



BUSINESS PAPER

ORDINARY MEETING OF COUNCIL

To be held on

Wednesday, 27 March 2024
4pm

at

Armidale Council Chambers

Members

Councillor Sam Coupland (Mayor)
Councillor Todd Redwood (Deputy Mayor)
Councillor Paul Gaddes
Councillor Jon Galletly
Councillor Susan McMichael
Councillor Steven Mephram
Councillor Debra O'Brien
Councillor Margaret O'Connor
Councillor Paul Packham
Councillor Dorothy Robinson
Councillor Bradley Widders

AGENDA

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Ethical Decision Making and Conflicts of Interest

A guiding checklist for Councillors, officers and community committees

Oath or Affirmation of Office

Councillors are reminded of the Oath or Affirmation taken of office, made under section 233A of the *Local Government Act 1993* when elected.

Ethical decision making

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

Conflict of interest

A conflict of interest is a clash between private interest and public duty. There are two types of conflict:

- ***Pecuniary*** – regulated by the *Local Government Act 1993* and Office of Local Government
- ***Non-pecuniary*** – regulated by Codes of Conduct and policy. ICAC, Ombudsman, Office of Local Government (advice only). If declaring a Non-Pecuniary Conflict of Interest, Councillors can choose to either disclose and vote, disclose and not vote or leave the Chamber.

The test for conflict of interest

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

Identifying problems

1st Do I have private interests affected by a matter I am officially involved in?

2nd Is my official role one of influence or perceived influence over the matter?

3rd Do my private interests conflict with my official role?

Local Government Act 1993 and Model Code of Conduct

For more detailed definitions refer to the *Local Government Act 1993*, Chapter 14 Honesty and Disclosure of Interest and Model Code of Conduct.

Disclosure of pecuniary interests / non-pecuniary interests

Under the provisions of Section 440AAA(3) of the *Local Government Act 1993* (pecuniary interests) and the Model Code of Conduct it is necessary for you to disclose the nature of the

interest when making a disclosure of a pecuniary interest or a non-pecuniary conflict of interest at a meeting.

A Declaration form should be completed and handed to the General Manager as soon as practicable once the interest is identified. Declarations are made at Item 3 of the Agenda: Declarations - Pecuniary, Non-Pecuniary and Political Donation Disclosures, and prior to each Item being discussed: The Declaration Form can be downloaded at [Disclosures and Declarations of Interest at Meetings](#).

Item: 5.1 **Ref:** AINT/2024/05071
Title: Minutes of Previous Meeting held 28 February 2024 **Container:**
ARC16/0001-8
Responsible Officer: General Manager
Author: Melissa Houtt, Executive Officer
Attachments: 1. Draft OCM Minutes - 28 February 2024

RECOMMENDATION:

That the Minutes of the Ordinary Council meeting held on 28 February 2024 be taken as read and accepted as a true record of the meeting.

Item: 5.2 **Ref:** AINT/2024/05414
Title: Minutes of Previous Extraordinary Meeting held 18 March 2024
Container: ARC18/2692-5
Responsible Officer: General Manager
Author: Melissa Houtt, Executive Officer
Attachments: 1. Draft ECM Minutes - 18 March 2024

RECOMMENDATION:

That the Minutes of the Extraordinary Council meeting held on 18 March 2024 be taken as read and accepted as a true record of the Meeting.

Item:	7.1	Ref: AINT/2024/05274
Title:	Council Actions Report January 2022 - March 2024	Container:
	ARC16/0001-8	
Responsible Officer	General Manager	
Author:	Melissa Hault, Executive Officer	
Attachments:	1. Action Items Report - 20 March 2024	

1. Purpose

The purpose of this report is to inform Councillors on the work carried out by Council Officers to implement Council resolutions.

2. OFFICERS' RECOMMENDATION:

That Council notes the report summarising the actions taken on the resolutions of Council.

3. Background

This is a standard monthly report.

4. Discussion

The resolutions outlined in the attachment have been previously adopted by Council. This report is designed to track progress on implementation from January 2022. Actions marked complete will be reported to Council once and then removed from subsequent reports.

5. Implications

5.1. Strategic and Policy Implications

The strategic and policy impacts of each of the resolutions are varied and were outlined in the original reports to Council.

5.2. Risk

The risks of each of the resolutions are varied and were outlined in the original reports to Council.

5.3. Sustainability

The sustainability impacts of each of the resolutions are varied and were outlined in the original reports to Council.

5.4. Financial

The financial impacts of each of the resolutions are varied and were outlined in the original reports to Council.

6. Consultation and Communication

This report informs Councillors and the community and increases transparency.

7. Conclusion

The information is for noting only.

Item:	8.1	Ref: AINT/2024/04300
Title:	Cash and Investment Report 29 February 2024 ARC17/1711	Container:
Author:	Ann Newsome, Chief Financial Officer	
Attachments:	Nil	

1. Purpose

Regulation 212 of the NSW *Local Government (General) Regulations 2021* requires the responsible accounting officer of a council to provide the Council with a written report, setting out details of all money that the council has invested under section 625 of the Act, to be presented each month and must include in the report, a certificate as to whether or not the investment has been made in accordance with the Act, the Regulations and the Council's investment policies.

This Cash and Investment report provides details of cash and investments held by Council for the month to 31 January 2024, and certifies compliance with Council's Investment Policy and the *Local Government Act 1993* and Regulations.

2. OFFICERS' RECOMMENDATION:

That Council note the Cash and Investment Report for February 2024.

3. Background

As at the date of the report, Council held \$119,235,420 in investments and \$14,935,703 in cash, giving a combined total of \$134,171,125.

Discussion

Cash & Investment Balances	Feb-24	Jan-24	Movement
<u>Cash at Bank</u>			
NAB General Accounts	-	-	
NAB Cash At Call	13,541,875	10,874,383	2,667,492
AMP Saver Account	-	19,932	(19,932)
NAB Trust Fund	1,393,829	1,388,918	20,298
Total Cash	14,935,704	12,283,234	2,667,858
<u>Investments</u>			
NSW Treasury Corp (T-Corp) Investment Management (IM) Fund	10,705,421	10,654,144	52,277
Term Deposits	108,530,000	106,530,000	2,000,000
Total Investments	119,235,421	117,184,144	2,051,277
Total Cash & Investments	134,171,125	129,467,378	4,719,135

Summary of term deposit movements:

<u>Investments Redeemed</u>		<u>Investments Rolled</u>		<u>Investment New</u>	
<u>Institution</u>	<u>Amount \$</u>	<u>Institution</u>	<u>Amount \$</u>	<u>Institution</u>	<u>Amount \$</u>
BOQ	5,000,000	NAB	7,000,000	NAB	12,000,000
CBA	5,000,000	BOQ	5,000,000		
		Judo	5,000,000		
Total	10,000,000	Total	17,000,000	Total	12,000,000

Funds from term deposit maturities are held in the NAB Cash at Call account and pending cashflow requirements, are invested in further term deposit investments. New investments and maturities during the month are detailed above.

Market expectations of future RBA rate rises appeared to have steadied.

Council continues to monitor investment markets and continues to take a conservative position holding cash reserves, along with reviewing longer term investment options to take advantage of higher returns.

Investment Revenue Earned

	Feb-24	Jan-24	Movement
Interest Received			
NAB General Cash Account	1,253	277	975
NAB Cash at Call Account	54,178	53,991	187
AMP Saver Account	-	56	(56)
NAB Trust Account	4,911	5,566	(128)
Interest Received on Bank Accounts	60,341	59,889	979
NSW T-Corp IM Fund (Note 1)	51,183	49,245	1,938
Term Deposits	524,856	192,132	332,724
Interest Received on Investments	576,039	241,377	334,662
Total Interest Received	636,380	301,265	335,641
Interest Accrued this month	322,155	426,585	(104,429)

Note 1: Council holds an investment in the NSW T-Corp IM Fund – Short Term Income Fund.

Investments are diversified across a range of institutions, with funds invested to ensure the portfolio is aligned with the Investment Policy.

Issuer	Short Term Rating	At Cost \$	% Total Value
AMP Bank	A2	11,000,000	9.23%
Bank of Queensland	A2	30,000,000	20.97%
Commonwealth Bank of Australia	A1+		
ING Bank	A1	23,500,000	19.71%
Judo Bank	A3	5,000,000	4.19%
National Australia Bank	A1+	22,030,000	28.54%
G&C Mutual Bank	A2	10,000,000	8.98%
NSW T Corp – IM Fund (Short Term Income Fund)	AA+	10,705,420	8.98%
Total		119,235,420	100%

Certification:

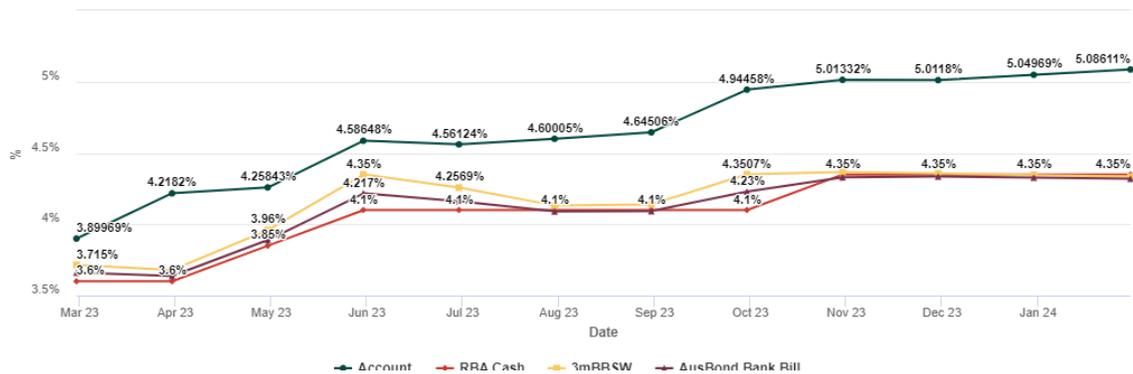
I, Ann Newsome, Chief Financial Officer, hereby certify that the above investments have been made in accordance with the Regulation (Section 212), the *Local Government Act 1993* (the Act) (Section 625), and Council’s Investment Policy (the Policy).

Investment Yield

Account vs RBA Cash vs 3m BBSW vs Bloomberg AusBond Bank Bill Index

Term	Account	RBA Cash	Outperformance	3m BBSW	Outperformance	AusBond Bank Bill	Outperformance
1m	5.07 %	4.35 %	0.72 %	4.34 %	0.73 %	4.32 %	0.75 %
3m	5.04 %	4.35 %	0.69 %	4.35 %	0.69 %	4.33 %	0.71 %
6m	4.91 %	4.26 %	0.65 %	4.29 %	0.62 %	4.26 %	0.65 %
12m	4.57 %	4.07 %	0.50 %	4.15 %	0.42 %	4.09 %	0.48 %

Month End Performance



4. Implications

4.1. Strategic and Policy Implications

All of Council's investments for the period are in accordance with:

- Council Investment Policy
- *Local Government Act 1993* – Section 625
- *Local Government Act 1993* – Order of the Minister dated 12 January 2011
- *The Local Government (General) Regulation 2021* – Reg 212

The investment of surplus funds must remain in line with Council's Investment Policy. This will ensure sufficient working capital is retained and restrictions are supported by cash and investments that are easily converted into cash. Cash management complies with the *NSW Local Government (General) Regulation 2021*.

The Investment Policy relates to:

- Council's Community Plan 2022-2032 theme category of "Strong Region – Engagement and Responsibility" and related strategy of "Manage public resources responsibly and efficiently for the benefit of the community."
- Council's Delivery Program 2022-2026 includes initiatives S2.3.2 "Maintain financial sustainability by meeting Performance Ratios and Fit for the Future Benchmarks, while ensuring sustainable cash reserves to support service levels and assets" and S2.3.5 "Manage our assets responsibly to ensure greater lifespan and usability and to reduce financial burden".
- Council's Operational Plan 2022-23: Asset Management, Finance and Procurement, Governance, Strategy and Risk.

4.2. Risk

Council invests in Term Deposits, Cash and the NSW Treasury Corporation Short Term Investment Fund which is a managed fund product. Rates of return on these investments are generally higher than the Bank Bill Swap (BBSW) Index. However, there will be lag between these rates if the BBSW moves quickly either up or down. Movement up may show as the BBSW being high as older council investments are held at lower historic rates. Conversely as the BBSW drops councils longer term investments maybe locked into higher rates of returns giving council a return advantage.

The recent history of increases in the official cash rate is detailed below:

Date	Rate Increase	Cash rate target %
October 2022	0.25%	2.60%
November 2022	0.25%	2.85%
December 2022	0.25%	3.10%
February 2023	0.25%	3.35%
March 2023	0.25%	3.60%
April 2023	–	3.60%
May 2023	0.25%	3.85%
June 2023	0.25%	4.10%

July 2023	–	4.10%
August 2023	–	4.10%
September 2023	–	4.10%
October 2023	–	4.10%
November 2023	0.25%	4.35%
December 2023	–	4.35%
February 2024	-	4.35%

Council's responsibility is to ensure working capital is retained and restrictions are supported by cash.

Council considers effective risk management practices exist over its cash and investment holdings.

4.3. Sustainability

Council utilises an online Portfolio Platform to manage its investments and investment register. The number of investments has been rationalised allowing for more efficient internal investment management to be performed. Communication is performed by electronic means, resulting in efficiencies of processes and a reduction in the use of paper.

4.4. Financial

Budget Area:	Financial Services						
Funding Source:	General Fund (untied revenue) Water Fund (externally restricted) Sewer Fund (externally restricted)						
Budget Ref: (PN)	Description	Approved Budget (Revised)	Actual	Committed	Proposed	Total Forecast (Income)/ Expenditure	Remaining Budget
210815.1.1760. 165.1670 260005.3.2590. 165.1660 280010.2.3310. 165.1650	Interest Income on Investments	\$2,720,000	\$3,534,895	Nil	Nil	\$2,720,000	814,895
210815.1.1760. 333.2430	Subscriptions	\$48,300	\$26,754	Nil	Nil	\$48,300	\$21,545

Restricted & Unrestricted Funds

As at 30 June 2023, total restricted and unrestricted funds were fully funded by cash and investments.

Actual Position at 30 June 2023 (audited)

\$'000	General	Water	Sewer	Total
External Restrictions	30,368	30,347	29,303	90,018
Internal Restrictions	34,154			34,154
Total Restrictions	64,522	30,347	29,303	124,172
Unrestricted	5,973			5,973
Total Funds	70,495	30,347	29,303	130,145

5. Consultation and Communication

An Investment Report is required to be tabled at the monthly Ordinary Meeting of Council.

6. Conclusion

The Cash and Investment Report provides an overview of cash and investments for the month and demonstrates compliance with Council policy.

Item:	13.1	Ref: AINT/2024/03212
Title:	Sports Council Committee - Minutes of the meeting held 6 February 2024	Container: ARC16/0330-2
Responsible Officer	Chief Officer Planning and Activation	
Author:	Chaise Doran, Sport and Recreation Development Officer	
Attachments:	1. Minutes - Sports Council - 6 Feb 2024 2. Agenda Sports Council - 6 Feb 2024	

RECOMMENDATION:

That Council:

- a. Note the Minutes of the Sports Council Committee meeting held on 6 February 2024.
- b. Endorse the committee's decision to add undercover seating to the medium project section of the Sports Development Priority list.
- c. Note the changes to the Sports Council Priority List.

1. Purpose:

The purpose of this report is to provide Council with the agenda and minutes of the Sports Council committee meeting held on Tuesday 6 February 2024 which details recommendations to Council for consideration and adoption.

2. Background

In order to provide recommendations for the development of sport and recreation in the Armidale Local Government Area, the Sports Council has been developed to comprise individuals from diverse sporting groups and backgrounds.

The Sports Council provides a link between Council and the sport and recreation community, providing key community engagement with regards to the development of sports infrastructure. The Committee provides ongoing support and advice relating to sports and recreation in the community.

3. Report

On Tuesday, 6 February 2024 the Sports Council considered and discussed:

- a) South Armidale United Football Clubs (SAUFC) joint grant application with Armidale and District Cricket (ADCA).
- b) The changes to the Sports Council priority list.

Further details about these items are included below.

- a) South Armidale United Football Club submitted a grant application for undercover portable seating at the Armidale Sports Ground. The application requests \$17,546.00, with the club committing \$3,000.00 as with ADCA doing the same.
It was explained that this seating could be utilised by both clubs and in the instance of large events taking place at other sporting grounds the seating is portable.

The committee moved to add the project to number 5 on the medium priority section.

- b) The Sports Council priority list allows Council to transparently determine expenditure.
After having undercover portable seating added to number 5 on the medium priority section it was moved that the project be allocated number 1 position and all other projects moved down.

No other changes to the priority list were made.

4. Strategic Directions:

The function of the Sports Council is to provide advice and recommendations relating to Sports and Recreation on the strategic direction of the Armidale Regional Council. The activities align with Council's adopted Community Strategic Plan 2017-2027:

Liveable Region Places & Spaces

- L1 Public spaces and infrastructure that facilitate health, community connections and opportunities.
- L1.4 Enhance and maintain sporting facilities to meet the needs of our local community and neighbouring regions, and to entice regional, state, and national events.
- L1.5 Enhance and maintain recreation spaces to offer quality of life, entertainment and family-friendly activities to residents and visitors.

Strong Region Engagement & Responsibility

- S1 an informed and actively engaged community, that builds partnerships and shapes its future
 - S1.1 Help the community to be informed and have input into decisions about its region and future
 - S1.3 Empower the community and our leaders to make positive change and to unify the region
- S2 Strong governance and leadership that supports our region to grow and prosper - Strategies:
 - S2.1 Provide a strong, transparent, sustainable, and responsive governance for our region
 - S2.2 Ensure that strategic directions are informed by, and with, the community and are delivered in consideration of available resources
 - S2.4 Make open and transparent decisions that are informed by stakeholders, leading practices, systems, and technologies.

5. Relevant Legislation

- Section 355 of the *Local Government Act 1993*
- *Local Government Regulation (General) 2021*

6. Financial Implications:

Detailed financial implications for recommendations to Council are included within the Sports Council agenda and minute reports, if relevant. A summary of the financial position against Council budget has been included below.

Note the financial figures below refer to the 2023/24 Financial Year.

Budget Area:	Public & Town Spaces – Sports Council Administration						
Funding Source:	Player and Association Levies, Sports Council Reserve (Trust Account)						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
240250 (Op)	Operational Revenue - Levies	42,840	40,755	Nil	Nil	40,755	2,085
240250 (Op)	Operational Expenditure	42,840	3,750	Nil	37,005	40,755	2,085
240386 (Cap)	Capital Revenue & Expenditure	Nil	49,300	6,735	Nil	56,035	Nil

7. Conclusion

It is recommended that Council note the minutes of the Sports Council Committee meeting held on Tuesday 6 February 2024 and recommendations to Council be considered for adoption.