

Meeting Date: Tuesday 24 March 2015

Location: Council Chambers, Level 6, Civic Centre, 1 Devlin Street, Ryde

Time: 7.30pm

Council Meetings will be recorded on audio tape for minute-taking purposes as authorised by the Local Government Act 1993. Council Meetings will also be webcast.

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1 CONFIRMATION OF MINUTES - Council Meeting held on 10 March 2015

Report prepared by: Section Manager - Governance**File No.:** CLM/15/1/4/2 - BP15/272

REPORT SUMMARY

In accordance with Council's Code of Meeting Practice, a motion or discussion with respect to such minutes shall not be in order except with regard to their accuracy as a true record of the proceedings.

RECOMMENDATION:

That the Minutes of the Council Meeting 4/15, held on 10 March 2015 be confirmed.

ATTACHMENTS

1 MINUTES - Ordinary Council Meeting - 10 March 2015

ITEM 1 (continued)

ATTACHMENT 1

**Council Meeting
MINUTES OF MEETING NO. 4/15**

Meeting Date: Tuesday 10 March 2015

Location: Council Chambers, Level 6, Civic Centre, 1 Devlin Street, Ryde

Time: 7.30pm

Councillors Present: The Mayor, Councillor Pickering and Councillors Chung, Etmekdjian, Laxale, Li, Maggio, Pendleton, Perram, Simon, Stott and Yedelian OAM.

Apologies: Councillor Salvestro-Martin.

Leave of Absence: Nil.

Staff Present: General Manager, Acting Group Manager – Community Life, Group Manager – Corporate Services, Group Manager – Environment and Planning, Group Manager – Public Works, General Counsel, Manager – Communications and Media, Economic Development Manager, Coordinator Digital Communications, Section Manager – Governance and Governance, Risk and Audit Coordinator.

PRAYER

Reverend Mal York of the West Ryde Anglican Church was present and offered prayer prior to the commencement of the meeting.

LEAVE OF ABSENCE

Councillor Perram requested a Leave of Absence for the period 22 March 2015 to 28 March 2015 inclusive.

RESOLUTION: (Moved by Councillor Maggio and Yedelian OAM)

That Councillor Perram's Leave of Absence for the period 22 March 2015 to 28 March 2015 inclusive be approved.

Record of Voting:

For the Motion: Unanimous

DISCLOSURES OF INTEREST

There were no disclosures of interest.

TABLING OF PETITIONS

No Petitions were tabled.

ITEM 1 (continued)

ATTACHMENT 1

PUBLIC PARTICIPATION ON ITEMS LISTED ON THE AGENDA

The following persons addressed the Council:-

Name	Topic
Aidan Fisher (representing the Ryde Youth Council)	ITEM 8 - Ryde Youth Council – Proposed Activities and Events for Youth Week 2015
Victoria Newstead (representing Ivanhoe Estate Tenant Group - IETG)	Precis of Correspondence 6 – Planning Proposal to Rezone the Ryde Civic Centre Precinct
Barbara Poulter	Precis of Correspondence 6 – Planning Proposal to Rezone the Ryde Civic Centre and Notice of Motion 4 – Proposal for Gladesville Shopping Village – Preliminary Submission
Philip Peake	Precis of Correspondence 6 – Planning Proposal to Rezone the Ryde Civic Centre Precinct and Notice of Motion 4 – Proposal for Gladesville Shopping Village – Preliminary Submission
Tony Tang (representing the Ryde Community Forum)	Notice of Motion 5 – New Car Park at Eastwood
Helen Brown	Precis of Correspondence 6 – Planning Proposal to Rezone the Ryde Civic Centre Precinct
Amanda Kalache	Notice of Motion 3 – Installation of ‘No Stopping’ signs in the vicinity of 90 and 92 Constitution Road, Meadowbank
Sheryl Barton	Precis of Correspondence 6 – Planning Proposal to Rezone the Ryde Civic Centre Precinct
Diane Erickson	Precis of Correspondence 6 – Planning Proposal to Rezone the Ryde Civic Centre Precinct
Beth Kosnik	Precis of Correspondence 6 – Planning Proposal to Rezone the Ryde Civic Centre Precinct and Notice of Motion 4 – Proposal for Gladesville Shopping Village – Preliminary Submission
Julie Worsley (representing the Christian Democratic Party)	Precis of Correspondence 6 – Planning Proposal to Rezone the Ryde Civic Centre Precinct

ITEM 1 (continued)

ATTACHMENT 1

Name	Topic
Jennie Minifie (representing Ryde Community Alliance)	Precis of Correspondence 6 – Planning Proposal to Rezone the Ryde Civic Centre Precinct and Notice of Motion 4 – Proposal for Gladesville Shopping Village – Preliminary Submission
George Saad	Notice of Motion 3 – Installation of ‘No Stopping’ signs in the vicinity of 90 and 92 Constitution Road, Meadowbank
Kevin Page	Precis of Correspondence 6 – Planning Proposal to Rezone the Ryde Civic Centre Precinct and Notice of Motion 4 – Proposal for Gladesville Shopping Village – Preliminary Submission
Jill Hartley (representing Ryde Epping Greens)	Precis of Correspondence 6 – Planning Proposal to Rezone the Ryde Civic Centre Precinct and Notice of Motion 4 – Proposal for Gladesville Shopping Village – Preliminary Submission
Colin Waring	Precis of Correspondence 6 – Planning Proposal to Rezone the Ryde Civic Centre Precinct
Leonie Dean	Precis of Correspondence 6 – Planning Proposal to Rezone the Ryde Civic Centre Precinct

PUBLIC PARTICIPATION ON ITEMS NOT LISTED ON THE AGENDA

No addresses were made to Council.

ORDER OF BUSINESS

RESOLUTION: (Moved by Councillors Yedelian OAM and Maggio)

That Council now consider the following Items, the time being 8.40pm:

- Item 8 – Ryde Youth Council – Proposed Activities and Events for Youth Week 2015.
- Notice of Motion 3 – Installation of ‘No Stopping’ Signs in the Vicinity of 90 and 92 Constitution Road, Meadowbank.
- Notice of Motion 4 – Proposal for Gladesville Shopping Village – Preliminary Submission.
- Notice of Motion 5 – New Car Park at Eastwood.
- Precis of Correspondence 6 – Planning Proposal to Rezone the Ryde Civic Centre Precinct.

Record of Voting:

For the Motion: Unanimous

ITEM 1 (continued)

ATTACHMENT 1

COUNCIL REPORT

8 RYDE YOUTH COUNCIL - PROPOSED ACTIVITIES AND EVENTS FOR YOUTH WEEK 2015

Note: Aidan Fisher (representing the Ryde Youth Council) addressed the meeting in relation to this Item.

RESOLUTION: (Moved by Councillors Maggio and Pendleton)

That Council endorse the proposed events and activities as outlined in the body of this report and thank staff for their efforts.

Record of Voting:

For the Motion: Unanimous

NOTICES OF MOTION

3 INSTALLATION OF 'NO STOPPING' SIGNS IN THE VICINITY OF 90 AND 92 CONSTITUTION ROAD, MEADOWBANK - Deputy Mayor, Councillor Roy Maggio

Note: Amanda Kalache and George Saad addressed the meeting in relation to this Item.

RESOLUTION: (Moved by Councillors Maggio and Simon)

That the City of Ryde investigates the installation of 'No Stopping' signs in the vicinity of 90 and 92 Constitution Road, Meadowbank and that any recommendations that may arise following completion of the required community consultation, be forwarded to the June 2015 meeting of the Ryde Traffic Committee for endorsement before any approval by Council.

Record of Voting:

For the Motion: Unanimous

4 PROPOSAL FOR GLADESVILLE SHOPPING VILLAGE - PRELIMINARY SUBMISSION - Councillor Denise Pendleton

Note: Barbara Poulter, Philip Peake, Beth Kosnik, Jennie Minifie (representing Ryde Community Alliance), Kevin Page and Jill Hartley (representing Ryde Epping Greens) addressed the meeting in relation to this Item.

ITEM 1 (continued)

ATTACHMENT 1

MOTION: (Moved by Councillors Pendleton and Simon)

- (a) That Ryde Council prepare and submit to Hunters Hill Council a preliminary submission concerning the 26 storey proposal for Gladesville Shopping Village. The submission should indicate the areas of obvious concern with this proposal including but not limited to: excessive height for the immediate area, insufficient public transport to support this scale of development, traffic problems and insufficient open space.
- (b) That Ryde Council request Hunters Hill Council, that if they receive a planning proposal in respect of this matter, that an extensive community notification process be undertaken.

AMENDMENT: (Moved by Councillor Chung and the Mayor, Councillor Pickering)

That Council request Hunters Hill Council to provide a briefing to City of Ryde Councillors on the proposed development for the Gladesville Shopping Village, at an upcoming workshop.

On being put to the Meeting, the voting on the Amendment was six (6) For and five (5) Against. The Amendment was **CARRIED** and then became the Motion.

Record of Voting:

For the Amendment: The Mayor, Councillor Pickering and Councillors Chung, Etmekdjian, Maggio, Stott and Yedelian OAM

Against the Amendment: Councillors Laxale, Li, Pendleton, Perram and Simon

RESOLUTION: (Moved by Councillor Chung and the Mayor, Councillor Pickering)

That Council request Hunters Hill Council to provide a briefing to City of Ryde Councillors on the proposed development for the Gladesville Shopping Village, at an upcoming workshop.

Record of Voting:

For the Motion: The Mayor, Councillor Pickering and Councillors Chung, Etmekdjian, Maggio, Perram, Simon, Stott and Yedelian OAM

Against the Motion: Councillors Laxale, Li and Pendleton

ITEM 1 (continued)

ATTACHMENT 1

5 NEW CAR PARK AT EASTWOOD - Councillor Terry Perram

1 EASTWOOD STATION CAR PARKING - THE HON. VICTOR DOMINELLO MP - 19 February 2015

Note: Tony Tang (representing the Ryde Community Forum) addressed the meeting in relation to this Item.

MOTION: (Moved by Councillors Perram and Li)

1. That the General Manager report to the next meeting of Council on the recent announcement by the New South Wales Government that Eastwood is to get a new car park, responding to at least the following matters:
 - (a) identify the parcel of land where the car park is proposed and its current ownership;
 - (b) whether the new car parking spaces are intended for commuters who require all day parking, or shoppers where time restricted parking is essential;
 - (c) if the Council car park in Rowe Street is the intended site:
 - whether the management of the car park including allocation of time restricted parking will remain under Council's control;
 - whether redevelopment of Council's car park as proposed will assist or conflict with Council's desire to expand the car park for shoppers at Eastwood shopping centre.
 - (d) That Ryde Council request the State Government to identify the amount and type of funding to be allocated to this project.
2. That Council, in response to the State Government's recent announcement on funding the delivery of 230 car spaces near Eastwood train station (Précis of Correspondence 1):
 - (a) Acknowledges the need to provide additional parking spaces for the community at the Eastwood Town Centre.
 - (b) Seeks the support of the State Government to establish a Project Consultative Committee comprising State Government representatives, interested Councillors, Council staff, and Eastwood business and community representatives, in order to consult with the local community and make recommendations to Council and the State Government.
 - (c) Upon receipt of State Government support for the establishment of the Project Consultative Committee, a report be prepared for Council's consideration with proposed Terms of Reference and seeking nominations for membership of the Committee.

ITEM 1 (continued)

ATTACHMENT 1

AMENDMENT: (Moved by Councillors Chung and Etmekdjian)

1. That Council, in response to the State Government's recent announcement on funding the delivery of 230 car spaces near Eastwood train station (Précis of Correspondence 1):
 - (a) Acknowledges the need to provide additional parking spaces for the community at the Eastwood Town Centre.
 - (b) Seeks the support of the State Government to establish a Project Consultative Committee comprising State Government representatives, interested Councillors, Council staff, and Eastwood business and community representatives, in order to consult with the local community and make recommendations to Council and the State Government.
 - (c) Upon receipt of State Government support for the establishment of the Project Consultative Committee, a report be prepared for Council's consideration with proposed Terms of Reference and seeking nominations for membership of the Committee.
2. That Council write to the Minister for Transport, the Hon. Gladys Berejiklian MP and the local member for Ryde, the Hon. Victor Dominello MP thanking them for this announcement.

On being put to the Meeting, the voting on the Amendment was six (6) For and five (5) Against. The Amendment was **CARRIED** and then became the Motion.

Record of Voting:

For the Amendment: The Mayor, Councillor Pickering and Councillors Chung, Etmekdjian, Maggio, Stott and Yedelian OAM

Against the Amendment: Councillors Laxale, Li, Pendleton, Perram and Simon

RESOLUTION: (Moved by Councillors Chung and Etmekdjian)

1. That Council, in response to the State Government's recent announcement on funding the delivery of 230 car spaces near Eastwood train station (Précis of Correspondence 1):
 - (a) Acknowledges the need to provide additional parking spaces for the community at the Eastwood Town Centre.
 - (b) Seeks the support of the State Government to establish a Project Consultative Committee comprising State Government representatives, interested Councillors, Council staff, and Eastwood business and community representatives, in order to consult with the local community and make recommendations to Council and the State Government.

ITEM 1 (continued)

ATTACHMENT 1

- (c) Upon receipt of State Government support for the establishment of the Project Consultative Committee, a report be prepared for Council's consideration with proposed Terms of Reference and seeking nominations for membership of the Committee.
- 2. That Council write to the Minister for Transport, the Hon. Gladys Berejiklian MP and the local member for Ryde, the Hon. Victor Dominello MP thanking them for this announcement.

Record of Voting:

For the Motion: The Mayor, Councillor Pickering and Councillors Chung, Etmekdjian, Li, Maggio, Pendleton, Perram, Stott and Yedelian OAM

Against the Motion: Councillors Laxale and Simon

LATE PRECIS OF CORRESPONDENCE

6 PLANNING PROPOSAL TO REZONE THE RYDE CIVIC CENTRE PRECINCT

Note: Victoria Newstead (representing Ivanhoe Estate Tenant Group – IETG), Barbara Poulter, Philip Peake, Helen Brown, Sheryl Barton, Diane Erickson, Beth Kosnik, Julie Worsley (representing the Christian Democratic Party), Jennie Minifie (representing Ryde Community Alliance), Kevin Page, Jill Hartley (representing Ryde Epping Greens), Colin Waring and Leonie Dean addressed the meeting in relation to this Item.

MOTION: (Moved by Councillors Pendleton and Simon)

- (a) That the correspondence be received and noted.
- (b) That the General Manager provide a response to the Department of Planning and Environment on how the planning proposal for the rezoning of the Civic Centre aligns with the State Government's vision articulated in 'A Plan for Growing Sydney' and justifies the proposed rezoning.

AMENDMENT: (Moved by Councillors Etmekdjian and Maggio)

- (a) That the correspondence be received and noted.
- (b) That the General Manager provide a report to Council identifying potential options for Council's consideration, in light of the correspondence received from the Department of Planning and Environment.

On being put to the Meeting, the voting on the Amendment was six (6) For and five (5) Against. The Amendment was **CARRIED** and then became the Motion.

ITEM 1 (continued)

ATTACHMENT 1

Record of Voting:

For the Amendment: The Mayor, Councillor Pickering and Councillors Chung, Etmekdjian, Maggio, Stott and Yedelian OAM

Against the Amendment: Councillors Laxale, Li, Pendleton, Perram and Simon

RESOLUTION: (Moved by Councillors Etmekdjian and Maggio)

- (a) That the correspondence be received and noted.
- (b) That the General Manager provide a report to Council identifying potential options for Council's consideration, in light of the correspondence received from the Department of Planning and Environment.

Record of Voting:

For the Motion: The Mayor, Councillor Pickering and Councillors Chung, Etmekdjian, Maggio, Stott and Yedelian OAM

Against the Motion: Councillors Laxale, Li, Pendleton, Perram and Simon

MATTER OF URGENCY

Councillor Maggio advised that he wished to raise a Matter of Urgency regarding a tree in Bank Street, Meadowbank.

Note: The Mayor, Councillor Pickering accepted this Item as an Urgent Item.

RESOLUTION: (Moved by Councillors Maggio and Yedelian OAM)

That Council consider a Matter of Urgency regarding a tree in Bank Street, Meadowbank, the time being 10.29pm.

Record of Voting:

For the Motion: Unanimous

ITEM 1 (continued)

ATTACHMENT 1

MATTER OF URGENCY – TREE IN BANK STREET, MEADOWBANK

RESOLUTION: (Moved by Councillors Maggio and Stott)

To improve Council's response on such matters in the future, the following actions be undertaken:

1. That the General Manager undertake a comprehensive review of the Tree Preservation DCP to ensure that assessment criteria for tree pruning and removal remain appropriate;
2. That the General Manager review Council's adopted processes and procedures in relation to the procurement of quotes for tree removal and/or pruning to prevent delays occurring in relation to unsafe trees;
3. That the General Manager contact Ausgrid and other relevant utility providers with a view to establishing agreement on faster response timeframes for unsafe trees; and
4. That the General Manager prepare a report to Council on the outcomes of the abovementioned reviews and recommended actions for Council's consideration.

Record of Voting:

For the Motion: Unanimous

MAYORAL MINUTES

**MM2/15 NOMINATION OF GARY MAZLOUMIAN TO POSITION ON
CENTENARY OF ANZAC AND COMMEMORATION OF WORLD WAR 1
COMMITTEE**

Note: Councillor Simon left the meeting at 10.45pm and was not present for voting on this Item.

RESOLUTION: (Moved by The Mayor, Councillor Pickering and Councillor Laxale)

That Mr Gary Mazlounian be asked to join the Centenary of ANZAC and Commemoration of World War 1 Committee.

Record of Voting:

For the Motion: Unanimous

ITEM 1 (continued)

ATTACHMENT 1

COUNCIL REPORTS

1 CONFIRMATION OF MINUTES - Council Meeting held on 24 February 2015

Note: Councillor Simon was not present for voting on this Item.

RESOLUTION: (Moved by Councillors Chung and Laxale)

That the Minutes of the Council Meeting 3/15, held on 24 February 2015 be confirmed.

Record of Voting:

For the Motion: Unanimous

2 REPORT OF THE PLANNING AND ENVIRONMENT COMMITTEE MEETING 3/15 held on 3 March 2015

Note: Councillor Simon was not present for voting on this Item.

RESOLUTION: (Moved by Councillors Chung and Yedelian OAM)

That Council note that all Items of the Planning and Environment Committee Meeting 3/15 held on 3 March 2015 were dealt with by the Committee within its delegated powers.

Record of Voting:

For the Motion: Unanimous

3 REPORT OF THE WORKS AND COMMUNITY COMMITTEE MEETING 2/15 held on 3 March 2015

Note: Councillor Simon was not present for voting on this Item.

RESOLUTION: (Moved by Councillors Maggio and Pendleton)

That Council determine Item 4 of the Works and Community Committee report 2/15, held on 3 March 2015 noting that Items 1, 2 and 3 were dealt with by the Committee within its delegated powers.

Record of Voting:

For the Motion: Unanimous

ITEM 1 (continued)

ATTACHMENT 1

4 DEMOLITION OF THE RYDE PONY CLUB BUILDING AT MARSFIELD PARK

Note: Councillor Simon was not present for voting on this Item.

RESOLUTION: (Moved by Councillors Maggio and Li)

- (a) That Council allocate \$27,500 for the demolition and associated works of the building previously occupied by the Ryde Pony Club and return the site to the park, as reported in the December Quarterly Review report.
- (b) That any future use of the site be a subject of a Council report.

Record of Voting:

For the Motion: Unanimous

Note: Councillor Simon returned to the meeting at 10.50pm.

4 PLANNING PROPOSAL - 388 - 392 LANE COVE ROAD MACQUARIE PARK

RESOLUTION: (Moved by Councillors Chung and Etmekdjian)

- (a) That Council support the Planning Proposal for 388 – 392 Lane Cove Road , Macquarie Park (LOTS 44 – 46 in DP1111722) to amend Ryde Local Environmental Plan 2014 by:-
 - amending the Height of Buildings Map for the site to a maximum height of 65m
 - amending the Floor Space Ratio Map for the site to a maximum FSR of 3:1
- (b) That Council endorse forwarding the planning proposal for 388 – 392 Lane Cove Road, Macquarie Park to receive a gateway determination in accordance with Section 56 of the Environmental Planning and Assessment Act 1979 and that the Ministers delegation enabling Council to determine the LEP be requested.
- (c) That Council endorse that in the event of a gateway determination being issued pursuant to Section 56 of the Environmental Planning and Assessment Act 1979, the Planning Proposal not be placed on public exhibition until a draft Voluntary Planning Agreement which is satisfactory to Council has been submitted to Council and the two documents are exhibited at the same time.
- (d) That Council endorse that a further report be presented to Council following the completion of the exhibition period advising of the outcomes and next steps.

ITEM 1 (continued)

ATTACHMENT 1

Record of Voting:

For the Motion: Unanimous

5 AMENDMENT TO RYDE DCP 2014 PART 9.3 PARKING CONTROLS

RESOLUTION: (Moved by Councillors Etmekdjian and Perram)

That Council adopt draft Ryde Development Control Plan Part 9.3 Parking Controls with an amendment to Clause 2.6 *Parking Contributions* and that a public notice of Council's decisions be placed in a local newspaper so the Plan may come into effect.

Record of Voting:

For the Motion: The Mayor, Councillor Pickering and Councillors Chung, Etmekdjian, Laxale, Li, Pendleton, Perram, Simon, Stott and Yedelian OAM

Against the Motion: Councillor Maggio

6 WESTERN SYDNEY LIGHT RAIL PROJECT - UPDATE AND REQUEST FOR MACQUARIE PARK SYMPOSIUM

RESOLUTION: (Moved by Councillors Chung and Stott)

- (a) That Council endorse the Parramatta to Macquarie Park via Carlingford and Epping corridor as the preferred route for Stage 1 of the Western Sydney Light Rail Project.
- (b) That Council co-host a light rail symposium with Macquarie University to be held at Macquarie University on a date (to be determined) during April/May 2015, which includes high profile speakers representing major business, community and transport groups, relevant Local Members and Ministers to raise the profile and coordinate support for the Western Sydney Light Rail Project and the Parramatta to Macquarie Park route.

Record of Voting:

For the Motion: Unanimous

7 CITY OF RYDE ECONOMIC DEVELOPMENT PLAN 2015 - 2019

RESOLUTION: (Moved by Councillors Etmekdjian and Yedelian OAM)

That Council adopt the final version of the Economic Development Plan 2015 – 2019.

ITEM 1 (continued)

ATTACHMENT 1

Record of Voting:

For the Motion: Unanimous

EXTENSION OF TIME

RESOLUTION: (Moved by Councillors Chung and Etmekdjian)

That the meeting time be extended to allow Council to complete all Items of business on the Agenda, the time being 11.00pm.

Record of Voting:

For the Motion: The Mayor, Councillor Pickering and Councillor Chung, Etmekdjian, Laxale, Li, Pendleton, Perram, Simon, Stott and Yedelian OAM

Against the Motion: Councillor Maggio

COUNCIL REPORT

8 RYDE YOUTH COUNCIL – PROPOSED ACTIVITIES AND EVENTS FOR YOUTH WEEK 2015

Note: This matter was dealt with earlier in the meeting as outlined in these Minutes.

LATE ITEMS

9 COMMITTEE MEETINGS AND ADVISORY COMMITTEES - Appointment of Councillor Stott to Standing Committees and Advisory Committees

RESOLUTION: (Moved by The Mayor, Councillor Pickering and Councillor Chung)

- (a) That Council endorse Councillor Stott as a Committee member for the Works and Community Committee.
- (b) That Council appoint Councillor Stott as a delegate to both the Heritage Advisory Committee and the Status of Women Advisory Committee.

Record of Voting:

For the Motion: Unanimous

ITEM 1 (continued)

ATTACHMENT 1

10 CENTENARY OF ANZAC - MEMORIAL MAINTENANCE WORKS

RESOLUTION: (Moved by Councillors Yedelian OAM and Laxale)

That this report be received and noted.

Record of Voting:

For the Motion: Unanimous

PRECIS OF CORRESPONDENCE FOR CONSIDERATION

**1 EASTWOOD STATION CAR PARKING – THE HON. VICTOR DOMINELLO
MP – 19 February 2015**

Note: This matter was dealt with earlier in the meeting in conjunction with Notice of Motion 5 – NEW CAR PARK AT EASTWOOD as outlined in these Minutes.

LATE PRECIS OF CORRESPONDENCE FOR CONSIDERATION

**2 DECLARATION OF COUNCILLOR FOR THE RYDE COUNCIL BY-
ELECTION - EAST WARD**

RESOLUTION: (Moved by Councillors Yedelian OAM and Chung)

That the correspondence be received and noted.

Record of Voting:

For the Motion: Unanimous

3 LOCAL GOVERNMENT REFORM - FIT FOR THE FUTURE

Note: Councillor Li left the meeting at 11.04pm and was not present for voting on this Item.

RESOLUTION: (Moved by Councillors Etmekdjian and Chung)

That the correspondence be received and noted.

Record of Voting:

For the Motion: Unanimous

ITEM 1 (continued)

ATTACHMENT 1

4 LOCAL GOVERNMENT NSW (LGNSW) STATE ELECTION PRIORITIES 2015

Note: Councillor Li was not present for voting on this Item.

RESOLUTION: (Moved by Councillors Stott and Etmekdjian)

- (a) That the correspondence be received and noted.
- (b) That the Mayor respond to the LGNSW on behalf of Council, noting its priorities and advise that Council has already taken action to address most of the priorities contained therein (such as the 'no forced amalgamations' media campaign).

Record of Voting:

For the Motion: The Mayor, Councillor Pickering and Councillors Chung, Etmekdjian, Laxale, Maggio, Perram, Stott and Yedelian OAM

Against the Motion: Councillors Pendleton and Simon

5 UPDATE - PRE-GATEWAY REVIEW - 111 WICKS ROAD AND 29, 31-35 EPPING ROAD, MACQURIE PARK

Note: Councillor Li was not present for voting on this Item.

RESOLUTION: (Moved by Councillors Yedelian OAM and Chung)

That the correspondence be received and noted.

Record of Voting:

For the Motion: Unanimous

Note: Councillor Li returned to the meeting at 11.06pm.

6 PLANNING PROPOSAL TO REZONE THE RYDE CIVIC CENTRE PRECINCT

Note: This matter was dealt with earlier in the meeting as outlined in these Minutes.

ITEM 1 (continued)

ATTACHMENT 1

NOTICES OF MOTION

1 PLAYGROUND CAR PARKING - Councillor Craig Chung

RESOLUTION: (Moved by Councillors Chung and Maggio)

That Council investigates time limited parking for six parking spaces immediately adjacent to the children's playground at Meadowbank Park on Ross Smith Avenue near Constitution Road.

Record of Voting:

For the Motion: Unanimous

2 CRICKET STUMPS - Councillor Craig Chung

RESOLUTION: (Moved by Councillors Chung and Maggio)

- (a) That Council install permanent batting cricket stumps and make appropriate line marking at all cricket practice nets throughout the City of Ryde as soon as practicable.
- (b) That Council investigate the cost of installation of appropriate rubber sheet barriers at the practice cricket nets throughout the City of Ryde and report back to the Works and Community Committee with a recommendation.
- (c) That Council investigate the installation of artificial grass at Darvall Park cricket pitch and report back to the Works and Community Committee with a recommendation that also looks at contributions by relevant sporting bodies.
- (d) That Council investigate the upgrading of Meadowbank Park cricket facility and report back to the Works and Community Committee.

Record of Voting:

For the Motion: Unanimous

3 INSTALLATION OF 'NO STOPPING' SIGNS IN THE VICINITY OF 90 AND 92 CONSTITUTION ROAD, MEADOWBANK – Deputy Mayor, Councillor Roy Maggio

Note: This matter was dealt with earlier in the meeting as outlined in these Minutes.

ITEM 1 (continued)

ATTACHMENT 1

4 PROPOSAL FOR GLADESVILLE SHOPPING VILLAGE – PRELIMINARY SUBMISSION – Councillor Denise Pendleton

Note: This matter was dealt with earlier in the meeting as outlined in these Minutes.

5 NEW CAR PARK AT EASTWOOD – Councillor Terry Perram

Note: This matter was dealt with earlier in the meeting as outlined in these Minutes.

6 CITY OF RYDE - "FIT FOR THE FUTURE" - Councillor Terry Perram

RESOLUTION: (Moved by Councillors Perram and Pendleton)

- (a) That the Member for Ryde, Mr Victor Dominello, who is reported in the TWT to have said “I hope to God Ryde City Council will be fit for the future”, be informed that it is not possible for the City of Ryde to meet the Government’s criteria for “fit for the future” because of the arbitrary and unsubstantiated requirement that Councils must be of a certain scale to qualify.
- (b) That the Member for Ryde, the Hon. Victor Dominello MP be informed of Ryde City Council’s approach in addressing its response to ‘Fit for the Future’.

Record of Voting:

For the Motion: Unanimous

QUESTIONS BY COUNCILLORS AS PER POLICY

1 QUESTIONS WITH NOTICE - Deputy Mayor, Councillor Roy Maggio

RESOLUTION: (Moved by Councillors Etmekdjian and Yedelian OAM)

That the following Answers to Questions with Notice be received and noted.

Record of Voting:

For the Motion: Unanimous

In answering the following question posed at the Council Meeting (10 February 2015):-

What are the key contributing factors that prompted the need to totally rewrite the Tree Preservation (Section 9.5) of the Development Control Plan?,

ITEM 1 (continued)

ATTACHMENT 1

It was noted that the following response was provided:-

“the re-write of the document gave Council an opportunity to address issues raised by the community as well as administrative issues around inconsistencies within the document, unnecessary paperwork and lengthy and complicated assessment process”.

Question 1:

What were the specific issues raised by the community that informed the rewrite?

Answer 1:

As outlined in the report to Council at its meeting of 28 February 2012, the following issues were raised by the community:

- The planning document was hard to read and did not provide clear direction to the community on how to manage trees on their land
- The community was asked to apply for removal of any tree and deadwood pruning, even those on exempted species list
- The time it took to process tree applications was excessive (over 12 weeks).

Question 2:

What were the identified administrative issues around inconsistencies within the document?

Answer 2:

- Clarity around trees on heritage listed properties or on significant trees register
- Clarity around exempt species list and process
- Clarity and consistency around review process
- Clarity around Australian Standards and how they apply to tree management

Question 3:

What was the extent of the unnecessary paperwork and lengthy and complicated assessment process?

Answer 3:

- At the time, the average tree applications processing time was well in excess of 12 weeks. As a result of the revised DCP, the tree application processing time has been reduced to 4 – 6 weeks.

ITEM 1 (continued)

ATTACHMENT 1

- The requirement for residents to lodge the Notice of Intent for exempt species was the key contributor to unnecessary paperwork and complicated assessment process. The removal of this process enabled staff time to focus on this processing of tree applications for other trees that require assessment (those not on the exempt species list).
- In addition, the requirement for residents to lodge the Notice of Intent for deadwood pruning was removed.

CLOSED SESSION

LATE ITEM 11 – LEGAL MATTER

Confidential

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (g) advice concerning litigation, or advice as comprises a discussion of this matter, that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege.

RESOLUTION: (Moved by Councillors Etmekdjian and Yedelian OAM)

That the Council resolve into Closed Session to consider the above matter.

Record of Voting:

For the Motion: Unanimous

Note: The Council closed the meeting at 11.26pm. The public and media left the chamber.

LATE ITEM

11 LEGAL MATTER

A verbal update regarding a boarding house application at 55 Blaxland Road, Ryde and the current status of the legal proceedings was provided to Council by Council's General Counsel.

RECOMMENDATION: (Moved by Councillors Etmekdjian and Laxale)

That the General Counsel take action in this matter as endorsed by Council and report the matter back to Council.

ITEM 1 (continued)

ATTACHMENT 1

Record of Voting:

For the Motion: Unanimous

OPEN SESSION

RESOLUTION: (Moved by Councillors Etmekdjian and Simon)

That Council resolve itself into open Council.

Record of Voting:

For the Motion: Unanimous

Note: Open Council resumed at 11.56pm.

RESOLUTION: (Moved by Councillors Etmekdjian and Simon)

That the recommendations of Items considered in Closed Session be received and adopted as resolutions of Council without any alteration or amendment thereto.

Record of Voting:

For the Motion: Unanimous

NATIONAL ANTHEM

The National Anthem was sung at the conclusion of the meeting.

The meeting closed at 11.59pm.

CONFIRMED THIS 24TH DAY OF MARCH 2015

Chairperson

**2 REPORT OF THE PLANNING AND ENVIRONMENT COMMITTEE MEETING
4/15 held on 17 March 2015**

Report prepared by: Section Manager - Governance
File No.: CLM/15/1/4/2 - BP15/273

REPORT SUMMARY

The Minutes of the Planning and Environment Committee Meeting 4/15 held on 17 March 2015 are to be circulated on Thursday, 19 March 2015 after the meeting has been conducted. The Minutes will be listed for confirmation at the next Planning and Environment Committee Meeting.

A report detailing Items which were dealt with by the Committee within its delegated powers, together with any Committee recommendations will be circulated at the same time as the Minutes on Thursday, 19 March 2015.

**3 REPORT OF THE WORKS AND COMMUNITY COMMITTEE MEETING 3/15
held on 17 March 2015**

Report prepared by: Section Manager - Governance
File No.: CLM/15/1/4/2 - BP15/274

REPORT SUMMARY

The Minutes of the Works and Community Committee Meeting 3/15 held on 17 March 2015 are to be circulated on Thursday, 19 March 2015 after the meeting has been conducted. The Minutes will be listed for confirmation at the next Works and Community Committee Meeting.

A report detailing Items which were dealt with by the Committee within its delegated powers, together with any Committee recommendations will be circulated at the same time as the Minutes on Thursday, 19 March 2015.

4 INVESTMENT REPORT - February 2015

Report prepared by: Chief Financial Officer

File No.: GRP/09/3/12 - BP15/281

REPORT SUMMARY

This report details Council's performance of its investment portfolio for February 2015 and compares it against key benchmarks. The report includes the estimated market valuation of Council's investment portfolio, loan liabilities, an update on Council's legal action against various parties and a commentary on significant events in global financial markets.

Council's financial year to date return is 3.85%, which is 1.09% above benchmark. Income from interest on investments and proceeds from sale of investments totals \$3.05M, \$251K above revised budget projections, with an adjustment made in the September Quarterly Budget Review recognising the increased revenue relates due mainly to Council receiving more funds for Section 94 contributions.

RECOMMENDATION:

That Council endorse the report of the Chief Financial Officer dated 4 March 2015 on Investment Report – February 2015.

ATTACHMENTS

1 Investment Report Attachment February 2015

Report Prepared By:

John Todd
Chief Financial Officer

Report Approved By:

Roy Newsome
Group Manager - Corporate Services

ITEM 4 (continued)

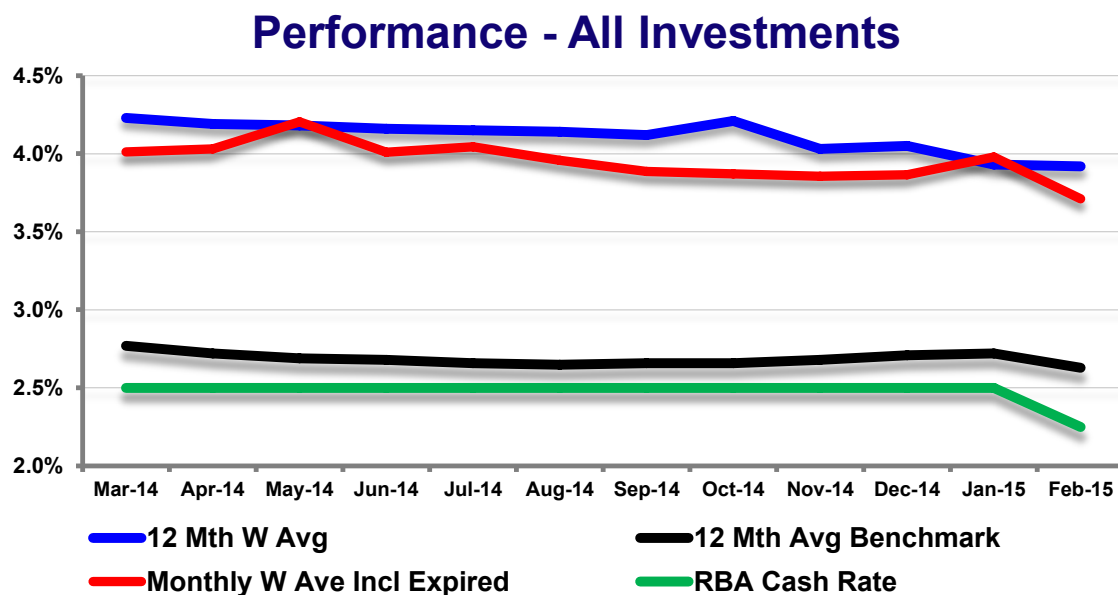
Discussion

Council's Responsible Accounting Officer, is required to report monthly on Council's Investment Portfolio and certify that the Investments are held in accordance with Council's Investment Policy and Section 625 of the Local Government Act.

Investment Performance Commentary

Council's performance against the benchmark for returns of its investment portfolio for February 2015 and the past 12 months are as follows:

	Feb	12 Mth	FYTD
Council Return	3.71	3.92	3.85
Benchmark	2.76	2.63	2.76
Variance	0.95	1.29	1.09



Council's investment portfolio as at the end of February was as follows:

Cash/Term Deposits	\$105.2M	79.02%
Floating Rate Notes	\$25.9M	19.49%
Fixed Bonds	\$2.0M	1.49%
Total Cash Investments	\$133.1M	
Investment Properties	\$92.3M	
Total Investments	\$225.4M	

ITEM 4 (continued)

Council's investment properties are shown in **ATTACHMENT 1** and this table was updated as at 30 June 2014. The valuations listed have been undertaken in accordance with the revaluation process to 'fair value' by an independent valuer, in compliance with the Australian Accounting Standards. It should be noted that there are two properties, being air rights and the property at Church Street /Devlin Street, that have not been revalued and will be valued this financial year.

Council continues to utilise the Federal Government's current guarantee (\$250K) investing in Term Deposits with a range of Authorised Deposit Taking Institutions (ADI's) on short to medium term investments (generally 30 days to six months maturity) where more competitive rates are available.

Whilst Council has moved some of its investment portfolio out to longer terms, to lock in future returns, it should be noted that there is approximately \$44.4 million of Council's funds held in internal reserves. Should Council consider utilising its internal reserves, this will have a direct impact on the amount of investment income that will be realised and will require a reduction in the future projected investment income and will place pressure on Council to be able to maintain its current level of expenditure on capital projects or maintenance.

Council's income from investments is above the revised projections, due mainly to Council receiving more funds for Section 94 contributions, with investment income for General Revenue remaining steady.

In August 2013 Council revised its Investment Policy to include delegated authority for the Chief Financial Officer (CFO) to place \$2M investments and for the Group Manager Corporate Services to place \$4M investments (up from \$1M), and to disallow both foreign owned ADIs and unrated ADIs with less than \$1B in assets.

The restriction on foreign owned ADIs and smaller institutions has had a minimal impact on rates returned to council. The estimated impact has been a reduction in returns to Council of 4-8 bps (i.e. 0.04% to 0.08%)

With the appointment of Council's Investment Advisor Service, CPG Research & Advisory Pty Ltd (CPG), they have commenced a review of the performance of Council's Investment portfolio, Council's policy and guidelines. CPG have provided feedback on the policy and guidelines, which has been reviewed by staff.

A report on the recommended revised Investment Policy is Item 5 on this meeting's agenda. Councillors were advised of the proposed investment policy changes in the Councillor's Information Bulletin (CIB) on 5 March 2015, seeking any feedback prior to the Council meeting.

ITEM 4 (continued)

Financial Security Reserve (FSR)

The Financial Security Reserve has a balance of \$3.44 million as at 28 February with no movements this year. A detailed transaction history is included in **ATTACHMENT 1**.

Council has resolved to transfer all proceeds and interest earned on written down investments to this reserve.

This year should see the finalisation of all of the Court action, and the receipt of any proceeds from those actions will be transferred to this reserve. At that point in time it would be prudent to return the funds to the Investment Property Reserve, from which the funds were originally taken to create this reserve.

Economic Commentary

The RBA left the cash rate at 2.25% at their monthly meeting, but the market is still pricing in 2 more cuts by the end of the year, which has put the squeeze on our margins above benchmark.

The ASX200 had been heading towards 6,000 then went down by 1.1% following the RBA news. Headwinds, events that slow economic growth, are below trend, being slowly rising unemployment, low commodity prices and an AUD that remains high.

Greece now has until April to come to terms with its creditors, as Greece was brought to the edge of default. In the rest of Europe, GDP was 0.9% y-o-y, with quite divergent results across the different countries, with deflation remaining a problem at -0.6%.

Quarter 4 US GDP increased by 2.2%, beating estimates of 2.0%, with housing increasing by 8%. CPI dipped into the negative, at -0.1%. Other readings were mixed, with non-farm payrolls still strong, but unemployment edging up to 5.7%. The Fed gave signs it was looking to increase the Funds rate later in 2015.

Chinese readings across the month were generally quite soft. Exports were down 3.3% y-o-y, and imports down a massive 19.9% y-o-y, with inflation rising by 0.8%, which is well below the People's Bank of China's (PBOC's) target of 3.5%. The PBOC responded twice in February, dropping banks reserve ratio requirements, and subsequently cutting its official interest rates by 0.25%

Legal Issues

The following update is provided in respect of Council's legal action in these matters, which are still to be resolved.

ITEM 4 (continued)

The team from Piper Alderman, led by Amanda Banton, moved to Squire Patton and Boggs, another firm of solicitors. The funders of Council's legal action consented to their representation moving with Amanda Banton and her team. Council at its meeting on 10 February 2015 endorsed moving with the team.

Lehman / Grange IMP

On Friday 21 September 2012, Justice Rares handed down the judgment in this matter, which was in favour of the Councils involved in this legal action.

On 25 September 2013 the Federal Court approved the calling of a meeting of Scheme Creditors of Lehman Australia to consider the proposed Insurance Only Scheme. The applicants and group members in the Lehman Australia class action are Scheme Creditors.

The Scheme is subject to Court approval. The application was listed for hearing on 31 October 2013. The Scheme was approved by the Court on 9 December 2013; all Scheme Creditors are now bound by the Scheme irrespective of whether they have voted for it or even if they voted against it. Council has received a counter offer from Lehman Brothers Australia Limited (in Liquidation), which was \$27k less than the amount claimed. This offer has been accepted by the Acting General Manager under delegated authority. The finalisation of the matter is pending, and it is anticipated to be between March and April 2015.

While the above court action has been proceeding, the related investments of the Lehman / Grange IMP (Merimbula and Global Bank Note) have been finalised and paid to Council. As previously reported, Council has received \$752k for these investments representing full payment of the principal and interest.

LGFS – Rembrandt

On 5 November 2012, Federal Court Justice Jayne Jagot ruled that Councils were entitled to succeed in their claim for damages against LGFS, ABN AMRO and Standard & Poors (S&P). This result vindicates Council's Investment in this product with Justice Jayne Jagot finding that LGFS, ABN AMRO and S&P had collectively been responsible for misleading and deceptive conduct and negligent misrepresentation of this investment to Councils.

On 1 March 2013, the Federal Court of Australia awarded compensation and costs to Councils against S&P. Council was awarded \$933K principal (equivalent to the balance outstanding) and \$331K in interest. Of this, 70% is payable to IMF for their funding of the legal action (including legal costs), resulting in a net benefit to Council of approximately \$382K, which was paid to Council on 4 April 2013.

A teleconference was held on 4 November with the other Councils involved to discuss GST issues, should a settlement be reached.

ITEM 4 (continued)

The appeal has been heard in relation to this matter, and judgement handed down on Friday 6 June 2014, where the appeal was dismissed, and all the findings of the primary judge, Justice Jagot, were upheld.

Accordingly the Full Court held that each of LGFS, ABN Amro and S&P are individually liable for 100% of Council's losses. The primary orders held them liable for 1/3 each. Council has already received payment from each of the respondents, as indicated above. Costs of the appeal will be sought, and once known Council will be advised.

CBA – Oasis and Palladin

Council has endorsed City of Ryde being a third party to an action against CBA in relation to the Oasis CDO investments for \$1 million that Council has written down to zero. A mediation session occurred with CBA on 8 October 2013. The mediation was adjourned to allow certain steps to take place and the parties are continuing to engage in "without prejudice" discussions, and the outcome will not be known until mid-2015. These confidential discussions have been continuing and are close to being finalised, Councillors will be advised of the outcome. Any settlement out of these discussions will require Court approval, with the last step scheduled for 13 April 2015.

Whilst Council had written off the Oasis investment, the investment had one further default until it completely defaulted. As previously reported, Council sold the Oasis investment at 35.7 cents in the dollar on the remaining principal of \$625k, being \$223,337. Should Council be successful in this legal action, then this will be taken into account as part of any settlement.

As part of this action, Council is also a party to action against CBA for its investment in the Palladin CDO, of which Council held \$2 million. This investment defaulted in October 2008, and was written down.

Loan Liability

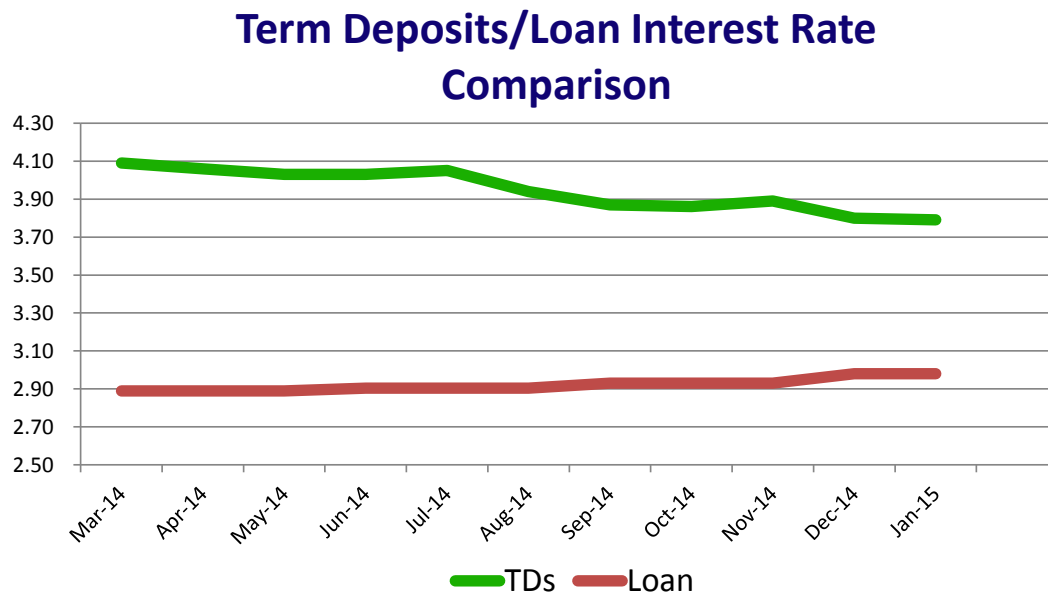
Council's loan liability as at 28 February 2015 was \$6.53 million which represents the balance of:

1. \$6.8M 15 year loan drawn down in 2004 at 90 Day BBSW + 20 basis points for the Civic Centre Redevelopment and refinancing the West Ryde Tunnel. The interest rate for this loan is reset every quarter.
2. \$1.5M 10 year loan drawn down 31 January 2014 at 180 day BBSW +175 basis points for the Children's Play Implementation Plan, which was approved for an LIRS subsidy in Round 2. The interest rate for this loan is reset every six months.

ITEM 4 (continued)

3. \$1.2M 7 year loan drawn down 31 January 2014 at 5.24% for construction of the Surf Attraction at the RALC.
4. \$1.5M 10 year loan drawn down 1 September 2014 at 4.95% for Phase 2 of the Children's Play Implementation Plan, which was approved for an LIRS subsidy in Round 3.

There is no advantage to Council in changing the arrangements or repaying the loan as detailed at point 1 above earlier than planned. Council is receiving a better rate of return on its investments than it is paying in interest on this loan. The following graph shows the gap between the average interest rate earned on Council's term deposits (top line) compared to the interest rate applying to loan 1 above (bottom line).



NB: This graph only compares the 2004 NAB loan.

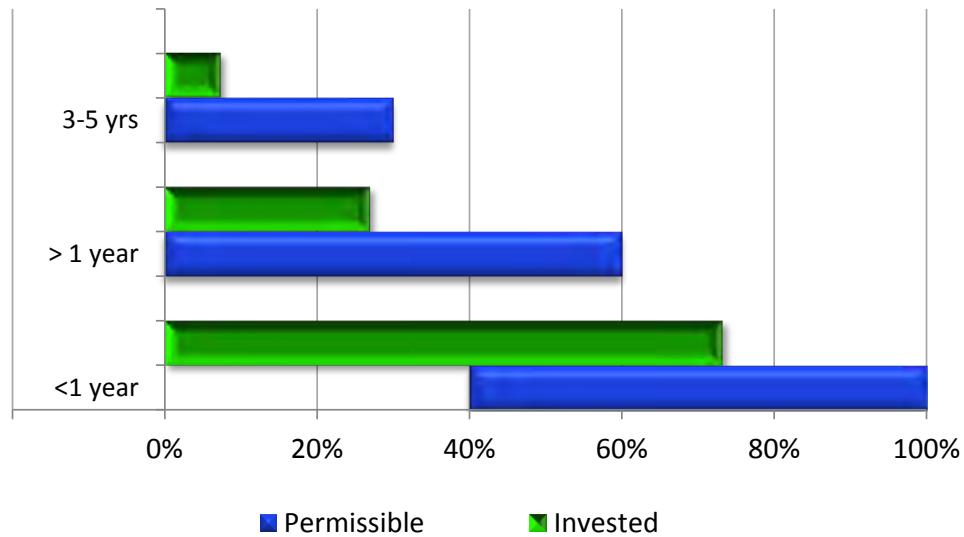
Policy Limits

The following graph shows the limits, as a percentage of total cash investments, of the amounts by period, as allowed under Council's policy, and comparing them to the amounts actually invested, as a percentage of total cash investments.

It shows that the funds invested are within the limits set in the policy.

ITEM 4 (continued)

Policy Limits on Maturities



ITEM 4 (continued)

INVESTMENT SUMMARY AS AT 28 FEBRUARY 2015

Issuer	Investment Name	Investment Rating	Invested at 28-Feb-15 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2014	% of Total Invested	Indicative Market Value ** \$000's	% Market Value
Westpac	1. Westpac At Call	AA-	2,441	2.07	2.34	2.28	1.83	2,441	100.00%
Bank of Queensland	2. Bank of Queensland TD	A-	2,000	3.65	3.58	3.58	1.50	2,000	100.00%
CBA	3. Bankwest Term Deposit	AA-	2,000	3.60	3.59	3.60	1.50	2,000	100.00%
NAB	4. NAB Term Deposit	AA-	1,000	3.55	3.70	3.64	0.75	1,000	100.00%
Westpac	5. Westpac Term Deposit	AA-	1,000	4.35	4.35	4.35	0.75	1,000	100.00%
Westpac	6. Westpac Term Deposit	AA-	500	4.95	4.95	4.95	0.38	500	100.00%
NAB	7. NAB Term Deposit	AA-	1,000	4.08	4.29	4.08	0.75	1,000	100.00%
AMP	8. AMP TD	A	1,000	3.43	3.71	3.56	0.75	1,000	100.00%
MyState CU	9. MyState CU TD	BBB	1,000	3.03	3.57	3.43	0.75	1,000	100.00%
NAB	10. NAB Term Deposit	AA-	2,000	4.10	4.10	4.10	1.50	2,000	100.00%
P&N Bank	11. P&N Bank	BBB	500	3.34	3.36	3.24	0.38	500	100.00%
CBA	12. Bankwest Term Deposit	AA-	2,000	3.43	3.49	3.47	1.50	2,000	100.00%
CBA	13. Bankwest TD	AA-	2,000	3.60	3.59	3.60	1.50	2,000	100.00%
CBA	14. Bankwest TD	AA-	2,000	3.48	3.49	3.48	1.50	2,000	100.00%
CBA	15. Bankwest Term Deposit	AA-	1,500	3.48	3.47	3.44	1.13	1,500	100.00%
NAB	16. NAB Term Deposit	AA-	2,000	3.97	3.97	3.97	1.50	2,000	100.00%
Defence Bank	17. Defence Bank TD	BBB+	1,000	3.44	3.27	3.25	0.75	1,000	100.00%
Beyond Bank	18. Beyond Bank TD	BBB+	500	3.45	3.66	3.59	0.38	500	100.00%
Bendigo and Adelaide Bank	19. Bendigo Bank TD	A-	1,000	3.34	3.54	3.35	0.75	1,000	100.00%
CUA	20. Credit Union Australia TD	BBB+	500	3.85	3.93	3.85	0.38	500	100.00%
Bendigo and Adelaide Bank	21. Rural Bank	A-	1,000	6.48	6.48	6.48	0.75	1,000	100.00%
Banana Coast CU	22. Bananacoast CU TD	Unrated	500	3.55	3.92	3.76	0.38	500	100.00%
CBA	23. CBA TD	AA-	2,000	3.15	5.70	5.66	1.50	2,000	100.00%
Me Bank	24. ME Bank TD	BBB+	1,000	3.78	3.78	3.78	0.75	1,000	100.00%
CBA	25. Bankwest Term Deposit	AA-	1,000	3.09	6.67	6.51	0.75	1,000	100.00%
IMB	26. IMB TD	BBB	1,000	3.43	3.49	3.44	0.75	1,000	100.00%
Summerland CU	27. Summerland CU TD	Unrated	250	5.05	5.05	5.05	0.19	250	100.00%
Heritage Bank	28. Heritage Bank	A-	1,000	3.80	3.80	3.80	0.75	1,000	100.00%
AMP	29. AMP Business Saver	A	1,020	3.01	3.27	3.20	0.77	1,020	100.00%
CBA	30. CBA Term Deposit	AA-	1,000	4.55	4.55	4.55	0.75	1,000	100.00%
Newcastle Perm Bldg Soc	31. Newcastle Perm Bldg Soc	BBB+	1,000	3.19	3.47	3.39	0.75	1,000	100.00%
Greater Bldg Soc	32. Greater Bldg Soc TD	BBB	1,000	3.60	3.63	3.61	0.75	1,000	100.00%
The Rock Bldg Soc	33. The Rock Bldg Soc TD	BBB	1,000	3.03	3.57	3.43	0.75	1,000	100.00%
AMP	34. AMP TD	A	1,000	3.08	6.80	6.63	0.75	1,000	100.00%
CBA	35. CBA TD	AA-	1,000	4.15	3.73	3.83	0.75	1,000	100.00%
CBA	36. CBA TD	AA-	2,000	3.12	3.45	3.49	1.50	2,000	100.00%
Rabobank	37. Rabodirect At-call	AA	5	2.75	3.01	3.00	0.00	5	100.00%
Me Bank	38. ME Bank At Call Account	BBB	1,206	2.83	3.07	3.02	0.91	1,206	100.00%
CBA	39. CBA FRN	AA-	1,000	3.74	3.90	3.91	0.75	1,010	101.02%
Westpac	40. Westpac FRN	AA-	999	3.79	3.95	3.96	0.75	1,009	100.94%
CBA	41. CBA FRN	AA-	999	3.79	3.95	3.96	0.75	1,010	101.02%
NAB	42. NAB FRN	AA-	997	4.28	4.18	4.20	0.75	1,010	101.04%
NAB	43. NAB FRN	AA-	997	4.25	4.17	4.18	0.75	1,010	101.04%
CBA	44. CBA FRN	AA-	997	3.96	4.12	4.13	0.75	1,010	101.02%
ANZ	45. ANZ FRN	AA-	997	4.00	4.16	4.16	0.75	1,009	100.93%
NAB	46. NAB Fixed MTN	AA-	997	5.74	6.25	6.22	0.75	1,063	106.31%
Westpac	47. Westpac Fixed MTN	AA-	998	5.87	6.19	6.18	0.75	1,064	106.36%
Macquarie Bank	48. Macquarie Bank TD	A	500	6.50	6.50	6.50	0.38	500	100.00%
CBA	49. CBA Retail Bond	AA-	966	4.45	4.42	4.43	0.73	971	100.10%
Bendigo and Adelaide Bank	50. Delphi Bank TD	Unrated	250	6.05	6.05	6.05	0.19	250	100.00%
Bendigo and Adelaide Bank	51. Rural Bank TD	A-	1,000	3.14	3.44	3.33	0.75	1,000	100.00%
Me Bank	52. ME Bank TD	BBB+	1,000	3.43	3.76	3.73	0.75	1,000	100.00%
CBA	53. CBA Retail Bonds	AA-	497	4.67	4.63	4.64	0.37	501	100.10%
CBA	54. CBA Retail Bonds	AA-	497	4.70	4.66	4.67	0.37	501	100.10%
Bank of Queensland	55. Bank of Queensland TD	A-	1,000	5.15	5.15	5.15	0.75	1,000	100.00%
Bank of Queensland	56. Bank of Queensland TD	A-	2,000	4.10	4.10	4.10	1.50	2,000	100.00%
BoQ Specialist	57. BoQ Specialist	BBB+	250	6.15	6.15	6.15	0.19	250	100.00%
IMB	58. IMB TD	BBB	1,000	3.50	3.52	3.50	0.75	1,000	100.00%
CBA	59. CBA Retail Bond	AA-	497	4.61	4.58	4.59	0.37	501	100.10%
Westpac	60. St George TD	AA-	1,000	4.05	4.05	4.05	0.75	1,000	100.00%
CBA	61. CBA Retail Bond	AA-	497	4.60	4.57	4.58	0.37	501	100.10%
Bendigo and Adelaide Bank	62. Rural Bank TD	A-	1,000	3.33	3.48	3.43	0.75	1,000	100.00%
ING	63. ING Floating Rate TD	A-	1,000	5.13	5.07	5.08	0.75	1,000	100.00%

ITEM 4 (continued)

Issuer	Investment Name	Investment Rating	Invested at 28-Feb-15 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2014	% of Total Invested	Indicative Market Value ** \$000's	% Market Value
IMB	64. IMB TD	BBB	1,000	3.49	3.51	3.49	0.75	1,000	100.00%
Westpac	65. St George TD	AA+	1,000	4.05	4.05	4.05	0.75	1,000	100.00%
Bank of Queensland	66. Bank of Queensland TD	A-	1,000	3.75	3.73	3.75	0.75	1,000	100.00%
NAB	67. NAB TD	AA-	2,000	3.55	4.33	4.15	1.50	2,000	100.00%
Me Bank	68. ME Bank TD	BBB+	1,000	3.08	3.69	3.67	0.75	1,000	100.00%
Bank of Queensland	69. Bank of Queensland FRN	A-	2,000	4.39	4.34	4.34	1.50	2,016	100.80%
Bendigo and Adelaide Bank	70. Bendigo Bank TD	A-	1,000	3.70	3.70	3.70	0.75	1,000	100.00%
Bendigo and Adelaide Bank	71. Bendigo & Adelaide Bank FRN	A-	1,000	3.83	3.93	3.94	0.75	1,010	100.96%
CBA	72. CBA TD	AA-	1,000	3.19	3.91	3.19	0.75	1,000	100.00%
CBA	73. CBA TD	AA-	1,000	3.75	3.63	3.67	0.75	1,000	100.00%
NAB	74. NAB TD	AA-	1,000	3.55	3.72	3.68	0.75	1,000	100.00%
NAB	75. NAB Term Deposit	AA-	1,000	4.15	4.15	4.15	0.75	1,000	100.00%
NAB	76. NAB Term Deposit	AA-	1,000	4.27	4.27	4.27	0.75	1,000	100.00%
Macquarie Bank	77. Macquarie Bank TD	A	750	3.38	3.77	3.71	0.56	750	100.00%
AMP	78. AMP Term Deposit	A+	2,000	3.43	3.68	3.55	1.50	2,000	100.00%
Bank of Queensland	79. Bank of Queensland TD	A-	2,000	3.15	3.70	3.68	1.50	2,000	100.00%
NAB	80. NAB TD	AA-	2,000	3.55	3.71	3.66	1.50	2,000	100.00%
Bendigo and Adelaide Bank	81. Bendigo and Adelaide Bank FRN	A-	2,000	3.89	4.01	4.02	1.50	1,013	101.25%
Bendigo and Adelaide Bank	82. Rural Bank TD	A-	2,000	3.48	3.58	3.53	1.50	2,000	100.00%
Wide Bay CU	83. Wide Bay CU TD	BBB	1,000	3.43	3.56	3.49	0.75	1,000	100.00%
Newcastle Perm Bldg Soc	84. Newcastle Perm Bldg Soc								
		BBB+	1,000	3.39	3.47	3.43	0.75	1,000	100.00%
Westpac	85. WBC Floating TD	AA-	1,000	3.50	3.67	3.67	0.75	1,000	100.00%
CUA	86. CUA FRN	BBB+	1,000	4.14	4.06	4.07	0.75	1,002	100.20%
Beyond Bank	87. Beyond Bank TD	BBB+	1,000	3.37	3.51	3.48	0.75	1,000	100.00%
CUA	88. CUA TD	BBB+	1,000	3.75	3.75	3.75	0.75	1,000	100.00%
NAB	89. NAB Flexi TD 2	AA-	1,000	3.62	3.74	3.74	0.75	1,000	100.00%
Banana Coast CU	90. Bananacoast CU TD	Unrated	1,000	3.90	3.90	3.90	0.75	1,000	100.00%
Bank of Queensland	91. Bankwest TD	AA-	2,000	3.55	3.47	3.47	1.50	2,000	100.00%
Bank of Queensland	92. Bank of Queensland FRN	A-	1,000	3.81	3.75	3.75	0.75	1,005	100.46%
AMP	93. AMP Notice Account	A+	1,023	3.15	3.39	3.39	0.77	1,023	100.00%
NAB	94. NAB TD	AA-	2,000	3.63	3.63	3.63	1.50	2,000	100.00%
Police Bank	95. Police Bank FRN	BBB+	1,000	3.79	3.82	3.82	0.75	1,001	100.12%
Newcastle Perm Bldg Soc	96. Newcastle Perm Bldg Soc TD	BBB+	1,000	3.24	3.31	3.31	0.75	1,000	100.00%
Bendigo and Adelaide Bank	97. Bendigo Bank TD	A-	2,000	3.48	3.41	3.41	1.50	2,000	100.00%
CUA	98. CUA TD	BBB+	1,000	3.58	3.58	3.58	0.75	1,000	100.00%
Newcastle Perm Bldg Soc	99. Newcastle Perm Bldg Soc	BBB+	1,000	3.39	3.39	3.39	0.75	1,000	100.00%
ANZ	100. ANZ FRN	AA-	2,000	3.42	3.60	3.60	1.50	2,003	100.13%
Me Bank	101. ME Bank FRN	BBB+	2,000	3.63	3.77	3.77	1.50	1,998	99.92%
NAB	102. NAB TD	AA-	2,000	3.55	3.55	3.55	1.50	2,000	100.00%
CBA	103. Bankwest TD	AA-	2,000	3.55	3.52	3.52	1.50	2,000	100.00%
Bendigo and Adelaide Bank	104. Rural Bank TD	A-	2,000	3.45	3.45	3.45	1.50	2,000	100.00%
QT Mutual Bank	105. Queensland Teachers Mutual Bank FRN	BBB+	1,000	3.85	3.85	3.85	0.75	1,000	100.00%
Teachers Mutual Bank	106. Teachers Mutual Bank	BBB+	1,000	3.83	3.83	3.83	0.75	1,000	100.00%
Wide Bay CU	107. Wide Bay CU TD	BBB	750	3.55	3.55	3.55	0.56	750	100.00%
MyState CU	108. MyState CU TD	BBB	750	3.60	3.60	3.60	0.56	750	100.00%
Bankwest TD	109. Bankwest TD	AA-	2,000	3.55	3.55	3.55	1.50	2,000	100.00%
NAB	110. NAB Flexi TD	AA-	1,000	3.81	3.81	3.81	0.75	1,000	100.00%
CBA	111. Bankwest TD	AA-	2,000	3.55	3.55	3.55	1.50	2,000	100.00%
Westpac	112. Westpac FRN	AA-	2,000	3.61	3.61	3.61	1.50	2,004	100.22%
			133,130	3.71	3.88	3.85	100	132,416	

ITEM 4 (continued)

*Monthly returns when annualised can appear to exaggerate performance

**Market valuations are indicative prices only, and do not necessarily reflect the price at which a transaction could be entered into.

Return including Matured/Traded Investments

Weighted Average Return

Benchmark Return: AusBond Bank Bill Index (%)

Variance From Benchmark (%)

Feb	12 Mth	FYTD
3.71	3.92	3.85
2.76	2.63	2.76
0.95	1.29	1.09

Investment Income

	\$000's
This Period	377
Financial Year To Date	3,051
Budget Profile	2,800
Variance from Budget - \$	251

Certificate of the Chief Financial Officer (Responsible Accounting Officer)

I certify that as at the date of this report, the investments listed have been made and are held in compliance with Council's Investment Policy and applicable legislation.



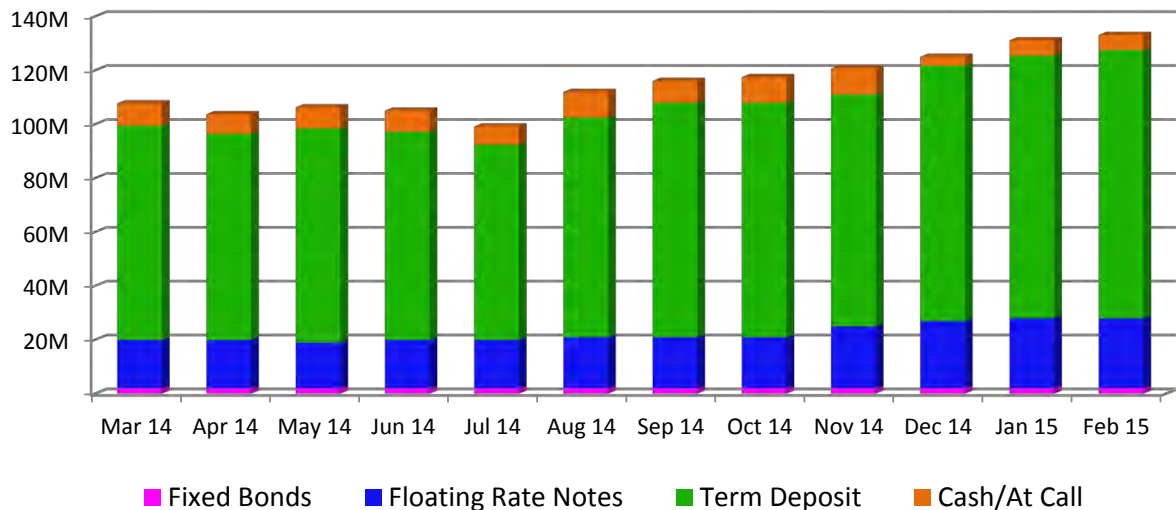
John Todd Date: 04/03/2015

Analysis of investments

The following graphs show analysis of the total cash investments by:

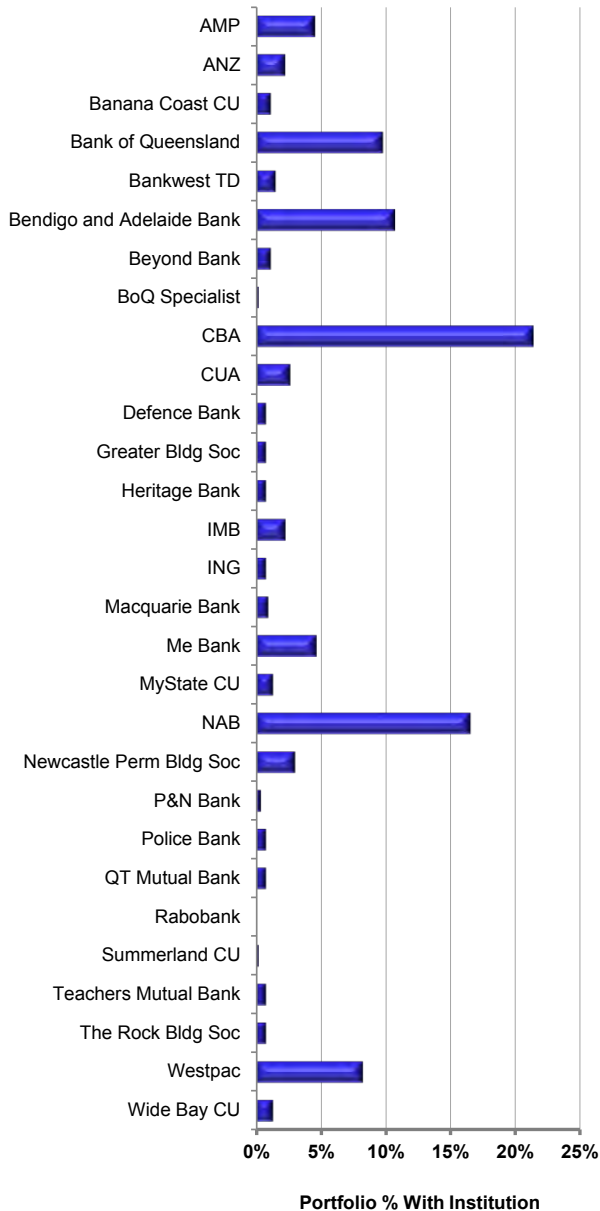
- Type of investment
- Institution
- Duration
- Rating

Total Funds Invested

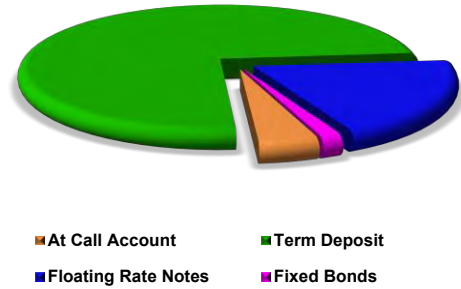


ITEM 4 (continued)

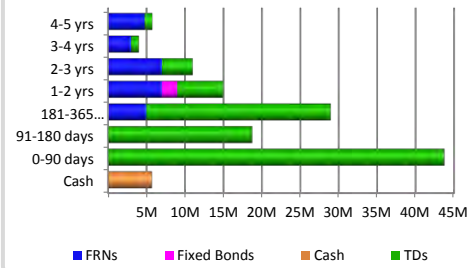
Active Investment by Institution



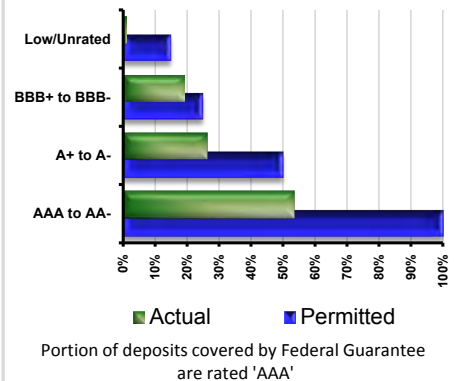
Summary by Investment Type



Summary by Duration



Investment Summary by Rating



	<365 days	>365 days
Cash/TDs	\$91.2M	\$14.0M
FRNs	\$5.0M	\$21.0M
Fixed Bonds	\$0.0M	\$2.0M
	<u>\$96.2M</u>	<u>\$37.0M</u>

Context

The recommendation is consistent with Section 625 of the Local Government Act, which deals with the investment of surplus funds by Councils.

ITEM 4 (continued)

Financial Implications

Income from interest on investments and proceeds from sales of investments totals \$3.05M, being \$251K above revised budget projections, with an adjustment made in the September Quarterly Budget Review. The increase in interest is due mainly to Council receiving more funds for Section 94 contributions.

The Financial Security Reserve has a current balance of \$3.44 million.

ITEM 4 (continued)

ATTACHMENT 1

Council's Property Investment Portfolio

The following properties were held as part of Council's Property Investment portfolio:

	\$'M
2 Dickson Avenue, West Ryde	\$0.82
1A Station Road, West Ryde	\$1.05
8 Chatham Road, West Ryde	\$1.17
202 Rowe Street, Eastwood	\$2.34
226 Victoria Road, Gladesville	\$0.92
7 Anthony Road, West Ryde Car Park site, West Ryde	\$4.46
Herring Road Air Space Rights	Unknown
7 Coulter Street, Coulter St Car Park, Gladesville	\$16.05
6-12 Glen Street, Glen Street Car Park, Eastwood	\$19.40
2 Pittwater Road, John Wilson Car Park, Gladesville	\$6.20
150 Coxs Road, Cox Rd Car Park, North Ryde	\$1.24
33-35 Blaxland Road, Argyle Centre, Ryde	\$6.50
19-21 Church Street and 16 Devlin Street, Ryde	Unknown
1 Constitution Road, Operations Centre, Ryde	\$25.10
741-747 Victoria Road, Ryde	\$4.60
53-71 Rowe Street, Eastwood	\$2.09
6 Reserve Street, West Ryde	\$0.32M
Total	\$92.26M

Benchmark

The Australian UBS Bank Bill index is constructed as a benchmark to represent the performance of a passively managed short-term money market portfolio. It comprises thirteen Bank Bills of equal face value, each with a maturity seven days apart. The average term to maturity is approximately 45 days. A Bank Bill is a non-interest bearing security issued by a bank whereby the bank takes on an obligation to pay an investor a fixed amount (face value) at a fixed future date. It is sold to an investor at a discount to the face value. Bank Bills are short-term money market investments with maturities usually between 30 days and 180 days.

Types of Investments

The following are the types of investments held by Council:

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 Floating Rate Note (FRN) is a debt security issued by a company with a variable interest rate. This can either be issued as Certificates of Deposit (CD) or as Medium Term Notes (MTN). The interest rate can be either fixed or floating, where the adjustments to the interest rate are usually made quarterly and are tied to a certain money market index such as the Bank Bill Swap Rate.

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ATTACHMENT 1

A Fixed Rate Bond is a debt security issued by a company with a fixed interest rate over the term of the bond.

Credit Rating Information

Credit ratings are generally a statement as to an institution's credit quality. Ratings ranging from AAA to BBB- (long term) are considered investment grade.

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

- AAA: the best quality companies, reliable and stable
- AA: quality companies, a bit higher risk than AAA
- A: economic situation can affect finance
- BBB: medium class companies, which are satisfactory at the moment
- BB: more prone to changes in the economy
- B: financial situation varies noticeably
- CCC: currently vulnerable and dependent on favourable economic conditions to meet its commitments
- CC: highly vulnerable, very speculative bonds
- C: highly vulnerable, perhaps in bankruptcy or in arrears but still continuing to pay out on obligations
- D: has defaulted on obligations and it is believed that it will generally default on most or all obligations

Note: Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Council's Investment Powers

Council's investment powers are regulated by Section 625 of the Local Government Act, which states:

- (1) A council may invest money that is not, for the time being, required by the council for any other purpose.
- (2) Money may be invested only in a form of investment notified by order of the Minister published in the Gazette.
- (3) An order of the Minister notifying a form of investment for the purposes of this section must not be made without the approval of the Treasurer.
- (4) The acquisition, in accordance with section 358, of a controlling interest in a corporation or an entity within the meaning of that section is not an investment for the purposes of this section.

Council's investment policy requires that all investments are to be made in accordance with:

ITEM 4 (continued)

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Local Government Act 1993 - Section 625
Local Government Act 1993 - Order (of the Minister) dated 12 January 2011
The Trustee Amendment (Discretionary Investments) Act 1997 – Sections 14A(2), 14C(1) & (2)
Local Government (Financial Management) Regulation 1993
Investment Guidelines issued by the Department of Local Government

Financial Security Reserve Transactional History

Starting Balance	8,000,000.00	10 Oct 2008
Write off Constellation	(1,000,000.00)	10 Oct 2008
Write off Rembrandt	(1,000,000.00)	10 Oct 2008
Write off Palladin	(2,000,000.00)	10 Oct 2008
Write off Alpha	(1,000,000.00)	10 Oct 2008
Write off Covent Garden	(2,000,000.00)	10 Oct 2008
Write off Oasis	(1,000,000.00)	10 Oct 2008
FY2009 and FY2010		
Interest Payments		
Default of Constellation - Residual	21,615.62	10 Oct 2008
Default of Palladin - Residual	-	28 Oct 2008
Default of Rembrandt - Residual	68,393.78	27 Oct 2008
FY2010		
Interest Payments	50,334.01	
FY2011		
Starting balance 1 July 2010	140,343.41	
Sale of Flinders	301,000.00	12 Aug 2010
Quartz Maturity	209,626.75	20 Oct 2010
Sale of Glenelg	160,000.00	29 Dec 2010
Interest on Grange IMP Sept	31,561.37	
Interest on Grange IMP Dec	24,731.75	
Interest on Grange IMP Mar	10,310.63	
Interest on Grange IMP June	16,092.08	
Interest on Oasis	81,758.10	
Interest on Alpha	12,534.80	
Interest on Covent Garden	16,521.58	
Default of Covent Garden	-	29 Mar 2011
Closing balance FY 2011	1,004,480.47	
FY2012		
Interest on Oasis	42,942.41	
Interest on Alpha	4,837.56	
Interest on Grange IMP Sept	9,862.09	
Interest on Grange IMP Dec	129.02	
Maturity of Alpha	1,001,974.90	20 Mar 2012
Interest on Grange IMP March	123.38	
Closing Balance FY 2012	2,064,349.83	
FY2013		
Interest on Oasis FY2013	20,215.91	
Sale of Oasis	219,266.42	23 Jan 2013
Grange Settlement -Beryl	559,966.39	25 Feb 2013
Grange Settlement -Zircon	192,383.73	25 Feb 2013
Rembrandt Settlement	381,695.85	04 Apr 2013
Closing Balance FY 2013	3,437,878.13	

ITEM 4 (continued)

ATTACHMENT 1

Overview of Investments

An overview of all investments held by the City of Ryde as at 28 February is provided below:

1. **Westpac at Call Account (AA-):** This investment is an at call account, paying the short term money market rate. These funds are used for operational purposes.
2. **Bank of Queensland Term Deposit (A-):** This investment is a 99 day term deposit paying 3.45% (3.50% annualised), and matures 22 April 2015.
3. **Bankwest Term Deposit (AA-):** This investment is a one year term deposit paying 3.60% (3.60% annualised), and matures 22 April 2015.
4. **NAB Term Deposit (AA-):** This investment is a one year term deposit, paying 3.55% p.a. (3.55% annualised), and matures 6 Oct 2015.
5. **Westpac Term Deposit (AA-):** This investment is a two year term deposit, paying 4.35% % (4.35% annualised), and matures 29 May 2015.
6. **Westpac Term Deposit (AA-):** This investment is a three year term deposit, paying 4.95% pa, and matures 21 September 2015.
7. **NAB Term Deposit (AA-):** This investment is a two year term deposit, paying 4.05% p.a., and matures 4 April 2016.
8. **AMP Term Deposit (A+):** This investment is a 182 day term deposit, paying 3.40% p.a. (3.43% annualised), and matures 30 July 2015.
9. **MyState Credit Union Term Deposit (BBB):** This investment is a 91 day term deposit, paying 3.00% (3.03% annualised), and matures 28 May 2015.
10. **NAB Term Deposit (AA-):** This investment is a two year term deposit, paying 4.10% p.a., and matures 11 March 2016.
11. **P&N Bank (Unrated):** This investment is a 91 day term deposit, paying 3.30% (3.34% annualised) and matures on 5 March 2015.
12. **Bankwest Term Deposit (AA-):** This investment is a 180 day term deposit, paying 3.40% p.a. (3.43% annualised), and matures 21 April 2015.
13. **Bankwest Term Deposit (AA-):** This investment is a one year term deposit, paying 3.60% p.a. (3.60% annualised), and matures 8 May 2015.
14. **Bankwest Term Deposit (AA-):** This investment is a 182 day term deposit, paying 3.45% p.a. (3.48% annualised), and matures 30 April 2015.

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ATTACHMENT 1

- 15. Bankwest Term Deposit (AA-):** This investment is a 187 day term deposit, paying 3.45% p.a. (3.48% annualised), and matures 19 May 2015.
- 16. NAB Term Deposit (AA-):** This investment is a two year term deposit, paying 4.05% p.a., and matures 25 February 2016.
- 17. Defence Bank Term Deposit (BBB+):** This investment is a 91 day term deposit paying 3.40% (3.44% annualised) and matures on 5 March 2015.
- 18. Beyond Bank Term Deposit (BBB+):** This investment is a 180 day term deposit paying 3.42% (3.45% annualised) and matures on 14 April 2015.
- 19. Bendigo Bank TD (A-):** This investment is a 91 day term deposit paying 3.30% (3.34% annualised) and matures on 10 March 2015.
- 20. Credit Union Australia Term Deposit (BBB+):** This investment is a one year term deposit, paying 3.85% (3.85% annualised), and matures on 7 May 2015.
- 21. Rural Bank Term Deposit (A-):** This investment is a five year term deposit, paying 6.48% p.a., and matures on 21 March 2017.
- 22. Bananacoast CU Term Deposit (Unrated):** This investment is a one year term deposit paying 3.55% p.a. and matures on 7 January 2016.
- 23. CBA Term Deposit (AA-):** This investment is a 213 day term deposit paying 3.15% (3.15% annualised) and matures on 24 September 2015.
- 24. ME Bank Term Deposit (BBB+):** This investment is a 366 day term deposit paying 3.78% (3.78% annualised) and matures on 5 March 2015.
- 25. Bankwest TD (AA-):** This investment is a 62 day term deposit paying 3.05% (3.09% annualised) and matures on 16 April 2015.
- 26. IMB Term Deposit (Unrated):** This investment is a 181 day term deposit paying 3.40% (3.43% annualised) and matures on 21 September 2015.
- 27. Summerland CU Term Deposit (Unrated):** This investment is a three year term deposit paying 5.05% pa and matures on 14 July 2015.
- 28. Heritage Bank (A-):** This investment is a 364 day term deposit paying 3.80% (3.80% annualised) and matures on 12 March 2015.
- 29. AMP Business Saver at call account (A+):** This investment is an at-call account earning 3.35%. No fees are payable by Council on this investment.
- 30. CBA Term Deposit (AA-):** This investment is a three year term deposit paying 4.55% annually and matures on 16 May 2016.

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- 31. Newcastle Permanent Building Society Term Deposit (BBB+):** This investment is a 36 day term deposit, paying 3.10% (3.14% annualised), and matures on 10 February 2016.
- 32. Greater Building Society Term Deposit (BBB):** This investment is a one year term deposit, paying 3.60% pa, and matures on 7 August 2015.
- 33. The Rock Building Society Term Deposit (BBB):** This investment is a 91 day term deposit paying 3.00% p.a. (3.03% annualised), and matures 28 May 2015.
- 34. AMP Term Deposit (A+):** This investment is a one year term deposit paying 3.05% p.a. which matures on 18 February 2016.
- 35. CBA Term Deposit (AA-):** This investment is a 216 day term deposit paying 3.10% (3.12% annualised), and matures on 1 October 2015.
- 36. CBA Term Deposit (AA-):** This investment is a five year term deposit paying 4.15% pa, and matures on 18 November 2019.
- 37. Rabodirect At-Call (AA):** This investment is an at call account, paying the short term money market rate. These funds are used for operational purposes.
- 38. Members Equity Bank At-Call Account (BBB):** This investment is an at call account, paying the short term money market rate. These funds are used for operational purposes.
- 39. CBA FRN (AA-):** This investment is a senior, unsecured floating rate note purchased at a yield of 120 above BBSW. This investment matures 2 August 2016.
- 40. Westpac Floating Rate Note (AA-):** This investment is a senior, unsecured floating rate note purchased at a yield of 123 above BBSW. This investment matures 9 May 2016.
- 41. CBA FRN (AA-):** This investment is a senior, unsecured floating rate note purchased at a yield of 125 above BBSW. This investment matures 2 August 2016.
- 42. National Australia Bank FRN (AA-):** This investment is a senior, unsecured floating rate note purchased at a yield of 142 above BBSW. This investment matures 21 June 2016.
- 43. National Australia Bank FRN (AA-):** This investment is a senior, unsecured floating rate note purchased at a yield of 140 above BBSW. This investment matures 21 June 2016.

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- 44. CBA FRN (AA-):** This investment is a senior, unsecured floating rate note purchased at a yield of 140 above BBSW. This investment matures 2 August 2016.
- 45. ANZ FRN (AA-):** This investment is a senior, unsecured floating rate note purchased at a yield of 142 above BBSW. This investment matures 9 May 2016.
- 46. NAB Fixed MTN (AA-):** This is a fixed rate bond paying 6.18% (6.30% annualised) and matures 15 February 2017.
- 47. Westpac Fixed MTN (AA-):** This is a fixed rate bond paying 6.00% (6.14% annualised) and matures 20 February 2017.
- 48. Macquarie Bank Term Deposit (A):** This is a five year term deposit paying 6.50% (6.50% annualised) and matures 3 April 2017.
- 49. CBA Retail Bond (AA-):** This is a senior, unsecured floating rate note purchased at a yield of 160 above BBSW. This investment matures 24 December 2015.
- 50. Delphi Bank Term Deposit (Unrated):** This investment is a five year term deposit paying 6.05% p.a. and matures on 15 May 2017.
- 51. Rural Bank Term Deposit (Unrated):** This investment is a 63 day term deposit paying 3.40% (3.43% annualised) and matures on 26 March 2015.
- 52. ME Bank Term Deposit (BBB+):** This investment is a 366 day term deposit paying 4.33% p.a. (4.33% annualised) and matures on 5 March 2015.
- 53. CBA Retail Bonds (AA-):** This is a senior, unsecured floating rate note purchased at a yield of 182 above BBSW. This investment matures 24 December 2015.
- 54. CBA Retail Bonds (AA-):** This is a senior, unsecured floating rate note purchased at a yield of 184 above BBSW. This investment matures 24 December 2015.
- 55. Bank of Queensland Term Deposit (A-):** This investment is a five year term deposit paying 5.15% (5.15% annualised) and matures 20 November 2018.
- 56. Bank of Queensland Term Deposit (A-):** This investment is a 2 year term deposit paying 4.10% (4.10% annualised) and matures 3 March 2016.
- 57. BoQ Specialist Bank (formerly Investec) Term Deposit (BBB+):** This investment is a five year term deposit paying 6.95% on maturity (6.15% annualised) and matures 15 August 2017.

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- 58. IMB Term Deposit (BBB):** This investment is a one year term deposit paying 3.50% on maturity (3.50% annualised) and matures 14 August 2015.
- 59. CBA Retail Bonds (AA-):** This is a senior, unsecured floating rate note purchased at a yield of 175 above BBSW. This investment matures 24 December 2015.
- 60. St George Term Deposit (AA-):** This investment is a two year term deposit paying 4.05% (4.05% annualised and matures on 27 August 2015.
- 61. CBA Retail Bonds (AA-):** This is a senior, unsecured floating rate note purchased at a yield of 174 above BBSW. This investment matures 24 December 2015.
- 62. Rural Bank Term Deposit (A-):** This investment is a one year term deposit, paying 3.60 p.a. and matures on 7 August 2015.
- 63. ING Floating Rate Term Deposit (A):** This is a five year floating rate term deposit paying 2.30% above 90 day BBSW, and matures 4 September 2017.
- 64. IMB Deposit (BBB):** This is a 125 day term deposit paying 3.45% (3.49% annualised), and matures 7 April 2015.
- 65. St George Term Deposit (AA-):** This is a two year term deposit paying 4.05% (4.05% annualised), and matures 13 August 2015.
- 66. Bank of Queensland Term Deposit (BBB+):** This is a one year term deposit paying 3.75% (3.75% annualised) and matures 14 May 2015.
- 67. NAB Term Deposit (AA-):** This is a one year term deposit paying 3.55% pa and matures 15 December 2015.
- 68. Members Equity Bank Term Deposit (BBB):** This is a 126 day term deposit paying 3.05% (3.08% annualised) and matures 25 June 2015.
- 69. Bank of Queensland FRN (BBB+):** This is a senior, unsecured floating rate note purchased at a yield of 160 above BBSW. This investment matures 7 December 2015.
- 70. Bendigo Bank Term Deposit (A-):** This investment is a one year term deposit paying 3.70% annually and matures 22 May 2015.
- 71. Bendigo Bank FRN (A-):** This is a senior, unsecured floating rate note purchased at a yield of 120 above BBSW. This investment matures 17 May 2017.

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- 72. CBA Term Deposit (AA-):** This investment is a one year term deposit paying 3.19% pa and matures 9 February 2016.
- 73. CBA Term Deposit (AA-):** This investment is a three year term deposit paying 3.75% pa and matures 20 November 2017.
- 74. NAB Term Deposit (AA-):** This investment is a one year term deposit paying 3.55% pa and matures 6 November 2015.
- 75. NAB Term Deposit (AA-):** This investment is a two year term deposit paying 4.15% (4.15% annualised) and matures 13 August 2015.
- 76. NAB Term Deposit (AA-):** This investment is a two year term deposit paying 4.27% (4.27% annualised) and matures 25 August 2015.
- 77. Macquarie Bank Term Deposit (A):** This investment is a 181 day term deposit paying 3.35% (3.38% annualised) and matures 16 June 2015.
- 78. AMP Term Deposit (A+):** This investment is a 189 day term deposit paying 3.40 (3.43% annualised), and matures 19 March 2015.
- 79. Bank of Queensland TD (A-):** This is a one year term deposit paying 3.15% p.a., and matures 11 February 2016.
- 80. NAB Term Deposit (AA-):** This investment is a one year term deposit paying 3.55% and matures 9 October 2015.
- 81. Bendigo Bank FRN (A-):** This is a senior, unsecured floating rate note purchased at a yield of 127 above BBSW. This investment matures 14 November 2018.
- 82. Rural Bank Term Deposit (A-):** This investment is a 181 day term deposit, paying 3.45% (3.48% annualised), and matures on 24 March 2015.
- 83. Wide Bay CU Term Deposit (BBB):** This investment is a 182 day term deposit paying 3.40% (3.43% annualised) and matures on 10 March 2015.
- 84. Newcastle Permanent Building Society (BBB+):** This investment is an 89 day term deposit, paying 3.35% (3.39% annualised), and matures on 3 March 2015.
- 85. Westpac Floating Rate Term Deposit (AA-):** This investment is a 25 month floating rate term deposit paying 90d BBSW + 95 and matures 9 February 2016.
- 86. Credit Union Australia Floating Rate Note (BBB+):** This is a senior, unsecured floating rate note purchased at a yield of 130 above BBSW. This investment matures 20 March 2017.

ITEM 4 (continued)

ATTACHMENT 1

- 87. Beyond Bank Term Deposit (BBB+):** This investment is a 91 day term deposit paying 3.33% (3.37% annualised) and matures on 24 March 2015.
- 88. Credit Union Australia Term Deposit (BBB+):** This investment is a 364 day term deposit paying 3.75% (3.75% annualised) and matures on 26 March 2015.
- 89. NAB Floating Rate Term Deposit (AA-):** This investment is a two year floating rate term deposit paying 90d BBSW + 100 and matures 16 May 2016.
- 90. Bananacoast Credit Union Term Deposit (Unrated):** This investment is a one year term deposit paying 3.90%, and matures 22 May 2015.
- 91. Bankwest Term Deposit (A-):** This investment is a 93 day term deposit paying 3.50% (3.55% annualised), and matures 16 April 2015.
- 92. Bank of Queensland FRN (AA-):** This investment is a four year floating rate term deposit paying 90d BBSW + 100 and matures 12 June 2018.
- 93. AMP 31 Day Notice Account (A+):** This investment is an account which pays +100 over the cash rate.
- 94. NAB Term Deposit (AA-):** This investment is a one year term deposit paying 3.63% and matures 14 August 2015.
- 95. Police Bank Floating Rate Note (BBB+):** This is a senior, unsecured floating rate note purchased at a yield of 110 above BBSW. This investment matures 21 August 2017.
- 96. Newcastle Permanent Building Society (BBB+):** This investment is an 89 day term deposit, paying 3.20% (3.24% annualised), and matures on 5 May 2015.
- 97. Bendigo Bank Term Deposit (A-):** This investment is a 184 day term deposit paying 3.45% (3.48% annualised) and matures 18 June 2015.
- 98. Credit Union Australia Term Deposit (BBB+):** This investment is a 181 day term deposit paying 3.55% (3.58% annualised) and matures on 3 March 2015.
- 99. Newcastle Permanent Building Society (BBB+):** This investment is a 91 day term deposit, paying 3.35% (3.39% annualised), and matures on 12 March 2015.
- 100. ANZ Floating Rate Note (AA-):** This is a senior, unsecured floating rate note purchased at a yield of 85 above BBSW. This investment matures 11 November 2019.
- 101. ME Bank Floating Rate Note (BBB+):** This is a senior, unsecured floating rate note purchased at a yield of 100 above BBSW. This investment matures 17 November 2017.

ITEM 4 (continued)

ATTACHMENT 1

102.NAB Term Deposit (AA-): This investment is a one year term deposit paying 3.55% pa and matures 3 December 2015.

103.Bankwest Term Deposit (AA-): This investment is a 98 day term deposit paying 3.50% (3.55% annualised) and matures 16 April 2015.

104.Rural Bank Term Deposit (A-): This investment is a 120 day term deposit paying 3.41% (3.45% annualised) and matures 2 April 2015.

105.Queensland Teachers Mutual Bank Floating Rate Note (BBB+): This is a senior, unsecured floating rate note purchased at a yield of 105 above BBSW. This investment matures 11 December 2017.

106.Teachers Mutual Bank Floating Rate Note (BBB+): This is a senior, unsecured floating rate note purchased at a yield of 105 above BBSW. This investment matures 4 December 2017.

107.Wide Bay Credit Union Term Deposit (BBB): This investment is a 94 day term deposit, paying 3.50% (3.54% annualised), and matures on 12 March 2015.

108.MyState Credit Union Term Deposit (BBB): This investment is a one year term deposit, paying 3.60% pa, and matures on 8 December 2015.

109.Bankwest Term Deposit (AA-): This investment is a 91 day term deposit paying 3.50% (3.55% annualised) and matures 12 March 2015.

110.NAB Flexi Term Deposit (AA-): This investment is a two year floating TD paying 103 above 90 day BBSW and matures 9 January 2017.

111.Bankwest Term Deposit (AA-): This investment is a 94 day term deposit paying 3.50% (3.55% annualised) and matures 9 April 2015.

112.Westpac Floating Rate Note (AA-): This is a senior, unsecured floating rate note purchased at a yield of 90 above BBSW. This investment matures 22 January 2020.

5 INVESTMENT POLICY AND GUIDELINES - Revision - March 2015

Report prepared by: Chief Financial Officer

File No.: FIM/07/6/1/5 - BP15/286

REPORT SUMMARY

This report provides Council with a revised Investment Policy and Guidelines following a review and advice from Council's Independent Investment Advisor, CPG Research and Advisory Pty Ltd.

Council last confirmed its Investment Policy and Guidelines at its meeting on 27 August 2013.

Council has regularly reviewed and revised its Investment Policy and Guidelines in order to ensure it adheres to legislative requirements and to ensure it continues to provide a prudent framework for the investment of Council's funds.

The adoption of the revised Investment Policy and Guidelines will maintain Council's policy in line with the Minister's Order and Office of Local Government's (OLG) Investment Guidelines and further strengthen Council's governance framework in respect of the management of its investment portfolio. The key areas recommended in modifying Council's Policy are:

- reconfirming the investment terms (Clause 10(d))
- adopting criteria to guide investment decisions (Clauses 8, 9, 10)
- removal of the restriction for Council to invest in unrated Approved Deposit Institutions (ADIs) (Clause 10a)
- removal of the restriction in investing in foreign owned subsidiary ADIs (Clause 10a).

RECOMMENDATION:

That Council adopt the revised Investment Policy and Guidelines, as **ATTACHED** to this report including the following amendments:

- (a) The removal of the restriction for Council to invest in Unrated Approved Deposit Institutions (ADIs).
- (b) The removal of the restriction for Council to invest in foreign owned subsidiary Approved Deposit Institutions (ADIs).

ATTACHMENTS

- 1 Investment Policy - March 2015
- 2 Investment Policy Guidelines - August 2014 - CPG proposed review - as amended

ITEM 5 (continued)

Report Prepared By:

John Todd
Chief Financial Officer

Report Approved By:

Roy Newsome
Group Manager - Corporate Services

ITEM 5 (continued)

Discussion

Council reviews its Investment Policy and guidelines, each year, with an aim to ensure Council's policy is fully compliant with legislation and in an effort to optimise Council's return on investments.

This review has included meeting with Council's Investment Advisor, CPG Research and Advisory Pty Ltd (CPG), with their recommendations included in the revised guidelines, which is **ATTACHMENT 2**.

The key areas of changes were circulated to Councillors in the Councillor Information Bulletin on 5 March 2015. The recommended changes in respect of Council's Investment Policy and Guidelines or points to note from the advice received from CPG Research and Advisory Pty Ltd are as follows:

- Inclusion of other legislative requirements - (Clause 3)
- Minor wording changes to clarify specific points
- Additional onus on Council Officers to ensure skill, support and oversight of investments - (Clause 4)
- Review of the Prohibited Investments section, to clarify and conform with the Ministerial Order - (Clause 8)
- Change in the definition of some of the risks and inclusion of Rollover Risk (Clause 9)
- Clause 10 (a) – CPG have questioned the restriction on Unrated Approved Deposit Institutions (ADIs). CPG have recommended removing this restriction.
- Clause 10 (a) – CPG have questioned the restrictions by Council on foreign owned subsidiary ADIs. CPG have recommended removing this restriction.
- Recommended changes to the percentages within Portfolio Limits - (Clause 10 (b))
- Further definition around “major banks” and other ADIs – (Clause 10(b) and 10(c))
- Clause 10(d) – CPG have questioned the maximum term allowed, as it restricts the ability to invest in bank bonds of longer maturity and higher returns. They have indicated that there are no fixed bonds in the market, at the moment, which are a good investment. Therefore this restriction should be noted for future reviews, where it may be worthwhile for Council to remove this restriction.

ITEM 5 (continued)

- Clarity around divestment of non-complying investments, where they cannot be broken - (Clause 11)
- Inclusion of no commissions being payable to Investment Advisors – (Clause 12)
- Clarification to allow another index if the Bank Bill Index is no longer available - (Clause 14)
- Added sections, being:
 - Accounting - (Clause 16)
 - Third Party Suppliers and Dealers - (Clause 17)
 - Safe Custody Arrangements - (Clause 18)

In respect of the above changes, the major three areas highlighted by CPG in this review are explained in comments provided by CPG, as detailed below;

1. Given that Council would only invest in Term Deposits within the unrated ADI sector - the requirement for an ADI needing to be greater than \$1bn in assets is not ideal. As we mentioned, the entire ADI sector including the unrated credit unions and building societies have performed strongly throughout the onset of the GFC, exhibiting high capital adequacy ratios and strong balance sheets. All ADIs were treated equally with regards to the government guarantee – the \$250k guarantee on deposits still applies.
2. In reality, unless there is a compelling reason, foreign owned subsidiaries will not be highly recommended and widespread across the portfolio. The majority of Council's assets will continue to be invested with the domestic ADIs. This just gives Council the flexibility to invest with them if there is a compelling offer. With the restrictive investment guidelines already set in place by the Minister's Order, given we are expecting a low interest rate environment for the foreseeable future, we would want Council to at least have the option of looking at other ADIs outside the domestic names.
3. With regards to the term to maturity for investments greater than 5 years, reiterating that in the current economic environment, there are not too many (if at all) attractive complying investments that we would recommend for Council to invest beyond 5 years.

It is therefore recommended based on the advice of CPG Research and Advisory Pty Ltd, that Council make the following changes in Clause 10(a):

- removal of the restriction on Unrated ADIs.
- removal of the restriction to invest in foreign owned subsidiary ADIs.

ITEM 5 (continued)

Both of these are considered as restricting Council's ability to achieve its maximum return on its investments, noting that both provisions are additional restrictions over the current Minister's Order. These restrictions were made by Council when it last reviewed the Investment Policy and Guidelines in August 2013.

These recommendations have been incorporated into the revised Investment Policy (**ATTACHMENT 1**) and revised Investment Guidelines (**ATTACHMENT 2**), with the exception of the recommended changes to Clause 10 (a) Institutional Limitations, detailed in this report.

Financial Implications

Adoption of the option(s) outlined in this report will have no financial impact.

ITEM 5 (continued)

ATTACHMENT 1

INVESTMENT POLICY



Scope

The Investment Policy stipulates the mandatory requirements for the investing of Council's funds in complying with all legislative requirements including the Minister for Local Governments Investment Order and requires that all investment activities be exercised with care, diligence and skill of a prudent person and not for speculative purposes.

Purpose

The Investment Policy provides a framework for the investing of Council's funds at the most favourable rate of interest available to it at the time, whilst having due consideration of risk and security for that investment type and ensuring that its liquidity requirements are being met.

While exercising the power to invest, consideration needs to be given to preservation of capital, liquidity, and the return of investment.

Guidelines / Procedures

The attached Investment Policy Guidelines detail how the Investment Policy is to be implemented and incorporates Council's principal objectives for investing, the legislative requirements in investing, who is authorised to make investments, approved investments under the Minister's Order, Council's Investment Advisor, the use of the risk management framework to be adopted when assessing investments to measuring, benchmarking and reporting on the performance of Council's Investment Portfolio.

References - Legislation

References - Legislation

All investments are required to comply with the following:

- Local Government Act 1993 - Section 412 & 625;
- Local Government Act 1993 – Order (of the Minister) Circular No: 11/01 gazetted on 17 February 2011, or most current.
- The Trustee Amendment (Discretionary Investments) Act 1997 – Sections 14A(2), 14C(1) & (2);
- Local Government (General) Regulation 2005 – Clause 212.

Title of Policy		
Owner: Chief Financial Officer	Accountability: Investments management	Policy Number: CSF003
Trim Reference: D15/22739	Review date: March 2015	Endorsed: Council 24 March 2015

ITEM 5 (continued)

ATTACHMENT 1

INVESTMENT POLICY



Review Process and Endorsement

This Policy should be reviewed annually or as required in the event of legislative change by Council. Any amendment to the Investment policy must be by way of Council resolution.

Attachments

<i>Title</i>	<i>Trim Reference</i>
Investment Policy Guidelines	D13/58009

Title of Policy		
Owner: Chief Financial Officer	Accountability: Investments management	Policy Number: CSF003
Trim Reference: D15/22739	Review date: March 2015	Endorsed: Council 24 March 2015

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ATTACHMENT 2

INVESTMENT POLICY GUIDELINE

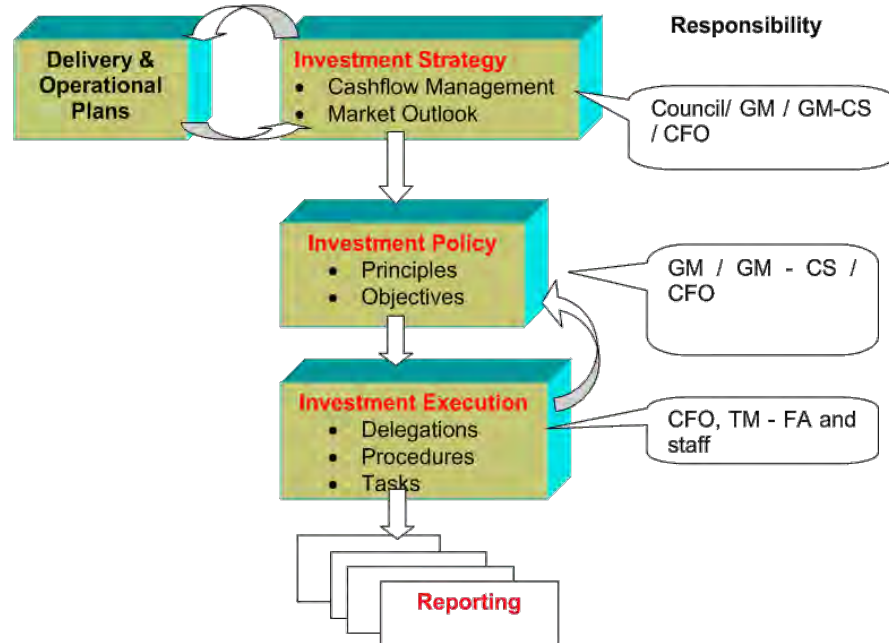
Related Policy

These guidelines relate to the Investment Policy, as adopted by Council.

Guideline

1 Relation of Investment Policy within Council

The following diagram shows how the Investment Policy relates to other policies, plans and strategy within Council.



- * GM General Manager
- * GM – CS Group Manager, Corporate Services
- * CFO Chief Financial Officer
- * TM – FA Team Manager Financial Accounting

Investment Policy Guideline		
Owner: Chief Financial Officer	Accountability: Investments management	Issue: CSF003/1
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ITEM 5 (continued)

ATTACHMENT 2

INVESTMENT POLICY GUIDELINE



2 Objectives

To provide a framework for the investing of Council's funds at the most favourable rate of interest available to it at the time to maximise returns, whilst having due consideration of risk and security for that investment type and ensuring that its liquidity requirements are being met.

While exercising the power to invest, consideration needs to be given to preservation of capital, liquidity, and the return of investment.

- (a) Preservation of capital is the principal objective of the investment portfolio. Investments are to be placed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.
- (b) Investments should be allocated to ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment.
- (c) Investments are to generate income that exceeds the performance benchmarks while taking into account Council's risk tolerance.
- (d) Compliance with legislation, regulations, the prudent person tests of the *Trustee Act* and best practice guidelines.

3 Legislative Requirements

All investments are to comply with the following:

- *Local Government Act 1993* - Section 412 & 625;
- *Local Government Act 1993* – Order (of the Minister) Circular No: 11/01 gazetted on 17 February 2011, or most current.
- *The Trustee Amendment (Discretionary Investments) Act 1997* – Sections 14A(2), 14C(1) & (2);
- *Local Government (General) Regulation 2005* – Clause 212;
- Australian Accounting Standards;
- Office of Local Government Investment Policy Guidelines; and
- Office of Local Government Circulars.

Extracts are included in Schedule 1.

4 Delegation of Authority to Invest

Authority for implementation of the Investment Policy is delegated by Council to the General Manager in accordance with Section 377 of the *Local Government Act 1993*.

Investment Policy Guideline		
Owner: Chief Financial Officer	Accountability: Investments management	Issue: CSF003/1
Trim Reference: D13/58009	Policy: Investment Policy – CSF003	Page 2 of 17

ITEM 5 (continued)

ATTACHMENT 2

INVESTMENT POLICY GUIDELINE

The General Manager may in turn delegate the day-to-day management of Council's investments to the Responsible Accounting Officer or senior staff, subject to regular reviews.

Officers' delegated authority to manage Council's investments shall be recorded and required to acknowledge they have received a copy of this policy and understand their obligations in this role. They must ensure that adequate skill, support and oversight are exercised in the investment of Council's funds.

The General Manager has delegated to the Chief Financial Officer, Council's Responsible Accounting Officer, the authority to authorise investments up to the value of \$2 million in accordance with Council's Investment Policy - subject to prior consultation with the Group Manager Corporate Services.

The General Manager has delegated to the Group Manager Corporate Services the authority to authorise investments up to the value of \$4 million in accordance with Council's Investment Policy - subject to prior consultation with the General Manager.

Any proposed investments over \$4 million are reviewed by the Chief Financial Officer for recommendation to the Group Manager Corporate Services for recommendation and referral to the General Manager for approval, if the General Manager deems it appropriate.

5 Prudent Person Standard

The investment portfolio will be managed with the care, diligence and skill that a prudent person would exercise. As trustees of public monies, officers are to manage Council's investment portfolio to safeguard the portfolio in accordance with the spirit of this Investment Policy and not for speculative purposes.

A prudent person is entrusted to act with a duty of care, not as an average person would act but as a wise, cautious and judicious person. Such a person will:

- Have a full understanding of Council's Investment Policy
- Understand the legislative constraints regarding Council's investments
- Actively manage investments by regular market monitoring. Performance of investments is to be reviewed (individually and as a whole portfolio) on a monthly basis. Where necessary, advice and assistance should be sought from professional people with experience in investment markets. Any professional advice obtained must contain a statement by the advisor as to their financial interest in the advice given.
- Review Council's investment strategy, at least annually

Investment Policy Guideline		
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ITEM 5 (continued)

ATTACHMENT 2

INVESTMENT POLICY GUIDELINE



- Balance the investment risk/return trade off by not taking an overtly conservative (low risk, low return) stance or overtly risky stance.
- Have a full understanding of Council's investment strategy and its specific requirements for cashflow to meet its obligations and consider this in selecting duration of investments.

6 Ethics and Conflict of Interest

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investment portfolio. This policy requires officers to disclose any conflict of interest to the General Manager.

Independent advisors are also required to declare that they have no actual or perceived conflicts of interest in fulfilling their role to Council, as outlined more in the Investment Advisor section.

7 Approved Investments

Investments are limited to those allowed by the most current Ministerial Investment Order that has been issued by the NSW Minister for Local Government (refer Schedule 1)

All investments must be denominated in Australian Dollars.

Authorised Investments include

- Debentures or securities issued by, or guaranteed by, Local, State and Commonwealth governments.
- Interest bearing deposits with, or any debentures or bonds issued by an authorised deposit-taking institution (as defined by the *Banking Act 1959* (Cwth)), but excluding subordinated debt obligations.
- any bill of exchange which has a maturity date of not more than 200 days, and if purchased for value confers on the holder in due course a right of recourse against a bank which has been designated as an authorised deposit-taking institution by the Australian Prudential Regulation Authority.
- Investments with the NSW Treasury Corporation or investments in an Hour-Glass investment facility of the New South Wales Treasury Corporation.
- Investments grandfathered under the previous Ministerial Order.

Investment Policy Guideline		
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ITEM 5 (continued)

ATTACHMENT 2

INVESTMENT POLICY GUIDELINE



8 Prohibited Investments

In accordance with the Ministerial Investment Order, this investment policy prohibits any investment carried out for speculative purposes, and other investments including;

- Derivative based instruments;
- Principal only investments or securities that provide potentially nil or negative cash flow;
- Stand-alone securities issued that have underlying futures, options, forward contracts and swaps of any kind;
- Investment trusts other than those of TCorp Hour-Glass, even where the trusts' assets are limited to assets complying with the Minister's Order; and
- Any other investment excluded by the Minister's Order.

Where permitted, Council may fully utilise any "grandfathering" provisions for assets that do not comply with a later Policy or Minister's Order.

This policy also prohibits the use of leveraging (borrowing to invest) of an investment. However, nothing in the policy shall prohibit the short-term investment of loan proceeds where the loan is raised for non-investment purposes and there is a delay prior to the expenditure of loan funds.

9 Risk Management Guidelines

Investments are expected to achieve a market average rate of return in line with the Council's risk tolerance and are to be considered in light of the following key criteria:

- **Preservation of Capital** – the requirement for preventing losses in an investment portfolio's total value (considering the time value of money);
- **Diversification** – setting limits to the amounts invested with a particular financial institution or government authority to reduce credit risk;
- **Credit risk** – the risk that a party or guarantor to a transaction will fail to fulfil its obligations. In the context of this document it relates to the risk of loss due to the failure of an institution/entity with which an investment is held to pay the interest and/or repay the principal of an investment, or failure by a counterparty to a transaction in an investment;

Investment Policy Guideline		
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ITEM 5 (continued)

ATTACHMENT 2

INVESTMENT POLICY GUIDELINE

- **Market risk** – the risk that the fair value of future cash flows of an investment will fluctuate due to changes in market prices, or benchmark returns will unexpectedly overtake the investment's return;
- **Liquidity risk** – the risk that Council runs out of cash, is unable to redeem investments at a fair price within a timely period, and thereby incurs additional costs (or in the worst case is unable to execute its spending plans);
- **Maturity risk** – the risk relating to the length of term to maturity of the investment. The longer the term, the greater the length of exposure and risk to market volatilities; and
- **Rollover Risk** - the risk that income will not meet expectations or budgeted requirement because interest rates are lower than expected in future.

10 Risk Management Framework

Investments obtained are to comply with three key criteria relating to:

- (a) Institutional Limitations
- (b) Portfolio Credit Framework: limit overall credit exposure of the portfolio
- (c) Counterparty/Institution Credit Framework: limit exposure to individual counterparties/institutions
- (d) Term to Maturity Framework: limits based upon maturity of securities.

(a) Institutional Limitations

Notwithstanding the further limitations set under the Counterparty/Institution Framework below the following limitations will also apply.

- For unrated ADIs, Council will limit deposits to these institutions to those institutions that have assets that **exceed \$1 billion**.
- Council will not invest with any ADI that is an **Australian subsidiary of a foreign owned bank**.
- All ADIs which are utilised by Council are to comply with prevailing Total Capital Adequacy Ratio requirements as defined by the Basel Committee and monitored by APRA.

(b) Overall Portfolio Limits

To control the credit quality on the entire portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

Investment Policy Guideline		
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ATTACHMENT 2

INVESTMENT POLICY GUIDELINE

S&P Long Term Rating	Maximum %
AAA/AA major banks [^]	100%
A	60%
BBB	40%
Unrated ADIs or Moody's / Fitch equivalents	15%

[^] For the purpose of this Policy, "major banks" are currently defined as the ADI deposits or senior guaranteed principal and interest ADI securities issued by the major Australian banking groups:

- Australia and New Zealand Banking Group Limited;
- Commonwealth Bank of Australia;
- National Australia Bank Limited; and
- Westpac Banking Corporation.

including brands (such as St George).

Similarly, where other ADI groups (such as Bendigo & Adelaide Bank and Bank of Queensland) own multiple banking licences, rating categories are based on the parent bank even if the subsidiary is not explicitly rated.

Council may ratify an alternative definition from time to time.

TCorp Hour-Glass Cash and Strategic Cash Facilities are regarded as AAA and AA credit quality respectively, for the purpose of the Policy.

Amounts placed with institutions that are covered by the government guarantee of \$250K will be considered to have the sovereign credit rating of the Australian Government.

(c) Counterparty/Institution Credit Framework

Exposure to an individual counterparty/institution will be restricted by their credit rating so that single entity exposure is limited, as detailed in the table below:

S&P Long Term Rating Band	Maximum %
AAA/AA major banks [^]	45%*
A	20%
BBB	15%
Unrated ADIs or Moody's / Fitch equivalents	10%

*To the extent that assets are guaranteed by the State or Federal government, no counterparty limit applies – however, this does not include TCorp Hour-Glass Facilities.

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ITEM 5 (continued)

ATTACHMENT 2

INVESTMENT POLICY GUIDELINE

If any of the Council's investments are downgraded such that they no longer fall within the investment policy, they should be divested as soon as practicable.

(d) Term to Maturity Framework

The investment portfolio is to be invested within the following maturity constraints:

Overall Portfolio Return to Maturity		
Portfolio % <1 year	Min 40%	Max 100%
Portfolio % >1 year and < 3years	Min 0%	Max 60%
Portfolio % >3 year	Min 0%	Max 40%

The maximum allowable term to maturity for any investment is 5 years.

11 Divestment

If the characteristics of any of Council's investments change with market conditions such that they no-longer fall within these investment policy guidelines (either individually, or such that the portfolio breaches aggregate limits), liquid assets should be divested as soon as is practical without detriment to Council, to bring the portfolio into compliance.

To the extent that assets are not tradeable (such as unbreakable deposits), the Council should be informed of the breach and a remediation plan presented.

12 Investment Advisor

Council's investment advisor must be licensed by the Australian Securities and Investment Commission. The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended and is free to recommend the most appropriate product within the terms and conditions of the investment policy.

The independent advisor is required to provide written confirmation that they do not have any or potential conflicts in relation to the investments they are recommending or reviewing. This includes receiving no commissions or other benefits in relation to the investments being recommended or reviewed, unless such remuneration is rebated 100% to Council.

13 Measurement

The investment return for the portfolio is to be regularly reviewed by the investment advisor by assessing the market value of the portfolio. The market value is to be assessed at least monthly to coincide with monthly reporting.

Investment Policy Guideline		
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ITEM 5 (continued)

ATTACHMENT 2

INVESTMENT POLICY GUIDELINE

The investment advisor should meet with the responsible staff and review Council's investment portfolio no less than every six months.

14 Benchmarking

The performance of the investment portfolio shall be measured against the UBS Bank Bill Index, or where no longer published such successor or substitute index as is nominated under delegated authority.

15 Reporting and Review

Documentary evidence must be held for each investment and details thereof maintained in an Investment Register.

The documentary evidence must provide Council **beneficial ownership of** the investment.

Certificates must be obtained from the financial institutions confirming the amounts of investments held on the Council's behalf as at 30 June each year and reconciled to the Investment Register.

All investments are to be appropriately recorded in Council's financial records and reconciled at least on a monthly basis.

A monthly report will be provided to Council in support of the monthly statement of activity. The report will detail the investment portfolio in terms of performance, percentage exposure of total portfolio, maturity date, changes in market value where applicable and investment income versus budget year to date

If a breach of this Investment Policy occurs, Council will be notified at its next ordinary meeting.

16 Accounting

Council will comply with appropriate accounting standards in valuing its investments and quantifying its investment returns.

In addition to recording investment income according to accounting standards, published reports may show a break-down of its duly calculated investment returns into realised and unrealised capital gains and losses, and interest.

Other relevant issues will be considered in line with relevant Australian Accounting Standards, such as discount or premium, designation as held-to-maturity or on a fair value basis and impairment.

17 Third Party Suppliers and Dealers

Investment Policy Guideline		
Owner: Chief Financial Officer	Accountability: Investments management	Issue: CSF003/1
Trim Reference: D13/58009	Policy: Investment Policy – CSF003	Page 9 of 17

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ATTACHMENT 2

INVESTMENT POLICY GUIDELINE

Council will structure its affairs in order to be economical in its investment management costs, favouring dealing direct in its fixed interest (or, where intermediated, arrangements that result in a rebate of brokerage) where possible.

At times, it will be advantageous to deal with third parties that are remunerated on a transaction rather than retainer basis. Council will use such suppliers where to its advantage, and have regard to the "best execution" test in its Investment Policy. Specifically, Council will have regard to:

- Administrative cost savings;
- Ability to access higher (retail) rates, where these exceed the direct transaction costs;
- Access to ADIs that would not normally have an institutional direct channel;
- Limited access or initial public offering (IPO) deals, or other secondary market opportunities that are only available from specific sources; and
- The costs of other distribution channels that do not involve transaction remuneration.

Council will take steps to ensure that:

- Any suppliers used are appropriately licensed, reputable and capable;
- Funds and identification data are sufficiently secured;
- Third party arrangements do not materially worsen Council's credit risks by creating exposure to the dealer as counterparty; and
- Remuneration arrangements are reasonable and transparent, whether paid by Council or by the issuer directly.

18 Safe Custody Arrangements

Where necessary, investments may be held in safe custody on Council's behalf, as long as the following criteria are met:

- Council must retain beneficial ownership of all investments;
- Adequate documentation is provided, verifying the existence of the investments at inception, in regular statements and for audit;
- The Custodian conducts regular reconciliation of records with relevant registries and/or clearing systems; and
- The Institution or Custodian recording and holding the assets will be:
 - The Custodian nominated by T-Corp for Hour-Glass facilities;
 - Austraclear;
 - An institution with an investment grade Standard and Poor's, Moody's or Fitch rating; or

An institution with adequate insurance, including professional indemnity insurance and other insurances considered prudent and appropriate to cover its liabilities under any agreement.

Investment Policy Guideline		
Owner: Chief Financial Officer	Accountability: Investments management	Issue: CSF003/1
Trim Reference: D13/58009	Policy: Investment Policy – CSF003	Page 10 of 17

ITEM 5 (continued)

ATTACHMENT 2

INVESTMENT POLICY GUIDELINE



19 Review and Variation to Policy

The Investment Policy will be reviewed at least once a year or as required in the event of legislative changes. The Investment Policy may also be changed as a result of other amendments that are to the advantage of the Council and in the spirit of this policy. Any amendment to the Investment policy must be way of Council resolution.

Investment Policy Guideline		
Owner: Chief Financial Officer	Accountability: Investments management	Issue: CSF003/1
Trim Reference: D13/58009	Policy: Investment Policy – CSF003	Page 11 of 17

ITEM 5 (continued)

ATTACHMENT 2

INVESTMENT POLICY GUIDELINE

**SCHEDULE 1:
Extracts of Legislative Requirements**

LOCAL GOVERNMENT ACT 1993 - SECT 412 & 625

Section 412 Accounting Records

- (2) A council must keep such accounting records as are necessary to correctly record and explain its financial transactions and its financial position.
- (3) In particular, a council must keep its accounting records in a manner and form that facilitate:
 - (a) the preparation of financial reports that present fairly its financial position and the results of its operations, and
 - (b) the convenient and proper auditing of those reports.

Section 625 How May Councils Invest?

- (1) A council may invest money that is not, for the time being, required by the council for any other purpose.
- (2) Money may be invested only in a form of investment notified by order of the Minister published in the Gazette.
- (3) An order of the Minister notifying a form of investment for the purposes of this section must not be made without the approval of the Treasurer.
- (4) The acquisition, in accordance with section 358, of a controlling interest in a corporation is not an investment for the purposes of this section.

Investment Policy Guideline		
Owner: Chief Financial Officer	Accountability: Investments management	Issue: CSF003/1
Trim Reference: D13/58009	Policy: Investment Policy – CSF003	Page 12 of 17

ITEM 5 (continued)

ATTACHMENT 2

INVESTMENT POLICY GUIDELINE



Circular No.: 11-01
Date: 17 February 2015
Doc ID: A332103

Contact: Finance Policy Section
02 4428 4100
dlg@dlg.nsw.gov.au


REVISED MINISTERIAL INVESTMENT ORDER

A revised Investment Order pursuant to section 525 of the *Local Government Act 1993* has been issued. The Minister for Local Government signed the revised Order on 12 January 2011 and it was published in the NSW Government Gazette on 11 February 2011. It replaces the Order dated 31 July 2008. The revised Order is attached to this circular.

Changes to the Investment Order include:

- the removal of the ability to invest in the mortgage of land (part (c) of the Investment Order dated 31 July 2008)
- the removal of the ability to make a deposit with the Local Government Financial Services Pty Ltd (part (f) of the order dated 31 July 2008)
- the addition of "Key Considerations" in the revised Investment Order, which includes a comment that a council's General Manager, or any other staff, with delegated authority by a council to invest in funds on behalf of the council must do so in accordance with the council's adopted investment policy.

Councils are reminded that on 25 May 2010 the Division of Local Government issued Investment Policy Guidelines (Circular to Councils 10-11 refers). It is expected that all councils will by now have adopted an Investment Policy in accordance with the Guidelines.



Ross Woodward
Chief Executive, Local Government
A Division of the Department of Premier and Cabinet

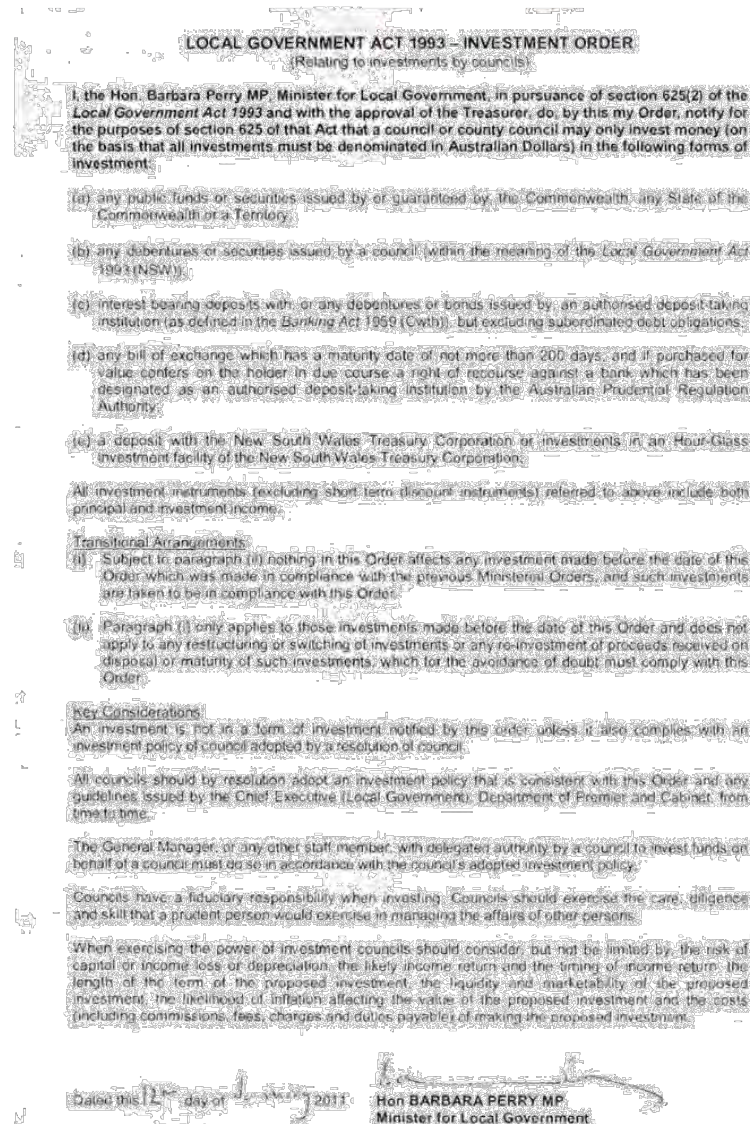
Department of Local Government
5 O'Keefe Avenue NOWRA NSW 2541
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Investment Policy Guideline		
Owner: Chief Financial Officer	Accountability: Investments management	Issue: CSF003/1
Trim Reference: D13/58008	Policy: Investment Policy – CSF003	Page 13 of 17

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ATTACHMENT 2

INVESTMENT POLICY GUIDELINE



Investment Policy Guideline		
Owner: Chief Financial Officer	Accountability: Investments management	Issue: CSF003/1
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ITEM 5 (continued)

ATTACHMENT 2

INVESTMENT POLICY GUIDELINE

**THE TRUSTEE AMENDMENT (DISCRETIONARY INVESTMENTS) ACT 1997 –
SECTIONS 14A (2), 14C (1) & (2)**

14A (2) Duties of trustee in respect of power of investment

A trustee must, in exercising a power of investment:

- (a) if the trustee's profession, business or employment is or includes acting as a trustee or investing money on behalf of other persons, exercise the care, diligence and skill that a prudent person engaged in that profession, business or employment would exercise in managing the affairs of other persons, or
- (b) if the trustee is not engaged in such a profession, business or employment, exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.

14C Matters to which trustee is to have regard when exercising power of investment


- (1) Without limiting the matters that a trustee may take into account when exercising a power of investment, a trustee must, so far as they are appropriate to the circumstances of the trust, if any, have regard to the following matters:
 - (a) the purposes of the trust and the needs and circumstances of the beneficiaries,
 - (b) the desirability of diversifying trust investments,
 - (c) the nature of, and the risk associated with, existing trust investments and other trust property,
 - (d) the need to maintain the real value of the capital or income of the trust,
 - (e) the risk of capital or income loss or depreciation,
 - (f) the potential for capital appreciation,
 - (g) the likely income return and the timing of income return,
 - (h) the length of the term of the proposed investment,
 - (i) the probable duration of the trust,
 - (j) the liquidity and marketability of the proposed investment during, and on the determination of, the term of the proposed investment,
 - (k) the aggregate value of the trust estate,

Investment Policy Guideline		
Owner: Chief Financial Officer	Accountability: Investments management	Issue: CSF003/1
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ITEM 5 (continued)

ATTACHMENT 2

INVESTMENT POLICY GUIDELINE

- 
- (l) the effect of the proposed investment in relation to the tax liability of the trust,
 - (m) the likelihood of inflation affecting the value of the proposed investment or other trust property,
 - (n) the costs (including commissions, fees, charges and duties payable) of making the proposed investment,
 - (o) the results of a review of existing trust investments in accordance with section 14A (4).
- (2) A trustee may, having regard to the size and nature of the trust, do either or both of the following:
- (a) obtain and consider independent and impartial advice reasonably required for the investment of trust funds or the management of the investment from a person whom the trustee reasonably believes to be competent to give the advice,
 - (b) pay out of trust funds the reasonable costs of obtaining the advice.

Investment Policy Guideline		
Owner: Chief Financial Officer	Accountability: Investments management	Issue: CSF003/1
Trim Reference: D13/58009	Policy: Investment Policy – CSF003	Page 16 of 17

ITEM 5 (continued)

ATTACHMENT 2

INVESTMENT POLICY GUIDELINE



LOCAL GOVERNMENT (GENERAL) REGULATION 2005 - CLAUSE 212

212 Reports on council investments

- (1) The responsible accounting officer of a council:
- (a) must 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:
 - i) if only one ordinary meeting of the council is held in a month, at that meeting, or
 - ii) if more than one such meeting is held in a month, at whichever of those meetings the council by resolution determines, and
 - (b) 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.
- (2) The report must be made up to the last day of the month immediately preceding the meeting.

Note. Section 625 of the Act says how a council may invest its surplus funds.

Investment Policy Guideline		
Owner: Chief Financial Officer	Accountability: Investments management	Issue: CSF003/1
Trim Reference: D13/58009	Policy: Investment Policy – CSF003	Page 17 of 17

6 FRIENDSHIP AND PARTNERSHIP AGREEMENTS

Report prepared by: Governance Support Coordinator
File No.: COR2008/411 - BP15/107

REPORT SUMMARY

This report considers the City of Ryde's approach to Friendship and Partnership Agreements both within Australia and internationally and recommends the adoption of a 'Protocol for International and Australian Friendship Agreements' **ATTACHMENT 1**. This Protocol provides clarification and guidelines, including criteria, for Council to use when considering requests to form Friendship and Partnership Agreements.

The report provides a summary of discussions and resolutions from various Council meetings and workshops, as well as information on current agreements and recent activities. Most recently there has been ongoing dialogue with the City of Dongguan China, regarding the establishment of a formal relationship between the two Cities. This report recommends that Council enter into a Friendship Agreement with the City of Dongguan.

RECOMMENDATION:

- (a) That Council adopt the draft 'Protocol for International and Australian Friendship Agreements' as detailed in **ATTACHMENT 1**
- (b) That Council endorse entering into a Friendship Agreement with the City of Dongguan as detailed in **ATTACHMENT 2**, noting that minor amendments may be approved by the Mayor and General Manager.

ATTACHMENTS

- 1** Protocol for International and Australian Friendship Agreements
- 2** Draft Friendship Agreement - Dongguan, China - March 2015
- 3** Draft Friendship Agreement proposed by the City of Dongguan, China and City of Ryde - July 2014

Report Prepared By:

Lorie Parkinson
Governance Support Coordinator

Report Approved By:

John Schanz
Manager - Governance, Risk and Audit

Roy Newsome
Group Manager - Corporate Services

ITEM 6 (continued)

Discussion

This report discusses Council's approach to ongoing international and Australian intercity relationships and provides Council with draft protocols and guidelines for entering into Friendship or Partnership Agreements. It recommends the adoption of a Protocol for International and Australian Friendship Agreements to guide the consideration of such requests and proposals.

Friendship Agreements are valuable as they provide opportunities to create shared understandings, networks and the capabilities of like-minded organisations. A friendship or partnership agreement confirms the ongoing and mutually beneficial nature of the intercity relationship.

The intended benefits of these relationships are:

- Broader understanding of other regions or nations, including characteristics, culture, perspectives and priorities,
- Mutually beneficial contacts and networks that foster economic and educational development,
- Mutual growth through cultural, educational, business and technical exchanges,
- Commitment to common interests, and sharing resources and learning to foster connections between our business and the general community,
- Support and assistance to developing cities

However, the following risks and challenges also need to be considered:

- Demonstrating an accountable and transparent process for choosing appropriate cities,
- Allocating adequate resources to sustain the relationship and ensure real outcomes,
- Addressing the public perception that these relationships are irrelevant or offer minimal value to the City of Ryde,
- Occasional media interest in travel exchanges or perception of 'junkets',
- The need for active community participation and commitment may be required depending upon the type of relationship.

In describing these relationships, it should be noted that there are a range of terms used to describe formalised relationships between cities, including: intercity relationships, civic relationships, Sister Cities, Partnerships, Global Relationships, Friendships, Governance Agreements, Intercity Arrangements etc.

ITEM 6 (continued)

At the City of Ryde, it is proposed to consistently use the term Friendship Relationship or Agreement, noting that the 'Protocol for International and Australian Friendship Agreements' also provides for more complex Partnership Agreements. It should be noted that the same Protocol applies whether the relationship is with a city that is in NSW, interstate or overseas. Further details of this Protocol and the differences between Friendship and Partnership Agreements are given later in this report.

Background

This report is presented to Council in response to its resolution of 13 November 2012 (in part);

- (b) That the General Manager bring back a report to Council of existing sister city relationships.*
- (c) That the General Manager organise a workshop to discuss all aspects of existing sister city relationships.*

It also addresses the results of the Council resolutions of 28 May 2013;

- (a) That the City of Ryde invites representatives from the Australia Dongguan Business Chamber to attend a Councillor workshop following Council's scheduled workshop on Sister Cities on 16 July 2013, in order to explore a potential mutually beneficial Sister City relationship with City of Dongguan, China.*
- (b) That Council explore appropriate options for a Korean Sister City relationship at the workshop on Sister Cities to be held on 16 July 2013.*

Councillor workshop 23 July 2013

At the Councillor workshop on 23 July 2013, Councillors were presented with information on differentiating between sister city agreements and friendship agreements, the benefits of these relationships and the current status of City of Ryde's agreements that are currently in place, and detailed below:

- **Jiading, China** – this Friendship Agreement was signed in July 2001.

In 2001, a Ryde delegation visited Jiading, and a delegation from Jiading visited Ryde. It appears little has occurred since then, though City of Ryde is still listed on the Jiading website as a current sister city.

ITEM 6 (continued)

- **Locri, Italy** – this Friendship Agreement was signed in June 2002.

On 23 April 2013 the Mayor of Locri visited Ryde. Council resolved to continue its friendship relationship with the Locri region in Italy. It appears there have been a few reciprocal visits between Council and the Locri Region, however these have been personally arranged and funded.

- **Central Darling Shire** – this City Country Partnership was signed in October 2007

The last Advisory Committee meeting was held in 2010. The City of Ryde General Manager met with Central Darling colleagues in June 2011, however no actions resulted. Central Darling is currently under administration.

This report proposes that Council introduces different terminology to categorise and describe these relationships, and also provide a protocol to guide the development of proposals to form the more complex partnership agreements.

Civic or Intercity Relationships and Agreements

A formal civic relationship is a long term, cooperative and mutually beneficial relationship between two cities. Such a relationship is formally committed to when the Mayors (or other appropriate elected or appointed officials) sign a memorandum of understanding/agreement.

It is proposed that Council should refer to these agreements as Friendship Agreements, as friendship more accurately reflects the intent of most civic relationships.

In some instances a more complex relationship is considered beneficial to both cities, and a Partnership Agreement may be more appropriate. The distinction between Friendship and Partnership agreements is due to the expected level of activity, committed resourcing and the requirement for commercial, cultural and/or educational stakeholder's input into these activities.

A description of each type of civic relationship is outlined below.

1. Friendship Agreement:

An international or Australian Friendship Agreement:

- requires strong and meaningful historical, cultural, economic, industrial or educational links between the two cities,
- may be initiated by members of the Community, Councillors or by Council staff and is required to be formally considered at a Council meeting,

ITEM 6 (continued)

- shall involve the exchange of a formal plaque or certificate for display in the respective Civic Buildings and may extend to the exchange of information for educational purposes,
- shall not require expenditure from either party apart from hospitality associated with a Mayoral reception, and minor administrative expenses such as the preparation of reports and documents for signing,
- may be terminated on request by either party.

2. Partnership Agreement

An international or Australian Partnership Agreement:

- requires strong and meaningful historical, cultural, economic, industrial or educational links between the two cities,
- is a more substantial arrangement, requiring a commitment of resources from both Council and external stakeholders,
- will generally involve exchanges of members of either the business or general community including students to enhance the connection between the two cities,
- requires the submission of a detailed business case developed in conjunction with local external stakeholders,
- requires a thorough assessment by the General Manager which takes into account proposed funding (short and long term), expected benefits for City of Ryde and the community (and the reciprocal City and its community) and the proposed timeframe,
- The proposed business case needs to demonstrate that it is driven by members of the community and not Council,
- must be formally considered at a Council meeting,
- may be terminated on request by either party.

To establish a Partnership Agreement, the proposed Protocol for International and Australian Friendship Agreements requires a substantially more detailed business case to determine suitability and expectations, and to assess both council and the community's commitment to its implementation.

The Protocol includes a two phased approach.

Initially it must be established that there are significant synergies and relationships with local Business, Industry, Cultural or Educational stakeholders and that these stakeholders are committed to the development of a Partnership Agreement.

In the second phase, a detailed proposal is developed which includes;

- (a) General description of the city that is proposed to partner with City of Ryde, clearly indicating whether this proposal is based on cultural, business or educational links between the two cities.

ITEM 6 (continued)

- (b) Description of the;
- Objectives of the Partnership Agreement
 - Overview of proposed activities
 - Benefits to Council, the proposed City and external stakeholders
 - Anticipated costs and funding arrangements
 - Commitment and resourcing required from Council
 - Cultural and/or Economic benefit on both cities
 - Expectations of Council
 - List of external stakeholders including primary contact details
- (c) Supporting correspondence and documentation from both the proposed city and external stakeholders.

Should Council resolve to implement a Partnership Agreement, the General Manager will appoint staff to facilitate the Partnership Committee, (chaired by an external stakeholder) to develop an action plan in accordance with the proposal and relevant Council resolutions.

City of Dongguan, China

At the Council meeting of 28 May 2013, Mr Tony Wong (representing the Australian Dongguan Business Chambers) spoke regarding a Sister City relationship with Dongguan in China.

At this meeting, Council resolved;

That the City of Ryde invites representatives from the Australia Dong Guan Business Chamber to attend a Councillor workshop following Council's scheduled workshop on Sister Cities on 16 July 2013, in order to explore an potential mutually beneficial Sister city relationship with City of Dong Guan, China.

On 27 May 2014, Councillors met with the Dongguan Business Chambers. This meeting was followed by an informal visit from the Dongguan Government Foreign Affairs Bureau in July 2014. Dongguan City has also provided a draft "Agreement on Establishing Friendly Cities", to demonstrate their commitment to formalising the proposed relationship.

At a Councillor workshop on 11 November 2014, Councillors agreed that there should be specific assessment criteria in place when considering a proposal to form a friendship agreement or similar relationship. This criteria was to include requiring that the two cities clearly demonstrate educational, business or cultural links, and that there is commitment and support from external stakeholders.

ITEM 6 (continued)

There was also discussion of the positive reception and interest received by members of the City of Ryde business and educational community, specifically in Macquarie Park, regarding the possibility of the City of Ryde formalising a relationship with the City of Dongguan.

Following this Councillor workshop, Council through a Mayoral Minute, resolved on 25 November 2014

That as Mayor of the City of Ryde, I write to the City of Dongguan expressing Council's interest in pursuing closer ties with their City, subject to the formal adoption of a Friendship Agreement together with the relevant Policy in February 2015.

This letter was sent in January 2015.

The draft Friendship Agreement between the City of Ryde and Dongguan is **ATTACHMENT 2**. This document has been prepared by the City of Ryde, noting that the City of Dongguan's proposed Agreement is **ATTACHMENT 3**. Should the City of Dongguan propose minor amendments to the wording of this Friendship Agreement, it is proposed that the Mayor and General Manager be authorized to consider and approve these changes on behalf of Council.

It is suggested that Council endorse the Friendship Agreement as the first stage in Council's relationship with the City of Dongguan, noting the option to form a partnership agreement in the future is available, if required.

Korea

On 28 May 2013 Council resolved (in part).

- (c) *That Council explore appropriate options for a Korean Sister City relationship at the workshop on Sister Cities to be held on 16 July 2013.*

At the Councillor Workshop on 11 November 2014, Councillors agreed not to progress a Friendship Agreement with a Korean city at this time.

Financial Implications

Council currently has no separate Budget to support Friendship Agreements, noting that minimal costs are incurred. These costs are generally in the form of Mayoral receptions, which can be accommodated within the current Mayoral budget.

However, an Australian or International Partnership agreement would require additional resources and Council would be required to endorse a separate allocation in its budget for such arrangements. This funding would be complemented with funding from other stakeholders within the partnership agreement.

ITEM 6 (continued)

Therefore, Council's consideration of an appropriate budget would be a key component of Council's overall assessment and evaluation of a business case, when presented to Council.

ITEM 6 (continued)

ATTACHMENT 1

**PROTOCOL FOR INTERNATIONAL
AND AUSTRALIAN FRIENDSHIP
AGREEMENTS**

Scope

This policy addresses the guidelines for defining and establishing ongoing, formal civic relationships within Australia and internationally.

Please note that this document does not relate to requests for one-off visits from international groups. This process is addressed in the *Visiting Overseas Delegations policy*.

Purpose

The purpose of this policy is to set out the guidelines and process to assess a proposal to establish an international or Australian civic relationship, resulting in the signing of a Friendship or Partnership Agreement. This policy and protocol ensures that proposed benefits, expectations and resource requirements on City of Ryde are clearly defined.

What is a Civic Relationship?

A formal *civic relationship* is a long term, cooperative and mutually beneficial relationship between two cities. Such a relationship is formally committed to when the two Mayors (or other appropriate elected or appointed officials) sign a memorandum of agreement.

An effective *civic relationship* has objectives to bring about

- Broader understanding of other regions or nations, including characteristics, culture, perspectives and priorities
- Mutually beneficial contacts and networks that foster economic and educational development
- Mutual growth through cultural, educational, business and technical exchanges
- Support and assistance to developing cities or cities in need.

Categories of Civic Relationships

At City of Ryde, there are two categories of civic relationships that may be formalised between the City of Ryde and either an international or Australian city:

1. Friendship agreement
2. Partnership agreement

This second category is for agreements that involve greater levels of activity, committed resourcing, and the requirement for commercial, cultural and/or educational stakeholder input.

Protocol for International and Australian Intercity relationships		
Owner: Governance, Risk and Audit	Accountability: ?	Policy Number: TBD
Trim Reference: D15/	Review date: TBD - adoption plus 4years	Endorsed: Council

ITEM 6 (continued)

ATTACHMENT 1

**PROTOCOL FOR INTERNATIONAL
AND AUSTRALIAN FRIENDSHIP
AGREEMENTS**

Friendship agreement

An international or Australian Friendship Agreement:

- requires strong and meaningful historical, cultural, economic, industrial or educational links between the two cities
- may be initiated by members of the Community, Councillors or by Council officers and is required to be formally considered at a Council meeting
- shall involve the exchange of a formal plaque or certificate for display in the respective Civic Buildings and may extend to the exchange of information for educational purposes
- shall not require expenditure from either party apart from hospitality associated with a Mayoral reception, and minor administrative expenses such as the preparation of reports and documents for signing
- may be terminated on request by either party.

Partnership agreement

An international or Australian Partnership Agreement:

- requires strong and meaningful historical, cultural, economic, industrial or educational links between the two cities
- is a more substantial arrangement, requiring a commitment of resources from both Council and external stakeholders
- requires the submission of a detailed proposal endorsed by local external stakeholder(s)
- requires a thorough assessment by the General Manager and Executive Team which takes into account proposed funding (short and long term), expected benefits for City of Ryde and the community (and the reciprocal City and its community) and the proposed timeframe
- must be formally considered at a Council meeting
- may be initiated by members of the Community, Councillors or Council officers
- may be terminated on request by either party

Protocol for International and Australian Intercity relationships		
Owner: Governance, Risk and Audit	Accountability: ?	Policy Number: TBD
Trim Reference: D15/	Review date: TBD - adoption plus 4years	Endorsed: Council

ITEM 6 (continued)

ATTACHMENT 1

**PROTOCOL FOR INTERNATIONAL
AND AUSTRALIAN FRIENDSHIP
AGREEMENTS**

Assessing a prospective Australian or international friendship or partnership agreement

For a friendship or partnership agreement to be successful and long term, it must be built on mutual respect, understanding and commitment to shared objectives. However, due to the differing characteristics and objectives of each relationship, each relationship will be different.

Therefore when assessing a proposal to develop a friendship or partnership agreement there are a broad range of factors to consider, including

General

- Population and demographics (nationals of one City residing in the other)
- Geographic location and assets
- Comparison of key industries
- Existing linkages (eg student exchanges)
- Relevance to local community
- History of diplomatic relations and/or cooperation in political, economic, commercial and cultural fields
- Media interpretations

Economic

- Similar economic conditions
- Similar business characteristics including industries
- Trade and investment climates and opportunities
- Tourism potential

Social

- Similar social infrastructure and issues
- Consistent or similar ethical understandings
- Opportunity for broad based activity
- People to people interest, energy and commitment
- Public perception

Educational

- Shared interests across economic, social and environmental issues
- Student / teacher exchange programs
- University linkages

It is necessary to compare not only the similarities, but also the potential for these similarities to provide mutual benefit to the Cities involved.

Protocol for International and Australian Intercity relationships		
Owner: Governance, Risk and Audit	Accountability: ?	Policy Number: TBD
Trim Reference: D15/	Review date: TBD - adoption plus 4years	Endorsed: Council

ITEM 6 (continued)

ATTACHMENT 1

**PROTOCOL FOR INTERNATIONAL
AND AUSTRALIAN FRIENDSHIP
AGREEMENTS**

Proposing a Friendship Agreement

As a Friendship Agreement does not require a significant commitment of Council resources, the establishment of this relationship may be proposed through a Council report, following discussions and consideration of the proposed City and its relevance and connectedness to City of Ryde.

Developing a Proposal for an International or Australian Partnership Agreement

As it is anticipated that there will be significantly greater resource investment by both cities and external stakeholders in the implementation of a Partnership Agreement, it is necessary to closely consider what is being proposed. Therefore a two phase assessment process is described below, ensuring valuable information is gathered and assessed, and commitment confirmed.

Phase 1

1. the city must have either Business, Cultural or Education synergies and relationships with the City of Ryde, and
2. the external stakeholders – commercial, community, industry, educational etc – must be committed to the creation of a partnership agreement, and actively participating in partnership on an ongoing basis.
3. a brief description of the proposed city, its synergies with City of Ryde, participating external stakeholders and possible actions is to be developed and endorsed by external stakeholders. This document will be presented to the General Manager for consideration.

Phase 2

1. If the requirements of Phase 1 are satisfactorily demonstrated, the General Manager will appoint an appropriate staff member to coordinate the preparation of the proposal for an International or Australian Partnership Agreement.
2. This proposal will be assessed by the Executive Team and then be reported to Council for its consideration.

Protocol for International and Australian Intercity relationships		
Owner: Governance, Risk and Audit	Accountability: ?	Policy Number: TBD
Trim Reference: D15/	Review date: TBD - adoption plus 4years	Endorsed: Council

ITEM 6 (continued)

ATTACHMENT 1

**PROTOCOL FOR INTERNATIONAL
AND AUSTRALIAN FRIENDSHIP
AGREEMENTS**

When developing the proposal it is necessary to include the following details:

- (a) General description of the city that is proposed to partner with City of Ryde, clearly indicating whether this proposal is based on cultural, business or educational links between the two cities.
 - (b) Description of the
 - Objectives of the Partnership Agreement
 - Overview of proposed activities
 - Benefits to Council, the proposed City and external stakeholders
 - Costs
 - Sources of funding – for example grant or private funding
 - Commitment and resourcing required from Council
 - Cultural and/or Economic Impact on Ryde LGA
 - Expectations of Council
 - List of external stakeholders including primary contact details
 - (c) Supporting correspondence and documentation from both the proposed city and external stakeholders.
3. Once the Executive Team has confirmed the business case is ready to proceed, a report will be prepared for Council.
 4. Should Council resolve to implement a Partnership Agreement, the General Manager will then appoint staff to facilitate the Partnership Committee (chaired by an external stakeholder) to develop an action in accordance with the proposal and relevant Council resolutions.

Review Process and Endorsement

This Protocol will be reviewed at least every 4 years, and is to be endorsed by Council.

Protocol for International and Australian Intercity relationships		
Owner: Governance, Risk and Audit	Accountability: ?	Policy Number: TBD
Trim Reference: D15/	Review date: TBD - adoption plus 4years	Endorsed: Council

ITEM 6 (continued)

ATTACHMENT 2

FRIENDSHIP AGREEMENT

between

City of Dongguan, the People's Republic of China

and

City of Ryde, New South Wales, Australia

Through the signing of this Friendship Agreement the City of Dongguan, China and City of Ryde, Australia record their bonds of friendship and cooperation, and commit to the promotion of mutual prosperity and progress for the benefit of our respective communities.

This agreement is written in both the Chinese and English languages, with both texts being equally authentic.

(Signature)

(Signature)

(Name)

(Name)

Mayor
City of Ryde
The Commonwealth of Australia

Mayor
City of Dongguan
People's Republic of China

ITEM 6 (continued)

ATTACHMENT 3

**The Agreement on Establishing Friendship Cities between
Dongguan, the People's Republic of China and Ryde, The
Commonwealth of Australia**

In order to better promote mutual understanding and sustainable partnership on win-win basis, the City of Dongguan, the People's Republic of China and the City of Ryde, The Commonwealth of Australia are committed to developing exchanges and cooperation in a wide range of areas in light of The China-Australia Communiqué on the Establishment of Diplomatic Relations and other agreements.

The People's Government of Dongguan City and the Government of Ryde City agree to engage in cooperation in fields of trade, investment, science and technology, tourism, culture and education, etc.

Liaison Offices for both sides are confirmed:

China: Foreign Affairs Bureau, the People's Government of Dongguan

Australia: *****

Liaison Offices for both sides will meet to discuss the progress of relevant programs when necessary.

This agreement shall come into force on the day on which it is sign by the two sides.

This agreement is signed in Ryde on July 17th, 2014 in two originals in the Chinese and English languages, both texts being equally authentic.

The City of Dongguan,
People's Republic of China

The City of Ryde,
The Commonwealth of Australia

7 RYDE YOUTH COUNCIL - DRAFT TERMS OF REFERENCE

Report prepared by: Project Officer Young People
File No.: COR2012/672 - BP15/241

REPORT SUMMARY

The purpose of this report is to seek Council's endorsement of the Ryde Youth Council Advisory Committee (RYC) draft Terms of Reference.

At its meeting of 10 February 2015, Council resolved that, at its first meeting, the Ryde Youth Council was to review its Terms of Reference and report back to Council for confirmation.

The first meeting of the RYC occurred on 11 February 2015 and the draft 2015 Terms of Reference were reviewed at the meeting. Ryde Youth Council recommended changes primarily targeted to improve member engagement and attendance.

This report recommends that Council endorses the draft Terms of Reference as **ATTACHED**.

RECOMMENDATION:

That Council endorse the **ATTACHED** Terms of Reference for the Ryde Youth Council Advisory Committee, noting the changes.

ATTACHMENTS

1 2015 Ryde Youth Council draft Terms of Reference

Report Prepared By:

Michael Paine
Project Officer Young People

Report Approved By:

Baharak Sahebekhtiari
Service Unit Manager - Community and Culture

Tatjana Domazet
Acting Group Manager - Community Life

ITEM 7 (continued)

Background

Ryde Youth Council first submitted a Terms of Reference in 2007. Subsequent Youth Councils have been requested to review and amend the Terms of Reference at the beginning of each term. At the first meeting of the 2015-2016 Ryde Youth Council on 11 February 2015, the previous RYC's Terms of Reference was reviewed point by point and amendments made.

Discussion

Ryde Youth Council agreed to recommend the following changes to the Terms of Reference:

- i. To reduce the number of accepted absences without apology from three (3) consecutive meetings to two (2) consecutive meetings.
- ii. Include designated roles for the Deputy Chairperson. While there was a Deputy Chairperson in the previous term, there was no defined role for this person. The new RYC wished to ensure that the Deputy Chairperson had the following responsibilities:
 - a. Carry out the responsibilities of the Chairperson in their absence.
 - b. Establish a purpose and agenda for each meeting, in collaboration with the Chairperson
 - c. Co-chair certain aspects of the meetings as discussed and agreed with the Chairperson
 - d. Encourage discussion and constructive input.
- iii. Change the frequency of meetings from every two (2) months to monthly. This is how the RYC operated in the previous term but the Terms of Reference were never changed to reflect this.
- iv. To expand the role of the Public Relations Officer to include overseeing Social Media including current and future platforms.
- v. To allow, in exceptional circumstances only, for Committee members to attend via conference call.
- vi. To keep an up to date file of Expressions of Interest (EOI) in order to be able to identify and invite young people to join RYC in the event that someone resigns from their position.

ITEM 7 (continued)

- vii. To include a section referring to subcommittees and to apply the 'Term of Membership to Committee' to subcommittee membership.
- viii. To include a section on Events. It is mandatory for RYC members to attend all RYC events unless advance notice of apology is given.

Financial Implications

Adoption of the recommendation will have no financial impact.

ITEM 7 (continued)

ATTACHMENT 1

RYDE YOUTH COUNCIL TERMS OF REFERENCE 2015



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Mission Statement

"The Ryde Youth Council empowers young people to represent the voice of youth in Ryde and to develop their skills to build engaged citizens and progressive leadership"

1. ROLE

The primary roles of the Ryde Youth Council Advisory Committee are:

- To advocate for the needs of young people and provide a mechanism for their participation and involvement in decision making on community issues.
- To act in an advisory and consultative capacity to Council and staff on matters affecting young people in the community.
- To assist young people in developing skills in various areas including, leadership, communication, advocacy, governance and administration.

2. RESPONSIBILITIES

The Ryde Youth Council Advisory Committee is responsible for:

- Advocating, providing advice, and making recommendations to Council on matters affecting young people and the community;
- Co-ordinating, planning and implementing community activities and events, including National Youth Week;
- Identifying and initiating opportunities for participation and involvement of young people in community activity;
- Promoting community awareness of issues impacting on young people;
- Promoting positive images of young people and their achievements in the community.

3. MEMBERSHIP, ROLES AND VOTING

Membership of the Ryde Youth Council Advisory Committee comprises:

- No less than one (1) Councillor appointed annually, non-voting member;

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- One (1) alternate Councillor delegate, non-voting member;
- Committee Facilitator;
- Minimum of fourteen (14) Community Representatives aged 12 - 25.
Members must live, work, study or recreate in the City of Ryde.;
- Young people who represent organisations that service young people;
- Young people from diverse socio-economic, cultural and ethnic backgrounds;
- Individuals with specialist skills and professional interest in issues affecting young people will be contracted/ invited as required.

The Committee Facilitator will extend membership to the City of Ryde Young Citizen of the Year each February following the award being received. Upon accepting membership this young person will then be included in any activities of the Committee.

Council officers will provide professional advice and administrative support. It should be noted that employees of the Council are not subject to the direction of the Advisory Committee or any members thereof.

Term of Membership to Committee

Members appointed to the Committee shall be appointed for a two year (or remainder thereof) term.

A member of the Ryde Youth Council may resign from membership by giving notice of not less than two (2) weeks in writing to the relevant Council representative.

Membership may be cancelled by failure to attend two (2) consecutive meetings without sufficient notification to the Council.

Council staff will be appointed and removed by the General Manager.

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Any Expressions of Interest (EOI) for membership during the 2015-2016 term will be kept on file and used should a position on the youth council be vacated for any reason. This file will be kept by the Committee Facilitator who will keep the RYC updated on EOI's received

Roles

All members of the Ryde Youth Council will agree to act within the guidelines of the Ryde Youth Council as outlined in this Terms of Reference at all times. This is to be confirmed by signing an agreement form following a briefing session on this Terms of Reference and received Code of Conduct Training.

Youth Councillor

The role of a Youth Councillor will be to:

- Attend meetings
- Actively seek views and opinions of young people and relevant issues to be brought to the notice of the Ryde Youth Council
- Contribute items of interest to the meeting agendas, by contacting the Chairperson between meetings
- Actively participate in discussions and decisions that take place at meetings
- Actively participate in various working parties and events involving the Ryde Youth Council
- Represent the views and act in the interest of all young people across the Ryde LGA
- Communicate any issues regarding Ryde Youth Council, including absences from meetings or activities with the Community Project Officer – Young people.

Councillor

The role of a Councillor will be to:

- Attend meetings

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- Actively participate in discussions and decisions that take place at meetings
- Mentor, liaise and support the Ryde Youth Council and Ryde Youth Council members
- Assist in the communication of ideas of Ryde Youth Council Youth Councillors to other City of Ryde Councillors.
- Communicate any issues regarding Ryde Youth Council, including absences from meetings or activities with the Community Project Officer – Young People.

Chairperson

The role of the Chairperson will be to:

- Chair all meetings of the Ryde Youth Council,
- Establish a purpose and agenda for each meeting,
- Ensure discussion remains on point and manages time,
- Encourage discussion and constructive input,
- Request agenda items for the next scheduled meeting.

The role of Chairperson shall be elected at the first meeting of the Ryde Youth Council at the beginning of a new two year term. The role of Chairperson can only be filled by a Youth Councillor.

In the event that the elected Chairperson is absent, the Ryde Youth Council shall nominate another member to chair the meeting or the Committee Facilitator will fill the role.

The Committee Facilitator in the role of Chairperson does not become a formal member of the Committee by virtue of this position. All staff are representatives of Council only and not members of the Committee.

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Council's Code of Meeting Practice shall be used as the reference guide for any matters pertaining to the Committee meetings which are not otherwise outlined in this Terms of Reference.

Deputy Chairperson

The role of the Chairperson will be to:

- Carry out the responsibilities of the Chairperson in their absence.
- Establish a purpose and agenda for each meeting, in collaboration with the Chairperson
- Co-chairs certain aspects of the meetings as discussed and agreed with the Chairperson
- Encourage discussion and constructive input,

Public Relations Officer

The role of the Public Relations Officer will be to:

- Draft media releases,
- Develop strategies to promote the Ryde Youth Council,
- Promote events and activities conducted by the Ryde Youth Council,
- Assist in the development of material to be placed on the Ryde Youth Council webpage.
- Coordinate and monitor use of RYC's social media including current and future Social Media platforms
- Co-ordinate 2RRR interviews on a monthly basis including providing briefing notes and selecting topics of discussion (in consultation with the Chair)

All media and public relations conducted for the Ryde Youth Council must have prior approval granted by the Manager, Community Relations and Events and Community Project Officer – Young People.

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Committee Facilitator

A Committee Facilitator shall be appointed by the General Manager.

The Facilitator shall be a staff member of Council and is responsible for co-ordinating the preparation of agendas, invitations and minutes of the Ryde Youth Council.

The Facilitator shall also be responsible for co-ordinating any presentations from guest speakers and for considering requests from members of the public to address the Committee.

The Facilitator has the right to refuse a request from a member of the public to address the Committee if it is deemed more appropriate for that person to address a formal Council or Committee meeting.

Voting

No formal voting rules apply. As the Committee has an advisory role, its recommendations are made by consensus and no recommendation is deemed to be a decision of Council unless the matter is referred to Council for determination. If consensus is not achieved, and if required, the matter shall be referred to Council for determination.

Proxy

No voting by proxy is permitted. Only members in attendance at the meeting shall be entitled to participate in the decision making process of the Committee. If a member is unable to attend the meeting but wishes to be in attendance for discussion of a particular matter, he/she can notify the Chairperson prior to the meeting to request deferral of the item to a subsequent meeting or to request that the Chairperson formally indicate the member's view to the Committee during the discussion on the matter. The Committee shall decide if a matter is to be

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deferred to a subsequent meeting based on the representations made to the Chairperson by the absent member.

In exceptional circumstances, it will be acceptable for members to attend via conference call.

Quorum

For a valid meeting to occur, a quorum of 6 members must be in attendance. No decisions can be made at a meeting with less than this number of members present.

4. MEETINGS

Meeting Schedule and Procedures

Meetings are to be held monthly from 6.00pm to 7:30pm or as agreed by members.

The Agenda & meeting papers shall be circulated to members at least 3 days prior to meeting.

Each meeting shall be properly recorded by the taking of minutes.

Public Participation

All meetings of the Committee are public meetings. Members of the public and media can attend meetings as observers, however, they cannot speak at a meeting unless prior arrangements are made through the Committee Facilitator. Presentations shall be limited to a maximum of 5 minutes.

Subcommittees

Subcommittees will be formed throughout the year for focus groups on certain events and advocacy projects. Subcommittees will usually meet fortnightly until the fulfilment of the project at a time suitable to the majority of members.

RYC members that volunteer for Subcommittees are required to attend meetings or send apologies to the chairperson and are subject to the same rule as laid out in the section '**Term of Membership to Committee**'.

ITEM 7 (continued)

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5. COMMUNICATIONS & REPORTING

The agendas and minutes of the Committee shall be stored as a permanent record of Council, as determined by the General Manager.

The minutes of each meeting shall be circulated to all members as soon as practicable. Any questions by members regarding the minutes are to be referred immediately to the Committee Facilitator and if any error in the minutes is confirmed, the Committee Facilitator shall arrange to make the appropriate changes.

Minutes will be completed within 2 weeks of the Committee meeting and then reported in the Councillor's Information Bulletin.

All agendas shall be published on Council's website within 5 days of completion. All minutes shall be published on Council's website within 5 days of adoption by Council.

Minutes may be referred or a report may be prepared for Council's consideration where the Committee suggests an action (or actions) which staff cannot carry out within existing delegations.

The minutes will be reported directly to the following City of Ryde staff:

- Manager – Community + Culture
- Senior Community Planner

Members of the Committee are not permitted to speak to the media as representatives of the Committee unless approved by Council.

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ATTACHMENT 1

6. CODE OF CONDUCT AND OTHER COUNCIL POLICIES

Each Committee member who is not otherwise a Councillor or staff member shall be provided with a copy of Council's Code of Conduct and other related policies that may be applicable to the operation of the Committee.

The conduct of each Committee member is expected to be consistent with the principles outlined in these Council publications.

7. EVENTS

Throughout the year, RYC holds a number of events that require the participation of the majority of Youth Council Members. In order to allow for proper planning, there is a requirement to attend these events or send an apology.

At events, RYC members are representing City of Ryde and the Ryde Youth Council and will act appropriately. Ryde Youth Council t-shirts will be made available to all members.

8. REVIEW

A review of the Advisory Committee and Terms of Reference will occur following the end of the two year term.

8 INVESTIGATION FOR NEW LOCATION FOR CENOTAPH INSIGNIA

Report prepared by: Heritage Officer
File No.: URB/08/1/10 - BP15/245

REPORT SUMMARY

In 2007, the Ryde Cenotaph, formerly located on land to the north of the Civic Centre, was decommissioned and removed to facilitate the redevelopment of the Civic precinct and Top Ryde City development.

A Voluntary Planning Agreement (VPA) was entered into between the developer for the Top Ryde City development and City of Ryde Council and made provision for a financial contribution from the developer of \$130,000 for the design and construction of a new cenotaph and part of \$250,000 for Ryde Park landscaping works.

A new Ryde Cenotaph was designed and constructed within Ryde Park, which was rededicated on 20 February 2008.

The decommissioning and removal of the former Ryde Cenotaph resulted in the displacement of the insignias of the Royal Australian Air Force, the Australian Commonwealth Military Forces and the Royal Australian Navy, together with a commemorative plaque and laurel wreath – all of which were removed, pending the identification and securing of, a long-term solution for their display.

Council's Heritage Advisory Committee (HAC) have considered options for the permanent location of the insignias, with the North Ryde RSL Memorial being the preferred option. Council has received advice from North Ryde RSL advising that they are in agreement and would be pleased to take permanent custody of the insignias, citing improvements to the aesthetic appearance and significance of the existing memorial garden.

As an interim measure, the insignias, plaque and laurel wreath, were placed into the temporary custody of the North Ryde RSL who have since initiated conservation works to the insignias.

This report requests that Council considers gifting the three insignias, plaque and laurel wreath to the perpetual custody of North Ryde RSL and for their inclusion in the North Ryde RSL Memorial Garden, in time for the 2015 Anzac Day ceremony in April as part of the Centenary of Anzac commemorations.

Pursuing the heritage listing of the insignias is not considered an essential mechanism at this time. Installation at the North Ryde RSL Memorial Garden would serve as a quasi-heritage listing, whereby the care and control of the insignias by the RSL community would provide a certain level of protection and management, similar to that afforded by statutory heritage listing.

ITEM 8 (continued)

RECOMMENDATION:

- (a) That Council endorse the gifting of the three insignias, plaque and laurel wreath (formerly of the decommissioned Ryde Cenotaph) to North Ryde RSL for their inclusion in the existing North Ryde RSL Memorial Garden.
- (b) That Council write to Mr Len Shultz, local resident, and thank him for his assistance in securing the location of the insignias.
- (c) That Council write to North Ryde RSL and congratulate them on the tremendous effort in the restoration works and their reinstatement in a perpetual memorial setting.
- (d) That Council advise the City of Ryde Centenary of ANZAC Committee of this decision.
- (e) That Council does not pursue the statutory heritage listing of the insignias or Memorial Garden at this time, unless specifically requested and pursued by the owners of the property.

ATTACHMENTS

- 1 Photos of three insignias
- 2 Photos of plaque & laurel wreath

Report Prepared By:

Michael Edwards
Heritage Officer

Report Approved By:

Lexie Macdonald
Team Leader - Strategic Planning

Meryl Bishop
Manager - Urban Planning

Dominic Johnson
Group Manager - Environment and Planning

ITEM 8 (continued)

Background

On 27 May 2014, Council resolved:

That Council staff prepare a report investigating:

- (a) the possible future locations for the insignia, small plaque and laurel wreath, and*
- (b) the heritage listing of the insignia, small plaque and laurel wreath that was removed from the decommissioned Ryde memorial cenotaph in Ryde Local Environment Plan.*

This report responds to the abovementioned resolutions.

Report

In 2007, the Ryde Cenotaph, formerly located on land to the north of the Civic Centre, was decommissioned and removed to facilitate the redevelopment of the Civic precinct and Top Ryde City development.

Consideration was given at the time to the relocation of the existing Cenotaph; however, this was discounted on the strength that the monument was suffering from fabric deterioration and was in need of significant conservation works.

A Voluntary Planning Agreement (VPA) was entered into between the developer for the Top Ryde City development and City of Ryde Council and made provision for a financial contribution from the developer of \$130,000 for the design and construction of a new cenotaph and part of \$250,000 for Ryde Park landscaping works.

Consultation with the local RSL community and sub-branch led to the development of a new Cenotaph design. Constructed within Ryde Park, the new Ryde Cenotaph was re-dedicated on 20 February 2008.

The decommissioning and removal of the former Ryde Cenotaph resulted in the displacement of the cast bronze insignias of the Royal Australian Air Force, the Australian Commonwealth Military Forces and the Royal Australian Navy, together with a commemorative plaque and laurel wreath.

The insignias, plaque and laurel wreath were removed and placed into short-term storage in Council's offices, pending the identification and securing of, a long-term solution for their reinstatement and display.

ITEM 8 (continued)

The incorporation of the salvaged insignias, plaque and laurel wreath into the new Ryde Cenotaph in Ryde Park was discounted as the RSL sought to include representation of the Merchant Navy which was previously omitted from the former Cenotaph. Resultantly, new insignias representing the Royal Australian Air Force, Australian Commonwealth Military Forces, the Royal Australian Navy and the Merchant Navy were etched into the fabric of the new Ryde Cenotaph.

At the Heritage Advisory Committee (HAC) meeting of 18 June 2014, the HAC investigated four options for the long-term or 'in-perpetuity' display of the insignias. These included:

1. Ryde Park Cenotaph: 7 Blaxland Road, Ryde
2. Ryde Ex-Services Memorial Island: 724 Victoria Road, Ryde (adjacent to Victoria Road)
3. North Ryde RSL Memorial Garden: corner of Pittwater Road and Magdala Road, North Ryde;
4. Foyer of Ryde Library: Devlin Street, Ryde (temporary exhibition space).

Each of the four options were considered in terms of:

1. The general suitability for the display of dedicated commemorative insignia.
2. The adaptability and tolerance of existing memorials to accommodate the additional insignias, in terms of profile, form, material compatibility and method of affixing.
3. The accessibility for the general public to allow the viewing and appreciation of the insignias.
4. The viability for long-term or 'in-perpetuity' display.
5. Securing the insignias from theft, vandalism or inadvertent displacement or damage.

The HAC identified *Option 3: North Ryde RSL Memorial Garden* as the preferred and most suitable location, citing that the North Ryde RSL Memorial Garden comprises a substantial area with an existing memorial wall and landscaped gardens. The existing memorial wall is also considered suitable, having tolerance to accommodate the insignias without obscuring on the significance of the existing memorial wall or diminishing the significance of the insignias.

Subsequently, the HAC made the recommendation that:

1. The insignias be placed at the North Ryde RSL Memorial Garden.
2. Council contacts the Sub Branch President, Mr Bernie Cain and the North Ryde RSL to seek agreements with regard to the relocation of the existing insignias to the North Ryde RSL Memorial.
3. A letter be forwarded to Mr Len Shultz thanking him for his assistance.

ITEM 8 (continued)

On 20 October 2014, a meeting was held between City of Ryde Council staff and representatives of the RSL Sub Branch and North Ryde RSL to discuss the potential location and arrangements for the restoration and incorporation of the insignias to the existing North Ryde RSL Memorial.

Representatives of North Ryde RSL have stated full support for the proposal and indicated that they would be pleased to receive the insignias. The RSL plans to affix the insignias, plaque and laurel wreath in perpetuity to the existing Memorial Garden monument, citing the insignias would add a new layer of significance to, and improve the aesthetic appearance of, the existing Memorial Garden.

As an interim measure, the insignias, plaque and laurel wreath, were placed into the temporary custody of the North Ryde RSL, who have since initiated conservation works to the insignias with the intention of having them installed to the Memorial Garden monument in time for the 2015 Anzac Day commemorations in April.

Council's resolution of 27 May 2014 required the investigation of the heritage listing of the insignia, plaque and laurel wreath.

Clause 5.10 *Heritage Conservation of Ryde Local Environmental Plan 2014* provides the legislative framework for the management and protection of items of heritage significance within the Ryde local government area. A 'heritage item' is defined under the *Standard Instrument – Principal Local Environmental Plan* as meaning '*a building, work, place, relic, tree, object or archaeological site, the location and nature of which is described in Schedule 5*'.

Previous advice provided by Council staff to the HAC suggested that the insignias were at the time, considered as 'moveable heritage', whereby not having a 'fixed' primary address or location that a heritage listing could be defined by and 'fixed to'. As a result, Council staff advised the HAC that heritage listing the insignias would be difficult until such time as a fixed location was found.

Therefore, the view is held that an item can only be listed on Schedule 5 of *Ryde LEP 2014* on the basis of being able to describe a location or a 'fixed' primary address i.e. the legal description of the land (Lot and Deposited Plan No.) and where available, a street address.

Installation of the insignias to the existing Memorial Garden monument at North Ryde RSL, would provide a fixed primary address (Lot and DP), whereby a heritage listing on Schedule 5 of *Ryde LEP 2014* could be pursued.

ITEM 8 (continued)

While the heritage significance of an item may be specific to a nominated element within a site and not the entire site, i.e. a 'dwelling house' on a large residential property, a 'sandstone monument' within a park or in this instance, the 'commemorative insignias' within a memorial garden, items of local heritage significance listed on Schedule 5 of the *Ryde LEP 2014*, are defined by the legal description of the land (Lot and DP). This means that the heritage listing is defined by the entire extent of the nominated Lot and DP.

The North Ryde RSL clubhouse, carpark, associated facilities and Memorial Garden, are for the greater part, situated on a single allotment. A secondary allotment comprises an area of landscaped open space fronting the main carpark, although it is noted that no structures are situated on this allotment. Subsequently, the heritage listing would apply to the entire RSL site (excluding the smaller allotment fronting the carpark).

While heritage listing the insignias and/or the Memorial Garden would provide for their statutory protection, heritage listing as defined by the Lot and DP would encapsulate the entire site and may impose some level of constraint on the RSL operations, in particular, requiring consideration of the heritage impacts for any development proposal, including internal alterations and additions to the existing clubhouse, which, given the level of detachment from the Memorial Garden, would be unlikely to result in any material affectation or heritage impacts. In this regard, a reduced heritage curtilage would be the most appropriate response.

Heritage listing an item or place can be summarised as being a means of recognising the value and significance that an item or place has to the culture, customs or 'way of life' of society and the regard in which the community holds it. Heritage listing provides a level of statutory protection to ensure that the values (whether historic, associative, social, aesthetic, technical, rarity or representative) and cultural significance are protected for the enjoyment and appreciation by future generations.

Council's resolution of 17 August 2010 established that Council will not pursue the compulsory heritage listing of any property unless the land owner of the property applies for a heritage listing of the property. In this instance, North Ryde RSL has not approached Council seeking the heritage listing of the property.

However, pursuing the heritage listing of the insignias is not considered an essential mechanism in ensuring their identification and protection as items of heritage value and cultural significance to the community.

It is acknowledged that the North Ryde RSL primarily exists to immortalise the memory of men and women from the Ryde locality, who served in armed conflict and peace-keeping operations. The installation of the insignias at the North Ryde RSL Memorial Garden would therefore serve as a quasi-heritage listing, whereby the care and control of the insignias by the RSL community, would provide a certain level of protection and management, similar to that afforded by statutory heritage listing.

ITEM 8 (continued)

Financial Implications

Adoption of the recommendation will have no financial impact. The costs associated with the conservation works and installation of the insignias are to be borne by the North Ryde RSL.

Conclusion

In accordance with the recommendations of the HAC from 18 June 2014, a suitable location has now been identified for the perpetual display of the insignias, plaque and laurel wreath (formerly of the decommissioned Ryde Cenotaph). It is recommended that Council endorses the gifting of the insignias, plaque and laurel wreath to North Ryde RSL for inclusion in the existing North Ryde RSL Memorial Garden.

It is also recommended that Council shows its appreciation to the works and efforts in finding a location for the insignias and that the Mayor writes to the North Ryde RSL and Mr Len Shultz accordingly.

The gifting of the insignias, plaque and laurel wreath to the North Ryde RSL will also provide a sufficient level of protection and management, similar to that afforded by statutory heritage listing. Subsequently, there is no imminent necessity for Council to pursue heritage listing to ensure the identification and protection of the cultural significance of the insignias.

ITEM 8 (continued)

ATTACHMENT 1

Photos of the three insignias



Navy Insignia



Air Force Insignia



Army Insignia

ITEM 8 (continued)

ATTACHMENT 2

Photos of Plaque & Laurel Wreath



9 REPORTS DUE TO COUNCIL

Report prepared by: Section Manager - Governance
File No.: CLM/15/1/4/2 - BP15/271

REPORT SUMMARY

This Report is submitted to Council to review the status of outstanding reports and confirm the date reports are due to be provided to Council as at 10 March 2015 (listing **ATTACHED**).

There are currently 28 reports listed. Following consideration of this report there will be no overdue reports due to Council.

RECOMMENDATION:

That the report on Outstanding Council Reports be endorsed.

ATTACHMENTS

1 Outstanding Reports to Council - as at 10 March 2015

Report Prepared By:

Amanda Janvrin
Section Manager - Governance

Report Approved By:

John Schanz
Manager - Governance, Risk and Audit

Roy Newsome
Group Manager - Corporate Services

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ATTACHMENT 1

Outstanding Reports

Meeting Type	Resolution	Due Date of Report	Comments/Update
Council	MAYORAL MINUTE 15/12 - REVIEW OF POLICIES REGARDING VISITING OVERSEAS DELEGATIONS AND SISTER CITY RELATIONSHIPS - COMPLETE	13/08/2013	Council resolved that a Workshop be conducted to allow Council to reconsider its policy with regard to Visiting Overseas Delegations and all aspects of existing sister city relationships. This Workshop has been held.
Meeting Date		Anticipated date	
13/11/2012	(b) That the General Manager bring back a report to Council of existing sister city relationships.	24/03/2015	Subsequently, Council asked that a further workshop be conducted with Korean representatives.
Group		Officer	
Corporate Services		John Schanz	Due to the large number of planned workshops this workshop will be delayed. Workshop anticipated to be held in April 2014 with a report to follow.
			It was planned for this workshop to be held on 22 April 2014, however as a result of Councillor feedback this has been rescheduled to 27 May 2014.
			Workshop with Dong Guan Business Chambers held on 27 May 2014.

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10-Mar-15

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*Further Councillor workshop
scheduled for 11 November 2014
to discuss opportunities and
options.*

*Report to be presented to Council
on 24 March 2015.*

*COMPLETED (To be removed
following the Council Meeting
held on 24 March 2015).*

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type Works and Community	Resolution NOTICE OF MOTION - AMENDMENT TO VOLUNTARY PLANNING AGREEMENT (VPA) POLICY	Due Date of Report 15/03/2016	Comments/Update <i>In keeping with the Integrated Open Space Plan, the amended VPA Policy seeking additional open space, was approved by Council at its meeting held on 13 August 2013.</i>
Meeting Date 14/05/2013	(b) The Acting General Manager prepare a report identifying how much money Council has for open space acquisition and identify potential purchases for consideration by Council in keeping with the Draft IOSP.	Anticipated date 15/03/2016	
Group Community Life		Officer Simon James	<i>The Open Space Future Provision Plan is currently under development and will be discussed at a confidential Councillor workshop to be held in November 2013.</i>
			<i>Workshop deferred to February 2014.</i>
			<i>Workshop further delayed to 18 March due to another workshop needing to take priority.</i>
			<i>A response to this resolution will be considered as a part of Section 94A Plan and/or Sport and Recreation Strategy.</i>

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type Council	Resolution ESTABLISHING AN INTEGRATED YOUTH SERVICE HUB	Due Date of Report 27/10/2015	Comments/Update <i>Pilot will be evaluated starting in July, as per the Council resolution, with a report back to Council at completion.</i>
Meeting Date 23/07/2013	(d) That following the trial period (2 years), a review of the Integrated Youth Service Hub governance model be undertaken by Community and Culture and reported to Council.	Anticipated date 27/10/2015	
Group Community Life		Officer Baharak Sahebekhtiari	
Meeting Type Council	Resolution PLANNING PROPOSAL - 10 MONASH ROAD AND 2 COLLEGE STREET, GLADESVILLE	Due Date of Report 27/05/2014	Comments/Update <i>Date of exhibition yet to be determined.</i>
Meeting Date 24/09/2013	(c) That, in the event of a gateway determination being issued pursuant to Section 56 of the Environmental Planning and Assessment Act 1979, the planning proposal be placed on public exhibition and a further report be presented to Council following the completion of the community consultation advising of the outcomes and next steps.	Anticipated date 14/04/2015	<i>DOPI has issued a Gateway determination approving the exhibition of the Planning Proposal. The DOPI conditions require the Planning Proposal to be exhibited with the Bunning's Site Traffic Study (currently underway).</i>
Group Environment and Planning		Officer Meryl Bishop	

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type Council	Resolution PLANNING PROPOSAL - AMENDMENTS TO LEP 2013	Due Date of Report 27/03/2015	Comments/Update <i>Update 11 August 2014: Land Owner advised of deferral; Public Works preparing report to Council on drainage and structural issues relating to the site; a further report regarding the planning controls for the site will be provided at a latter date.</i>
Meeting Date 8/10/2013	(f)That Council defer amending the planning control for 100 Rowe Street Eastwood from the Planning Proposal Amendments to DLEP 2013 to allow further consideration and discussion with the land owner of the flooding solutions / proposed planning controls for the site. The matter will be reported to Council at a later date.	Anticipated date 21/04/2015	
Group Public Works		Officer Anthony Ogle	<i>Due to complexity of the matter, further investigations are being carried out on the stormwater works capacity and options for Council.</i>
			<i>Update 30 September 2014: Detailed design underway to determine effectiveness of infrastructure in a 1:100 year flood. Once the detailed design is completed, investigation into the best options for Council will be completed. Depending on complexity, staff will aim to report to Council on 9 December. If this is unachievable, it will be in the new year.</i>
			<i>Update 7 November 2014: Due to the complexity of this</i>

ITEM 9 (continued)

ATTACHMENT 1

<i>matter, we are now aiming to report to Council at the end of Quarter 3, 2014-2015.</i>			
Meeting Type Council	Resolution HERITAGE ADVISORY COMMITTEE - Minutes 16 April 2014 - COMPLETE	Due Date of Report 23/09/2014	Comments/Update <i>Proposal provided to Heritage Advisory Committee - further consultation with North Ryde RSL underway.</i>
Meeting Date 27/05/2014	That Council staff prepare a report investigating:	Anticipated date 24/03/2015	<i>Report presented to Council on 24 March 2015.</i>
Group Environment and Planning	(a) the possible future locations for the insignia, small plaque and laurel wreath; and (b) the heritage listing the insignia, small plaque and laurel wreath that was removed from the decommissioned Ryde memorial cenotaph in Ryde Local Environment Plan.	Officer Meryl Bishop	<i>COMPLETED (To be removed following the Council Meeting held on 24 March 2015).</i>

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type Works and Community	Resolution FLOODPLAIN RISK MANAGEMENT STUDIES - BUFFALO AND KITTYS CREEK & PARRAMATTA RIVER	Due Date of Report 28/04/2015	Comments/Update <i>Update 9 March 2015: Consultation on the FloodPlain Risk Management Plan for Buffalo and Kittys Creek has been considered by the Stormwater Flood Management Committee. This matter will be reported to Council on 28 April 2015.</i>
Meeting Date 3/06/2014	(c) That a further report be submitted to Council following the completion of the public exhibition period.	Anticipated date 28/04/2015	
Group Public Works		Officer Anthony Ogle	<i>Consultation on the FloodPlain Risk Management Plan for Parramatta River and subcatchments will be considered by the Stormwater Flood Management Committee on 22 April 2015. It is expected that this matter will be reported to Council in June / July 2015.</i>

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type Council	Resolution CROWN LANDS WHITE PAPER	Due Date of Report 1/05/2015	Comments/Update <i>Update 1 July 2014: Council delivered its submission by the 20 June 2014 deadline. The matter is now in the hands of the Crown. The Strategic Assessment could possibly take many months.</i>
Meeting Date 10/06/2014	(d) That this matter be further reported to Council once Council has evaluated the Strategic Assessment of the City of Ryde's Crown Land.	Anticipated date 26/05/2015	
Group Public Works		Officer Joe So	<i>Update 30 September 2014: This report will not be presented to Council until the update has been received from the Crown and at this stage, the timeframe is unknown.</i> <i>Update 6 February 2015: No update received from Crown</i>

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type Council	Resolution INVESTIGATION INTO NIGHT MARKETS AT EASTWOOD AND OTHER TOWN CENTRES	Due Date of Report 28/04/2015	Comments/Update <i>Discussed at the Advisory Committee meeting on 23 February. Staff now undertaking consultation with retailers and a report will be provided to Council in April 2015.</i>
Meeting Date 5/08/2014	(b) That Council invite Expressions of Interest for the establishment of a regular Sunday Farmers Market at Eastwood and that the findings of the EOI and the result of consultation with local businesses be reported back to Council for approval.	Anticipated date 28/04/2015	
Group Community Life		Officer Derek McCarthy	
Meeting Type Works and Community	Resolution MAYORAL MINUTE - NAMING OF LOWER EASTWOOD OVAL	Due Date of Report 21/04/2015	Comments/Update <i>Council staff have been liaising with representatives from the Eastwood St Andrews Football Club and have sought a formal application from them by end March, regarding any renaming proposal.</i>
Meeting Date 12/08/2014	(a) That the Acting Group Manager – Community Life, prepare a report in relation to the possible renaming of the Lower Eastwood Oval.	Anticipated date 21/04/2015	
Group Community Life		Officer Simon James	<i>A report will be provided to Council once an application from the Club has been received.</i>

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type	Resolution	Due Date of Report	Comments/Update
Council	LICENCE AGREEMENT - PUTNEY AND TENNYSON BOWLING CLUB	28/04/2015	<i>The Club is yet to resolve the issue with the private gymnasium operator.</i>
Meeting Date	(c) That a further report be brought back to Council on the outcomes of any negotiations with the Club, including opportunities for access by additional community groups	Anticipated date	
26/08/2014		28/04/2015	
Group		Officer	
Community Life		Tatjana Domazet	

Meeting Type	Resolution	Due Date of Report	Comments/Update
Council	NOTICE OF MOTION - NO SMOKING AT EASTWOOD PLAZA	26/05/2015	<i>Community Consultation Meeting to be held on Saturday, 28 February 2015.</i>
Meeting Date	In light of a petition received from 240 regular users of the Eastwood Plaza, Council consults with the Eastwood community and local businesses with a view to create a Smoke Free Zone in the Plaza area between appropriate hours, in order to minimise users and school children being exposed to harmful effects of passive smoking. The outcome of the consultation and recommendations are to be reported to the Council meeting.	Anticipated date	
14/10/2014		26/05/2015	
Group		Officer	
Environment and Planning		Meryl Bishop	

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type	Resolution	Due Date of Report	Comments/Update
Works and Community	NOTICE OF MOTION - REMEMBER MIKE AND SAVE A LIFE COMMITTEE	21/04/2015	<i>This matter will be reported to Council in April 2015.</i>
Meeting Date	That a report be brought back to Council addressing the wider requirement of our community for defibrillators across the City of Ryde Local Government area, including the total costs of the equipment, liability, installation and additional needs for training.	Anticipated date	
11/11/2014		21/04/2015	
Group		Officer	
Community Life		Simon James	

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type Works and Community	Resolution NOTICE OF MOTION - RYDE BOWLING CLUB SITE	Due Date of Report 21/04/2015	Comments/Update <i>Community Consultation has commenced.</i>
Meeting Date 11/11/2014	(a)That Council consult the community to ascertain their preferences for the future use of the Argyle Centre.	Anticipated date 21/04/2015	<i>A Councillor Workshop is currently scheduled for 31 March 2015.</i>
Group Community Life	(b)That Council consult the community to ascertain their preferences for the future use of the Ryde Bowling Club site before seeking expressions of interest for this property.	Officer Tatjana Domazet	<i>A subsequent report will be provided to Works and Community Committee on 21 April 2015.</i>
	(c) That in relation to the Ryde Bowling Club site, the consultation document is to enable respondents to provide a response to at least the following concepts or questions:-		
	Should the Bowling Club site remain part of Ryde Park.		
	Should the land be used primarily for recreational purposes and remain zoned for recreation.		
	Should the use provide for public access to the site at all times when the facility is open or in use.		
	Are commercial or community uses acceptable provided the above three conditions are met.		

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type	Resolution	Due Date of Report	Comments/Update
Council	46-48 GLADSTONE AVENUE, RYDE. LOTS F and G DP 32873. Local Development Application for demolition of existing structures and construction of a 3 storey residential flat building containing 12 apartments and car parking for 16 vehicles. LDA2013/0173	16/06/2015	<i>Mediation held in December 2014 and amended plans requested. Applicant has advised that amended plans will be submitted in February 2015.</i>
Meeting Date	(a) That consideration of LDA2013/0173 at 46-48 Gladstone Avenue, Ryde be deferred for the Acting Group Manager – Environment and Planning to undertake a mediation between the applicant and the objectors.	Anticipated date	<i>Amended Plans submitted and notification closed 27 Feb 2015. 3 submissions received.</i>
11/11/2014	(b) That the matter then be reported back to the Planning and Environment Committee.	5/05/2015	<i>Report to Committee upon completion of assessment.</i>
Group	Environment and Planning	Officer	Liz Coad

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type Council	Resolution NOTICE OF MOTION - WINE AND MUSIC BY THE RIVER	Due Date of Report 28/04/2015	Comments/Update <i>Staff are waiting to hear back from Gladesville Rotary in regards them proposing to conduct a similar event in place of the Aquatic Festival.</i>
Meeting Date 11/11/2014	(a) That Council staff investigate options for an additional major community event in East Ward named, Wine and Music by the River as a major public community celebration in our City each year.	Anticipated date 28/04/2015	<i>This report will be provided to Council in April 2015.</i>
Group Community Life	(b) That an expression of interest be promoted for a working party to review, develop and adopt a strategy for a Music Festival budgeting with defined guidelines that ensures any and all expenses incurred can be paid for with certainty. (c) That Council investigate conducting a major community event at Kissing Point Park. (d) That the Chambers of Commerce, Rotary, local business and other interested stakeholders be approached for input with these options to be presented for Council's consideration in March 2015.	Officer Derek McCarthy	

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type Council	Resolution REVIEW OF DCP 2014 - STORMWATER AND FLOODPLAIN MANAGEMENT	Due Date of Report 26/05/2015	Comments/Update <i>Final formatting of DCP document and attachments underway. Exhibition scheduled to commence in February and continue through March.</i>
Meeting Date 25/11/2014	(b)That Council endorse that the exhibition of the Draft Development Control Part 7.3 Stormwater and Floodplain Management and associated documents occurs as part of a group of DCPs to be exhibited with respect to the comprehensive review of DCP 2014 and be a part of the report to Council on the outcomes of that exhibition.	Anticipated date 12/05/2015	
Group Environment and Planning		Officer Meryl Bishop	<i>Exhibition underway - submissions close 20 March 2015.</i>
Meeting Type Council	Resolution COUNCIL'S ARTWORKS COLLECTION	Due Date of Report 14/07/2015	Comments/Update <i>Review of current processes and investigation of future options for management has commenced.</i>
Meeting Date 25/11/2014	(a)That Council staff review the management and display of the artwork collection and prepare a report for Council that informs of its value and significance;	Anticipated date 14/07/2015	
Group Community Life	(b)That the Council report include recommendations on innovative options for its ongoing management and display, including guidelines for purchase of new works.	Officer Baharak Sahebekhtiari	

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type Council	Resolution INVESTMENT PROPERTY MATTER - 741-747 VICTORIA ROAD RYDE	Due Date of Report 23/06/2015	Comments/Update <i>Update 6 February 2015: Community consultation, planning and implementation underway in line with OLG Capital Expenditure Guidelines and Council Resolution.</i>
Meeting Date 9/12/2014	(c) That a further report be submitted after the adoption of the Delivery Plan 2015-2019 that will address any adverse submissions and detail the proposed community engagement process as prescribed in the Office of Local Government's Capital Works Guidelines.	Anticipated date 23/06/2015	
Group Public Works		Officer Joe So	
Meeting Type Council	Resolution NOTICE OF MOTION - NATIONAL YOUTH WEEK 2015 - COMPLETE	Due Date of Report 10/03/2015	Comments/Update <i>The Ryde Youth Advisory Committee membership for the 2015-2016 term was presented to Council on 10 February 2015.</i>
Meeting Date 9/12/2014	(b) That the proposed program be reported to Council in February 2015 with a view of allocating funds towards National Youth Week with the purpose of providing programs and activities for the youth across the Ryde LGA.	Anticipated date 10/03/2015	<i>The new Committee considered options for the proposed program and reported back to Council on 10 March 2015.</i>
Group Community Life		Officer Baharak Sahebekhtiari	<i>COMPLETED (To be removed following the Council Meeting held on 24 March 2015).</i>

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type Council	Resolution INVESTMENT PROPERTY MATTER - 33-41 BLAXLAND ROAD RYDE	Due Date of Report 23/06/2015	Comments/Update <i>Update 6 February 2015: Community consultation, planning and implementation underway in line with OLG Capital Expenditure Guidelines and Council Resolution.</i>
Meeting Date 9/12/2014	(c) That a further report be submitted after the adoption of the Delivery Plan 2015-2019 that will address any adverse submissions and detail the proposed community engagement process as prescribed in the Office of Local Government's Capital Works Guidelines.	Anticipated date 23/06/2015	
Group Public Works		Officer Joe So	
Meeting Type Council	Resolution MACQUARIE PARK CORRIDOR DEVELOPMENT CONTROL PLAN REVIEW	Due Date of Report 23/06/2015	Comments/Update <i>Exhibition scheduled to commence in March and continue through April, with report to Council to follow.</i>
Meeting Date 9/12/2014	(c) That the outcomes of the exhibition are reported to Council as soon as practicable after the closure of the exhibition.	Anticipated date 9/06/2015	<i>Exhibition scheduled to commence 25 March 2015 closing on 29 April 2015.</i>
Group Environment and Planning		Officer Meryl Bishop	

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type	Resolution	Due Date of Report	Comments/Update
Council	MATTER OF URGENCY – FINE ISSUED BY CITY OF RYDE RANGERS - COMPLETE	24/03/2015	Investigation completed and matter reported to Council on 24 March 2015.
Meeting Date	That the General Manager investigate the issue of an elderly couple being fined in late 2014 by City of Ryde Rangers while conducting volunteer work on a Sunday morning and provide a report back to Council.	Anticipated date	<i>COMPLETED (To be removed following the Council Meeting held on 24 March 2015).</i>
10/02/2015		24/03/2015	
Group		Officer	
Environment and Planning		Leon Marskell	

Meeting Type	Resolution	Due Date of Report	Comments/Update
Council	NOTICE OF MOTION - INSTALLATION OF A PEDESTRIAN SAFETY BOOM-GATE ON MACPHERSON LANE, MEADOWBANK	5/05/2015	Update 6 March 2015: Contact has been made with the Italian Bilingual School. Awaiting information from school. The matter is currently scheduled for consideration at the Ryde Traffic Committee meeting to be held on 26 March 2015 and will be reported to the next available Works and Community Committee meeting thereafter.
Meeting Date	(b) That a report be brought back to Council following the meeting, detailing the options available for this site.	Anticipated date	
10/02/2015		2/06/2015	
Group		Officer	
Public Works		Harry Muker	

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type	Resolution	Due Date of Report	Comments/Update
Council	142 MORRISON ROAD, PUTNEY – LOT 7362 – DP1166680. Development Application for Installation of Playing Field Lighting at Morrison Bay Park. LDA2014/0289.	16/06/2015	<i>Acoustic report, Acid Sulphate Management Plan, and Ecological Assessment requested.</i>
Meeting Date		Anticipated date	
10/02/2015	That a further report be submitted to Planning and Environment Committee as soon as practical.	16/06/2015	<i>Re-notification to occur following the provision of the additional information.</i>
Group		Officer	
Environment and Planning		Liz Coad	

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type Council	Resolution RYDE YOUTH COUNCIL MEMBERSHIP 2015-2016 - COMPLETE	Due Date of Report 24/03/2015	Comments/Update <i>The Terms of Reference was reviewed by the Committee at its meeting held on 11 February and some amendments were recommended.</i>
Meeting Date 10/02/2015	(b) That the Ryde Youth Council Advisory Committee be requested to review their Terms of Reference at their first meeting and report back to Council for confirmation on this matter.	Anticipated date 24/03/2015	<i>The revised Terms of Reference were presented to Council at its meeting held on 24 March 2015.</i>
Group Community Life		Officer Baharak Sahebekhtiari	<i>COMPLETED (To be removed following the Council Meeting held on 24 March 2015).</i>

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type	Resolution	Due Date of Report	Comments/Update
Council	MATTER OF URGENCY – WW1 MEMORIAL AT MEMORIAL PARK, MEADOWBANK - COMPLETE	10/03/2015	<i>Update 6 March 2015: Late report prepared and presented to the Council Meeting of 10 March 2015.</i>
Meeting Date	(a) That the General Manager commission a condition report on all War Memorial sites across the City of Ryde, including the WW1 Memorial at Memorial Park, Meadowbank.	Anticipated date	<i>COMPLETED (To be removed following the Council Meeting held on 24 March 2015).</i>
24/02/2015		10/03/2015	
Group	(b) That the condition report be brought back to the Council Meeting on 10 March 2015 so that Council can consider any required works to be conducted in time for the Centenary of ANZAC on 25 April 2015.	Officer	
Public Works		Barry Hodge	

ITEM 9 (continued)

ATTACHMENT 1

Meeting Type	Resolution	Due Date of Report	Comments/Update
Works and Community	DECEMBER QUARTERLY REVIEW REPORT - DELIVERY PLAN 2014-2018 AND 2014/2015 OPERATIONAL PLAN - COMPLETE	3/03/2015	<i>Memorandum and supporting documentation provided to Councillors on 3 March for consideration at the Works and Community Committee Meeting on 3 March 2015.</i>
Meeting Date	(H)hat a report regarding the proposed demolition of the Pony Club Building in Marsfield Park be provided to the next Works and Community Committee Meeting.	Anticipated date	
24/02/2015		3/03/2015	
Group		Officer	
Community Life		Tatjana Domazet	<i>Council resolved to allocate funds for the demolition and associated works of the building previously occupied by the Ryde Pony Club and return the site to the park, as reported in the December Quarterly Review report.</i>
			<i>Any future use of the site will be a subject of a Council report.</i>
			<i>COMPLETED (To be removed following the Council Meeting held on 24 March 2015).</i>

PRECIS OF CORRESPONDENCE

1 FIT FOR THE FUTURE - OPINION OF UNITED SERVICES UNION

Report prepared by: Executive Assistant to the Mayor
File No.: CSG/14/3/14/7 - BP15/292

CORRESPONDENCE:

Submitting correspondence from the United Services Union, dated 10 February 2015 regarding comment on the NSW Government's Fit for the Future Local Government Reform Policy Package.

ECOMMENDATION:

That the correspondence be received and noted.

ATTACHMENTS

- 1 United Services Union report 'Up to the Job? - An analysis of the NSW Government's Fit for the Future Local Government Reform Policy Package

Report Prepared By:

Linda Smith
Executive Assistant to the Mayor

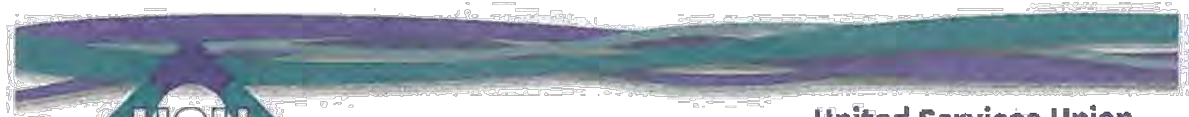
Report Approved By:

Amanda Janvrin
Section Manager - Governance

Roy Newsome
Group Manager - Corporate Services

PRECIS OF CORRESPONDENCE 1 (continued)

ATTACHMENT 1



United Services Union

Level 7, 321 Pitt St
Sydney NSW 2000

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w www.usu.org.au
e united@usu.org.au

ABN: 95 571 805 442

10 February 2015

The General Manager & Elected Councillors
Ryde City Council
Locked Bag 2069
NORTH RYDE NSW 1670

Reference: 120140911MDU01IND
Contact: Mark Dunstan

Dear Sir/Madam,

The United Services Union, being the principal Union within the NSW Local Government sector, have commissioned a report by Professor Brian Dollery & Joseph Drew on behalf of the New England Education and Research Propriety Limited, entitled "Up to the Job? An analysis of the NSW Government's *Fit for the Future* Local Government Reform Policy Package."

I am pleased to provide your Council and Councillors a copy of the document for your consideration.

I further advise that a copy of the document has been provided to the following:

- ⇒ Minister for Local Government
- ⇒ Office of Local Government
- ⇒ Ministerial Advisory Panel
- ⇒ Local Government NSW
- ⇒ LGPA
- ⇒ DEPA
- ⇒ APESMA

The Union would be appreciative if your Council tabled the document at the first available opportunity and would very much appreciate any constructive feedback. Please send all correspondence to the attention of the General Secretary by email to united@usu.org.au.

Yours faithfully,



Graeme Kelly
GENERAL SECRETARY

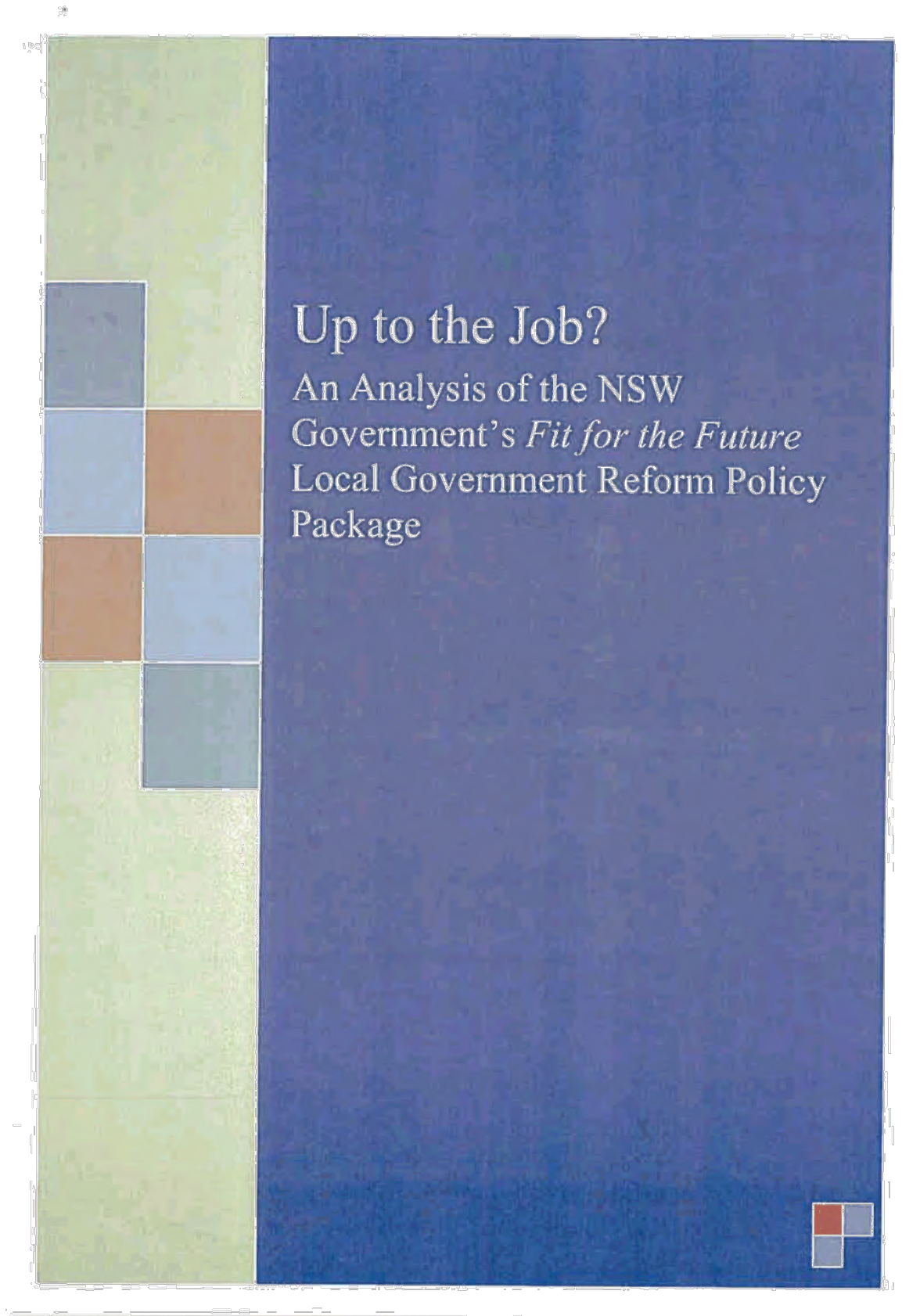
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Attachment

New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union
Regional Offices: Newcastle, Wollongong. **Satellite Offices:** Armidale, Bathurst, Canberra, Dubbo, Grafton, Hay, Port Macquarie, Wagga Wagga

PRECIS OF CORRESPONDENCE 1 (continued)

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PRECIS OF CORRESPONDENCE 1 (continued)

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General Secretary
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Disclaimer:

This Report was prepared by Brian Dollery and Joseph Drew on behalf of New England Education and Research Proprietary Limited for the United Services Union. This Report was produced for the United Services Union as a strictly independent Report. The opinions expressed in the Report are thus exclusively the views of Brian Dollery and Joseph Drew and do not necessarily coincide with the views of the United Services Union or any other body. The information provided in this Report may be reproduced in whole or in part for media review, quotation in literature, or non-commercial purposes, subject to the inclusion of acknowledgement of the source and provided no commercial use or sale of the material occurs.



PRECIS OF CORRESPONDENCE 1 (continued)

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Executive Summary

In August 2011 the NSW Government established the Independent Local Government Review Panel to examine the options for improving the sustainability of the NSW local government sector. The *Final Report* of the Panel was submitted in October 2013 and in October 2014 the NSW Government set out its response to the *Final Report* in its *Fit for the Future* reform program.

This Report provides a critical assessment of the *Fit for the Future* program. We show that the *Fit for the Future* program is awash with errors, unreliable data and omissions, which could have serious consequences considering the far-reaching impact the *Fit for the Future* program will have on NSW local authorities. We conclude that it would be prudent for the NSW Government to take urgent steps to address these matters before proceeding further with the program.

The Report is divided into nine main parts:

Section 1 places the *Final Report* of the Independent Panel and the *Fit for the Future* program in the broader context of the international empirical literature on local government reform, as well as outlining the contents of the Report.

Section 2 traces the genesis and subsequent evolution of the *Fit for the Future* reform process.

Section 3 considers the broader narrative surrounding the program, not least the political ‘spin’ employed to ‘sell’ *Fit for the Future* to the local government community.

Section 4 examines policy ‘shifts’ involving the financial sustainability ratios and benchmark values used in *Fit for the Future* assessment of councils in comparison to the earlier TCorp Report prepared by the NSW Treasury Corporation in 2013.

PRECIS OF CORRESPONDENCE 1 (continued)

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Section 5 tackles the evaluation of municipal 'scale' and 'capacity' in the *Fit for the Future* program and demonstrates several errors in the *Fit for the Future* approach.

Section 6 deals with the reliability of the data employed in the in the *Fit for the Future* program showing that serious problems exist.

Section 7 scrutinises the assessment of local council efficiency in *Fit for the Future*, noting the erroneous approach followed in *Fit for the Future*.

The Report concludes in section 8 with some recommendations on how best to correct the flaws in *Fit for the Future* so that they do not lead to serious public policy mistakes which will be difficult and expensive to correct.



PRECIS OF CORRESPONDENCE 1 (continued)

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1. Introduction

For several decades local government systems across the world, including Australian local government, have experienced ongoing reform of varying degrees of severity (Denters and Rose, 2005; Faulk and Hicks, 2011). While Australian local government policymakers have deployed a number of different policy tools (Dollery, Kortt and Grant, 2013), in common with numerous other nations structural change through forced municipal mergers has been a major instrument of reform in most Australian state and territory local government systems. NSW local government has not been immune to compulsory consolidation, with enforced council mergers in 2004 (Tiley, 2012).

As a result of compulsory council consolidation, the total number of Australian local councils has decreased from 1067 to 680 over the period 1910 to 2008, a fall of about 36 per cent, notwithstanding a fivefold population increase from 4,425,083 to 20,209,993 people over the same period (Grant, Dollery and Crase, 2009). This has seen the average population size of Australian councils grow from 4,147 to 40,118 residents per council, the fourth largest in the developed world behind Britain, Denmark and New Zealand (Callanan, Murphy and Quinlivan, 2012). At 47,963 persons per council, NSW comfortably exceeds the Australian average municipal population size.

In union with their counterparts in other countries, and in thrall of New Public Management (NPM), Australian proponents of municipal mergers typically argue that 'bigger is better' in local government, usually premised on assumed relationships between council size and council performance, such as 'bigger is cheaper', 'bigger means improved services', 'bigger is more efficient', 'bigger is more financially viable' (Sancton, 2011), and more recently 'bigger yields better strategic capacity'. Policymakers who pursue structural reform through

PRECIS OF CORRESPONDENCE 1 (continued)

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council amalgamation programs frequently claim that larger local authorities will generate cost savings, improve productivity, enhance the quantum and composition of local service provision, augment administrative and technical capacity, boost strategic management, facilitate more effective lobbying with higher levels of government, and increase financial sustainability (Lago-Penas, and Martinez-Vazquez, 2013).

These controversial claims have ignited an ongoing debate in the scholarly literature (see, for example, Boyne, 1998; Oakerson, 1999; Bish, 2000; Dollery, Kortt and Grant, 2012).

Notwithstanding the ubiquity of municipal mergers in the real-world reform programs, the empirical literature is far from supportive (see, for instance, Dollery and Robotti, 2008; Lago-Penas and Martinez-Vazquez, 2013).

Despite the continuing controversy surrounding council amalgamation, typically centred on proposed state and territory merger programs recommended by public inquiries (Dollery, Grant and Kortt, 2012), Australian policymakers have pressed on regardless with forced mergers, as currently exemplified the WA Government's divisive adoption of substantial municipal mergers in Perth recommended by the Metropolitan Local Government Review (2012) in its *Final Report*. In addition, under the auspices of the NSW Government's *Fit for the Future* reform program, the NSW local government sector now faces an even more drastic program of municipal mergers than in 2004, this time focusing largely on metropolitan local authorities.

Against this background, Report critically examines the *Fit for the Future* reform program. In particular, it considers four key aspects of the method for assessing the 'sustainability' of individual local authorities set out in the *Fit for the Future* guidelines: the financial

PRECIS OF CORRESPONDENCE 1 (continued)

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sustainability ratios and benchmark values employed, the criteria for the determination of 'adequate' scale and capacity of local councils, the reliability of the data employed, and the measurement of municipal efficiency. We demonstrate that in all of these areas, *Fit for the Future* methodology is seriously flawed.

The Report is divided into eight main parts. Section 2 traces the genesis and subsequent evolution of the *Fit for the Future* reform process. Section 3 considers the broader narrative surrounding the program, not least the political 'spin' employed to 'sell' *Fit for the Future* to the local government community. Section 4 examines policy shifts involving the financial sustainability ratios and benchmark values used in *Fit for the Future* assessment of councils, whereas section 5 tackles the evaluation of municipal 'scale' and 'capacity'. Section 6 deals with the reliability of the data in the *Fit for the Future* program. Section 7 scrutinises the assessment of efficiency in *Fit for the Future*. The Report concludes in section 8 with some brief recommendations on how best to correct the flaws in *Fit for the Future* so that they do not lead to expensive public policy mistakes.



PRECIS OF CORRESPONDENCE 1 (continued)

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2. Fit for the Future Reform Program in New South Wales

The largest of the seven Australian state and territory local government systems, NSW local government is presently comprised of 152 'general purpose councils', 12 'special purpose councils' and the NSW Aboriginal Land Council. The regulatory structure governing NSW local authorities consists of the NSW Office of Local Government (OLG), the NSW Local Government Grants Commission and supplementary bodies, as well as a Local Government Act (1993). In common with other Australian municipal systems, NSW local government is a 'creature of statute' since the NSW Government possesses almost unlimited regulatory powers over local government.

The forced merger program advocated in *Future Directions* by the Independent Panel was greeted with dismay by the NSW local government sector. It was attacked on several counts, not only because of the absence of any empirical basis for its merger recommendations, but also the poor quality of its commissioned research, particularly *Assessing Processes and Outcomes of the 2004 Local Government Boundary Changes in NSW* by Jeff Tate Consulting (2013) (see, for example, NELG, 2013).

After further consultation, the Panel submitted its Final Report *Revitalising Local Government* in October 2013. The main difference between *Future Directions* and *Revitalising Local Government* lay in a shift away from outright compulsion towards the establishment of a 'strengthened' Boundaries Commission empowered to consider proposals for municipal mergers and make binding recommendations. However, in common with *Future Directions*, the *Revitalising Local Government* stridently insisted that council consolidation was essential for improving NSW local government. However, no empirical



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evidence for this claim was presented in either *Future Directions* or *Revitalising Local Government*.

The NSW Cabinet delayed until early January 2014 before making public *Revitalising Local Government*. In April 2014, after the shock resignation of Premier O'Farrell, the incoming Premier Baird reshuffled the NSW Cabinet, replacing *inter alia* Minister for Local Government Don Page with Paul Toole. These events may account for the fact that the NSW Government only formally responded to the recommendations in *Revitalising Local Government* in September 2014 in the form of a *Fit for the Future* policy package. Under *Fit for the Future*, each local authority must assess itself to determine if it is 'sustainable', 'efficient', 'effectively manages infrastructure and delivers services for communities' and 'has the scale and capacity to engage effectively across community, industry and government' (OLG, 2014a). Assessment reports must be lodged with the NSW Government by 30 June 2015. To assist in this process, the NSW Government has appointed 'expert facilitators' to help local authorities to explore regional collaboration with other councils under newly established Joint Organisations (JOs), to be established following five 'pilot' JOs trialled in early 2015.

An Expert Panel will evaluate proposals to determine if councils meet *Fit for the Future* criteria. \$258 million will be provided to councils which voluntarily merge. Councils which are deemed to have satisfied *Fit for the Future* guidelines will enjoy several benefits, including 'a streamlined IPART process for rate increases above the rate pegging limit' and interest subsidies on loans for capital expenditure (OLG, 2014, p.15). Councils which are judged not to meet *Fit for the Future* criteria face forced mergers.

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3. Selling *Fit for the Future*

Undoubtedly aware of the controversial nature of the merger proposals set out in *Revitalising Local Government* and the *de facto* endorsement of council consolidation in its own *Fit for the Future* program, the NSW Government has gone extraordinarily lengths to 'sell' its policies to a wary NSW local government sector and a sceptical general public. For instance, in an early media release, Minister Toole (2014) announced that 'the *Fit for the Future* package of up to \$1 billion is the most significant investment the State has ever made in the local government sector', adding that since 'councils are losing \$1 million a day and we've got boundaries that were drawn up over a hundred years ago', it was clear that "no change" is not an option'. In his response, the President of Local Government NSW immediately observed that '\$600 million of the incentive package is based on Government estimates of councils saving money over a ten-year period if they borrow money from the Government' (Rhoades, 2014). If the magnitude of funding specified in *What's on Offer for Your Council* (OLG, 2014) is carefully scrutinised, then it is not only hard to escape noticing the frequent qualification of the sums on offer as 'up to', but also if the various monies are aggregated, then they sum to \$967million.

Councils are required to bear the entire cost of preparing *Fit For the Future* submissions. If a council elects to prepare a merger proposal, then the NSW Government has offered to meet half of the due diligence and community consultation costs. However, in terms of specific municipal mergers, in a peculiarly NPM sleight of hand, affected councils are being offered differential sums, depending on how many municipalities/people they merge with. Thus, in Sydney and other 'major centres', each newly emerged council 'with a population of 250,000' will be paid \$10.5million, with an additional \$3million for 'each additional 50,000 in population above 250,000', 'up to a maximum of \$22.5million'! By contrast, 'regional



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councils' will receive \$5million when two councils merge, \$11million for a tripartite amalgamation, and \$13.5million for four council mergers, regardless of population size (*What's on Offer for Your Council*, OLG, 2014)!

Quite apart from its post-modern retailing connotations, these sums are at odds with existing Australian evidence on the costs of council amalgamation. For example, the Queensland Treasury Corporation (QTC) *Review of Local Government Amalgamation Costs Funding Submission: Final Summary Report* (QTC, 2009) gathered information from councils forcibly merged in Queensland in August 2007. Reported 'first-round' costs were \$9.3million (mean) and \$9.3million (median) for metropolitan councils and \$7.994million (mean) and \$7.235million (median) for regional/rural councils. This raises the obvious question as to why regional councils are being offered so much less than their metropolitan counterparts under the *Fit for the Future* program.

Finally, it should be noted that *Fit for the Future* proposals not due until 30 June, long after the March 2015 NSW state election. This has various implications. In the first place, the NSW Government has not made clear whether it would adhere to its current 'no forced mergers' policy after the election. Secondly, councils are placed in an invidious position when they complete their respective *Fit for the Future* proposals since they have to 'second-guess' whether the NSW Government will renege on its policy post-election. Thirdly, under the *Fit for the Future* timetable, councillors and mayors of consolidated councils will face their disgruntled voters approximately 11 months after initiating the *Fit for the Future* merger proposals!

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4. Shifting Goal Posts: Ratios and Thresholds

In its *Financial Sustainability of the NSW Local Government Sector*, TCorp (2013) summarised a total of ten financial ratios into a single financial sustainability rating (FSR) according to the weights detailed in Table 1. These FSRs and ratios were adopted without reservation by the ILGRP (2013a; 2013b) and formed the basis for a number of recommendations relating to financial sustainability of the sector, including municipal mergers. The (then) Division of Local Government NSW (now the OLG) also adopted the FSRs without reservation in both the 2011/12 and 2012/13 *Comparative Information on NSW Local Government* annual reports, although it only included seven of the TCorp financial sustainability ratios. Table 1 contains definitions of TCorp (2013) financial ratios and Table 2 provides details regarding how financial ratios have been subsequently adopted and altered.

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Table 1: Definitions, Benchmarks and Weightings of TCorp Financial Sustainability Ratios

Variable	Weighting	Benchmark	Definition
Dependent			
Operating ratio	17.5%	>-4%	$\frac{(\text{operating revenue } \dagger - \text{operating expenses})}{\text{operating revenue } \dagger}$
Own Source Revenue ratio	17.5%	>60%	$\frac{\text{rates, utilities and charges}}{\text{total operating revenue } \dagger}$
Unrestricted Current ratio	10.0%	>1.50x	$\frac{\text{current assets less restrictions}}{\text{current liabilities less specific purpose liabilities}}$
Interest Cover ratio	2.5%	>4.00x	$\frac{\text{EBITDA}}{\text{interest expense}}$
Infrastructure Backlog ratio	10.0%	<0.02x	$\frac{\text{estimated cost to bring assets to a satisfactory condition}}{\text{total infrastructure assets}}$
Debt Service Cover ratio	7.5%	>2.00x	$\frac{\text{EBITDA}}{(\text{principal repayments} + \text{borrowing costs})}$
Capital Expenditure ratio	10.0%	>1.10x	$\frac{\text{annual capital expenditure}}{\text{annual depreciation}}$
Cash Expense ratio	10.0%	>3.0 months	$\frac{(\text{current cash and equivalents})}{((\text{total expenses} - \text{depreciation} - \text{interest costs}))} \times 12$
Buildings and Infrastructure Renewal ratio	7.5%	>1.00x	$\frac{\text{Asset renewals}}{\text{depreciation of building and infrastructure assets}}$
Asset Maintenance ratio	7.5%	>1.00x	$\frac{\text{actual asset maintenance}}{\text{required asset maintenance}}$

\dagger revenue excludes capital grants and contributions

\ddagger revenue includes capital grants and contributions

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Table 2: Changes in Measures of Financial Sustainability for NSW Local Governments.

Financial Ratio	TCorp Weighting	Comparative Information Report 2012/13	TCorp Threshold	Fit For The Future
Operating ratio	17.5%	Reported	>-4%	>0.0% over 3 years
Own Source	17.5%	Reported	>60%	>60% over 3 years
Cash Expense Unrestricted Current	10.0%	Reported	>3.0 months	Abandoned
Debt Service	10.0%	Reported	>1.5	Abandoned
Interest Cover	7.5%	Reported	>2.0	0 to 20% over 3 years
Infrastructure backlog	2.5%	Not reported	>4.0	Abandoned
Asset Maintenance	10.0%	Reported	>0.02	<2% (unchanged) no time frame specified
Building and Infrastructure Renewal	7.5%	Not reported	>1	>100% (unchanged) over 3 years
Capital Expenditure	7.5%	Reported	>1	>100% (unchanged) over 3 years
Real Operating Expenditure per Capita	10.0%	Not reported	>1.1	Abandoned
	n/a	Reported in nominal terms only according to 8 functional categories	Not considered	No time or threshold in documentation

Source: TCorp (2013), Office of Local Government (2014a), Office of Local Government (2014b)

However, it appears that the OLG has shifted its position on municipal performance indicators. As we can see from Table 2, in its *Becoming Fit For the Future* (OLG 2014b) four of the TCorp FSR ratios have been abandoned, the time horizon for all ratios has been extended, thresholds for two ratios have been significantly revised, ratio weightings have been omitted, a new ratio has been added, and crucially all ratios have been subordinated under the concept of 'adequate scale and capacity'.

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It is possible that the FSR assessments, capital expenditure and cash expense ratios were abandoned in response to scathing assessments, such as Drew and Dollery (2014a, 2014b), regarding lack of transparency, logical flaws and the corrosive effects of unreliable accrual data on these measures of municipal performance. On the other hand, relinquishing the remaining two ratios appears to be a pragmatic response to the near universal achievement of the respective thresholds: in 2011 only twelve councils failed to meet the unrestricted current ratio whilst just eight councils failed to achieve the benchmark for the interest cover ratio. It is notable that the four omitted ratios had a combined weighting of 32.5% in the original TCorp (2013) FSR.

The second policy shift - involving an extension of the measurement time horizon - is a positive initiative which will ameliorate some of the volatility associated with using annual financial statement data. However, there is substantial risk of 'gaming', given that 2013 and 2014 financial year report data is used, since these reports were compiled after the March 2013 TCorp Financial Assessments and April 2013 ILGRP report. The opportunities for gaming include depreciation accruals (Pilcher and Van der Zahn, 2010; Drew and Dollery 2014b) and estimates on required maintenance and the cost to bring assets to a satisfactory standard contained in Special Schedule 7 and 8. These estimates and accruals directly affect four of the retained ratios (Infrastructure Backlog, Operating, Asset Renewal and Asset Maintenance ratios).

The third policy shift - concerning changes to performance thresholds for the operating and debt service ratios - is more difficult to explain than the other changes. With respect to the operating ratio, a very large proportion of councils already failed to meet the existing benchmark (55 in 2009, 57 in 2010 and 89 councils in 2011) (TCorp 2013). Accordingly, raising the benchmark to break-even would seem to cast doubt on the fitness of the great majority of councils (since 115 councils failed to achieve break-even status in 2011). Two

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explanations for this shift in threshold spring to mind. Firstly, the OLG may be signalling to councils that expenditure reduction is an absolute imperative: it should be noted in this regard that property taxes in NSW are pegged, many fees are regulated and intergovernmental grant revenue has been frozen for a period of three years. This obviously leaves little opportunity to address the ratio from a revenue perspective. Alternatively, the OLG may be seeking to restrict the number of councils which can access the benefits promised to *Fit for the Future* entities (such as access to low cost debt facilities, 'streamlined' development planning and 'unshackling' from the rate peg). In so doing, the OLG may be seeking to limit the pecuniary and potential political costs associated with *Fit for the Future* councils. The second threshold to change is the debt service ratio. It appears that a ceiling has now been set for this ratio, which is far *less* than the original TCorp (2013) benchmark. This is rather surprising given that relatively low repayments and borrowing costs, no debt (which yields positive infinity and not zero as implied by the OLG (2014b)) or high EBITDA would all result in a council exceeding the ceiling. The most likely explanation for this is that the OLG has erred significantly in its threshold assignment.

In addition, it appears that the OLG (2014b) has dispensed with the ratio weightings originally applied by TCorp (2013). This may not be problematic given that no justification was ever given for the apparently arbitrary weights by TCorp (2013) (Drew and Dollery 2014a). Moreover, reallocating the abandoned 32.5% of FSR and adding a new performance indicator would have made the exercise difficult whilst subordinating all indicators to the criteria of 'adequate scale and capacity' seems to make weightings rather redundant. The new performance indicator seeks to measure efficiency and it is defined by the OLG as real operating expenditure over time. There are a number of problems associated with this measure, not least that it fails to measure efficiency. Accordingly, we consider this in more detail in Section 7.

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The final change to the OLG use of financial sustainability as a measure of council performance lies in its assertion that 'right scale and capacity' is the predominant concern which councils must address in assessing *Fitness for the Future* submissions and the OLG specifically refers councils to the Panel's recommendations in relation to this matter. Councils which do not have 'adequate scale and capacity' are required to prepare a council merger proposal (OLG, 2014b). Councils which meet 'adequate scale and capacity' are referred to the seven performance criteria discussed above. It is thus clear that 'adequate scale and capacity' is the pivotal criterion in the *Fit For the Future* program.

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5. Scale and Capacity

The ILGRP (2013b) recommendations for Greater Sydney metropolitan councils were couched in terms of 2036 population projections which *prima facie* make it difficult to assess present scale and capacity. However, the Panel's preferred scale for Greater Sydney councils can be gleaned from the mean population of the ILGRP (2013b) proposed mergers which was 323,072 (median 291,350) in 2036 projection terms. For rural councils, the Panel (2013b, p. 40) stated that 'populations of less than 5,000 will not normally be sufficient' and that 'councils with populations between 5,000 and 10,000 should be kept under review to ensure that they maintain the capacity required to be "standard" local governments'. These statements – along with the pre-eminence attributed to them by the OLG (2014b) – necessarily imply an empirically testable claim that economies of scale occur in the population domain proposed.

Table 3 presents a regression of total expenditure (less depreciation) per capita against population size and density. The model specification is consistent with Drew, Kortt and Dollery (2014a) and Drew and Dollery (2014a) and is based on 2012 data: the most recent demographic data available from the ABS(2014). The empirical evidence for the entire NSW local government sector suggests the presence of a local *minima* at 163,689 (significant at the 5% level): that is, economies of scale are indicated up to this population and diseconomies occur afterwards. However, density is also a statistically significant regressor (at the 1% level) which may suggest conflation (Holcombe and Williams 2009). Leaving this possibility aside for the moment, it is instructive to examine the Greater Sydney merger proposals in terms of the state-wide economies of scale turning point. The mean population of current Greater Sydney councils is 108,664 and 32 councils have 2012 populations consistent with the state-wide estimate of economies of scale (on the basis of population 11 councils would appear to be operating with diseconomies of scale). However, the 2012 population size of

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proposed merged entities would result in a mean population in the order of 260,000¹ and 14 of the proposed entities would be likely to fall in the domain of diseconomies of scale, with just 4 continuing to operate in the domain of economies of scale. Thus, the state-wide estimate of economies of scale suggests that the proposed mergers would result in diseconomies for the majority of municipalities. This is consistent with the data envelopment analysis evidence provided by Drew, Kortt and Dollery (2014b).

However, when the entire NSW population of councils is stratified into Greater Sydney and Outside Greater Sydney municipalities then all evidence of economies of scale disappears. This is consistent with the findings of Drew, Kortt and Dollery (2014a) and Holcombe and Williams (2009), wherein stratifying councils according to categories associated with density disentangles its conflation with population, thus producing a more accurate picture of the presence of economies of scale. In this case it appears that *a priori* evidence of economies of scale may have been largely illusory. If this is the case, then the entire premise behind *Fit for the Future* is *void ab initio*.

It is hardly surprising that no robust evidence of economies of scale exists when NSW councils are stratified. This is largely because councils produce a heterogeneous mix of goods and services, some of which have no likely association with scale. For instance, 'labour-intensive services, such as council rangers and health inspectors, generate few scale economies due to their idiosyncratic work patterns in which an increased volume of services may simply require a correspondingly larger number of workers' (Drew, Kortt and Dollery 2014a, p. 635). Even for capital intensive services, such as road construction, where scale economies are more likely, it is not reasonable to expect that the optimal size for the various functions will be comparable: they may simply negate one another.

¹ Because the ILGRP (2013) recommends splitting part of Ryde and The Hills councils amongst the merged entities an exact mean is difficult to construct.

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Finally, considerable doubt has been created as to whether population size is a suitable proxy for local government output in Australia (Drew and Dollery 2014c). The number of households aligns far better with the unit of actual service provision and it is less volatile and more accurate in inter-censal periods. Thus the OLG may well be conducting its structural reform agenda on entirely the fallacious unit of scale and capacity (Drew and Dollery 2014c).

Table 3: Evidence of Economies of Scale, 2012.

	NSW	Greater Sydney	Outside Greater Sydney
Population squared ²	0.0011* (0.0005)	0.0002 (0.0005)	0.0006 (0.0013)
Population	-0.03475* (0.0154)	-0.0101 (0.0258)	-0.0128 (0.0312)
Density	-0.1747** (0.0210)	0.0855 (0.0661)	-0.2093** (0.0290)
Exogenous controls?	Yes	Yes	Yes
N	151	43	108
Coefficient of Determination	0.8490	0.7089	0.7399

Exogenous controls include: proportion of individuals over 65 or under 15 years of age; proportion of ATSI persons; average wage; unemployment rate; total length of roads (kms) and the percentage of NBSB individuals.

² Population and Population squared were scaled down by a factor of 10,000. Expenditure per capita and population density have been transformed (ln).

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6. Unreliable Data for Sustainability Assessments

From the outset TCorp (2013) has held significant reservations regarding the reliability of data critical to the financial ratios that it employed in measuring the financial sustainability of the local government sector. In relation to estimates used in the calculation of the asset maintenance and infrastructure backlog ratios, TCorp (2013, p 66) noted that:

‘TCorp’s review process has shown an inconsistency in the approach of Councils to calculating the data included in these Schedules, particularly Schedules 7 and 8.

Without a high level of confidence in the data presented, it is more difficult to make informed decisions.’

With respect to depreciation data used critical to the calculation of the operating ratio and asset renewal ratios, TCorp (2013, p. 49) also expressed reservations:

‘Councils with a higher FSR generally have a lower average rate of depreciation and depreciation represents a lower percentage of total expenses. These two observations are consistent across most of the rating groups so that the stronger the FSR rating, the lower the depreciation rate and the lower the proportion of depreciation as a percentage of total expenses.’

Drew and Dollery (2014a) conducted ANOVA which validated the suspicions expressed by TCorp (2013) and illustrated the constitutive implications of inconsistent depreciation accruals through a sensitivity analysis on the operating ratio. They found that:

‘When depreciation accruals were adjusted to the median depreciation to infrastructure ratio, this resulted in 38 (out of 152) councils’ benchmark status changing. In the case of adjusting depreciation accruals to the median depreciation to IPPE ratio, the status of 42 councils was altered....The results were largely consistent with expectations: ‘weak’ and ‘very weak’ councils tended to move up to benchmark levels whereas ‘sound’

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councils moved down. Movements in the 'moderate' councils were approximately even.³

Accordingly, it seems likely from both the scholarly evidence and the concerns expressed by TCorp (2013) that four of the six ratios retained by the OLG (2014b) are distorted by unreliable data. Moreover, two of the three financial statement periods chosen by the OLG to assess *Fit for the Future*³ were produced after the TCorp (2013) and ILGRP (2013a) reports which largely revealed the structural reform implications arising from financial ratio data, thereby opening up the possibility of 'gaming' by municipal officials. There must thus be serious questions regarding the reliability of the data that forms the foundations of the *Fit for the Future* assessments, questions that the OLG (2014c, p.13) acknowledge in its decision to assign a new role to the Auditor General to 'give communities the assurance they deserve on how councils are managed financially'.

However, these matters do not represent the entire set of problems associated with the data used to assess council fitness. Reviews to rating practices, grant allocations and problems with ABS statistical data also represent threats to the objective assessment of a council's future prospects. The ILGRP (2013b, p. 41) noted that the 36 year old rate capping regime imposed on councils by the NSW Government had resulted in 'a broader equity issue concern[ing] the wide variation between local government areas in the level of rates paid as a proportion of property values' and that 'the rate-pegging system in its present form impacts adversely on sound financial management'. A measure of the extent of equity concerns can be established by reviewing Table 4 which examines the residential taxation effort according to the five broad categories of council described in the Australian Classification of Local Government system. Residential taxation effort measures the residential taxes levied by NSW municipalities as a proportion of the total income accruing to individuals residing in the

³ For the OLG (2014) efficiency measure two of the five financial statements were produced after the initial TCorp (2013) and ILGRP (2013a) reports

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municipal area. Data for residential rates was extracted from the notes to the Income Statement of each of the 2012 local council audited financial statements. Total annual income was obtained from the latest ABS data: the 2012 National Regional Profile. Residential taxation effort ranged from 0.209% to 2.497% with a median of 0.956% and a mean of 0.998%. Thus some council revenue is constrained to less than a tenth of their peers as a result of the rate capping regime. Clearly then the ILGRP (2013b) was correct in highlighting the effect of rating practices (largely outside of the control of councils) on financial sustainability. The OLG (2014c) seems to have accepted this argument and it has promised a review of rating practices. However, the question arises as to whether *current* assessments should be made on councils given that there is accepted need for *future* rate revenue reform: after all three of the six ratios retained by the OLG will be directly affected by changes to rating practices.

Table 4: ANOVA Results for Taxation Effort All NSW Councils, 2012

	Prob >F	Agricult ural (Ag)	Fringe (Fr)	Metropo litan (Met)	Regional (Reg)	Remote (Rem)	Differences
Taxation Effort (%)	0.000	0.807 (0.302)	1.201 (0.233)	0.844 (0.213)	1.422 (0.346)	0.551 (0.000)	Fr>Ag** Fr>Met** Reg>Ag** Reg>Met** Reg>Rem*

†p<0.10, *p<0.05, **p<0.01

A similar situation exists for intergovernmental grant allocations. Drew and Dollery (2014d) have demonstrated that grant transfers are not allocated on a full horizontal equalisation basis as legislated in the Local Government (Financial Assistance) Act 1995. The ILGRP (2013b, p. 45) has suggested that 'consideration needs to be given to the option of redistributing more funds to the most needy councils and communities'. The OLG (2014c, p.13) has promised to 'consider opportunities to direct Financial Assistance Grants to communities with the greatest

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need'. Given that NSW council own-source revenue averages less than 60%, changes to grant allocation methods would have a large effect on the financial sustainability of municipalities. It is clear that this problem must be addressed *before* an objective assessment of future fitness can be made.

Finally, problems with ABS population data inputs have the potential to seriously undermine the relevance and reliability of the OLG's (2014b) preferred measure of municipal efficiency for a number of reasons. Firstly, publication of ABS population data by local government area is typically delayed by at least a few years. For instance, as at November 2014 the latest estimate of municipal population size available is for 2012. This presents relevance problems given that the OLG has decided to calculate real operating expenditure per capita for the 2013 and 2014 financial years: they have attempted to resolve this problem by using data with a one year lag and repeating 2012 for both 2013 and 2014. Secondly, ABS (2014) population data in intercensal periods is simply an estimate: a recent study by the ABS identified errors in intercensal estimates ranging from 15.2% (for statistical areas with less than 2,000) to 2.4% error (in statistical areas with populations greater than 20,000)⁴ (Drew and Dollery 2014c). Finally, serious doubt has been cast on the practice of using population as a proxy for local government size in service provision of goods and services given that 'services to property' (i.e. households) dominate in the Australian municipal milieu (Drew and Dollery 2014c).

⁴ The ABS uses statistical areas as the basis for calculating the populations of local government areas. Multiple statistical areas may be combined to arrive at the population size for a given municipality.

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7. Incorrect Measure of Efficiency

Problems with the OLG (2014b) 'efficiency' ratio go far beyond the considerable obstacles presented by unreliable and untimely population inputs: there are also unresolved matters relating to the definition of efficiency, indexing of financial data, contraindications with other ratios and failure to control for service quality and service sufficiency.

Perhaps the most alarming aspect of the OLG's (2014b) 'efficiency' measure is that it does not measure efficiency *per se*. Technical efficiency is a measure of how inputs (such capital and labour) are combined to produce a set of outputs. Major outputs must be specified carefully according to the local government services actually produced. As we have seen, population size as a proxy for council output is deficient in Australian local government context, given its focus on 'services to property' (i.e. households), with its core functions aimed at local planning, domestic waste removal, provision of local infrastructure (predominately local roads) and water and wastewater in some regional and rural municipalities (Drew and Dollery 2014c). The number of households and business entities is a superior measure of the solid waste, sewerage and water provision than population. Moreover, given that road infrastructure is the single largest cost for Australian local government, representing approximately a quarter of functional expenditure, it is important that the length of roads be included as an output. It could also be argued that the number of development applications should be included in any comprehensive set of municipal outputs. The appropriate statistical technique to assess technical efficiency for multiple inputs and outputs is data envelopment analysis (DEA) and to assess trends in technical efficiency over time locally intertemporal DEA would be indicated. Real expenditure over time can only capture one output (which does not reflect the heterogeneous nature of local government services) and thus is best described as per capita expenditure containment. It is most certainly not a measure of efficiency.

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The use of financial data from multiple time periods (five under the OLG model) also raises the thorny problem of converting nominal financial data into real quantum. The OLG uses data from the 2010, 2011, 2012, 2013 and 2014 financial years in its assessment of municipal efficiency. However, it has elected to deflate all five years of data: annualised CPI is used for years 2010 and 2011, whilst annualised Local Government Cost Index is used for 2012 through to 2014 (OLG 2014d) (all deflators are rounded to one decimal place). This strategy presents a number of problems. Firstly, it was entirely unnecessary to deflate the 2010 financial year data and this decision simply introduces avoidable rounding and measurement error into the algorithm. Secondly, it is not acceptable to use two entirely different indexes to deflate continuous data. Finally, use of annualised growth in indexes imputes and compounds rounding error: given the sums involved (measured in tens of millions of dollars) and the use of five compounding periods, the resultant error is likely to be very significant. A much better strategy would have been to employ the actual index numbers in calculations.

The OLG (2014b) 'efficiency' measure is contraindicated to the other ratios. In essence, in order to address infrastructure backlog, asset maintenance and building and infrastructure ratios, it is necessary to increase rates of expenditure. Yet in so doing a council will record a reduction in the OLG preferred measure of efficiency. This obviously sets up an insoluble dilemma for municipal management.

Finally, the OLG (2014b) measure of efficiency fails to address service quality and service sufficiency. This is a significant problem given the potential for comparisons to be drawn between councils delivering vastly different levels of services. Moreover, even within a given council, service quality is unlikely to remain static over a five year period thus making it very difficult to make reasonable comparisons of costs. With respect to service sufficiency, the measure of efficiency chosen sets up a perverse incentive to discontinue services. Taken in the extreme a council could - on this measure alone - demonstrate that it was *Fit for the*

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Future by producing no services: a measure which would meet the OLG criterion but most certainly would not that of residents!

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8. Recommendations

The OLG (2014b, 2014c, 2014d) *Fit for the Future* documentation creates the distinct impression that the program has been rushed in the aftermath of a shock change of Premier in early 2014 and subsequent Cabinet reshuffle in order that the new Premier be well placed to implement structural reform plans after the March 2015 election. If this assumption is correct, then the NSW Government is intent on following the oft-trod path of previous state governments in NSW, Victoria, Western Australia and Queensland in which forced mergers have been implemented early in the respective term of office. It seems this is done to abate political damage by putting as much time as possible between unpopular structural reform and subsequent state polls. However, in the present case in NSW, in its rush to get a structural reform framework out in time, the NSW Government has blundered badly in its *Fit for the Future* program, as we have demonstrated in this Report.

We have identified a number of errors which seem to derive from the harsh time constraints imposed on the OLG by the NSW Government. For instance, the threshold articulated for the debt ratio appears to be a simple error of statement. Similarly, the efficiency measure hastily employed does not measure efficiency. Moreover, the method for indexing nominal data is clearly flawed. The haste made in responding to the ILGRP (2013b) inquiry has also meant that no empirical evidence has been tendered to substantiate the Panel's assertion that substantial scale economies exist in NSW local government service provision, much less its claim that current municipal size is 'under-scale'. Likewise, the rush to articulate the criteria adopted in *Fit for the Future* has meant little time or appetite to investigate recent developments in the scholarly literature which clearly demonstrate that population size is not a suitable proxy for local government output.

PRECIS OF CORRESPONDENCE 1 (continued)

ATTACHMENT 1

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Had this been done thoroughly, then it would have become evident that the population data which forms the foundation of both the OLG (2014b) scale and capacity criteria and efficiency measurement is not sufficiently reliable for public policy making purposes (particularly in inter-censal years) in Australian local government. It would also have uncovered the pernicious effects of unreliable accounting accruals on the financial sustainability ratios employed by the OLG. Finally, had sufficient time been available, remedial action might have been taken on Schedule 7 and 8 data which TCorp (2013) had already identified as problematic.

The rush to press forward with structural reform of local government also means that decisions will be taken without knowing the outcome of 'unfinished business'. This relates principally to reviews of local government rating and grant allocation practices which will result in significant changes to the revenue streams of NSW local authorities. It is hard to understand how a council's *Fitness for the Future* can be assessed without reference to significant changes to revenue policies.

PRECIS OF CORRESPONDENCE 1 (continued)

ATTACHMENT 1

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PRECIS OF CORRESPONDENCE 1 (continued)

ATTACHMENT 1

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PRECIS OF CORRESPONDENCE 1 (continued)

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PRECIS OF CORRESPONDENCE 1 (continued)

ATTACHMENT 1

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2 FIT FOR THE FUTURE - CITY OF RYDE'S RESPONSE

Report prepared by: Executive Assistant to Group Manager
File No.: CSG/14/3/22 - BP15/299

CORRESPONDENCE:

Submitting correspondence from Greg Dyer, Chief Executive Officer, Parramatta City Council, dated 2 March 2015, regarding City of Ryde's advice that it does not support the recommendations made by the Independent Panel for part of Ryde to merge with Parramatta, Holroyd and Auburn Councils.

RECOMMENDATION:

That the correspondence be received and noted.

ATTACHMENTS

- 1 Parramatta Council response from Greg Dyer regarding City of Ryde's Fit for the Future

Report Prepared By:

Lorraine Abboud-Safi
Executive Assistant to Group Manager

Report Approved By:

Roy Newsome
Group Manager - Corporate Services

PRECIS OF CORRESPONDENCE 2 (continued)

ATTACHMENT 1



Your Reference: CSG/14/3/1477
Our Reference: F2014/02622
Contact: Kathleen Sales
Telephone: 9806 5949

Monday, 2 March 2015

Ms Gail Connolly
General Manager
City of Ryde
Locked Bag 2069
NORTH RYDE NSW 1670

Dear Ms Connolly,

Re: 'Fit for the Future' - City of Ryde's Response

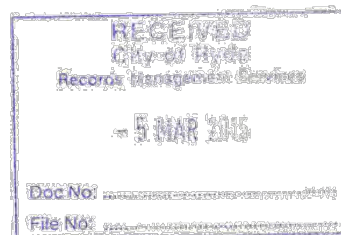
I refer to your letter dated 19 February 2015 regarding the City of Ryde's response to 'Fit for the Future'.

Thank you for your letter formally advising that the City of Ryde does not support the recommendations made by the Independent Panel for part of Ryde to merge with Parramatta, Holroyd and Auburn Councils and that it will not be seeking to complete a merger template with these Councils.

Should you require any further information or wish to discuss this matter please do not hesitate to contact me on 9806 5055.

Yours sincerely


Greg Dyer
Chief Executive Officer



PARRAMATTA
CITY COUNCIL

30 Darcy Street, Parramatta NSW 2150
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3 LOCAL GOVERNMENT REFORM - FIT FOR THE FUTURE

Report prepared by: Executive Assistant to Group Manager
File No.: CSG/14/3/22 - BP15/300

CORRESPONDENCE:

Submitting correspondence from Councillor Peter Abelson, Mayor, Mosman Council dated 2 March 2015, regarding Mosman Council's resolution of 17 February 2015, that confirms their position in being opposed to forced amalgamations on Fit for the Future. This correspondence also confirms that Mosman Council did not agree in participating in the City of Ryde's investigation of a modified Joint Organisation (regional body) or any shared community engagement strategies.

RECOMMENDATION:

That the correspondence be received and noted.

ATTACHMENTS

- 1 Mosman Council response from Mayor (Clr Peter Abelson) regarding City of Ryde's Fit for the Future

Report Prepared By:

Lorraine Abboud-Safi
Executive Assistant to Group Manager

Report Approved By:

Roy Newsome
Group Manager - Corporate Services

PRECIS OF CORRESPONDENCE 3 (continued)

ATTACHMENT 1

Office of
the Mayor

2 March 2015

Ms Gail Connolly
General Manager
City of Ryde
Locked Bag 2069
NORTH RYDE NSW

Mosman
COUNCIL

Mosman Municipal Council
Civic Centre
Mosman Square
PO Box 211
Spit Junction 2088
Telephone: 02 9978 4000
Facsimile: 02 9978 4132

mayor@mosman.nsw.gov.au
www.mosman.nsw.gov.au

Dear Ms Connolly

I refer to your letter of 19 February 2015 regarding City of Ryde's position in relation to Local Government Reform - Fit for the Future.

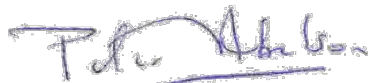
At the 17 February 2015 meeting Mosman Council resolved, inter alia, the following in relation to Fit for the Future:

1. Confirms that it is strongly opposed to forced amalgamation in any form.
2. Endorses preparation and part funding (on an equal-contribution basis) of an independent review of the amalgamation of six councils proposed by the Independent Local Government Review Panel which the NSW Government has asked us to consider (namely Mosman, North Sydney, Lane Cove, Willoughby, Hunters Hill and East Ryde).
3. In the event that the review produces some options for cooperation between some or all of the councils, we will certainly engage with any such options.
4. Prepares a program of community engagement in the next 6-8 weeks to fully inform Council's response to the State Government's Fit for the Future requirements, including our response to the amalgamation proposal outlined above and other possible amalgamations.

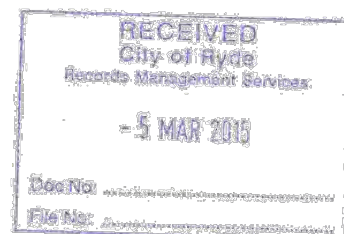
Mosman Council did not agree to participate in an investigation of a modified Joint Organisation (regional body) or any shared community engagement strategies.

However, Mosman Council is participating in the preparation (and will fund on an equal share basis) of an independent review of the amalgamation proposed by the Independent Local Government Review Panel and should this review produce some options for cooperation between some or all of the councils, we will certainly engage with any such options.

Yours sincerely



(Councillor Peter Abelson)
MAYOR



NOTICES OF MOTION

1 WARD LOCATION ON RATES NOTICE - Councillor Jerome Laxale

File Number: CLM/15/1/4/6 - BP15/284

MOTION:

That the General Manager arrange for the Council Ward that a property belongs to be printed on City of Ryde rates notices as soon as practicable.

CONFIDENTIAL ITEMS

10 REQUEST FOR TENDER - COR-RFT-21/14 - DESIGN, SUPPLY AND INSTALLATION OF A STORMWATER QUALITY IMPROVEMENT DEVICE AT ARCHERS CREEK NEAR DEAKIN STREET, WEST RYDE

Confidential

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business; AND (d) (i) commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

Report prepared by: Senior Catchment Engineer

File No.: PCM2015/4 - BP15/240

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11 COR-EOI-01/14 - ESTABLISH A PANEL OF PREFERRED CONSULTANTS TO PROVIDE PROFESSIONAL SERVICES TO THE ASSESSMENT UNIT OF CITY OF RYDE

Confidential

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (d) (i) commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

Report prepared by: Manager Assessment

File No.: GRP/09/6/7 - BP15/206

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12 ADVICE ON COURT ACTIONS

Confidential

This item is classified CONFIDENTIAL under Section 10A (2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (g) advice concerning litigation, or advice as comprises a discussion of this matter, that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege.

Report prepared by: Solicitor

File No.: GRP/09/5/8 - BP15/132

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