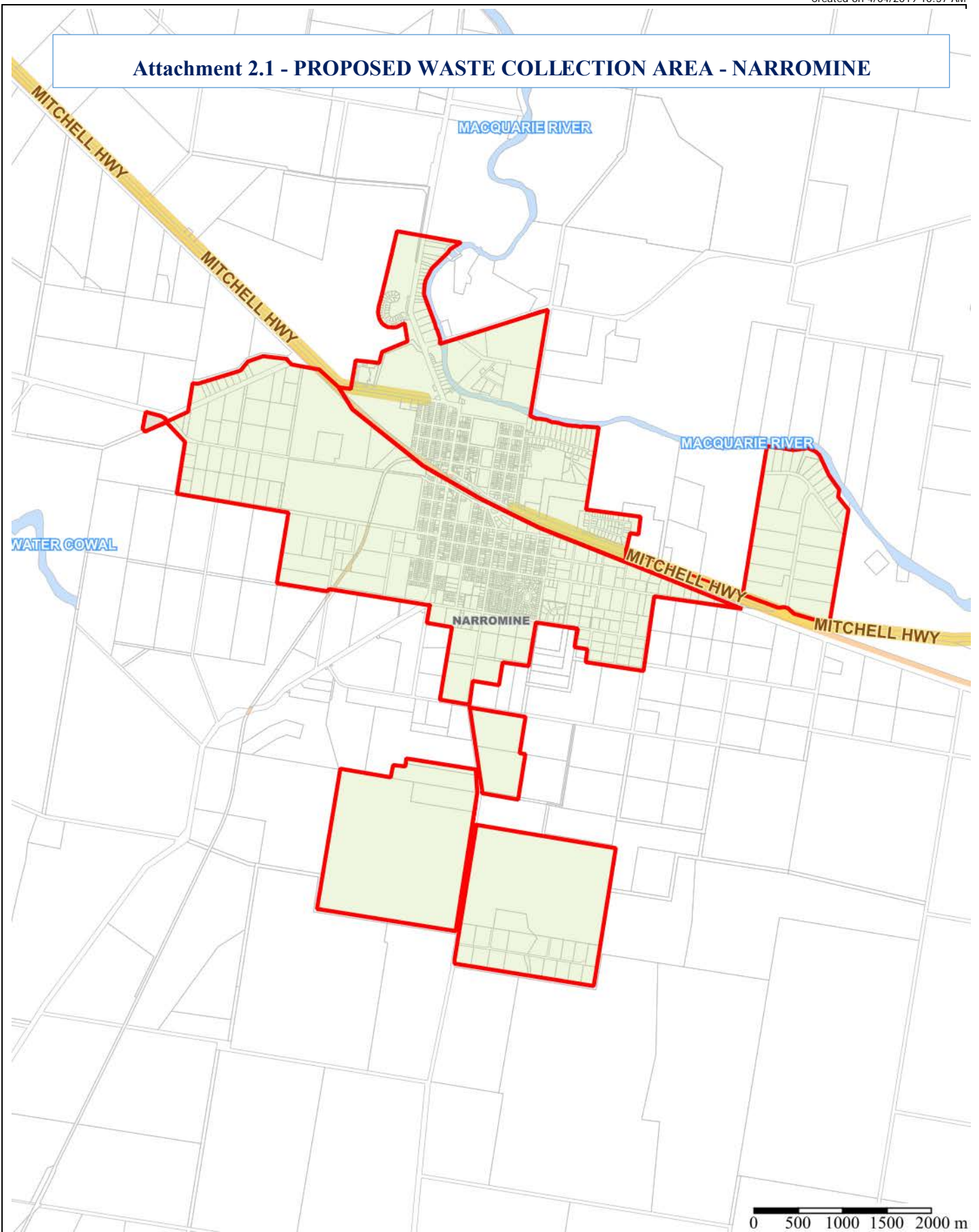
John Sevil  
**Director Finance & Corporate Strategy**  
**Responsible Accounting Officer**

## Investments – 31 March 2019

Financial Institution	Bank Rating	Investment Type/Maturity Date	Investment Rating	Current Rate	Term	Amount (\$)	Comment
<b>Cash &amp; At Call</b>							
CBA	AA-	Business Online Saver - at call	A-1+	1.00%	N/A	1,421,319.06	S&P Short Term
CBA	AA-	Business Online Saver - at call	A-1+	1.00%	N/A	95,441.63	S&P Short Term
<b>TOTAL</b>						<b>1,516,760.69</b>	
<b>Percentage Exposure of Total Portfolio</b>						<b>6.95%</b>	
<b>Average Investment Yield (annualised)</b>						<b>1.00%</b>	
<b>Term Deposits</b>							
NAB	AA-	Term Deposit - 10/04/2019	A-1+	2.70%	182 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 24/04/2019	A-1+	2.70%	154 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 17/04/2019	A-1+	2.71%	126 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 08/05/2019	A-1+	2.71%	112 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 15/05/2019	A-1+	2.71%	161 Days	1,000,000.00	S&P Short Term
Bankwest	AA-	Term Deposit - 22/05/2019	A-1+	2.39%	61 Days	1,000,000.00	S&P Short Term
AMP Bank	A	Term Deposit - 29/05/2019	A-1	2.70%	182 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 05/06/2019	A-1+	2.73%	182 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 12/06/2019	A-1+	2.72%	182 Days	1,000,000.00	S&P Short Term
Bankwest	AA-	Term Deposit - 13/06/2019	A-1+	2.65%	120 Days	1,013,561.64	S&P Short Term
NAB	AA-	Term Deposit - 19/06/2019	A-1+	2.72%	162 Days	1,000,000.00	S&P Short Term
Bankwest	AA-	Term Deposit - 20/06/2019	A-1+	2.60%	120 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 10/07/2019	A-1+	2.55%	125 Days	1,000,000.00	S&P Short Term
CBA	AA-	Term Deposit - 16/09/2019	A-1+	2.45%	185 Days	1,000,000.00	S&P Short Term
CBA	AA-	Term Deposit - 20/09/2019	A-1+	2.41%	182 Days	1,000,000.00	S&P Short Term
<b>TOTAL</b>						<b>15,013,561.64</b>	
<b>Percentage Exposure of Total Portfolio</b>						<b>68.82%</b>	
<b>Average Investment Yield (annualised)</b>						<b>2.63%</b>	
<b>Pooled Managed Investments</b>							
TCorp	AAA	T-CorpIM Long Term Growth Fund				Market Value 5,284,860	Balance from 2017/2018 5,070,102
<b>Percentage Exposure of Total Portfolio</b>						<b>24.23%</b>	
<b>Average Investment Yield MTH</b>						<b>0.84%</b>	
<b>Average Investment Yield FYTD</b>						<b>4.24%</b>	
<b>Total Investments and Cash</b>						<b>21,815,183</b>	



# Attachment 2.1 - PROPOSED WASTE COLLECTION AREA - NARROMINE



Narromine Shire Council  
 PO Box 115  
 120 Dandaloop Street  
 NARROMINE NSW 2821  
 Telephone: 02 6889 9999  
 Fax: 02 6889 9998  
 Email: [mail@narromine.nsw.gov.au](mailto:mail@narromine.nsw.gov.au)

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Date: 4/04/2019 10:57 AM

## Narromine Waste Collection Area

Map Scale: 1:58440 at A4

# Attachment 2.2 - PROPOSED WASTE COLLECTION AREA - TRANGIE



**LEGEND**

Adopted Waste Collect Area

**Narromine**  
SHIRE COUNCIL

Narromine Shire Council  
PO Box 115  
120 Dandaloo Street  
NARROMINE NSW 2821  
Telephone: 02 6889 9999  
Fax: 02 6889 9998  
Email: [mail@narromine.nsw.gov.au](mailto:mail@narromine.nsw.gov.au)

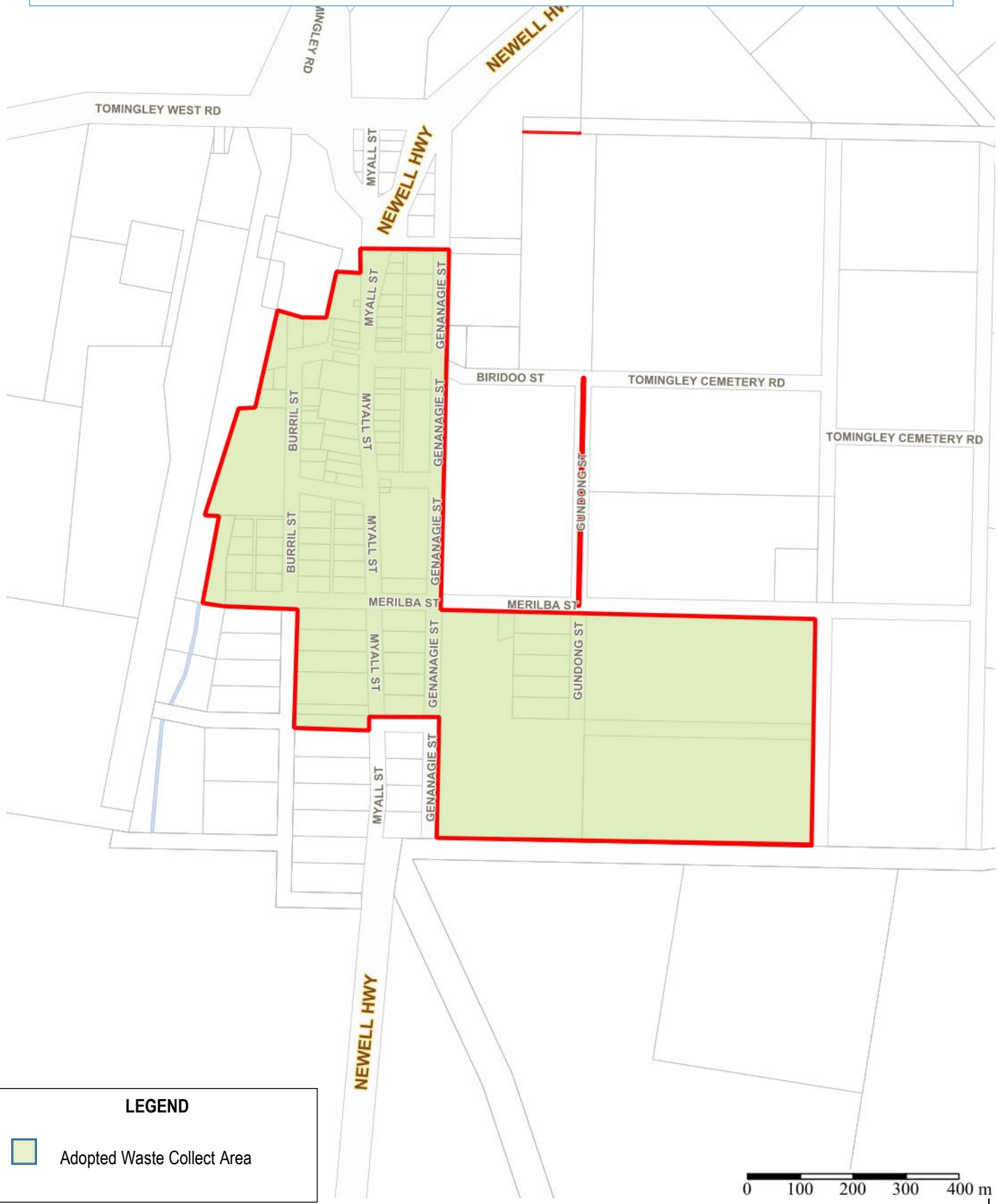
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Date: 18/03/2019 12:51 PM

Map Scale: 1:17717 at A4

# Attachment 2.3 - PROPOSED WASTE COLLECTION AREA - TOMINGLEY



**LEGEND**

Adopted Waste Collect Area

**Narromine**  
SHIRE COUNCIL

Narromine Shire Council  
PO Box 115  
120 Dandaloo Street  
NARROMINE NSW 2821  
Telephone: 02 6889 9999  
Fax: 02 6889 9998  
Email: [mail@narromine.nsw.gov.au](mailto:mail@narromine.nsw.gov.au)

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**Map Scale: 1:10025 at A4**