



Agenda

Council Meeting

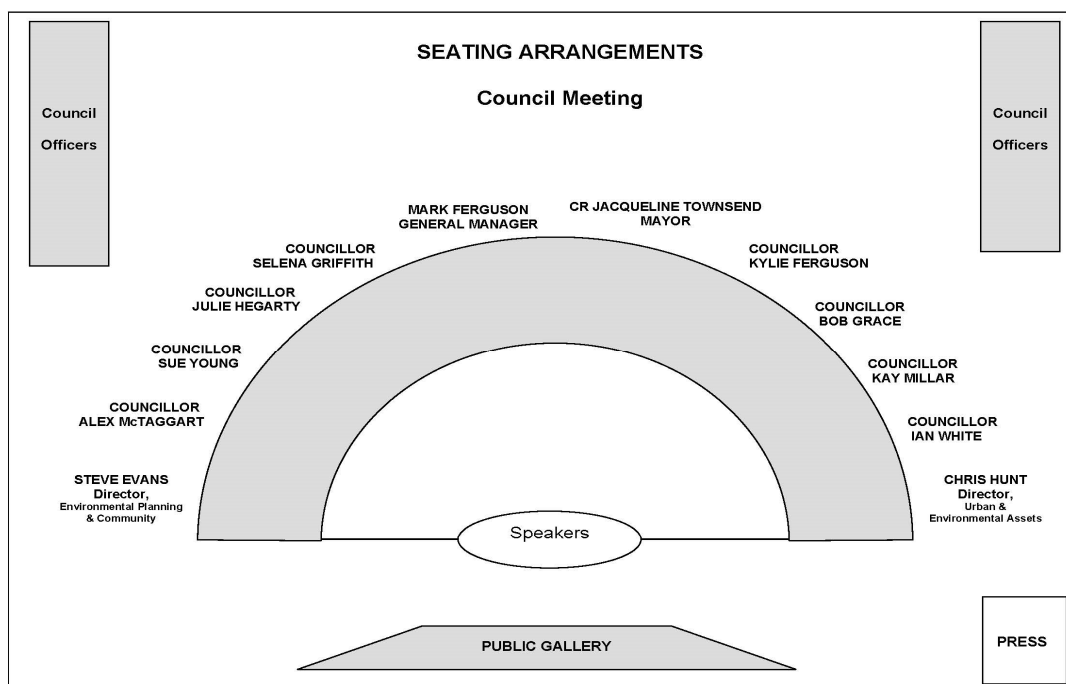
Notice is hereby given that a Council Meeting of Pittwater Council will be held at Mona Vale Memorial Hall on

15 September 2014

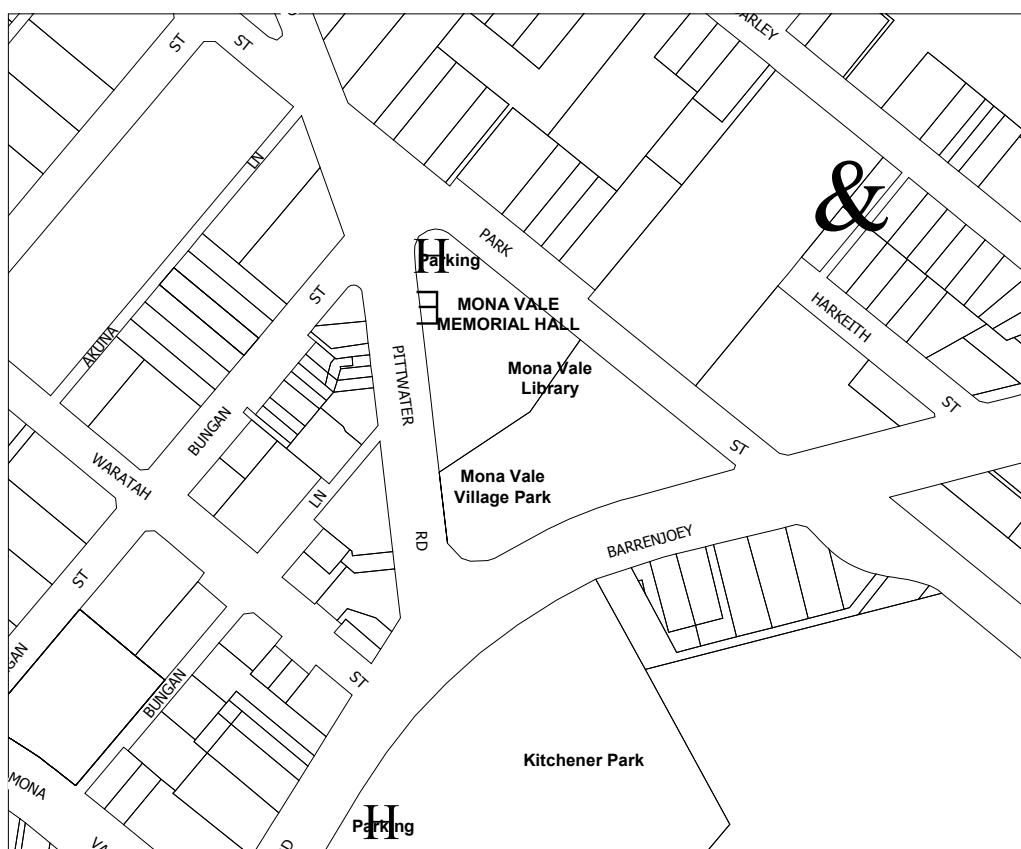
Commencing at 6.30pm for the purpose of considering the items included on the Agenda.

Mark Ferguson
GENERAL MANAGER

Seating Arrangements



Meeting Location



All Pittwater Council's Agenda and Minutes are available on the Pittwater website at www.pittwater.nsw.gov.au

Acknowledgement of Country

**Pittwater Council honours and respects the spirits of the
Guringai people.**

**Council acknowledges their traditional custodianship of
the Pittwater area.**

Statement of Respect

**Pittwater Council promotes and strives to achieve a climate of respect
for all and endeavours to inspire in our community shared civic pride by
valuing and protecting our unique environment, both natural and built,
for current and future generations.**

**We, the elected members and staff of Pittwater Council, undertake to
act with honesty and integrity, to conduct ourselves in a way that
engenders trust and confidence in the decisions we make on behalf
of the Pittwater Community.**

Council Meeting

TABLE OF CONTENTS

Item No	Item	Page No
Council Meeting		
1.0	Public Forum	6
2.0	Resident Questions	7
3.0	Apologies	7
4.0	Declarations of Pecuniary and Conflict of Interest including any Political Donations and Gifts	8
5.0	Confirmation of Minutes	8
6.0	Public Addresses	9
7.0	Councillor Questions with Notice	9
8.0	Mayoral Minutes	9
9.0	Business by Exception	10
10.0	Council Meeting Business	10
C10.1	Election of Mayor - 2014/2015 Mayoral Term	11
C10.2	Election of Deputy Mayor - 2014/2015 Mayoral Term	15
C10.3	Appointment of Principal Committees and Reference Groups 2014	17
Leading and Learning Committee		
11.0	Leading and Learning Committee Business	26
C11.1	Presentation of Financial Reports and Related Auditor's Report for the Year Ended 30 June 2014	27
C11.2	Investment Balances for the Month of August 2014	43
C11.3	Policy for the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors	49
C11.4	Minutes of the Leading and Learning Reference Group Meeting held on 27 August 2014	67

Item No	Item	Page No
Sustainable Towns and Villages Committee		
12.0	Sustainable Towns and Villages Committee Business	140
C12.1	Minutes of the Sustainable Towns and Villages Reference Group Meeting held on 20 August 2014	141
Council Meeting		
13.0	Adoption of Leading and Learning Committee Recommendations	199
14.0	Adoption of Sustainable Towns and Villages Committee Recommendations	199

**The Senior Management Team
has approved the inclusion of
all reports in this agenda.**

Council Meeting

1.0 Public Forum

GUIDELINES FOR RESIDENTS - PUBLIC FORUM

Objective

The purpose of the Public Forum is to gain information or suggestions from the community on new and positive initiatives that Council can consider in order to better serve the Pittwater community.

- The Public Forum is not a decision making forum for the Council;
- Residents should not use the Public Forum to raise routine matters or complaints. Such matters should be forwarded in writing to Council's Customer Service Centres at Mona Vale or Avalon where they will be responded to by appropriate Council Officers;
- There will be no debate or questions with, or by, Councillors during/following a resident submission;
- Council's general meeting procedures apply to Public Forums, in particular, no insults or inferences of improper behaviour in relation to any other person/s is permitted;
- No defamatory or slanderous comments will be permitted. Should a resident make such a comment, their submission will be immediately terminated by the Chair of the Meeting;
- Up to 20 minutes is allocated to the Public Forum;
- A maximum of 1 submission per person per meeting is permitted, with a maximum of 4 submissions in total per meeting;
- A maximum of 5 minutes is allocated to each submission;
- Public submissions will not be permitted in relation to the following matters:
 - Matters involving current dealings with Council (eg. development applications, contractual matters, tenders, legal matters, Council matters under investigation, etc);
 - Items on the current Council Meeting agenda;
- The subject matter of a submission is not to be repeated by a subsequent submission on the same topic by the same person within a 3 month period;
- Participants are not permitted to use Council's audio visual or computer equipment as part of their submission. However, photographs, documents etc may be circulated to Councillors as part of the submission;
- Any requests to participate in the Public Forum shall be lodged with Council staff by 12 noon on the day of the Council Meeting. To register a request for a submission, please contact Warwick Lawrence, phone 9970 1112.

Mark Ferguson
GENERAL MANAGER

2.0 Resident Questions

RESIDENT QUESTION TIME

Objective

The purpose of Resident Question Time is to provide the community with a forum to ask questions of the elected Council on matters that concern or interest individual members of the community.

The following guidelines apply to any person addressing a Council / Committee meeting in relation to a Resident Question:

- 1. Residents Question Time is conducted at the commencement of the second Council Meeting of the month and prior to the handling of General Business.*
- 2. A maximum of 10 minutes is allocated to Residents Question Time.*
- 3. Each Resident is restricted to two (2) questions per meeting.*
- 4. All questions are to be in writing or made electronically and lodged with the General Manager no later than 6.15pm on the day of the Council meeting at which it is to be considered.*
- 5. Questions must be precise and succinct and free of ambiguity and not contain any comments that may be offensive, defamatory or slanderous in any way.*
- 6. A brief preamble may accompany the question to clarify the issue however only the actual question will be included in the minutes of the Council meeting.*
- 7. Responses to residents questions made at the meeting will also be included in the minutes of the Council meeting.*
- 8. Resident's questions taken on notice shall be the subject of a report to Council setting out both the question and response and shall be included in the agenda at the second meeting of the month following the resident's question.*
- 9. There will be no debate or questions with, or by, Councillors during / following a resident question and response.*

3.0 Apologies

Apologies must be received and accepted from absent Members and leave of absence from the Council Meeting must be granted.

4.0 Declarations of Pecuniary and Conflict of Interest including any Political Donations and Gifts

Councillors are advised of the following definitions of a "pecuniary" or "conflict" of interest for their assistance:

* Section 442 of the Local Government Act, 1993 states that a "pecuniary" interest is as follows:

- "(1) [Pecuniary interest] A Pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person or another person with whom the person is associated.*
- (2) [Remoteness] A person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to the matter."*

Councillors should reference the Local Government Act, 1993 for detailed provisions relating to pecuniary interests.

* Council's Code of Conduct states that a "conflict of interest" exists when you could be influenced, or a reasonable person would perceive that you could be influenced by a personal interest when carrying out your public duty.

Councillors are also reminded of their responsibility to declare any Political donation or Gift in relation to the Local Government & Planning Legislation Amendment (Political Donations) Act 2008.

* A reportable political donation is a donation of:

- \$1,000 or more made to or for the benefit of the party, elected member, group or candidate; or
- \$1,000 or more made by a major political donor to or for the benefit of a party, elected member, group or candidate, or made to the major political donor; or
- Less than \$1,000 if the aggregated total of the donations made by the entity or person to the same party, elected member, group, candidate or person within the same financial year (ending 30 June) is \$1,000 or more.

5.0 Confirmation of Minutes

"Councillors are advised that when the confirmation of minutes is being considered, the only question that can arise is whether they faithfully record the proceedings at the meeting referred to. A member of a council who votes for the confirmation of the minutes does not thereby make himself a party to the resolutions recorded: **Re Lands Allotment Co (1894) 1 Ch 616, 63 LJ Ch 291.**"

Minutes of the Council Meeting held on 1 September 2014.

6.0 Public Addresses

The following guidelines apply to any person addressing a Council / Committee meeting in relation to an item on the Council / Committee meeting agenda:

1. *A member of the public may be granted leave to address a meeting of Council or a Committee, where such a request is received by the General Manager no later than 3.00pm on the day of the meeting. This is subject to:*
 - (a) *A maximum of up to six speakers may address on any one item, with a maximum of three speakers in support of the recommendation in the report, and three speakers in opposition.*
 - (b) *A limitation of three minutes is allowed for any one speaker, with no extensions.*
 - (c) *An objector/s to a development application is to speak first with the applicant always being given the right to reply.*

Exceptions to these requirements may apply where:

- (a) *The Meeting specifically requests that a person be interviewed at a meeting.*
 - (b) *The Meeting resolves that a person be heard at the meeting without having given prior notice to the General Manager*
2. *Once a public/resident speaker has completed their submission and responded to any Councillor questions, they are to return to their seat in the public gallery prior to the formal debate commencing.*
3. *No defamatory or slanderous comments will be permitted. Should a resident make such a comment, their address will be immediately terminated by the Chair of the meeting.*
4. *Council's general meeting procedures apply to Public Addresses, in particular, no insults or inferences of improper behaviour in relation to any other person is permitted.*
5. *Residents are not permitted to use Council's audio visual or computer equipment as part of their address. However, photographs, documents etc may be circulated to Councillors as part of their address.*

7.0 Councillor Questions with Notice

8.0 Mayoral Minutes

9.0 Business by Exception

Items that are dealt with by exception are items where the recommendations contained in the reports in the Agenda are adopted without discussion.

10.0 Council Meeting Business

C10.1 Election of Mayor - 2014/2015 Mayoral Term

Meeting: Council

Date: 15 September 2014

STRATEGY: Corporate Management

ACTION: Legislative requirement to elect Mayor

PURPOSE OF REPORT

To elect a Councillor to the office of Mayor for the 2014/2015 Mayoral Term, being September 2014 to September 2015.

1.0 BACKGROUND

- 1.1 Section 290 (1)(b) of the Local Government Act 1993 requires the election of a Mayor, elected by Councillors, to be conducted at a meeting during the month of September. The Mayor of the day is entitled to chair this meeting even if he/she is not elected to Council. If the Mayor chooses not to chair the meeting then the first item of business will be to elect a Chairperson until a successor is declared elected at the meeting.
- 1.2 The procedure for election of Mayor by Councillors is set out in Clause 394 and Schedule 7 of the Local Government (General) Regulation 2005.

2.0 ISSUES

- 2.1 Clause 394 of the Local Government (General) Regulation 2005 provides that where a Mayor or Deputy Mayor is to be elected by the Councillors of an area, the election is to be in accordance with Schedule 7 of the Regulation. The provisions of Schedule 7 are summarised as follows in 2.2 to 2.9:
- 2.2 *The General Manager or a person appointed by the General Manager is the Returning Officer. The General Manager has appointed the Manager Administration and Governance as Returning Officer for these elections.*
- 2.3 *A nomination for the Office of Mayor is to be made in writing by two or more Councillors (one of whom may be the nominee). The nomination is not valid unless the nominee has indicated consent to the nomination in writing.*
- 2.4 *There is no prescribed form of "nomination paper". However, for convenience, "nomination papers" have been prepared and distributed and will also be available to Councillors at the meeting. Nominations are to be delivered or sent to the Returning Officer. The Returning Officer is to announce the names of the nominees at the Council meeting at which the election is to be held.*
- 2.5 *If only one Councillor is nominated, that Councillor is elected. If more than one Councillor is nominated, the Council is to resolve whether the election is to proceed by:*
- (a) *Preferential Ballot*
 - (b) *Ordinary Ballot*
 - (c) *Open Voting*

The election is to be held at the Council Meeting at which the Council resolves on the method of voting. The Mayor is Chairperson of the meeting until the Returning Officer conducts the Ballot.

2.6 *If the method is by Preferential or Ordinary Ballot, it shall be by Secret Vote.*

2.7 *Open voting means by a show of hands or similar means.*

2.8 **(A) Preferential Ballots**

Councillors are to mark their votes by placing the numbers '1', '2' and so on, against the listed candidates' names so as to indicate the order of their preference for all the candidates.

The formality of a ballot paper under this part is to be determined in accordance with Clause 345 (1) (b)(c) & (5) of the Local Government (General) Regulation 2005.

An informal ballot paper must be rejected at the count.

If a candidate has an absolute majority of first preference votes, that candidate is elected.

If not, the candidate with the lowest number of first preference votes is excluded and the votes on the unexhausted ballot-papers counted to him or her are transferred to the candidate with second preferences on those ballot papers.

A candidate who then has an absolute majority of votes is elected but, if no candidate then has an absolute majority of votes, the process of excluding the candidate who has the lowest number of votes and counting each of his or her unexhausted ballot papers to the candidates remaining in the election next in order of the voter's preference is repeated until one candidate has received an absolute majority of votes. The latter is elected.

In this clause 'absolute majority' in relation to votes means a number which is more than one-half of the number of unexhausted formal ballot papers.

Tied Candidates:

- (1) *If, on any count of votes, there are **two** candidates in, or remaining in, the election and the numbers of votes cast for the **two** candidates are equal – the candidate whose name is first chosen by lot is taken to have received an absolute majority of votes and is therefore taken to be elected.*
- (2) *If, on any count of votes, there are **three** or more candidates in, or remaining in, the election and the numbers of votes cast for **two** or more candidates are equal and those candidates are the ones with the lowest number of votes on the count of the votes – the candidate whose name is first chosen by lot is taken to have the lowest number of votes and is therefore excluded.*

(B) Ordinary Ballot (Secret ballot) / Open Voting (by show of hands or similar)

The formality of a ballot paper at an Ordinary ballot is to be determined in accordance with Clause 345 (1)(b)(c) & (6) of the Local Government (General) Regulation 2005.

*If there are three or more candidates, separate and continuing ballots / votes are taken to exclude the candidate with the lowest number of votes, until only **two** candidates remain.*

*When there are only **two** candidates, or when there are only **two** candidates remaining, a ballot / vote is taken. The candidate with the highest number of votes is elected. If there are only **two** candidates and they are tied, the **one** elected is to be chosen by lot.*

The Returning Officer decides the manner in which votes are to be marked on the ballot paper at an ordinary ballot.

2.9 Summary of Procedure

A summary of the procedure is as follows:

- (a) Councillors will be called upon by the Returning Officer to submit their nomination papers.*
- (b) Nominations received will be read to the Meeting by the Returning Officer, who will ask if any of the candidates so nominated wish to decline the nomination.*
- (c) If there are more candidates than one, an election will be carried out in accordance with the provisions of Schedule 7 of the Local Government (General) Regulation 2005 as quoted above. Councillors will be requested to resolve whether the election is to proceed by Preferential Ballot, by Ordinary Ballot or by Open Voting.*
- (d) If a ballot is required, ballot papers will be prepared and distributed to Councillors for marking:
 - (i) Upon completion of marking of the ballot papers by Councillors, the ballot papers will be collected on behalf of the Returning Officer and the votes will be counted; and*
 - (ii) When the ballot or ballots, as required pursuant to the provisions of Schedule 7, have been completed and a result obtained, the Returning Officer will announce the results to the meeting.**
- (e) If the election is by Open Vote, then votes to exclude candidates (if more than two) and votes to elect a candidate will be taken by show of hands and recorded by the Returning Officer.*

The General Manager has appointed the Manager Administration and Governance as the Returning Officer for these elections.

3.0 SUSTAINABILITY ASSESSMENT

This report does not require a sustainability assessment

4.0 EXECUTIVE SUMMARY

- 4.1 Nominations shall be called for candidates for the Office of Mayor for the 2014/2015 Mayoral Term.
- 4.2. That in the event that two or more candidates accept nomination for the Office of Mayor, Council needs to determine whether the election of Mayor for the 2014/2015 Mayoral Term is to proceed by preferential ballot, by ordinary ballot or by open voting.
- 4.3. An election will then be held in accordance with the provisions of the Local Government (General) Regulation 2005.

RECOMMENDATION

1. That nominations be called for candidates for the Office of Mayor for the 2014/2015 Mayoral Term.
2. That in the event that two or more candidates accept nomination for the Office of Mayor, Council determine whether the election of Mayor for the 2014/2015 Mayoral Term is to proceed by preferential ballot, by ordinary ballot or by open voting.
3. That an election be held in accordance with the provisions of the Local Government (General) Regulation 2005.

Report prepared by
Nicholas Mamouzelos, Principal Officer, Administration and Risk

Warwick Lawrence
MANAGER, ADMINISTRATION & GOVERNANCE

C10.2 Election of Deputy Mayor - 2014/2015 Mayoral Term

Meeting: Council

Date: 15 September 2014

STRATEGY: Corporate Management

ACTION: Legislative requirement to elect Deputy Mayor

PURPOSE OF REPORT

To elect a Councillor to the office of Deputy Mayor for the 2014/2015 Mayoral Term, being September 2014 to September 2015.

1.0 BACKGROUND

- 1.1 Section 231 of the Local Government Act, 1993 empowers the Council to elect one of its members as Deputy Mayor for the Mayoral Term or for a shorter term.

2.0 ISSUES

- 2.1 Section 231 of the Local Government Act, 1993 empowers the Council to elect one of its members to be Deputy Mayor for the Mayoral Term or for a shorter term, however it is usual for the Deputy Mayoral term to coincide with the Mayoral Term.
- 2.2 The Deputy Mayor may exercise any functions of the Mayor at the request of the Mayor or if the Mayor is prevented by illness, absence or otherwise from exercising the functions of his/her Office.
- 2.3 The nomination and election of a Deputy Mayor is carried out in the same manner as the nomination and election of the Mayor.
- 2.4 There is no prescribed form of "nomination paper". However, for convenience "nomination papers" have been prepared and distributed and will also be available to Councillors at the meeting. Nominations are to be delivered or sent to the Returning Officer and will be accepted at the Council meeting.
- 2.5 The General Manager has appointed the Manager Administration and Governance to act as the Returning Officer for the Mayoral and Deputy Mayoral elections.
-

3.0 SUSTAINABILITY ASSESSMENT

- 3.1 This report does not require a sustainability assessment

4.0 EXECUTIVE SUMMARY

- 4.1 Nominations are required for candidates for the Office of Deputy Mayor for the 2014/2015 Mayoral Term.
- 4.2 In the event that two or more candidates accept nomination for the Office of Deputy Mayor, Council shall determine whether the election of Deputy Mayor for the 2014/2015 Mayoral Term, is to proceed by preferential ballot, by ordinary ballot or by open voting.
- 4.3 The election is to be held in accordance with the provisions of the Local Government (General) Regulation 2005.
- 4.3 Historically the Deputy Mayor has been elected for the full Mayoral Term.

RECOMMENDATION

- 1. That nominations be called for candidates for the Office of Deputy Mayor for the 2014/2015 Mayoral Term.
- 2. That in the event of two or more candidates accepting nomination for the Office of Deputy Mayor, Council determine whether the election of Deputy Mayor for the 2014/2015 Mayoral Term is to proceed by preferential ballot, by ordinary ballot or by open voting.
- 3. That an election be held in accordance with the provisions of the Local Government (General) Regulation 2005.
- 4. That the Deputy Mayor be elected for the full 2014/2015 Mayoral Term.

Report prepared by
Nicholas Mamouzelos, Principal Officer, Administration and Risk

Warwick Lawrence
MANAGER, ADMINISTRATION & GOVERNANCE

C10.3	Appointment of Principal Committees and Reference Groups 2014
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Meeting: Council

Date: 15 September 2014

STRATEGY: Corporate Management

ACTION: Maintain and Service Council's Range of Committees

PURPOSE OF REPORT

To appoint Council's Principal Committees and Reference Groups of the Council and elect a Chairperson to each Committee.

1.0 BACKGROUND

- 1.1 As has been the practice for some time, the reappointment of the Principal Committees and the appointment of a Chairperson to each Committee is submitted for the Council's consideration. Council is also required to reappoint the Reference Groups and appoint a chairperson.
- 1.2 At the ordinary meeting of Council held on 13 October 2008, Council adopted a Committee structure specifically aligned with Council's Strategic Plan incorporating four (4) Principal Committees and four (4) corresponding Reference Groups.
- 1.3 Council also resolved that the Mayor chair the Council meetings and each Councillor be appointed to chair either one of the four (4) Principal Committees or one of the four (4) Reference Groups.
- 1.4 At the Council meeting held on 4 March 2013 a review of the reference groups was considered which resulted in a renaming of the Reference groups and an amendment to their Terms of Reference to align each with the relevant objectives, challenges and opportunities within each strategy contained within the relevant Key Directions of the Community Strategic plan.
- 1.5 At the ordinary meeting of Council held on 16 September 2013 Council also resolved to realign Council's Principal Committees in a similar manner.
- 1.6 The current functions and responsibilities for the Principal Committees and Reference Groups are listed below.

Current Functions and Responsibilities of Principal Committees

Connecting Communities Committee

(Strategy - Building Communities, Recreational Management and Traffic and Transport)

(To be held in conjunction with the first Council meeting of the month)

- **Natural Environment Committee**

(Strategy - Beach and Coastal Management, Catchment Management, Flora and Fauna Management)

(To be held in conjunction with the first Council meeting of the month)

- **Leading and Learning Committee**
(Strategy - Corporate Management, Disaster, Risk and Emergency Management, Community Education and Learning)

(To be held in conjunction with the second Council meeting of the month)

- **Sustainable Towns and Villages Committee**
(Strategy - Land Use and Development, Town and Village, Economic Development)

(To be held in conjunction with the second Council meeting of the month)

Current Functions and Responsibilities of Reference Groups

- **Connecting Communities Reference Group**
To consider and resolve on matters involving actions contained in the key direction of Council's Strategic Plan – Connecting Communities.
- **Natural Environment Reference Group**
To consider and resolve on matters involving goals and initiatives contained in the key direction of Council's Strategic Plan – Natural Environment.
- **Leading and Learning Reference Group**
To consider and resolve on matters involving actions contained in the key direction of Council's Strategic Plan – Leading and Learning
- **Sustainable Towns and Villages Reference Group**
To consider and resolve on matters involving goals and initiatives contained in the key direction of Council's Strategic Plan – Sustainable Towns and Villages.

1.10 Meeting Cycle (Principal Committees)

The Council has previously resolved that each Principal Committee comprise the whole of the Council with a quorum of five (5) councillors. Each Committee deals with those matters referred to it by the Council or by the Mayor or General Manager.

The Principal Committees currently meet in conjunction with a meeting of the full Council on a monthly basis where the recommendations of the Principal Committees are considered at the Council Meeting and adopted by the Council as appropriate.

All meetings of Council's Principal Committees are open to the press and public. However, if any matter before the Committee is considered to warrant it, certain prescribed matters may be referred to the Council Meeting for consideration in Closed Session, with the press and public excluded. In each case, the Council must state and record the reason for excluding the press and public.

1.11 Reference Group Charter

Reference Group meetings are held quarterly or as determined by each Reference Group. Minutes from each Reference Group meeting will be referred to the Principal Committee for their consideration. A copy of each Reference Group's charter is attached as **Attachments 1 to 4**.

- 1.12 Council appointed the following Chairpersons to each of the four (4) Principal Committees and Reference Groups at its meeting held on the 16 September 2013
- **Community, Recreation and Economic Development Committee**
 - Cr Kay Millar
 - **Natural Environment Committee**
 - Cr Ian White
 - **Leading and Learning Committee**
 - Cr Julie Hegarty
 - **Sustainable Towns and Villages Committee**
 - Cr Selena Griffith
 - **Connecting Communities Reference Group**
 - Cr Kylie Ferguson
 - **Natural Environment Reference Group**
 - Cr Alex McTaggart
 - **Leading and Learning Reference Group**
 - Cr Sue Young
 - **Sustainable Towns and Villages Reference Group**
 - Cr Bob Grace

2.0 ISSUES

2.1 Functions, responsibilities and meeting cycles of Principal Committees

2.2 In relation to the chair of the Committees and Reference Groups, the Council's adopted Code of Meeting Practice states as follows:

1. *The Chairperson of each Committee of the Council must be:*
 - (a) *The Mayor; or*
 - (b) *if the Mayor does not wish to be the Chairperson of a Committee – a member of the Committee elected by the Council; or*
 - (c) *if the Council does not elect such a member – a member of the Committee elected by the Committee*
2. *A Council may elect a member of a Committee of the Council as Deputy Chairperson of the Committee. If the Council does not elect a Deputy Chairperson of such a Committee, the Committee may elect a Deputy Chairperson.*
3. *If neither the Chairperson nor the Deputy Chairperson of a Committee of a Council is able or willing to preside at a meeting of the Committee, the Committee must elect a member of the Committee to be acting Chairperson of the Committee.*
4. *The Chairperson is to preside at a meeting of a Committee of a Council. If the Chairperson is unable or unwilling to preside, the Deputy Chairperson (if any) is to preside at the meeting, but if neither the Chairperson nor the Deputy Chairperson is able or willing to preside, the acting Chairperson is to preside at the meeting.*

2.3 The Method of Voting for Election of a Chairperson(s)

The method of voting for election of a Chairperson(s) to a Committee or Reference Group of Council is by open voting (such as on the voices or by show of hands) as required by the Local Government (General) Regulation 2005.

3.0 SUSTAINABILITY ASSESSMENT

3.1 Supporting & Connecting our Community (Social)

Reference groups provide the opportunity for residents in Pittwater to come together to be informed and discuss issues that affect them. They provide a method by which the community can come together on a regular basis to share ideas and collectively discuss ways to progress the community strategic plan.

3.2 Valuing & Caring for our Natural Environment (Environmental)

No Environmental Impact.

3.3 Enhancing our Working & Learning (Economic)

No Economic Impact.

3.4 Leading an Effective & Collaborative Council (Governance)

Reference groups are an important mechanism within Council's community engagement framework that encourages community input into decision making processes. Reference groups aim to build trust with the community and provide a transparent process for discussion of important issues.

The appointment of Committees and Chairpersons is in accordance with the requirements of the Local Government Act and Local Government (General) Regulation 2005.

3.5 Integrating our Built Environment (Infrastructure)

No Infrastructure Impact.

4.0 EXECUTIVE SUMMARY

4.1 In October 2008 Council adopted a Committee structure of four (4) Principal Committees with four (4) corresponding Reference Groups.

4.2 Historically a report has been presented to Council each year seeking reappointment of Committees and Reference Groups and the election of Chairpersons.

4.3 The current Committee structure suggests that the functions and meeting cycles of the Principal Committees are appropriate and that generally the Reference Groups are working effectively.

RECOMMENDATION

1. That the following four (4) Principal Committees, comprising all Councillors, with a quorum of five members, be appointed with the functions and meeting cycles as outlined in paragraph 1.6 of this report:
 - **Connecting Communities Committee**
 - **Natural Environment Committee**
 - **Leading and Learning Committee**
 - **Sustainable Towns and Villages Committee**
2. That the following four (4) Reference Groups, be reappointed in accordance with the Charters provided as **Attachments 1 to 4**:
 - **Connecting Communities Reference Group**
 - **Natural Environment Reference Group**
 - **Leading and Learning Reference Group**
 - **Sustainable Towns and Villages Reference Group**
3. That Council elect a Chairperson to each Principal Committee and each Reference Group for the period October 2014 to September 2015.

Report prepared by
Nicholas Mamouzelos, Principal Officer, Administration and Risk

Warwick Lawrence
MANAGER, ADMINISTRATION & GOVERNANCE

CONNECTING COMMUNITIES REFERENCE GROUP

Established	13 October 2008
Function:	To consider and resolve on matters involving actions contained in the key direction of Council's Strategic Plan – Connecting Communities.
This Reference Group will consider objectives, challenges and opportunities within each strategy contained within the relevant Key Direction of the Community Strategic Plan.	Key Direction 1 <ul style="list-style-type: none"> • Building Communities Strategy • Recreational Management Strategy • Traffic and Transport Strategy
Composition/Membership Notes: <ul style="list-style-type: none"> ➤ Up to fourteen (14) members consisting of: <ul style="list-style-type: none"> - Up to 12 members from registered community groups and community organisations with a maximum of one (1) representative from any one group. Each appointed reference group member will nominate an alternative representative. - Up to four (4) individual Pittwater residents ➤ Community representatives (non-members) may be seconded to Working Groups, subject to approval by Council, for a specific period working under the direction of the Reference Group investigating specific issues. ➤ Interested observers are invited to attend ➤ All other Councillors are invited to attend and observe. 	<ul style="list-style-type: none"> • Tenure of community membership to be two years • The Chairperson elected by Council and the Chairperson of the corresponding Principal Committee of Council. • The following Community Groups are represented : <ul style="list-style-type: none"> Avalon Beach Youth Chamber of Commerce Clareville and Bilgola Plateau Residents Association Community Care Northern Beaches Newport Residents Association Pittwater Community Arts Scotland Island Residents Association Surf Life Saving Sydney Northern Beaches Sustainability Pittwater Warriewood Residents Association West Pittwater Community Association Zonta Club of Northern Beaches • The following Pittwater Resident Representatives are appointed: <ul style="list-style-type: none"> Alan Porter Lorrie Morgan
Ex Officio Advisors:	Officers of Government and Statutory Corporations or other advisors as required.
Quorum:	A majority of members provided at least 1 Councillor is present.
Reporting Procedures:	Minutes of meetings to be reported to Connecting Communities Committee for consideration.
Meetings:	Quarterly, or as determined by the Committee.
Council Members Appointed:	Chairperson: TBA

NATURAL ENVIRONMENT REFERENCE GROUP

Established:	13 October 2008
Function:	To consider and resolve on matters involving goals and initiatives contained in the key direction of Council's Strategic Plan – Natural Environment.
This Reference Group will consider objectives, challenges and opportunities within each strategy contained within the relevant Key Direction of the Community Strategic Plan.	Key Direction 2 <ul style="list-style-type: none"> • Beach and Coastal Management Strategy • Catchment Management Strategy • Flora and Fauna Management Strategy
Composition/Membership Notes: <ul style="list-style-type: none"> ➤ Up to fourteen (14) members consisting of: <ul style="list-style-type: none"> - Up to 12 community representatives from community organisations working with the community in Pittwater and representatives from community groups registered on Council's "Register of Community Groups" with a maximum of two (2) representatives from any one group - Up to four (4) Individual - Pittwater residents ➤ Community representatives (non-members) may be seconded to Working Groups, subject to approval by Council, for a specific period working under the direction of the Reference Group investigating specific issues. ➤ Interested observers are invited to attend. They must advise the minute secretary at least 24 hours in advance of their intention to attend. Observers are invited as observers and are not acting as regular members appointed to reference groups. ➤ All other Councillors are invited to attend and observe. 	<ul style="list-style-type: none"> • The Chairperson elected by Council and the Chairperson of the corresponding Principal Committee of Council. • The following Community Groups are represented: <ul style="list-style-type: none"> Manly Warringah and Pittwater Historical Society Bayview - Church Point Residents Association Warriewood Residents Association Pittwater Business Organisation Scotland Island Residents Association Careel Bay, Pittwater Protection Association West Pittwater Community Association Clareville and Bilgola Plateau Residents Association Surfrider Foundation Palm Beach and Whale Beach Association Newport Residents Association • The following Pittwater Resident Representatives are appointed: <ul style="list-style-type: none"> Margaret Makin John Spicer-Bell Roger Treagus
Ex Officio Advisors:	Officers of Government and Statutory Corporations or other advisors as required.
Quorum:	A majority of members provided at least 1 Councillor is present.
Reporting Procedures:	Minutes of meetings to be reported to the Natural Environment Committee of Council for consideration.
Meetings:	Quarterly, or as determined by the Committee.
Council Members Appointed:	Chairperson: TBA

LEADING AND LEARNING REFERENCE GROUP

Established:	13 October 2008
Function:	To consider and resolve on matters involving actions contained in the key direction of Council's Strategic Plan – Leading and Learning
This Reference Group will consider and resolve on matters relating to the strategic objectives within the associated Key Direction	Key Direction 3 & 5 <ul style="list-style-type: none"> • Corporate Management Strategy • Disaster, Risk and Emergency Management Strategy • Community Education and Learning Strategy
Composition/Membership Notes: <ul style="list-style-type: none"> ➤ Up to fourteen (14) members consisting of: <ul style="list-style-type: none"> - Up to 12 members from registered community groups and community organisations with a maximum of one (1) representative from any one group. Each appointed reference group member will nominate an alternative representative. - Up to four (4) individual Pittwater residents ➤ Community representatives (non-members) may be seconded to Working Groups, subject to approval by Council, for a specific period working under the direction of the Reference Group investigating specific issues. ➤ Interested observers are invited to attend ➤ All other Councillors are invited to attend and observe. 	<ul style="list-style-type: none"> • Tenure of community membership to be two years • The Chairperson elected by Council and the Chairperson of the corresponding Principal Committee of Council. • The following Community Groups are represented: <ul style="list-style-type: none"> Bayview - Church Point Residents Association Clareville and Bilgola Plateau Residents Association Newport Residents Association Scotland Island Residents Association West Pittwater Community Association Warriewood Residents Association Peninsula Bridge Club Sustainability Pittwater Pittwater Rotary/Precision Dynamics Discovery Shed Aboriginal Support Group • The following Pittwater Resident Representatives are appointed: <ul style="list-style-type: none"> Suzanne Atteridge Kimberly Clouthier Peter Middleton Dru Von Drehnen
Ex Officio Advisors:	Officers of Government and Statutory Corporations or other advisors as required.
Quorum:	A majority of members provided at least 1 Councillor is present.
Reporting Procedures:	Minutes of meetings to be reported to the Leading and Learning Committee for consideration.
Meetings:	Quarterly, or as determined by the Committee.
Council Members Appointed:	Chairperson: TBA

SUSTAINABLE TOWNS AND VILLAGES REFERENCE GROUP

Established:	13 October 2008
Function:	To consider and resolve on matters involving goals and initiatives contained in the key direction of Council's Strategic Plan – Sustainable Towns and Villages
This Reference Group will consider and resolve on matters relating to the strategic objectives within the associated Key Direction	Key Direction 3 & 4 <ul style="list-style-type: none"> • Land Use and Development Strategy • Town and Village Strategy • Economic Development Strategy
Composition/Membership Notes: <ul style="list-style-type: none"> ➤ Up to fourteen (14) members consisting of: <ul style="list-style-type: none"> - Up to 12 members from registered community groups and community organisations with a maximum of one (1) representative from any one group. Each appointed reference group member will nominate an alternative representative. - Up to four (4) individual Pittwater residents ➤ Community representatives (non-members) may be seconded to Working Groups, subject to approval by Council, for a specific period working under the direction of the Reference Group investigating specific issues. ➤ Interested observers are invited to attend ➤ All other Councillors are invited to attend and observe. 	<ul style="list-style-type: none"> • The Chairperson elected by Council and the Chairperson of the corresponding Principal Committee of Council. • The following Community Groups are represented: <ul style="list-style-type: none"> Climate Action Pittwater Clareville and Bilgola Plateau Residents Association Avalon Preservation Association Bayview - Church Point Residents Association Scotland Island Residents Association Newport Residents Association Pittwater Business Limited Palm Beach and Whale Beach Association West Pittwater Community Association Friends of Narrabeen Lagoon Catchment/Northern Beaches Roadkill Prevention Committee Elanora Heights Residents Association • The following Pittwater Resident Representatives are appointed: <ul style="list-style-type: none"> James Vosper Steven Koolloos
Ex Officio Advisors:	Officers of Government and Statutory Corporations or other advisors as required.
Quorum:	A majority of members provided at least 1 Councillor is present.
Reporting Procedures:	Minutes of meetings to be reported to the Sustainable Towns and Villages Committee for consideration.
Meetings:	Quarterly, or as determined by the Committee.
Council Members Appointed:	Chairperson: TBA

Leading and Learning Committee

11.0 Leading and Learning Committee Business

C11.1	Presentation of Financial Reports and Related Auditor's Report for the Year Ended 30 June 2014
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Meeting: Leading and Learning Committee

Date: 15 September 2014

STRATEGY: Business Management

ACTION: To produce Monthly, Quarterly and Annual Budgets and Statements.

PURPOSE OF REPORT

To address the statutory requirements under the Local Government Act, 1993 by holding a public meeting to present Council's Audited Financial Reports together with the Auditor's Report.

1.0 BACKGROUND

- 1.1 The Local Government Act, 1993, requires a Council to present its Audited Financial Reports, together with the Auditor's Report, at a meeting of Council within 5 weeks of receipt of the Auditor's Report.

2.0 ISSUES

- 2.1 At Council's Audit and Risk Committee Meeting of the 6 August 2014, the Committee endorsed Council's 2013/14 Financial Reports.
- 2.2 At Council's Ordinary Meeting of 18 August 2014, the Financial Reports for the period 1 July 2013 to 30 June 2014 were adopted and referred to Council's Auditors, Hill Rogers Spencer Steer Chartered Accountants.
- 2.3 The Auditor's Report was completed and signed off on 19 August 2014.
- 2.4 In accordance with S.418, an advertisement was placed in the local press notifying ratepayers and interested persons that the presentation of the Financial Reports and Auditor's Report to Council would take place on Monday 15 September 2014. Public submissions were invited over the period up to and including Monday 22 September 2014, in accordance with S.418 & S.420.
- 2.5 Council at its Ordinary Meeting of 18 August 2014 resolved to invite the Council's Auditors, Hill Rogers Spencer Steer, to attend the meeting and present their Report. Council's Auditor will be in attendance and their audit report is included at Attachment 1 of this Report.
- 2.6 Council's 2013/14 Financial Reports and Auditor's Report have been available for public inspection at the Avalon and Mona Vale Customer Service Centres and Libraries and on Council's website.
- 2.7 A copy of the Auditor's Report is attached (refer **Attachment 1**) for the information of Councillors and a copy of the 2013/14 Financial Reports is tabled.
- 2.8 Council was the **third** Council in NSW to lodge its Statutory Financial Reports for 2013/14.

2.9 A summary of Council's Financial Results:

	2014 \$000	2013 \$000
Income Statement		
Total Income from Continuing Operations	77,084	85,574
Total Expenses from Continuing Operations	72,339	69,551
Operating Result from Continuing Operations	4,745	16,023
Net Operating Result for the Year	4,745	16,023
Net Operating Result before Grants & Contributions provided for Capital Purposes	872	2,407
Statement of Financial Position		
Total Current Assets	35,227	40,300
Total Current Liabilities	(15,244)	(14,354)
Total Non Current Assets	1,060,892	1,048,423
Total Non Current Liabilities	(14,206)	(12,445)
Total Equity	1,066,669	1,061,924
Other Financial Information		
Cash & Investments as at 30 June 2014	31,321	35,585
Operating Performance Ratio (%)	0.54%	1.42%
Own Source Operating Revenue Ratio (%)	91.24%	78.84%
Unrestricted Current Ratio	2.31:1	3.24:1
Debt Service Ratio	4.61	6.05
Rates and Annual Charges Outstanding Ratio (%)	4.54%	5.26%
Cash Expense Cover Ratio (times)	5.32 x	6.26 x
Building Infrastructure Renewal Ratio (%)	129.81%	81.60%
Infrastructure Backlog Ratio	0.21	0.22
Asset Maintenance Ratio	0.73	0.73
Capital Expenditure Ratio	2.41	3.33

3.0 SUSTAINABILITY ASSESSMENT

3.1 This report does not require a Sustainability Assessment.

4.0 EXECUTIVE SUMMARY

- 4.1 In addressing the statutory requirements under the Local Government Act, Council's Audited Financial Reports together with the Auditor's Report are presented to Council.
- 4.2 Council's financial position is summarised in section 2.9 of this Report, including an Operating Result (Before Capital Amounts) of an \$872,000 surplus.
- 4.3 Finally, it is the opinion of Council's Auditors, Hill Rogers Spencer Steer, that Pittwater Council's financial position is sound for the Financial Year Ended 30 June 2014.

RECOMMENDATION

That the presentation of the 2013/14 Financial Reports and the Auditor's Report be noted.

Report prepared by

Mark Jones
CHIEF FINANCIAL OFFICER



PITTWATER COUNCIL
GENERAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying **general purpose financial statements** of **Pittwater Council**, which comprises the Statement of Financial Position as at 30 June 2014, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management. The financial statements include the consolidated financial statements of the economic entity and the entities it controlled at year end or from time to time during the year.

Responsibility of Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Statement of Cash Flows, and Note 2(a) or the budget variation explanations disclosed in Note 16. Nor does our responsibility extend to the projected future developer contributions and costs disclosed in Note 17. Accordingly, no opinion is expressed on these matters.

Assurance Partners

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F. +61 2 9233 7950	Sydney NSW 2000 Australia	Sydney NSW 2001	info@hr-ss.com.au	Steer Assurance Partners	

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Spencer Steer

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements. Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion,

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13 part 3 Division 2; and
- (b) the financial statements:
 - (i) have been presented in accordance with the requirements of this Division;
 - (ii) are consistent with the Council's accounting records;
 - (iii) present fairly the Council's financial position, the results of its operations and its cash flows; and
 - (iv) are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that we have become aware of during the course of the audit.

HILL ROGERS SPENCER STEER



GARY MOTTAU
Partner

Dated at Sydney this 19th day of August 2014

Pittwater Council
General Purpose Financial Statements
Independent Auditors' Report

Page 2

Hill Rogers
Spencer Steer

19 August 2014

The Mayor
Pittwater Council
5 Vuko Place
WARRIEWOOD NSW 2102

Mayor,

Audit Report - Year Ended 30 June 2014

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2014 and that all information required by us was readily available. We have signed our reports as required under Section 417(1) of the Local Government Act, 1993 and the Local Government Code of Accounting Practice and Financial Reporting to the General and Special Purpose Financial Statements.

Our audit has been conducted in accordance with Australian Auditing Standards so as to express an opinion on both the General and Special Purpose Financial Statements of the Council. We have ensured that the financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Local Government Code of Accounting Practice and Financial Reporting.

This report on the conduct of the audit is also issued under Section 417(1) and we now offer the following comments on the financial statements and the audit:

1. RESULTS FOR THE YEAR

1.1 Operating Result

The operating result for the year was a surplus of \$4.745 million as compared with \$16.023 million in the previous year.

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The following table sets out the results for the year and the extent (%) that each category of revenue and expenses contributed to the total.

	2014	% of	2013	% of	Increase
	\$000	Total	\$000	Total	(Decrease)
					\$000
Revenues before capital items					
Rates & annual charges	49,070	67%	46,451	65%	2,619
User charges, fees & other revenues	19,794	27%	19,451	27%	343
Grants & contributions provided for operating purposes	2,839	4%	4,189	6%	(1,350)
Interest & investment revenue	1,508	2%	1,867	3%	(359)
	73,211	100%	71,958	100%	1,253
Expenses					
Employee benefits & costs	28,020	39%	27,177	39%	843
Materials, contracts & other expenses	34,549	48%	33,288	48%	1,261
Depreciation, amortisation & impairment	8,902	12%	8,403	12%	499
Borrowing costs	868	1%	683	1%	185
	72,339	100%	69,551	100%	2,788
Surplus (Deficit) before capital items	872		2,407		(1,535)
Grants & contributions provided for capital purposes	3,873		13,616		(9,743)
Net Surplus (Deficit) for the year	4,745		16,023		(11,278)
Performance Measures	2014		2013		
Operating Performance	0.54%		1.42%		
Own Source Operating Revenue	91.24%		78.85%		

The above table shows an overall decrease of \$11.278 million from the previous year and is largely attributable to a reduction in capital contributions for roads and bridges which contributed \$892,000 to the operating result for the year, compared to \$11.060 million in the previous year.

Operating Performance measures the ability to contain operating expenditure within operating revenue excluding capital amounts. For 2014, this indicator was 0.54% and exceeded the benchmark of 0%.

Own Source Operating Revenue measures the degree of reliance on external funding sources such as grants and contributions. For 2014, this indicator was 91.24% and exceeded the benchmark of 60%.

1.2 Funding Result

As the operating result only accounts for operating income and expenditure, in reviewing the overall financial performance of Council, it is useful to consider the total source of revenues and how they were applied during the year which is illustrated in the table below.

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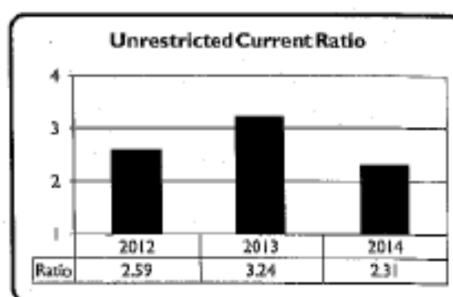
	2014	2013
Funds were provided by:-	\$'000	\$'000
Operating Result (as above)	4,745	16,023
Add back non funding items:-		
- Depreciation, amortisation & impairment	8,902	8,403
- Book value of non-current assets sold	1,163	1,160
- (Gain)/Loss of fair value to investment properties	(40)	(50)
- (Surplus)/Deficit in joint ventures	(167)	(681)
	14,603	24,855
New loan borrowings	3,000	6,500
Transfers from externally restricted assets (net)	710	1,157
Transfers from internal reserves (net)	5,130	0
Distributions from joint ventures	318	359
Net Changes in current/non-current assets & liabilities	0	644
	23,761	33,515
Funds were applied to:-		
Purchase and construction of assets	(22,633)	(28,323)
Principal repaid on loans	(1,179)	(957)
Finance lease instalments	(156)	(28)
Transfers to internal reserves (net)	0	(3,507)
Net Changes in current/non current assets & liabilities	(122)	0
	(24,090)	(32,815)
Increase/(Decrease) in Available Working Capital	(329)	700

2. FINANCIAL POSITION

2.1 Unrestricted Current Ratio

The Unrestricted Current Ratio is a financial indicator specific to local government and represents Council's ability to meet its debts and obligations as they fall due.

After eliminating externally restricted assets and current liabilities not expected to be paid within the next 12 months net current assets amounted to \$12.599 million representing a factor of 2.31 to 1.



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2.2 Available Working Capital – (Working Funds)

At the close of the year the Available Working Capital of Council stood at \$4.978 million as detailed below;

	2014	2013	Change
	\$'000	\$'000	\$'000
Net Current Assets (Working Capital) as per Accounts	19,983	25,946	(5,963)
Add: Payables & provisions not expected to be realised in the next 12 months included above	5,655	6,162	(507)
Adjusted Net Current Assets	25,638	32,108	(6,470)
Add: Budgeted & expected to pay in the next 12 months			
- Borrowings	1,284	1,340	(56)
- Employees leave entitlements	2,551	2,036	515
- Deposits & retention moneys	0	158	(158)
Less: Externally restricted assets	(13,039)	(13,749)	710
Less: Internally restricted assets	(11,456)	(16,586)	5,130
Available Working Capital as at 30 June	4,978	5,307	(329)

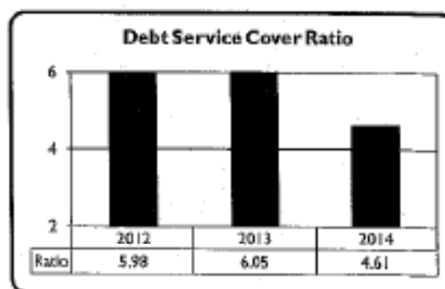
The balance of Available Working Capital should be at a level to manage Council's day to day operations including the financing of hard core debtors, stores and to provide a buffer against unforeseen and unbudgeted expenditures.

Taking into consideration the nature and level of the internally restricted assets (Reserves) set aside to fund future works and services and liabilities, Council's Available Working Capital at year end was sound.

2.3 Debt

After repaying principal and interest of \$2.203M and taking up new borrowings of \$3M, total debt as at 30 June 2014 stood at \$15.295M (2013 - \$13.630M).

The debt service cover ratio measures the availability of operating cash to service debt repayments. For 2014, the ratio indicated that operating results before capital, interest and depreciation covered payments required to service debt by a factor of 4.61 to 1.



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2.4 Summary

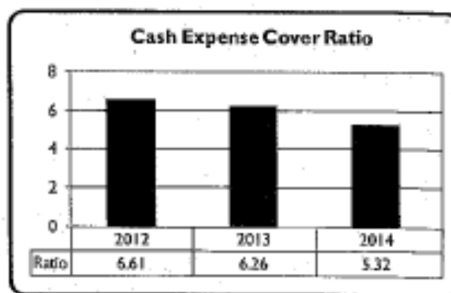
Council's overall financial position, when taking into account the above financial indicators is, in our opinion, sound.

3. CASH ASSETS

3.1 Cash Expense Cover Ratio

This liquidity ratio indicates the number of months of expenditure requirements that can be met with available cash and term deposit balances without the need for additional cash inflow.

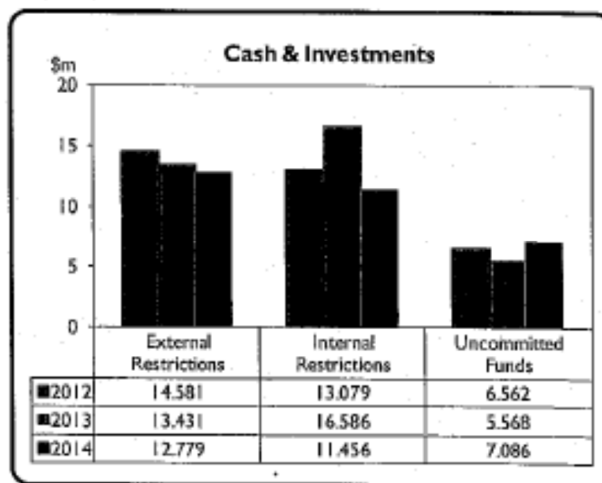
For 2014, this ratio stood at 5.32 months compared to the benchmark of 3.



3.2 Cash & Investment Securities

Cash and investments amounted \$31.321 million at 30 June 2014 as compared with \$35.585 million in 2013 and \$34.222 million in 2012.

The chart alongside summarises the purposes for which cash and investments securities were held.



Externally restricted cash and investments are restricted in their use by externally imposed requirements and consisted of unexpended development contributions under Section 94 (\$8.413 million), domestic waste and stormwater management charges (\$2.835 million) and specific purpose grants and contributions (\$1.531 million).

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Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect forward plans, identified programs of works, and are, in fact, Council's "Reserves". These Reserves totalled \$11.456 million and their purposes are more fully disclosed in Notes 6 of the financial statements.

Unrestricted cash and investments amounted to \$7.086 million, which is available to provide liquidity for day to day operations and forms the basis of Council's sound financial position.

3.3 Cash Flows

The Statement of Cash Flows illustrates the flow of cash (highly liquid cash and investments) moving in and out of Council during the year and reveals that cash increased by \$486,000 to \$4.821 million at the close of the year.

In addition to operating activities which contributed net cash of \$13.736 million were the proceeds from the sale of investment securities (\$90 million), distributions received from joint ventures (\$318,000), proceeds from borrowings (\$3 million) and sale of assets (\$1.434 million). Cash outflows other than operating activities were used to purchase investment securities (\$85.25 million), repay principal on loans and finance leases (\$1.1335 million) and to purchase and construct assets (\$21.417 million).

4. RECEIVABLES

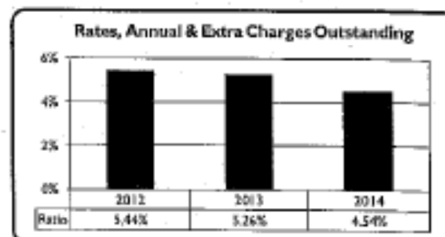
4.1 Rates & Annual Charges (excluding interest & extra charges)

Net rates and annual charges levied during the year totalled \$49.07 million and represented 64% of Council's total revenues.

Including arrears, the total rates and annual charges collectible was \$51.261 million of which \$49.195 million (96%) was collected.

4.2 Rates, Annual & Extra Charges

Arrears of rates, annual and extra charges stood at \$2.355 million at the end of the year and represented 4.54% of those receivables.



4.3 Other Receivables

Receivables (other than rates annual & extra charges) totalled \$3.023 million and included amounts due from other levels of government of \$1.397 million, user charges and fees amounting to \$731,000 and parking fines of \$656,000. Those considered to be uncertain of collection have been provided for as doubtful debts, amounting to \$594,000, of which \$483,000 related to unpaid parking fines.

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5. PAYABLES

5.1 Employees Leave Entitlements

Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$7.843 million. Internally restricted cash and investments of \$1.569 million was held representing 20% of this liability and was, in our opinion, sufficient to meet unbudgeted and unanticipated retirements.

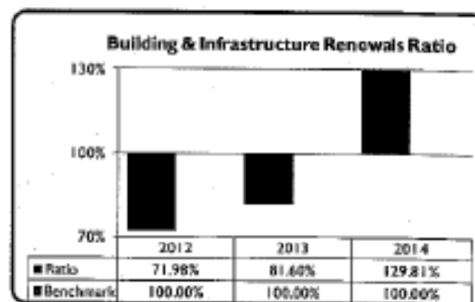
5.2 Deposits, Retentions & Bonds

Deposits, retentions and bonds held at year end amounted to \$558,000 and were fully funded by internally restricted cash and investments.

6. BUILDING AND INFRASTRUCTURE RENEWALS

The Building and Infrastructure Renewals ratio measures the rate at which these assets are renewed against the rate at which they are depreciating.

Special Schedule No. 7 discloses that asset renewals for 2014 represented 130% of the depreciation charges for these assets. An industry benchmark is considered to be 100%, measured annually over the long term.



7. MANAGEMENT LETTERS

Audit management letters addressing the findings from our interim audits with suggestions on possible ways to strengthen and/or improve procedures, were issued in March and July this year. Management have responded to our findings with their comments and proposed actions.

8. CONCLUSION

We wish to record our appreciation to your General Manager and his staff for their ready co-operation and the courtesies extended to us during the conduct of the audit and commend management for the early completion and presentation of the financial statements.

Yours faithfully,

HILL ROGERS SPENCER STEER


GARY MOTTAU
Partner

The Mayor, Pittwater Council
Audit Report for the year ended 30 June 2014

Page 7

Hill Rogers
Spencer Steer

PITTWATER COUNCIL
SPECIAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying *special purpose financial statements* of **Pittwater Council**, which comprises the Statement of Financial Position as at 30 June 2014, Income Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management.

Responsibility of Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993 and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the financial reporting requirements of the Division of Local Government. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

Assurance Partners

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Spencer Steer

Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the special purpose financial statements of the Council are presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the financial reporting requirements of the Division of Local Government. As a result, the financial statements may not be suitable for another purpose.

HILL ROGERS SPENCER STEER



GARY MOTTAU
Partner

Dated at Sydney this 19th day of August 2014

Hill Rogers
Spencer Steer

PITTWATER COUNCIL

**DOMESTIC WASTE MANAGEMENT
REASONABLE COST CALCULATIONS**

INDEPENDENT AUDITORS' REPORT

**REPORT ON DOMESTIC WASTE MANAGEMENT REASONABLE COST
CALCULATIONS**

We have audited the accompanying special purpose financial statement comprising the Domestic Waste Management (DWM) reasonable cost calculations of Pittwater Council for the year ending 30 June 2015.

Responsibility of Council for DWM Reasonable Cost Calculations

The Council is responsible for the preparation and fair presentation of DWM reasonable cost calculations in accordance with the Council Rating and Revenue Raising Manual 2007. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of DWM reasonable cost calculations that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the DWM reasonable cost calculations based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the DWM reasonable cost calculations are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the DWM reasonable cost calculations. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the DWM reasonable cost calculations, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the DWM reasonable cost calculations.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

Assurance Partners

T. +61 2 9232 5111	Level 5, 1 Chifley Square	GPO Box 7066	www.hr-ss.com.au	Practising as Hill Rogers Spencer	ABN 56 435 338 966
F. +61 2 9233 7950	Sydney NSW 2000 Australia	Sydney NSW 2001	info@hr-ss.com.au	Steer Assurance Partners	

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Hill Rogers
Spencer Steer

In making our risk assessments, we consider internal controls relevant to the entity's preparation of the DWM reasonable cost calculations in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the DWM reasonable cost calculations of Pittwater Council for 2014/15 is properly drawn up in accordance with the requirements of the Council Rating and Revenue Raising Manual 2007 and in accordance with the books and records of the Council.

Basis of Accounting

Without modifying our opinion, we advise that this statement has been prepared for Pittwater Council for the purpose of confirming that Council's DWM reasonable cost calculations are presented fairly. As a result, the statement may not be suitable for another purpose.

HILL ROGERS SPENCER STEER



GARY MOTTAU
Partner

Dated at Sydney this 19th day of August 2014

C11.2 Investment Balances for the Month of August 2014

Meeting: Leading and Learning Committee

Date: 15 September 2014

STRATEGY: Business Management

ACTION: To Provide Effective Investment of Council's Funds

PURPOSE OF REPORT

To advise on the status of Council's Investment Balances as at 31 August 2014.

1.0 BACKGROUND

- 1.1 As provided for in Regulation 212 of the Local Government (General) Regulation, 2005, a report listing Council's investments (refer **Attachment 1**) must be presented.

2.0 ISSUES

2.1 MONTHLY RETURN

Investment return for the month of August 2014:

Term deposits interest income:	<u>\$96,061</u>
Net investment return for August 2014:	<u>\$96,061</u>

YEAR TO DATE RETURN

Investment return year to date August 2014:

Term deposits interest income:	<u>\$185,323</u>
Net investment return year to date:	<u>\$185,323</u>

Projected investment return budget for financial year: \$1,250,000

2.2 PERFORMANCE OF COUNCIL'S PORTFOLIO FOR THE LAST FIVE YEARS

Annual returns of Council's portfolio for the last five years:

Year to	Net Return	Return on average funds invested
June 2011	\$ 1,521,223	5.9%
June 2012	\$ 1,679,693	6.4%
June 2013	\$ 1,656,908	4.8%
June 2014	\$ 1,227,105	3.8%
August 2014	\$ 96,061	3.6%
Projected Budget	\$ 1,250,000	4.0%

Note: Net investment return includes interest income and capital movements.

3.0 RESPONSIBLE ACCOUNTING OFFICER CERTIFICATION

- 3.1 The Responsible Accounting Officer certifies that all investments have been made in accordance with Section 625 of the Local Government Act, 1993, the Local Government (General) Regulations, and Council's Investment Policy (No 143).
-

4.0 SUSTAINABILITY ASSESSMENT

This report does not require a sustainability assessment.

5.0 EXECUTIVE SUMMARY

- 5.1 The net investment return as at 31 August 2014 is \$96,061.
-

RECOMMENDATION

That the information provided in the report be noted.

Report prepared by
Renae Wilde, Senior Project Accountant

Mark Jones
CHIEF FINANCIAL OFFICER



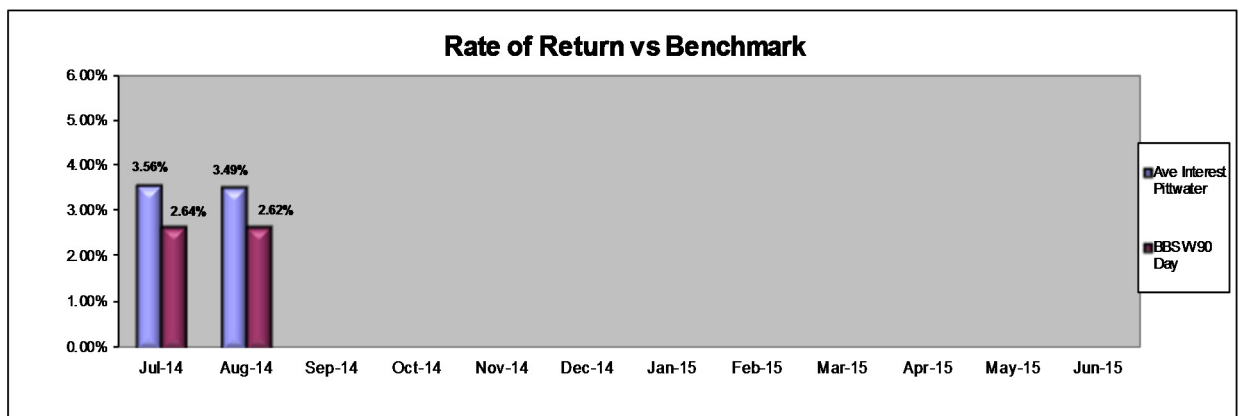
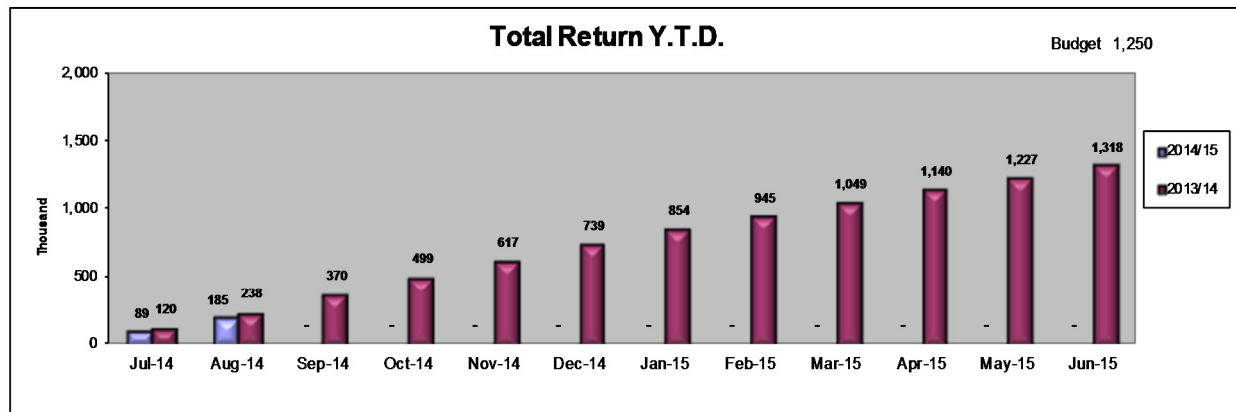
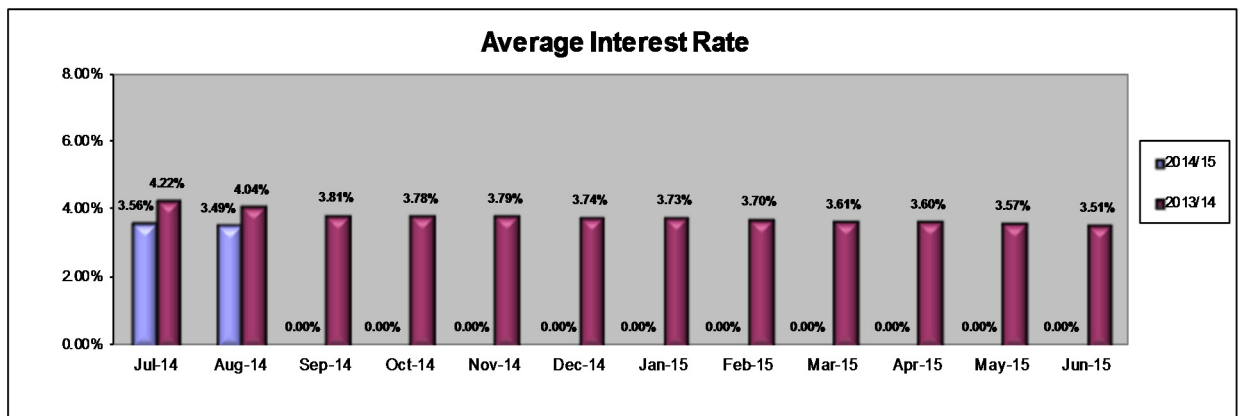
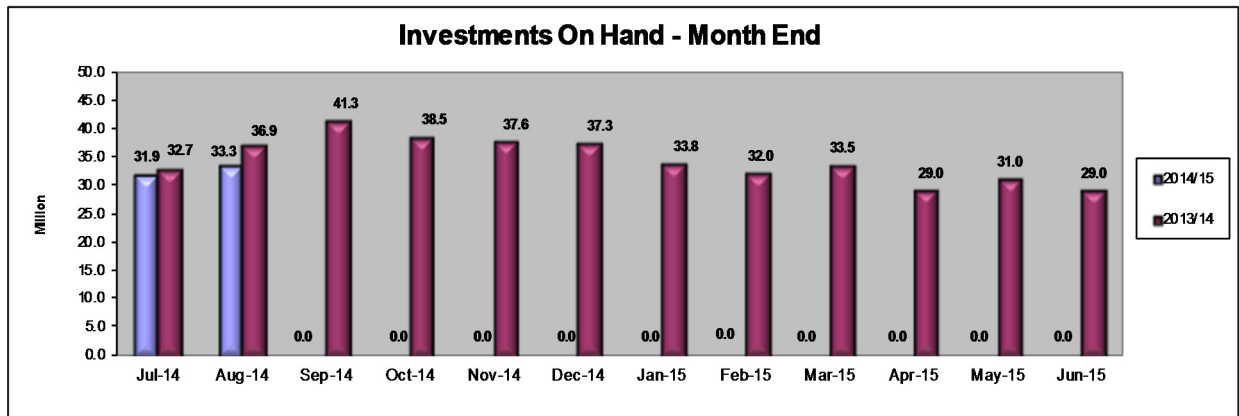
PITTWATER COUNCIL

INVESTMENT BALANCES

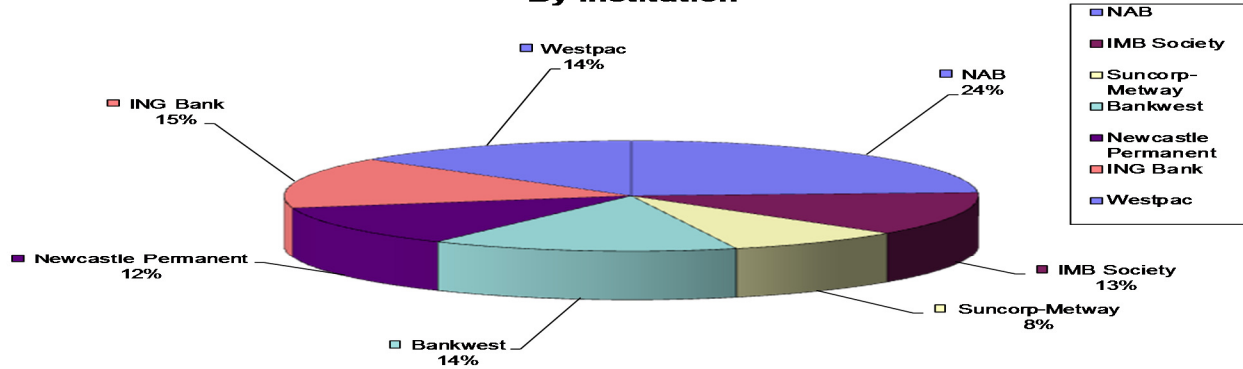
As at 31st August 2014

TYPE	INSTITUTION	Rating	AMOUNT \$	DATE INVESTED	MATURITY DATE	TERM (DAYS)	INTEREST RATE
At Call	NAB	AA-	3,500,000.00 *	At Call	At Call	1	3.00%
At Call Total			3,500,000.00				
Term Dep	IMB Society	BBB	750,000.00	17-Jun-14	13-Oct-14	118	3.50%
Term Dep	IMB Society	BBB	1,000,000.00	23-Jun-14	3-Nov-14	133	3.50%
Term Dep	IMB Society	BBB	1,000,000.00	21-Jul-14	8-Dec-14	140	3.50%
Term Dep	IMB Society	BBB	1,000,000.00	28-Jul-14	17-Nov-14	112	3.50%
Term Dep	IMB Society	BBB	500,000.00	28-Jul-14	5-Jan-15	161	3.50%
Investee Total			4,250,000.00				
Term Dep	Suncorp-Metway	A+	1,000,000.00	28-May-14	22-Sep-14	117	3.50%
Term Dep	Suncorp-Metway	A+	1,000,000.00	2-Jun-14	1-Dec-14	182	3.60%
Term Dep	Suncorp-Metway	A+	750,000.00	25-Aug-14	16-Dec-14	113	3.40%
Investee Total			2,750,000.00				
Term Dep	Bankwest	AA-	1,000,000.00	2-Jun-14	15-Sep-14	105	3.50%
Term Dep	Bankwest	AA-	1,000,000.00	23-Jul-14	10-Nov-14	110	3.38%
Term Dep	Bankwest	AA-	1,000,000.00	5-Aug-14	17-Nov-14	104	3.40%
Term Dep	Bankwest	AA-	750,000.00	5-Aug-14	24-Nov-14	111	3.40%
Term Dep	Bankwest	AA-	1,000,000.00	18-Aug-14	16-Dec-14	120	3.35%
Investee Total			4,750,000.00				
Term Dep	Westpac	AA-	1,000,000.00	30-May-14	29-Sep-14	122	3.57%
Term Dep	Westpac	AA-	1,000,000.00	2-Jun-14	29-Sep-14	119	3.57%
Term Dep	Westpac	AA-	1,000,000.00	4-Jun-14	13-Oct-14	131	3.56%
Term Dep	Westpac	AA-	500,000.00	11-Aug-14	24-Nov-14	105	3.50%
Term Dep	Westpac	AA-	1,000,000.00	12-Aug-14	15-Dec-14	125	3.50%
Investee Total			4,500,000.00				
Term Dep	Newcastle Permanent	BBB+	1,000,000.00	28-May-14	8-Sep-14	103	3.50%
Term Dep	Newcastle Permanent	BBB+	1,000,000.00	30-Jun-14	20-Oct-14	112	3.45%
Term Dep	Newcastle Permanent	BBB+	1,000,000.00	14-Jul-14	27-Oct-14	105	3.50%
Term Dep	Newcastle Permanent	BBB+	1,000,000.00	21-Jul-14	27-Oct-14	98	3.50%
Investee Total			4,000,000.00				
Term Dep	ING Bank	A-	1,000,000.00	3-Mar-14	7-Oct-14	218	3.80%
Term Dep	ING Bank	A-	1,000,000.00	17-Mar-14	15-Sep-14	182	3.67%
Term Dep	ING Bank	A-	500,000.00	10-Jun-14	8-Dec-14	181	3.62%
Term Dep	ING Bank	A-	500,000.00	27-Jun-14	15-Dec-14	171	3.63%
Term Dep	ING Bank	A-	1,000,000.00	28-Jul-14	27-Jan-15	183	3.46%
Term Dep	ING Bank	A-	1,000,000.00	11-Aug-14	9-Feb-15	182	3.45%
Investee Total			5,000,000.00				
Term Dep	NAB	AA-	1,000,000.00	28-Aug-13	1-Sep-14	369	3.90%
Term Dep	NAB	AA-	500,000.00	26-May-14	24-Nov-14	182	3.60%
Term Dep	NAB	AA-	1,000,000.00	3-Jun-14	2-Feb-15	244	3.61%
Term Dep	NAB	AA-	500,000.00	14-Jul-14	5-Jan-15	175	3.60%
Term Dep	NAB	AA-	500,000.00	23-Jul-14	8-Dec-14	138	3.50%
Term Dep	NAB	AA-	1,000,000.00	25-Aug-14	12-Jan-15	140	3.51%
Investee Total			4,500,000.00				
August BBSW Close							2.62%
TOTAL INVESTMENTS			\$33,250,000.00				

Note: Investments denoted with an * are held in Cash and Cash Equivalents in Council's Balance Sheet along with Cash at Bank and Floats.
All other investments are held as Investment Securities in Council's Balance Sheet

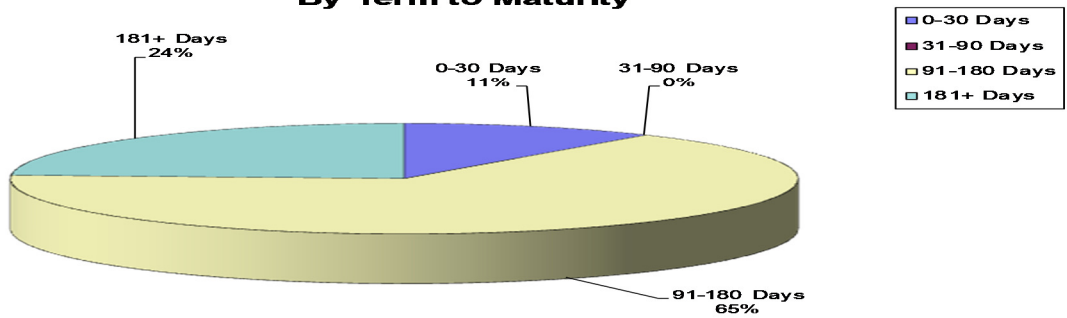


Pittwater Council Investment Portfolio By Institution



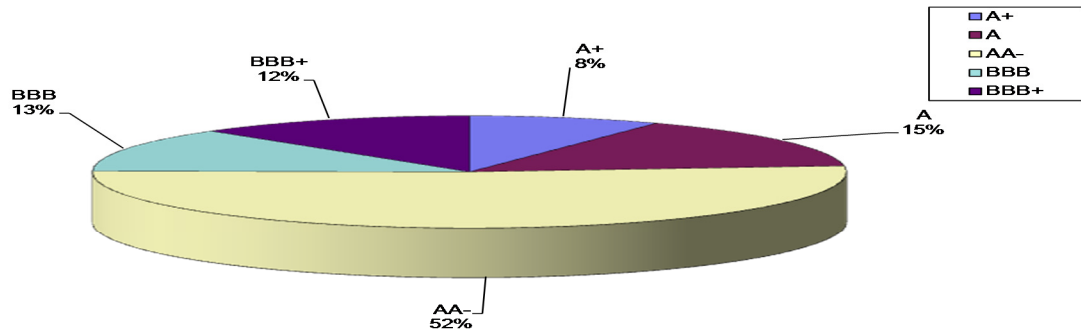
Note: Council Policy - No Institution can hold more than 25% of Council's Total Portfolio

Pittwater Council Investment Portfolio By Term to Maturity

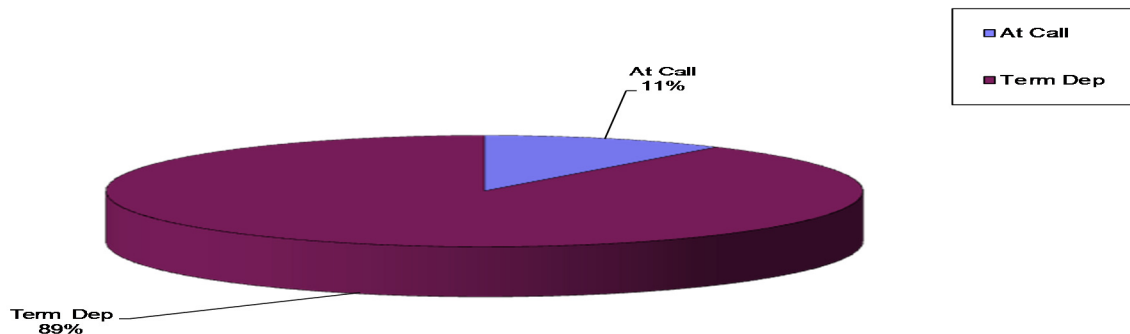


Note: Council Policy - No Term to Maturity can be greater than two years

Pittwater Council Investment Portfolio By Institution Rating



Pittwater Council Investment Portfolio Type of Investment



Investment Information:

Types of Investments -

At Call refers to funds held at a financial institution and can be recalled by Council either same day or on an overnight basis.

A **Term Deposit** is a short term deposit held at a financial institution for a fixed term and attracting interest at a deemed rate.

Credit Rating Information -

Credit ratings are generally a statement as to the institutions credit quality.

Ratings ranging from BBB- to AAA (long term) are considered investment grade.

A general guide as to the meaning of each credit rating is as follows:

AAA	<i>Extremely strong capacity to meet financial commitments (highest rating)</i>
AA	<i>Very strong capacity to meet financial commitments</i>
A	<i>Strong capacity to meet financial commitments, but somewhat more susceptible to adverse economic conditions and changes in circumstances</i>
BBB	<i>Adequate capacity to meet financial commitments with adverse economic conditions or changing circumstances more likely to lead to a weakened capacity of the obligor to meet its financial commitments</i>
BB	<i>Less vulnerable in the near term, but faces major ongoing uncertainties and exposures to adverse business, financial, and economic conditions</i>
B	<i>More vulnerable to non-payment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitment on the obligation</i>
CCC	<i>Currently vulnerable, and is dependent upon favourable business, financial, and economic conditions to meet its financial commitments</i>
CC	<i>Currently highly vulnerable</i>
C	<i>Highly likely to default</i>
D	<i>Defaulted</i>

The **Bank Bill Swap Rate (BBSW)** is the average mid rate, for Australian Dollar bills of exchange, accepted by an approved bank, having regard to a designated maturity.

C11.3	Policy for the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors
--------------	--

Meeting: Leading and Learning Committee

Date: 15 September 2014

STRATEGY: Corporate Management

ACTION: To effectively manage Council's corporate governance responsibilities

PURPOSE OF REPORT

To review and adopt Council's Policy for the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors

1.0 BACKGROUND

- 1.1 Section 252 of the Local Government Act 1993, requires Council to annually review and adopt a Policy for the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors, within 5 months of the end of each year, for submission to the NSW Department of Local Government.
- 1.2 In making this Policy Council has taken into consideration the requirements of the amended "Model Code of Conduct for Local Councils in NSW, Department of Local Government – June 2008".
- 1.3 Council last adopted this policy at its meeting held on 16 September 2013 with the policy remaining as previously adopted in December 2012.
- 1.4 Council is required to place this policy on public exhibition prior to adoption regardless of whether there are recommended changes or not.
- 1.5 The Division of Local Government (DLG) undertook a review of Council's Policies on this issue in which policies from 47 Councils were reviewed, of which Pittwater was one. The DLG verbally advised Council that its policy was considered 'very good' and complied with the requirements of the legislation and Model Code of Conduct.
- 1.6 One issue which I believe now needs to be reviewed relates to the wording in the section relating to "Local Travel arrangements and expenses" (Page 13 of the policy).
- 1.7 Councillors receive a number of invitations throughout the year from various local sporting, charitable or community organisations to attend various local events, dinners/luncheons or meetings.
- 1.8 The current policy as it is worded precludes the claiming of travel expenses for attendance of such events, dinners/luncheons or meetings.
- 1.9 For some time Councillors have been attending such events, dinners/luncheons or meetings and their attendance has been viewed as an important and necessary way to fulfil their role as a Councillor in meeting, supporting and representing such groups.
- 1.10 It is now proposed to amend the policy to specifically allow the claiming of travel expenses for such purposes however it is also considered necessary for probity, to include some controls around how and what travel is claimed.
- 1.11 The new wording recommended for this section is shown in red below and if adopted will be placed in the Policy during the exhibition period.

Local travel arrangements and expenses

Mayor and Councillors:

1. *Councillors may claim kilometre allowance for use of private vehicles when used to travel (including return) between their place of residence within Pittwater* and:*
 - (a) *to attend Council or Committee meetings and appointments involving Council business;*
 - (b) *inspections within the Council's area undertaken in compliance with a resolution of the Council;*
 - (c) *attending public meetings convened by Council.*
 - (d) *attending a local event, dinners/luncheon or meeting by any local sporting, charitable or community organisation after receiving an official invitation as a Councillor to attend.*

Note: The official invitation addressed to you as a Councillor must accompany any claim for reimbursement of travel as identified in section 1 (d) above.

No reimbursement will be provided for attending any event, dinners/luncheon or meetings that occurs outside the Pittwater LGA unless you have been specifically requested by the Mayor to attend as his/her representative.

**Councillors whose place of residence is outside the Pittwater Local Government area, may claim a kilometre allowance for use of private vehicles under this clause, as follows:*

- (a) *from the nearest road boundary of the Pittwater Local Government area, to the location of the meeting, appointment, inspection etc held within the Pittwater area;*
- (b) *for meetings, appointments etc held outside the Pittwater Local Government area, the maximum kilometre claim per meeting, appointment etc shall be 60 kilometres (including return).*

Kilometre rates for such travel will be paid at the rate set by the appropriate Local Government Industrial Award, as at the date of travel.

Payment is subject to a formal claim form being lodged not later than three (3) months after the travel occurred. (OM14.04.2003)

2. *Councillors may claim reimbursement for Public Transport fares to and from official Council meetings/ functions/offices and taxi fares for meetings that conclude after 8.30pm. (OM09.08.04)*

2.0 ISSUES

- 2.1 Advertising of the policy in its current format and with the suggested amendments.
- 2.2 Consideration of any amendments required after public exhibition.
- 2.3 Adoption and referral of the policy to the DLG after exhibition.

3.0 SUSTAINABILITY ASSESSMENT

3.1 Supporting & Connecting our Community (Social)

The report has no affect on this assessment

3.2 Valuing & Caring for our Natural Environment (Environmental)

The report has no affect on this assessment

3.3 Enhancing our Working & Learning (Economic)

The report has no affect on this assessment

3.4 Leading an Effective & Collaborative Council (Governance)

This policy ensures there is accountability and transparency in the reimbursement of expenses incurred by Councillors while undertaking their civic responsibilities, and that these facilities and expenses are acceptable to the public. The policy also ensures the facilities provided to assist Councillors are reasonable. Councillors can only receive reimbursement for expenses identified in this policy.

3.5 Integrating our Built Environment (Infrastructure)

The report has no affect on this assessment

4.0 EXECUTIVE SUMMARY

- 4.1 Section 252 of the Local Government Act 1993, requires Council to annually review and adopt a Policy for the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors, for submission to the NSW Department of Local Government.
 - 4.2 The Policy must be placed on public exhibition for comment for a period of at least 28 days after which the matter would require further report to Council with details of all submissions received.
 - 4.3 Council is required to provide a copy of the adopted policy to the Department of Local Government by end November 2014.
 - 4.4 The policy (refer **Attachment 1**) in its current format with the suggested amendment is considered appropriate.
-

RECOMMENDATION

- 1. That the attached Policy for the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors, as amended (refer **Attachment 1**) be placed on public exhibition for a period of 28 days.
- 2. At the completion of the Public Exhibition a further report be brought to Council with details of submissions received.

Report prepared by

Warwick Lawrence

MANAGER, ADMINISTRATION & GOVERNANCE



PITTWATER COUNCIL

Council Policy – No 145 Version: 18	Adopted:	OM04.07.94
	Amended	OM17.10.94, OM24.07.95, OM25.11.96, OM07.04.97, OM08.09.97, OM23.10.00, OM14.04.03, OM21.06.04, OM09.08.04, OM13.12.04, OM14.02.05, OM09.10.06, OM20.11.06, OM07.04.08 OM15.12.08, 21.09.09 OM06.12.10, OM17.10.11 OM03.12.12

TITLE:	POLICY FOR THE PAYMENT OF EXPENSES AND PROVISION OF FACILITIES TO THE MAYOR, DEPUTY MAYOR AND COUNCILLORS
STRATEGY:	Business Management
BUSINESS UNIT:	Administration and Governance
RELEVANT LEGISLATION:	Local Government Act 1993 (Section 252)
RELATED POLICIES:	None

Objective

To ensure that the details and range of benefits provided to Councillors by the Council is clearly stated and fully transparent and acceptable to the local community.

Policy Statement

The purpose of this Policy is to ensure accountability and transparency in the reimbursement of expenses incurred by councillors and that the facilities provided to assist councillors to carry out their civic duties are reasonable.

TABLE OF PROVISIONS

PART 1 – INTRODUCTION

- Title, commencement of the Policy**
- Purpose of the Policy**
- Objectives and coverage of the Policy**
- Making and adoption of the Policy**
- Reporting requirements**
- Reporting of equipment and facilities costs**
- Legislative provisions**
- Other Government Policy Provisions**
- Approval arrangements**

PART 2 – PAYMENT OF EXPENSES

GENERAL PROVISIONS

Payment of expenses generally

- Allowances and Expenses
- Reimbursements and Reconciliation of Expenses
- Payment in Advance

Establishment of monetary limits and standards

Spouse and partner expenses

Payment of annual Councillor fee into a complying superannuation fund

SPECIFIC EXPENSES FOR MAYORS AND COUNCILLORS

Attendance at seminars and conferences

- Who May Attend Conferences
- What Conferences May Be Attended
- Registration
- Categories of Payment or Reimbursement

Training and educational expenses

Local travel arrangements and expenses

- Travel Outside the LGA Including Interstate Travel
- Telephone Costs and Expenses
- Internet
- Care and Other Related Expenses
- Insurance Expenses and Obligations
- Legal Expenses and Obligations

PART 3 – PROVISION OF FACILITIES

GENERAL PROVISIONS

- Provision of Facilities and Equipment for Councillors
- Private Use of Equipment and Facilities

PROVISION OF ADDITIONAL EQUIPMENT AND FACILITIES FOR MAYOR

PART 4 – OTHER MATTERS

- Acquisition and Returning of Facilities and Equipment by Councillors
- Payment of Councillor Fees Into a Complying Superannuation Fund
- Status of the Policy

PART 1 – INTRODUCTION

- **Title, commencement of the Policy**

The title of this policy is “Policy for the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors”. This policy takes effect from 4 December 2006.

- **Purpose of the Policy**

The purpose of this policy is to ensure that there is accountability and transparency in the reimbursement of expenses incurred or to be incurred by councillors. This policy also ensures that the facilities provided to assist councillors to carry out their civic duties are reasonable.

- **Objectives and coverage of the Policy**

The objective of this policy is to ensure that the details and range of benefits provided to Councillors by the Council is clearly stated and fully transparent and acceptable to the local community.

This policy covers the specific expenses for which Councillors are entitled to receive reimbursement. Councillors can only receive reimbursement for expenses when the expense is identified in this policy.

- **Making and adoption of the Policy**

This policy is made in accordance with the requirements of the Local Government Act 1993 and as adopted by Pittwater Council. Any substantial amendments to this policy will not take effect unless the proposed amendment has been placed on public notice and at least 28 days provided for public submissions. Before adopting or amending the policy, the Council will consider any submission made within the time allowed for submissions and make any appropriate changes to the draft policy or amendment.

- **Reporting requirements**

Section 428 of the Local Government Act 1993 requires councils to include in their annual report:

- The council's policy on the provision of facilities for, and the payment of expenses to, mayors and councillors.
- The total amount of money expended during the year on providing those facilities and paying those expenses
- Additional information as required by the Local Government (General) Regulation 2005.

Clause 217 of the Local Government (General) Regulation 2005 requires councils to include additional reporting information in their annual reports.

The additional reporting information required is for the purposes of transparency and accountability and should not be seen as a disincentive for the payment of appropriate expenses to councillors.

Councils are required to report separately on:

- the total cost of expenses and the provision of facilities for the mayor and all councillors, as well as:

- **Expenses**

- the cost of phone calls including mobiles, home located landlines, facsimile and internet services.
- Spouse/ partner/ accompanying person expenses
- Conference and seminar expenses
- Training and skill development expenses
- Interstate travel expenses
- Overseas travel expenses
- Care and other related expenses

- **Provision of facilities**

- The cost of the provision, including rental, of dedicated office equipment allocated to councillors on a personal basis such as laptop computers, mobile phones, telephones and facsimile machines and internet installed in the councillors' homes. This item does not include the costs of using this equipment, such as calls.

- **Reporting of equipment and facilities costs**

In addition to the statutory reporting requirements, Council will report other costs where these are significant. For example, the cost of the provision of facilities and equipment where such provision is above what would normally be required for the day-to-day running of the council.

- **Legislative provisions**

Provisions under the *Local Government Act 1993*

Recent changes to sections 252(5) and 253 of the *Local Government Act 1993*, made by the *Local Government Amendment Act 2005*, require councils to make and submit their expenses and provision of facilities policies annually to the Department of Local Government.

Section 252 of the *Local Government Act 1993* requires councils to adopt or amend a policy annually for the payment of expenses and the provision of facilities to mayors, deputy mayors and other councillors. Mayors and councillors can only be reimbursed for expenses and provided with facilities in accordance with this policy.

Section 252 also makes provision for a council to reduce the amount payable to mayors and councillors (under sections 248-251 of the *Local Government Act 1993*) by the amount representing any private benefit of a facility provided by the council to them. It also requires that the policy be made under the provisions of this Act, the Local Government (General) Regulation and any relevant guidelines issued under section 23A of the Act.

Section 252 states:

- (1) *Within 5 months after the end of each year, a council must adopt a policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the mayor, the deputy mayor (if there is one) and the other councillors in relation to discharging the functions of civic office.*

- (2) *The policy may provide for fees payable under this Division to be reduced by an amount representing the private benefit to the mayor or a councillor of a facility provided by the council to the mayor or councillor.*
- (3) *A council must not pay any expenses incurred or to be incurred by, or provide any facilities to, the mayor, the deputy mayor (if there is one) or a councillor otherwise than in accordance with a policy under this section.*
- (4) *A council may from time to time amend a policy under this section.*
- (5) *A policy under this section must comply with the provisions of this Act, the regulations and any relevant guidelines issued under section 23A.*

Section 253 specifies actions that council must undertake before a policy concerning expenses and facilities can be adopted or amended.

Section 253 states:

- (1) *A council must give public notice of its intention to adopt or amend a policy for the payment of expenses or provision of facilities allowing at least 28 days for the making of public submissions.*
- (2) *Before adopting or amending the policy, the council must consider any submissions made within the time allowed for submissions and make any appropriate changes to the draft policy or amendment.*
- (3) *Despite subsections (1) and (2), a council need not give public notice of a proposed amendment to its policy for the payment of expenses or provision of facilities if the council is of the opinion that the proposed amendment is not substantial.*
- (4) *Within 28 days after adopting a policy or making an amendment to a policy for which public notice is required to be given under this section, a council is to forward to the Director-General:*
 - (a) *a copy of the policy or amendment together with details of all submissions received in accordance with subsection (1), and*
 - (b) *a statement setting out, for each submission, the council's response to the submission and the reasons for the council's response, and*
 - (c) *a copy of the notice given under subsection (1).*
- (5) *A council must comply with this section when proposing to adopt a policy each year in accordance with section 252 (1) even if the council proposes to adopt a policy that is the same as its existing policy.*

Section 254 requires that a part of a council or committee meeting which considers the adopting or amending of such a policy must not be closed to the public.

The public is able to inspect during office hours at the council, and at no charge, the current version and the immediately preceding version of the council's expenses and facilities policy. The public are also entitled to a copy of the policy either free of charge or on payment of a reasonable copying charge.

Section 23A makes provision for the Director-General of the Department of Local Government to prepare, adopt or vary guidelines that relate to the exercise by a council of any of its functions. It also requires that a council must take the relevant guidelines into consideration before exercising any of its functions.