



BUSINESS PAPER

Extraordinary Council Meeting

8 May 2024

ETHICAL DECISION MAKING & CONFLICT OF INTEREST

A Guiding Checklist for Councillors, Officers & Community Committees

ETHICAL DECISION MAKING

- Is the decision or conduct legal?
- Is it consistent with Government policy, Council's objectives and Code of Conduct?
- What will the outcome be for you, your colleagues, the Council, anyone else?
- Does it raise a conflict of Interest?
- Could your possible conflict of interest lead to private gain or loss at public expense?
- Can the decision be justified in terms of public interest?
- Would it withstand public scrutiny?

CONFLICT OF INTEREST

A Conflict of Interest is a clash between private interests and public duty. There are two types of conflict: Pecuniary – regulated by the Local Government Act and Department of Local Government and, Non-pecuniary – regulated by Codes of Conduct, ICAC, Ombudsman, Department of Local Government (advice only).

THE TEST FOR CONFLICT OF INTEREST

- Is it likely I could be influenced by personal interest in carrying out my public duty?
- Would a fair and reasonable person believe I could be so influenced?
- Conflict of interest is closely tied to the layperson's definition of "corruption" – using public office for private gain.
- Important to consider public perceptions of whether you have a conflict of interest.

IDENTIFYING PROBLEMS

- 1 Do I have private interest affected by a matter in which I am officially involved?
- 2 Is my official role one of influence or perceived influence over the matter?
- 3 Do my private interests conflict with my official role?

Whilst seeking advice is generally useful, the ultimate decision rests with the person concerned.

AGENCY ADVICE

Officers of the following agencies are available during office hours to discuss the obligations placed on Councillors, officers and community committee members by various pieces of legislation, regulation and codes.

Contact	Phone	Email
Narrandera Shire Council	02 6959 5510	council@narrandera.nsw.gov.au
Department of Local Government	02 4428 4100	olg@olg.nsw.gov.au
ICAC Toll free	02 8281 5999 1800 463 909	icac@icac.nsw.gov.au
NSW Ombudsman Toll Free	02 8286 1000 1800 451 524	nswombo@ombo.nsw.gov.au

COMMUNITY STRATEGIC PLAN THEMES

Section 14 Our Community

- 1.1 To live in an inclusive, healthy and tolerant community with a positive attitude toward others.
- 1.2 Work together to advocate for quality health, education, youth and social services.
- 1.3 To feel connected and safe.

Section 15 Our Environment

- 2.1 To value, care for and protect our natural environment.
- 2.2 Enhance our public spaces to enrich our community.
- 2.3 Maximise greater re-use of resources to increase sustainability within our community

Section 16 Our Economy

- 3.1 Create strong conditions for investment and job creation through quality infrastructure and proactive business support.
- 3.2 Encourage new housing supply to meet the needs of the community.

Section 17 Our Infrastructure

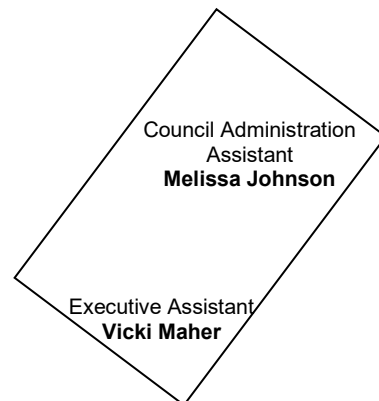
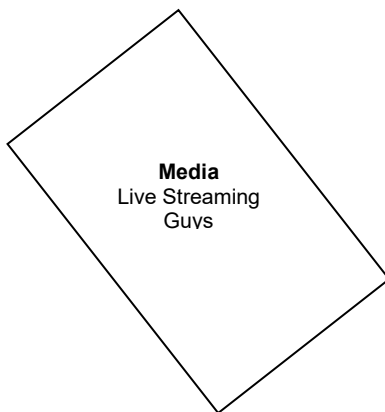
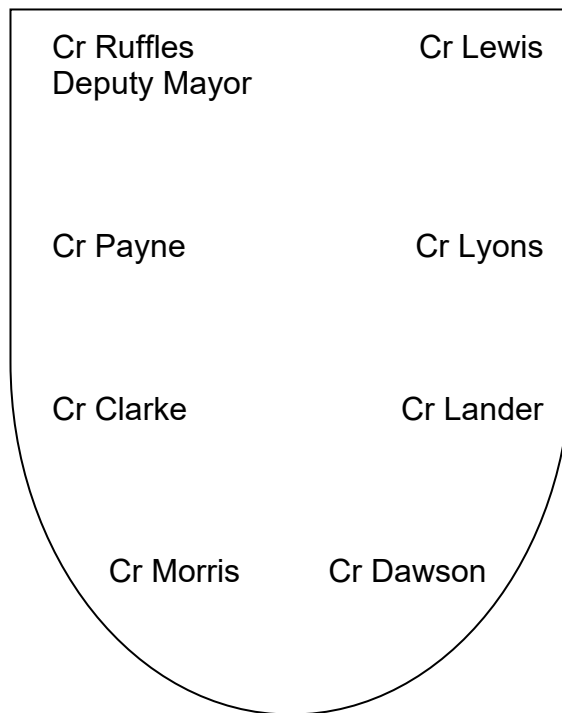
- 4.1 To have an improved and appropriately maintained road network.
- 4.2 Actively investigate opportunities to enhance our potable water quality.
- 4.3 To improve, maintain and value-add to our essential public and recreational infrastructure.

Section 18 Our Leadership

- 5.1 Have a Council that provides leadership through actions and effective communication.
- 5.2 Promote a community spirit that encourages volunteerism and values effective partnerships.

SEATING

General Manager George Cowan	MAYOR Cr Kschenka	Deputy General Manager Infrastructure Shane Wilson	Deputy General Manager Corporate & Community Martin Hiscox
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**Notice is hereby given that the Extraordinary Meeting of the Narrandera
Shire Council will be held in the Council Chambers on:
Wednesday 8 May 2024 at 2pm**

Order Of Business

1	Acknowledgement of Country	7
2	House Keeping	7
3	Disclosure of Political Donations	7
4	Present	7
5	Apologies	7
6	Declarations of Interest	7
7	Public Question Time	7
	No Public Question Time	
8	Our Leadership	8
	8.1 2024-25 Financial Year Strategic & Financial Documents.....	8
9	Statutory and Compulsory Reporting – Financial / Audit Reports	249
	9.1 Loan Funding Barellan Sewer Project	249

- 1 ACKNOWLEDGEMENT OF COUNTRY**
- 2 HOUSE KEEPING**
- 3 DISCLOSURE OF POLITICAL DONATIONS**
- 4 PRESENT**
- 5 APOLOGIES**
- 6 DECLARATIONS OF INTEREST**
- 7 PUBLIC QUESTION TIME**

No Public Question Time

8 OUR LEADERSHIP

8.1 2024-25 FINANCIAL YEAR STRATEGIC & FINANCIAL DOCUMENTS

Document ID: 731698

Author: Governance and Engagement Manager

Authoriser: Deputy General Manager Corporate and Community

Theme: Our Leadership

Attachments:

1. Proposed Operational Plan including Revenue Policy 2024-2025
2. Proposed Long Term Financial Plan 2024-2034

RECOMMENDATION

That Council:

1. Adopts the following documents for the purpose of public exhibition seeking community comment for a period of 28 days:
 - a. Proposed 2024-25 Operational Plan as presented
 - b. Proposed 2024-25 Revenue Policy as presented
 - c. Proposed 2024-25 Schedule of Fees and Charges as presented
 - d. Proposed 2024-34 Long Term Financial Plan, inclusive of the Schedule of proposed Capital Works also the commentary on financial performance indicators, as presented.
2. At the conclusion of the 28-day public exhibition period further considers these strategic and financial documents at 18 June 2024 meeting, in conjunction with any community submissions received.

PURPOSE

The purpose of this report is for Council to adopt for exhibition purposes the proposed 2024-25 Operational Plan, the proposed 2024-25 Revenue Policy, the Proposed 2024-25 Fees and Charges, the 2024-34 Proposed Long Term Financial Plan, the proposed Schedule of Capital Work and a commentary on financial performance indicators.

SUMMARY

The Integrated Planning and Reporting Framework of the *Local Government Act* 1993 requires Council to have a Community Strategic Plan (CSP) for a period of at least 10 years, a Delivery Program (DP) for a period of four years and an Operational Plan (OP) for each financial year.

- The existing Community Strategic Plan and the Delivery Program were adopted by Council 21 June 2022. As there have been no recent amendments to these documents leading into 30 June 2024, they are not required to be placed on exhibition.
- As an annual plan, the Operational Plan is required to be placed on exhibition for a period of 28 days.

Supporting these corporate documents are key annual documents, such as:

- the Revenue Policy
- Fees and Charges
- Long Term Financial Plan.

BACKGROUND

The *Local Government Act* 1993 requires that Councils adopt a Community Strategic Plan and supporting documents by 30 June following an ordinary election of council. For our Council, the key strategic documents were adopted on 21 June 2022 with minor amendments made before 30 June 2023.

Adopted 2022-34 Community Strategic Plan

This is the overarching plan of Council and has a horizon of at least 10 years – this plan can be viewed from the following link – [CSP – Our Narrandera Shire 2034](#) .

Adopted 2022-26 Delivery Program

This plan supports the Community Strategic Plan and has a horizon of four years – this plan can be viewed from the following link – [Delivery Program 2022-26](#) .

Proposed 2024-25 Operational Plan (Contained within attachment 1)

This plan has a horizon of one year and identifies the strategies and actions to be undertaken in the 2024-25 reporting year with reference to the proposed budget. There have been no recent amendments to the proposed 2024-2025 Operational Plan.

Recommendation 1.a: That Council adopts the proposed Operational Plan 2024-25 as presented for the purpose of public exhibition for 28 days.

Proposed 2024-25 Revenue Policy (contained within Attachment 1)

The Revenue Policy details the following for 2024-25:

- Rating principles
- Rate peg for 2024-25 and details of the proposed Special Variation
- Rating structure
- Ordinary rate yield without the proposed Special Variation
- Ordinary rate yield with the proposed Special Variation
- Interest rate to be charged on overdue annual rates and annual charges
- Statement of pricing policy for fees and charges
- Water charges
- Sewer charges
- Liquid trade waste charges
- Waste management charges
- Stormwater management charges
- Private works information
- Statement of proposed borrowings
- Development Contributions
- Summary of Operating Budget

- Summary of Capital Budget
- Schedule of proposed fees and charges.

Recommendation 1.b: That Council adopts the proposed Revenue Policy 2024-25 as presented for the purpose of public exhibition for 28 days.

Proposed 2024-25 Schedule of Fees and Charges (contained within Attachment 1)

The Schedule of Fees and Charges contains a list of fees and charges proposed to be levied across a vast array of operations - in determining the proposed fees and charges Council aims to effectively and equitably manage income, service levels and make management decisions to promote ongoing financial sustainability.

The 2024-25 Schedule of Fees and Charges details the following for 2024-25:

- The values of the proposed ordinary rates for each category and sub-category as well as the minimum and base amounts for each category or sub-category
- The values of proposed charges
- The values of proposed fees
- The percentage increase where applicable for a fee or charge
- The value of GST where applicable for a fee or charge

Recommendation 1.c: That Council adopts the proposed 2024-25 Schedule of Fees and Charges as presented for the purpose of public exhibition for 28 days.

Proposed 2024-34 Long Term Financial Plan including the Schedule of Proposed Capital Works also the commentary on the financial performance indicators (contained within Attachment 2)

The proposed Long Term Financial Plan includes:

- Long term financial sustainability
- Financial Management in Council
- General Fund financial scenarios both excluding and including the proposed Special Variation
- Water Fund
- Sewer Fund
- Supporting information.

Recommendation 1.d: That Council adopts the proposed 2024-34 Long Term Financial Plan, including the schedule of proposed Capital Works also the commentary on financial performance indicators, as presented for the purpose of public exhibition for 28 days.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND OTHER STRATEGIES / MASTERPLANS / STUDIES

Theme

5 - Our Leadership

Strategy

5.1 - Have a Council that provides leadership through actions and effective communication.

Action

5.1.2 - Support ethical, transparent and accountable corporate governance.

ISSUES AND IMPLICATIONS**Policy**

- Community Engagement Strategy 2023
- Budget Development and Management Policy 2023

Financial

- The documents presented are the significant drivers of human, financial and asset resources.

Legal / Statutory

- *Local Government Act 1993*
- *Local Government (General) Regulation 2021*
- *Integrated Planning and Reporting Guidelines released September 2021*

Community Engagement / Communication

- The strategic and financial documents presented as part of this report are to be placed on exhibition for community comment for 28 days. Any comments received or submissions made will be presented to Council for consideration before the adoption of the documents prior to 30 June 2024.

Human Resources / Industrial Relations

- The documents presented are the significant drivers of human, financial and asset resources.

RISKS

That Council is not able to meet all the expectations of the community.

OPTIONS

1. Adopt the draft strategic and financial documents as presented for the purpose of public exhibition for a period of 28 days; or
2. Require amendment(s) to be made prior to public exhibition for a period of 28 days.

CONCLUSION

The proposed corporate strategic Operational Plan and supporting financial documents have been prepared in accordance with the *Local Government Act 1993*. The recommendation will be for Council to adopt the draft documents for community consultation purposes. Once adopted by Council for exhibition, they shall be publicly advertised for a period of 28 days seeking community comment. Any submissions received will be considered at the 18 June 2024 Ordinary meeting of Council.

RECOMMENDATION

That Council:

That Council:

1. Adopts the following documents for the purpose of public exhibition seeking community comment for a period of 28 days:
 - a. Proposed 2024-25 Operational Plan as presented
 - b. Proposed 2024-25 Revenue Policy as presented
 - c. Proposed 2024-25 Schedule of Fees and Charges as presented
 - d. Proposed 2024-34 Long Term Financial Plan, inclusive of the Schedule of proposed Capital Works also the commentary on financial performance indicators, as presented.
2. At the conclusion of the 28-day public exhibition period further considers these strategic and financial documents at 18 June 2024 meeting, in conjunction with any community submissions received.

9 STATUTORY AND COMPULSORY REPORTING – FINANCIAL / AUDIT REPORTS

9.1 LOAN FUNDING BARELLAN SEWER PROJECT

Document ID: 731693

Author: Deputy General Manager Corporate and Community

Authoriser: Deputy General Manager Corporate and Community

Theme: Statutory and Compulsory Reporting – Financial / Audit

Attachments: 1. Table of loan offers - Confidential (under separate cover)

RECOMMENDATION

That Council:

1. Receives and notes the loan funding options available to Council along with the associated costs.
2. Under Section 621 LG Act 1993, borrows \$1,800,000 for the Barellan Sewer Project to be funded by the NSW Treasury Corporation on a 10-year term at an indicative rate of 5.46% interest per annum with semi-annual repayments of approximately \$117,998.
3. Acknowledges that the proposed loans are included in Council's Long-Term Financial Plan with provision to meet repayments.
4. Acknowledges that the proposed loans are within the 2023-24 loan borrowing request submitted to the Office of Local Government
5. Notifies the Office of Local Government of the borrowings within seven days of Council borrowing money under the loan contract.
6. Notes under Local Government (General) Regulations 2021 Sec 229 that the repayment of money borrowed by Council, and the payment of any interest on that money, is a charge on the income of Council.
7. Acknowledges that the proposed borrowing complies with the Ministerial Borrowing Order issued under Section 624 LG Act 1993.

PURPOSE

The purpose of this report is to present to Council a review of loan funding options available to Council for the Barellan Sewer Project.

SUMMARY

This report contains information on the options available to Council for Barellan Sewer loan funds and the associated costs of obtaining this loan funding.

BACKGROUND

Loan borrowings provide an important source of funding for Council works as an alternative to accumulated reserves, where external grants or contributions are not available. The funds can be borrowed from both internal and external sources and there

are several legislative requirements and financial principles that need to be considered when determining if and how funds are to be borrowed and repaid.

Council must:

- Ensure that all borrowings (both internal and external) are in accordance with legislative requirements.
- Minimise the cost of borrowings.
- Ensure the total amount of loan borrowings is sustainable in terms of ability to meet future repayments, budgetary obligations, and industry financial benchmarks.

Council, in accordance with POL011 Borrowing and Loans Policy when sourcing external loans, will assess Treasury Corporation facilities against commercial lenders where it will seek at least three written quotations and only use providers and funds allowed under the legislation and directions below.

Written quotes must include:

- Interest rate
- Term of the loan
- Repayment intervals (monthly, quarterly etc)
- Repayment instalment amount
- Any applicable fees.

In considering loan terms, Council will be guided by:

- The estimated economic life of the asset
- The minimisation of interest rate exposure
- Budgeting requirements.

The adopted 2023-24 budget has proposed external borrowings for the Barellan Sewer of (\$1,800,000).

Quotes were requested from the following funding providers: NSW Treasury Corporation, Commonwealth Bank, National Australia Bank.

Treasury Corporation

Treasury Corporation provides lending to NSW government entities that have been assessed as meeting the financial benchmarks set by the NSW government, or submitted and had approved an improvement plan showing how they plan to meet the financial benchmarks set by the NSW Government. The minimum loan funding amount is \$1,000,000 available for approved infrastructure which forms part of Council's annual capital expenditure program.

The minimum loan term is three years with no application, establishment, or ongoing fees.

Loan facilities made available to Council by Treasury Corporation fall under the Local Government Act 1993 Section 623 and Local Government (General) Regulation 2021 – Reg 229 and will be entitled to the security of a charge over the income of the borrowing council. The loan agreement refers to the existence of this charge.

Treasury Corporation credit committee requires that a council commits to Treasury Corporation's balanced investment framework as a loan condition. Should Council not meet this criteria, Treasury Corporation does not expect Council to dispose of investments but improve the investment rating as maturities fall due. Council must advise it is willing to comply with this framework before the credit process commences. Council has existing loans from Treasury Corporation commencing in 2021 and remained within the Treasury Corporation's balanced investment framework.

Council's investment framework is detailed in POL025 Investments Policy and is based on Treasury Corporations balanced investments framework. Furthermore, compliance within this framework is reported monthly to Council in the investment report.

Commercial Banks

Loan funding provided by commercial banks does not require Council to meet the investment portfolio guidelines and there is no set minimum funding amount. The ability for Council to meet financial benchmarks and obligations would still be reviewed. There are no application, establishment, or ongoing fees for the providers. Loan facilities will fall under the Local Government Act 1993 Section 623 and Local Government (General) Regulation 2021 – Reg 229 and will be entitled to the security of a charge over the income of the borrowing council.

After quotations were received, an analysis was performed on the total cost of the loan over the term, as well as the payment amount required to ensure financial obligations can be met. These are detailed in the table attached being provided as commercial in confidence.

It is recommended that Council externally loan funds \$1,800,000 for the Barellan Sewer Project from NSW Treasury Corporation. The estimated application processing time is six weeks with a late June 2024 drawdown. The recommendation is based on the competitive rate received from NSW Treasury Corporation.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND OTHER STRATEGIES / MASTERPLANS / STUDIES

Theme

4 - Our Infrastructure

Strategy

4.3 - To improve, maintain and value-add to our essential public and recreational infrastructure.

Action

4.2.1 - Implement the adopted Integrated Water Cycle Management Plan (IWCM).

ISSUES AND IMPLICATIONS

Policy

- POL011 Borrowing and Loans Policy
- POL058 Investments Policy

Financial

- Minimise the cost of borrowing, whilst ensuring the total amount of the loan borrowing is sustainable in terms of ability to meet future repayments, budgetary obligations, and industry financial benchmarks.

Legal / Statutory

- Compliance with the Local Government Act 1993 and Local Government Regulation 2021.

Community Engagement / Communication

- Forms part of Council's 2023-24 budget, which was exhibited for public submissions prior to adoption.

RISKS

N/A

OPTIONS

1. Approve \$1,800,000 for the Barellan Sewer project funded by NSW Treasury Corporation on a 10-year term with quarterly instalments.
2. Approve \$1,800,000 for the Barellan Sewer project funded by an alternate provider on a 10-year term with quarterly instalments.
3. Request staff to review loan term and/or interest terms and return to Council.

CONCLUSION

Loan borrowings provide an important source of funding for Council works as an alternative to accumulated reserves, grants and contributions. The review of loan funding options in this report provides a recommendation for the Barellan Sewer Project to be externally funded from NSW Treasury Corporation at an indicative rate of 5.46% with repayment by quarterly instalments over a term of 10 years.

RECOMMENDATION

That Council:

1. Receives and notes the loan funding options available to Council along with the associated costs.
2. Under Section 621 LG Act 1993, borrows \$1,800,000 for the Barellan Sewer Project to be funded by the NSW Treasury Corporation on a 10-year term at an indicative rate of 5.46% interest per annum with semi-annual repayments of approximately \$117,998.
3. Acknowledges that the proposed loans are included in Council's Long-Term Financial Plan with provision to meet repayments.
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