



# **URALLA SHIRE COUNCIL BUSINESS PAPER**

## **BUDGET REVIEW AND FINANCE COMMITTEE MEETING**

**12 November 2019**

Uralla Shire Council  
Budget Review and Finance Committee  
Business Paper – 12 November 2019

---

1. OPENING & WELCOME .....	4
2. ACKNOWLEDGEMENT OF COUNTRY.....	4
3. APOLOGIES, REQUESTS FOR LEAVE OF ABSENCE .....	4
4. DISCLOSURES & DECLARATIONS OF INTEREST .....	4
5. ANNOUNCEMENTS .....	4
6. CONFIRMATION OF MINUTES.....	4
7. URGENT, SUPPLEMENTARY & LATE ITEMS OF BUSINESS .....	8
8. REPORTS TO COMMITTEE .....	8
Report 1 – Horizontal Service Review – Feedback on action items.....	9
9. MOTIONS ON NOTICE .....	13
10. CONFIDENTIAL BUSINESS.....	13



- A G E N D A -

## **Budget Review & Finance Committee Meeting**

**12 November 2019, 12:30pm, Council Chambers**

- 1. Opening & Welcome**
- 2. Acknowledgement of Country**
- 3. Apologies, Requests for Leave of Absence**
- 4. Disclosures & Declaration of Interests**
- 5. Announcements**
- 6. Confirmation of Minutes**
- 7. Urgent Supplementary & Late Items of Business**
- 8. Reports to Committee**  
Report 1 - Horizontal Service Review – Feedback on action items
- 9. Motions on Notice**
- 10. Confidential Business**
- 11. Meeting Close**

---

[www.uralla.nsw.gov.au](http://www.uralla.nsw.gov.au)

1. **OPENING & WELCOME**
2. **ACKNOWLEDGEMENT OF COUNTRY**
3. **APOLOGIES, REQUESTS FOR LEAVE OF ABSENCE**
4. **DISCLOSURES & DECLARATIONS OF INTEREST**
5. **ANNOUNCEMENTS**
6. **CONFIRMATION OF MINUTES**

**Minutes to be confirmed at the 12 November 2019 Meeting:**

- Budget Review and Finance Committee Meeting held 10 September 2019 (copy enclosed)



## MINUTES

# Budget Review & Finance Committee

## Meeting 10 September 2019, 12:30pm, Council Chambers

### TABLE OF CONTENTS

1.	OPENING & WELCOME.....	2
2.	PRAYER .....	2
3.	ACKNOWLEDGEMENT OF COUNTRY .....	2
4.	APOLOGIES, REQUESTS FOR LEAVE OF ABSENCE.....	2
5.	DISCLOSURES & DECLARATION OF INTERESTS.....	2
6.	ANNOUNCEMENTS .....	2
7.	CONFIRMATION OF MINUTES .....	2
8.	URGENT, SUPPLEMENTARY & LATE ITEMS OF BUSINESS.....	3
9.	REPORTS TO COMMITTEE .....	3
10.	MOTIONS ON NOTICE .....	3
11.	CONFIDENTIAL BUSINESS .....	3
	Confidential Report 1 – Draft Financial Statements.....	3
12.	MEETING CLOSE .....	3

**Minutes of the Budget Review & Finance Committee Meeting  
held at 10 September 2019, 12:30pm, Council Chambers**

**ATTENDANCE**

Present were the Chairperson Cr M Pearce (Mayor), Cr R Crouch (Deputy Mayor), and Councillors, R Bell, M Dusting, N Ledger, T O'Connor, L Sampson, I Strutt, and T Toomey, Acting General Manager (Mr D Aber), Director Infrastructure and Development (Mr T Seymour), Chief Financial Officer (Mr S Paul), Executive Manager Corporate Services (Ms S Glasson) and Minute Clerk.

**1. OPENING & WELCOME**

*The Chair declared the meeting opened at 12:30pm.*

**2. PRAYER**

*The Chair recited the Uralla Shire Council prayer.*

**3. ACKNOWLEDGEMENT OF COUNTRY**

*The Uralla Shire Council recognises the traditional custodians of the land on which this meeting is being held and acknowledge Aboriginal Elders past and present and we pay respect to them and their heritage.*

**4. APOLOGIES, REQUESTS FOR LEAVE OF ABSENCE**

*The Chair advised there were no apologies received.*

*The Chair advised there were no requests for Leave of Absence.*

**5. DISCLOSURES & DECLARATION OF INTERESTS**

*There were no disclosures or declarations made.*

**6. ANNOUNCEMENTS**

*The Chair welcomed the new Executive Manager Corporate Services, Ms Glasson.*

**7. CONFIRMATION OF MINUTES**

Minutes to be confirmed at the 10 September 2019 Meeting:

- Minutes of the Budget Review and Finance Committee Meeting held 9 July 2019.

*The Chair referred Councillors to the minutes and called for any amendments.*

*There were no amendments requested by Councillors.*

**MOTION (Crs R Crouch / I Strutt)**

**That the Committee confirm the minutes as a true and accurate record of the Budget Review and Finance Committee meeting held 9 July 2019.**

**BRFC19/19 CARRIED**

## 8. URGENT, SUPPLEMENTARY & LATE ITEMS OF BUSINESS

*The Chair advised there were no urgent, supplementary or late items of business.*

## 9. REPORTS TO COMMITTEE

*There were no Reports to Committee to the 10 September Meeting.*

## 10. MOTIONS ON NOTICE

*There were no 'Notices of Motion' addressed to the 10 September Meeting.*

## 11. CONFIDENTIAL BUSINESS

### **PROCEDURAL MOTION (Crs M Dusting / I Strutt)**

To move into Closed Session of Committee.

**BRFC20/19 CARRIED**

Department: **General Manager's Office**  
Submitted by: *Chief Financial Officer*  
Reference/Subject: Confidential Report 1 – Draft Financial Statements

#### OFFICER'S RECOMMENDATION:

That the Committee:

1. Note the draft Annual Financial Statements for the year ended 30 June 2019.

### **MOTION (Crs T O'Connor / N Ledger)**

That the Committee:

1. Note the draft Annual Financial Statements for the year ended 30 June 2019.

**BRFC21/19 CARRIED**

### **PROCEDURAL MOTION (Crs T O'Connor / M Dusting)**

To move into Open Session of Committee.

**BRFC22/19 CARRIED**

### **PROCEDURAL MOTION (Crs M Dusting / L Sampson)**

That the resolutions of Closed Session of Committee become the resolutions of Open Session of Committee.

**BRFC23/19 CARRIED**

## 12. MEETING CLOSE

*The meeting closed at 1:23pm.*

- 7. URGENT, SUPPLEMENTARY & LATE ITEMS OF BUSINESS**
  
- 8. REPORTS TO COMMITTEE**



<b>Department:</b>	<b>General Manager's Office</b>
<b>Submitted by:</b>	<i>Chief Financial Officer</i>
<b>Reference/Subject:</b>	Report 1 – Horizontal Service Review – Feedback on action items

## LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK

<b>Goal:</b>	4.2	An effective and efficient organisation
<b>Strategy:</b>	4.2.2	Operate in a financially responsible and sustainable manner
<b>Activity:</b>	4.2.2.1	Maintain and control financial system and improve long term financial sustainability
<b>Action:</b>	4.2.2.1.1	Review and revise the 10-year Long Term Financial Plan

## SUMMARY:

This report provides Councillors with the opportunity to implement potential savings and/or increased revenue opportunities based on analysis undertaken by staff. The options available here were identified as part of the Horizontal Service Review undertaken in October 2018.

## OFFICER'S RECOMMENDATION:

### *That the Committee:*

- 1. Note the report;**
- 2. Provide decisions on items marked D; and**
- 3. Provides any feedback or alternative actions to those noted for the remaining items .**

## BACKGROUND:

As part of the 2018/19 Operational Plan requirement to investigate making application to the State Government for a Special Rate Variation (SRV) Council management and supervisory staff and several councillors contributed to a Horizontal Service Review. The purpose of this type of review is to put any idea for cost savings or improved revenue (other than an SRV) 'on the table' for review. Although the budget for 2019/20 has been approved, the items noted in the report to the February 2019 Budget Review and Finance Committee meeting still require approval/rejection so that they can be considered in preparing the 2020/21 budget and LTFP.

## REPORT:

The first tranche of potential action items was reported as:

1. Review and increase pricing of stock at the VIC*	\$ 1,500
2. Implement full cost recovery for non-statutory fees and charges+	\$150,000
3. Energy initiatives (eg solar and LED for street lighting)#	\$ 15,000
4. Review overhead costs of community care for full recovery*	\$ 30,000
5. Reduce the number of councillors+	\$ 30,000
6. Close the Bundarra Library+	\$ 2,500
7. Strategic review of waste services+	\$ 25,000
8. Dividends from water and sewer funds@	\$ 40,000

9. Reduce service levels for nature strip mowing at Bundarra+	\$ 30,000
10. Upgrade Bundarra maintenance water truck@	\$ 40,000
11. Reduce number of newsletters (staff cost)/review print and delivery+	\$ 13,000
12. Implement business paper efficiencies (purchase software)@	\$ 12,000
13. Reduce printing, including issuing only digital business papers+	\$ 2,500
14. Savings on phone and internet*	\$ 7,000
15. Employ project management staff@	\$ 48,000
16. Issue fines for infringements+	\$ 39,000
17. Contract out general waste collection services+	\$ 70,000
18. Reduce opening days at tip+	\$ 19,500
	\$575,000

**Note:**

\* = actions which will be implemented by staff.

# = actions which will be researched further by staff/others and if viable will be implemented by staff.

+ = actions which will be researched further by staff/others and then presented to Council or which require direction from Council.

@ = actions which cannot be implemented without initial cost or which are dependent upon another action occurring first.

It was recommended that these items be dealt with in three stages.

The following table provides an update on each item with a recommendation for accepting, rejecting, requesting a decision from Council or subjecting the item to further investigation. Some items are already being implemented.

Item	Initial Proposed Savings or Additional Income	Accept (A), reject (R), investigate further (I), decision required from Council (D) or under implementation (U)
<p><i>1. Review and increase pricing of stock at the VIC</i> Retail pricing should always be reviewed as good business practice. The Manager of Corporate Services will complete this review by January 2020.</p>	\$1,500	<b>A</b>
<p><i>2. Implement full cost recovery for non-statutory fees and charges</i> All fees and charges were reviewed as part of the budget and operational plan completion for 2019-20. Councillors rejected numerous recommendations and all other fees were reviewed for full cost recovery. It is unlikely that this will produce any additional revenue as predicted.</p>	\$150,000	<b>R</b>
<p><i>3. Energy initiatives (e.g. solar and LED for street lighting)</i> New air-conditioners were installed at McMaugh Gardens through funding from the Drought Communities Assistance Program and this appears to have resulted in reduced power consumption. Solar panels were also installed at the Uralla Pre-school but this will not provide any benefits to Council. LED street lighting is currently being reviewed through discussions with Essential Energy. It is not clear whether any savings here might result in reduced funding from RMS but initial indications are that it will not.</p>	\$15,000	<b>A, U</b>

Other initiatives that may be proposed will be considered based on cost and return on investment		
<p><i>4. Review overhead costs of community care for full recovery</i></p> <p>Overhead costs are maximised each year as part of appropriate cost recovery processes. Council recovered in excess of \$620K from community care departments in 2018/19. There would be no further savings from this process.</p>	\$30,000	<b>R, U</b>
<p><i>5. Reduce the number of councillors</i></p> <p>Rejected by Council – see resolution 38.08/19</p>	\$30,000	<b>R</b>
<p><i>6. Close the Bundarra Library</i></p> <p>This is a service provided to the community and is contained within the Operational Plan – see 1.3.1.1.4. If Council wishes to close the Bundarra library then it would require a resolution of Council to remove this action item from the Operational Plan. This requires a decision from Councillors.</p>	\$2,500	<b>D</b>
<p><i>7. Strategic review of waste services</i></p> <p>This process has been commenced and forms part of a consultancy on the assessment of the long term waste management options available to Council – see 31.12/18 and 26.07/19.</p>	\$25,000	<b>I, U</b>
<p><i>8. Dividends from water and sewer funds</i></p> <p>To be eligible for the payment of a ‘dividend from surplus’, Council needs to complete strategic business plans and implement an integrated water cycle management strategy and have a Liquid trade waste approvals and policy.</p>	\$40,000	<b>U but may be some time off (12+ months)</b>
<p><i>9. Reduce service levels for nature strip mowing at Bundarra</i></p> <p>Initially the estimated savings for this were projected to be \$249,117. Upon closer examination it was identified that there would be savings of approximately \$55,000 in labour offset by a reduction in plant hire of approximately \$24,000. Therefore the savings of 0.75 full time equivalent needs to be assessed against the impact of the town’s presentation together with the application of this principle to Uralla. This is a decision for Council.</p>	\$30,000	<b>D</b>
<p><i>10. Upgrade Bundarra maintenance water truck</i></p> <p>A new Hino Dual Drive Water Truck was purchased in 2018-19. The truck it was replacing was retained as a spare for Bundarra water work and for other general maintenance. This will not always save having to hire a water truck because of the distances to some of the works carried out by council.</p>	\$40,000	<b>A, U</b>
<p><i>11. Reduce number of newsletters (staff cost)/review print and delivery</i></p> <p>Quarterly production of the newsletter does not provide opportunities for Infrastructure and Development to advertise development applications and complying certificate approvals/refusals. Costs for printing are based on external supplier quotes so there may be some scope for reduced costs by producing internally but this is only likely to save approximately \$6,000 directly but reduce staff time to do other work.</p>	\$13,000	<b>R</b>
<p><i>12. Implement business paper efficiencies (purchase software)</i></p> <p>Discussions with the previous executive assistant indicate that there would be little to no saving in staff time to produce a business paper using new technology. The initial licence fee and set-up of Infocouncil would be approximately \$15,300 and then annual fees of approximately \$9,000 thereafter. This option should be rejected for the</p>	\$12,000	<b>R</b>

time being but be considered every few years dependent upon the additional features that may be available within the software.		
13. Reduce printing, including issuing only digital business papers This requires Councillors to decide whether to only use their iPad for business papers or alternatively relinquish their iPads and accept paper copies only of all business papers.	\$2,500	<b>D</b>
14. <i>Savings on phone and internet</i> A complete review of council phone costs has been undertaken and where possible, some services have been removed. Approximately \$30,000 in costs p.a. has been stripped from this expense item. Any additional savings are unlikely but this is an area that is constantly assessed for effectiveness and cost.	\$7,000	<b>U</b>
15. <i>Employ project management staff</i> This item requires further investigation from Infrastructure and Development.	\$48,000	<b>I</b>
16. <i>Issue fines for infringements</i> This proposal relates to the issue of infringement notices on 80% of occasions instead of the current 10%. This requires a decision from Council.	\$39,000	<b>D</b>
17. <i>Contract out general waste collection services</i> This process has been commenced and forms part of a consultancy on the assessment of the long term waste management options available to Council – see 31.12/18 and 26.07/19.	\$70,000	<b>I, U</b>
18. <i>Reduce opening days at tip</i> This process has been commenced and forms part of a consultancy on the assessment of the long term waste management options available to Council – see 31.12/18 and 26.07/19.	\$19,500	<b>I, U</b>

Consideration now needs to be given to other items identified in the horizontal service review previously allocated a lower priority than those above.

Prepared by staff member: Simon Paul, Chief Financial Officer  
TRIM Reference Number: UINT/19/6492  
Approved/Reviewed by Manager: As above  
Department: General Manager's Office  
Attachments:

**9. MOTIONS ON NOTICE**

There are no Motions on Notice.

**10. CONFIDENTIAL BUSINESS**

There are no Confidential Business Items.

**END OF BUSINESS PAPER**