



ORDINARY MEETING OF COUNCIL

held on

Wednesday, 26 October 2016

at

3.08pm

at

Walcha Council Chambers

PRESENT: Clr EH Noakes (Chairman) Mayor together with Councillors PR Blomfield, KW Ferrier, WJ Heazlett, JM Kealey, SJ Kermode, CM Lyon and RL Wellings.

IN ATTENDANCE: Mr JG O'Hara, General Manager, Mr DJM Reeves, Director – Engineering Services, and Mrs LJ Latham, Environmental Services Manager.

1. APOLOGIES:

Nil.

MINUTES



2. CONFIRMATION OF THE EXTRA ORDINARY MEETING MINUTES HELD ON WEDNESDAY, 28 SEPTEMBER 2016:

53 **RESOLVED** on the Motion of Councillors Ferrier and Lyon that the Minutes of the Ordinary Meeting held on Wednesday, 28 September 2016, copies of which have been distributed to all members, be taken as read and confirmed a **TRUE** record.

CONFIRMATION OF THE ORDINARY MEETING MINUTES HELD ON WEDNESDAY, 28 SEPTEMBER 2016:

54 **RESOLVED** on the Motion of Councillors Lyon and Heazlett that the Minutes of the Ordinary Meeting held on Wednesday, 28 September 2016, copies of which have been distributed to all members, be taken as read and confirmed a **TRUE** record.

3. BUSINESS ARISING

Bridge Tenders

The Director – Engineering Services provided the following update on the Bridge Tenders.

Bergen Bridge Tender:

- ◆ The tender was adopted at the last meeting and was awarded to Bridge Build & Civil.
- ◆ Investigations have satisfied the Director – Engineering Services and will now be sent to Council’s insurers, Statewide, for final review and adoption.
- ◆ The tenderer has used this time to begin working towards final construction drawings and to develop the site specific documentation.
- ◆ Pre-Tender negotiations will be finalised at a meeting booked in the coming week. At this meeting, there will be discussions about specifications, environmental documentation and quality management.

Five Bridges Tender:

- ◆ The tender was adopted at the last meeting and was awarded to Waeger Constructions
- ◆ The tenderer has used this time to begin working towards final construction drawings and to develop the site specific documentation.
- ◆ A meeting is scheduled for the coming week to discuss specifications, environmental documentation and quality management and mutually beneficial program for Council and Waeger.
- ◆ Final design works are progressing and Waeger will present these final documents to Council at this Meeting.



Telecommunications

It was **MOVED** Lyon **Seconded** Ferrier that Council continue to work with the NSW Farmers in an advocacy role to improve the telecommunications service within the shire.

IT was **MOVED** Councillor Lyon **Seconded** Ferrier that Council approach Telstra requesting that they donate a data boosting device to be provided to Council to loan to community members for a week at a time to ascertain if the device will improve their service.

On being put to the **VOTE** the Motion was **LOST**.
Clr Lyon recorded his Vote **FOR** the **MOTION**.

4. DECLARATIONS OF INTEREST

Item: 6.1 Part Day Public Holiday Application for 2017, 2018 & 2019.

Clr Ferrier declared a pecuniary interest being an executive of the Walcha Jockey Club.

5. MAYORAL MINUTE

Nil.

Afternoon Tea

The Council adjourned for afternoon tea at 3:28pm and resumed the Meeting at 3:54pm. During afternoon tea Council presented the Rates Incentive Scheme winner, Jody Lawrence, with her prize of \$500 shopping vouchers in Walcha.

6. SENIOR OFFICERS REPORT

55 **RESOLVED** on the Motion of Councillors Heazlett and Lyon that the Senior Officers' Reports be **RECEIVED** for further consideration.

6.1 Part Day Public Holiday for 2017, 2018 & 2019 Walcha Races

WO/2016/01767

Clr Ferrier left the Chambers and took no part in the debate.

56 **RESOLVED** on the Motion of Councillors Kealey and Kermode that Council:

- ◆ Endorse the application for a Part Day Public Holiday from 12 noon to 6pm on Friday, 10 February 2017 for the Walcha Races.
- ◆ Propose to survey the community and key stakeholders directly after the 2017 Part Day Public Holiday on Friday, 10 February 2017 to ensure that Council



receive a true and fresh account of the positives and/or negatives of holding the part day public holiday.

Clr Ferrier returned to the Meeting and the Chairperson conveyed the resolution.

6.2 Grants for Junior Sporting /Coaching Clinics – Walcha Milo Cricket
WO/2016/01779

57 **RESOLVED** on the Motion of Councillors Lyon and Kealey that Council **APPROVE** the application by the Walcha Milo Cricket for a Junior Sporting / Coaching Clinic Grant in the amount of \$1,500.

6.3 Water and Sewer Capital Projects Overview **WO/2016/01768**
The Report was **NOTED** by Council.

6.4 Timber Bridges Update **WO/2016/01553**
The Report was **NOTED** by Council.

6.5 IPART Draft Report on the Review of the Local Government Rating System
WO/2016/02257

58 **RESOLVED** on the Motion of Councillors Kermode and Lyon that Council **NOTE** IPART’s Draft Report on the Review of the Local Government Rating System.

6.6 Annual Review of Agency Information Guide **WO/2016/01646**

59 **RESOLVED** on the Motion of Councillors Ferrier and Kermode that Council **ADOPT** the Draft Agency Information Guide 2016/2017.

6.7 Records Management Policy and Procedures for Councillors
WO/2016/01770

60 **RESOLVED** on the Motion of Councillors Heazlett and Kermode that Council **ADOPT** the “Records Management Policy and Procedures for Councillors” as submitted.

Records Management Policy and Procedures for Councillors

Contents

1	Purpose, authority and application of this document
2	State records
3	Records as a resource
4	Creation and capture of records
5	Registration of records by Council
6	Security and confidentiality of records
7	Access to records of Council
8	Borrowing records of Council



- 9 Unauthorised access or disclosure of information
 - 10 Handling and storage of records
 - 11 Disposal of records
 - 12 For more information
 - 13 Approval
- Appendix A – Legislative requirements for recordkeeping
Appendix B – Best practice guidance for recordkeeping
Appendix C – Glossary of terms
Appendix D – Web references for publications referred to in this document

1 Purpose, scope, authority and application of this document

1.1 Purpose of this document

The purpose of this document is to ensure that full and accurate records (see Appendix C: Glossary) of the activities and decisions of Councillors, in the course of their official duties for Council, are created, managed and disposed of appropriately to meet the Council’s organisational needs and accountability requirements.

1.2 Application of this document

All Councillors must comply with this document in their conduct of official business for Council. Official business includes business relevant to the performance of the function and duties of the office of Councillor. This document applies to records in all formats, including electronic records (eg emails).

2 State records

2.1 Some Councillors’ records are State records

Public offices are bound by the *State Records Act 1998* which establishes rules for best practice for recordkeeping in NSW Government, encouraging transparency and accountability. Councils are identified as public offices under the Act (section 3(1)). When discharging functions of Council, Councillors are subject to the State Records Act when they create or receive ‘State records’.

A State record is ‘any record made and kept or received and kept, by any person in the course of the exercise of official functions in a public office, or for any purpose of a public office, or for the use of a public office’ (section 3(1)).

2.2 Examples of State records

Examples of State records include (but are not limited to):

- correspondence, including emails, regarding building and development matters
- a petition received from a community group
- declarations concerning a Councillor’s pecuniary interests
- speech notes made for addresses given at official Council events, and
- complaints, suggestions or enquiries by rate payers about Council services.

2.3 Examples of records that are not State records

Conversely, records which are created, sent or received by Councillors when they are **not** discharging functions of Council are **not** considered to be State records for the purposes of the *State Records Act 1998*.

Examples of records that are not State records include (but are not limited to):



- records relating to political or electoral issues e.g. lobbying for votes, supportive emails from members of the community regarding elections or political stances
- communications regarding matters of personal/general interest rather than Council interest e.g. information from environmental or other interest groups not specific to issues being considered by Councillors or Council
- records relating to attendance at sports functions, church fetes, community functions when the Councillor is not representing Council
- personal records of councillors such as personal emails, character references for friends, nomination for awards, letters to local newspapers etc that are not related to Council business.

3 Records as a resource

Records are a vital asset to council. Many records created and received by Councillors have the potential to:

- support the work of Councillors and Council's program delivery, management and administration
- help Councillors and Council to deliver customer services in an efficient, fair and equitable manner
- provide evidence of Councillors' actions and decisions and establish precedents for future decision making, and
- protect the rights and interests of the Council, Councillors and its clients and rate payers.

A small percentage of records created and received by Councillors will become archives (See Appendix C: Glossary), part of the cultural resources of the State.

4 Creation and capture of records

4.1 What records to create and capture

Councillors should create and capture full and accurate records of any significant business undertaken in the course of their official duties for Council. Significant business can include:

- providing advice, instructions or recommendations
- drafts of documents for Council containing significant annotations or submitted for comment or approval by others
- correspondence received and sent relating to their work undertaken for Council.

Council is responsible for:

- creating and capturing records of Council or committee meetings where the Council is the secretary
- capturing any State records it sends to Councillors regarding Council business.

Creation of records of a confidential nature

On some occasions Councillors are approached and asked to keep matters discussed relating to Council business confidential. In this case they should refer the person to Council's General Manager. This indicates that confidential conversations/correspondence must still be recorded and registered into Council recordkeeping systems if they refer to Council business. There are policies and security controls in place to ensure these records have limited access (see Section 6 Security and confidentiality of records), but these records may still need to be produced under relevant legislation, e.g. subpoena or the *Government Information (Public Access) Act 2009*. With security controls in place records are likely to be less at risk than if they were not in recordkeeping systems.



4.2 How to create records

Details of significant advice, commitments etc made during telephone or verbal conversations or via SMS should be recorded using the Council supplied iPad and emailed to the General Manager. These records should be made **as soon as possible** after the event to ensure the information is accurate.

See Section 6 Security and confidentiality of records for information about the treatment of confidential matters.

4.3 How to capture records

Records of Council business that are created or received by Councillors (with the exception of those sent from Council as they are already captured) should be saved into official Council recordkeeping systems as soon as is practicable so that Council can assist with their long term management.

Paper records

Records created or received in paper format should be given to the General Manager. If records are of a sensitive or confidential nature, the Councillor should alert the General Manager to this fact so that appropriate security controls can be applied.

Email and electronic records

Email and other electronic records should be forwarded to the General Manager promptly for registration. If records are of a sensitive or confidential nature, the Councillor should mark the records as CONFIDENTIAL so that appropriate security controls can be applied.

See Section 6 Security and confidentiality of records for information about security controls for sensitive records.

Councillors' copies

If a Councillor retains copies of any records once the originals have been forwarded for registration, these should be retained only while needed for current Council business. Once they are no longer needed they should be given to the Records Manager who will arrange for the secure destruction of these records. The routine destruction of copies of records is permitted under the *State Records Act* (section 21(2)). See Section 11 Disposal for more information.

It is important to recognise that these copies should be treated like the originals with regard to security controls applied (see Section 10 Handling and storage of records).

5 Registration of records by Council

5.1 Councillors' mail (including email)

Mail addressed to the Councillor and marked as PRIVATE or CONFIDENTIAL will be opened by the General Manager. If the mail is found to be personal it will be passed on to the relevant Councillor. If mail is Council business, it will be registered into Council record management system and tasked to the General Manager. The Councillor will receive a copy of this mail.

All mail not marked as private or confidential will be opened and treated the same as all Council incoming correspondence. Councillors will receive a copy of this mail if it is relevant to them.

6 Security and confidentiality of records

6.1 Building controls

Council's paper records are kept securely to protect against unauthorised access.



6.2 System controls

The Council's records management software which controls both paper and electronic records restricts access according to security levels.

6.3 Rules for Council staff and Councillors

Council staff and Councillors are bound by Council's *Code of conduct*, preventing unauthorised access or disclosure of Council records.

See Section 10 Handling and storage of records for advice regarding Councillors' security responsibilities when storing records.

7 Access to records of Council

7.1 Access relating to civic duties

Councillors need to have access to information held by Council to help them make informed decisions on matters under their consideration. This information should be relevant and appropriate to the discharge of their obligations e.g. records relating to matters before Council or due to be listed for which there is notification.

As a first step, Councillors should contact the General Manager to request access.

Records can be made available for viewing during normal business hours. Records must be viewed in the presence of the Records Manager.

7.2 Access relating to personal interest

Councillors wishing to access records in relation to a matter of personal interest have the same rights as other members of the public. Access may be obtained, for example, under:

- the *Privacy and Personal Information Protection Act 1998*
- the *Health Records and Information Privacy Act 2002*
- the *State Records Act 1998*, or
- the *Government Information (Public Access) Act 2009*.

7.3 Refusal of access

If a Councillor is refused access to records, they should refer to any appeal provisions of the relevant Act.

7.4 More information on access

More information on gaining access to Council records can be obtained from the General Manager.

See also Section 9 Unauthorised access or disclosure of council records.

8 Borrowing records of Council

8.1 Borrowing paper-based records

Under section 11(1) of the *State Records Act*, Councils are required to ensure the safe custody and proper preservation of records they are responsible for. Councillors will not be able to borrow paper-based Council records. Viewing of these records must be arranged by contacting the General Manager.

8.2 Borrowing records in electronic form

Electronic records required by Councillors will be made available in PDF format only so they cannot be altered.



8.3 Archives

Council policy regarding archives is that they are **not** to be borrowed. They should rather be viewed within Council offices during normal working hours in the presence of a records officer. Photocopies of relevant pages can be made available to Councillors if restrictions on copying do not apply.

9 Unauthorised access or disclosure of Council records

The *Local Government Act 1993* section 664(1) prohibits the disclosure of information obtained in connection with the administration or execution of the Act, except in certain specific circumstances. Councillors are also bound by the Council's *Code of conduct* [or other relevant document] **not** to:

- attempt to access records they are not authorised to see
- provide unauthorised access to other parties while Council records are in their care
- disclose confidential information about Council business, or
- disclose personal information of employees, clients etc without the subject's consent.

These rules help to ensure that Council and its staff and clients are protected and that the requirements of relevant legislation, such as privacy legislation, are met (see [Appendix A](#)).

10 Handling and storage of records

10.1 Damage or neglect of records is an offence

Damage or neglect of a State record is an offence under section 21 of the *State Records Act*. Councillors should apply the storage and handling rules below to ensure records are protected.

11 Disposal of records

11.1 Disposal in accordance with the State Records Act

State records held by Councillors must be disposed of in accordance with the *State Records Act 1998*.

State Records NSW has issued *General Retention and Disposal Authority - Local Government records (GA39)*, which outlines classes of records and how long they should be kept before being legally destroyed or transferred to archives. Periods specified are based on relevant legislation, guidelines and standards. Failure to keep records for the length of time specified in the GDA may put Councillors and Councils at risk.

Other forms of authorised disposal include:

- by order of a court or tribunal
- 'normal administrative practice' (NAP) where ephemeral, duplicate or facilitative records can be destroyed. State Records has produced *Guidelines on Normal Administrative Practice (NAP)* which provide further information on the application of NAP.

11.2 Liaison with Council for disposal

Councillors should liaise with the General Manager regarding the disposal of any records of Council business as Council is responsible for:

- ensuring legislative requirements are met
- ensuring destruction is undertaken appropriately (e.g. that no sensitive information is released due to inappropriate destruction methods), and
- documenting disposal decisions for accountability purposes.



The Council's records management staff should be primarily responsible for the disposal of State records. Draft notes when file notes are registered with Council, notes of meetings when Council is recording the official version etc. are permitted to be destroyed by the Councillor.

12 For more information

For more information about the use of this policy and procedures, contact the General Manager.

13 Approval

Signed _____ Date: _____

Acknowledgment: The Council acknowledges the use of State Records NSW, *Sample records management policy and procedures for Councillors* which draws on policy/procedure documents of State Library of NSW, State Records NSW, Armidale/Dumaresq Council, Shoalhaven City Council, and the Council of the City of Sydney.

Appendix A – Legislative requirements for recordkeeping

- *Environmental Planning and Assessment Act 1979* available at:
<http://www.legislation.nsw.gov.au/maintop/view/inforce/act+203+1979+cd+0+N>
- *Evidence Act 1995* available at:
<http://www.legislation.nsw.gov.au/maintop/view/inforce/act+25+1995+cd+0+N>
- *Government Information (Public Access) Act 2009* available at:
<http://www.legislation.nsw.gov.au/maintop/view/inforce/act+52+2009+cd+0+N>
- *Health Records and Information Privacy Act 2002* available at:
<http://www.legislation.nsw.gov.au/maintop/view/inforce/act+71+2002+cd+0+N>
- *Local Government Act 1993* available at:
<http://www.legislation.nsw.gov.au/maintop/view/inforce/act+30+1993+cd+0+N>
- *Privacy and Personal Information Protection Act 1998* available at:
<http://www.legislation.nsw.gov.au/maintop/view/inforce/act+133+1998+cd+0+N>
- *State Records Act 1998* – including standards and retention and disposal authorities issued under the Act - available at:
<http://www.legislation.nsw.gov.au/maintop/view/inforce/act+17+1998+cd+0+N>
- *State Records Regulation 2010* available at:
<http://www.legislation.nsw.gov.au/maintop/view/inforce/subordleg+450+2010+cd+0+N>

[Note: This list is not exhaustive. It is the responsibility of managers to examine legislation and government directions which govern their activities, and ensure that records arising from these activities conform with recordkeeping requirements.]

Appendix B – Best practice guidance for recordkeeping

- Australian Standard, AS ISO 15489-2002, *Records management*
- Australian Standard AS5090-2003, *Work process analysis for recordkeeping*
- NSW Ombudsman, *Good Conduct and Administrative Practice: Guidelines for state and local government*, 2003, available at:



<http://www.ombo.nsw.gov.au/publication/PDF/guidelines/Good%20Conduct%20and%20Administrative%20Practice.pdf>

- NSW Premier's Department, *Model Code of Conduct for NSW Government agencies*, 1997, available at: http://www.premiers.nsw.gov.au/our_library/conduct/Model_Code_of_Conduct.pdf

[Can include internal documents such as code of conduct, records management policy and procedures, professional, ethical and quality standards etc that the Council follows and that includes requirements for recordkeeping].

Appendix C - Glossary of terms

This glossary has been compiled from the *State Records Authority Glossary of Recordkeeping Terms*. Sources of terms include Australian and international standards on records management.

Access – right, opportunity, means of funding, using or retrieving information. *AS ISO 15489 Part 1 Clause 3.1*

Appraisal - The process of evaluating business activities to determine which records need to be captured and how long the records need to be kept, to meet business needs, the requirements of organisational accountability and community expectations. *AS 4390 Part 1 Clause 4.3*

Archives - Those records that are appraised as having continuing value. *AS 4390 Part 1 Clause 4.5*

Disposal - a range of processes associated with implementing appraisal decisions. These include the retention, deletion or destruction of records in or from recordkeeping systems. They may also include the migration or transmission of records between recordkeeping systems, and the transfer of custody or ownership of records. *AS4390 Part1 Clause 4.9*

Recordkeeping - Making and maintaining complete, accurate and reliable evidence of business transactions in the form of recorded information. *AS 4390-1996, Part 1.4.19*

Recordkeeping systems - Information systems which capture, maintain and provide access to records over time. *AS 4390-1996, Part 1. Clause 4.20*

Records - Information created, received, and maintained as evidence and information by an organisation or person, in pursuance of legal obligations or in the transaction of business. *AS ISO 15489 Part 1 Clause 3.15*

Any document or other source of information compiled, recorded or stored in written form or on film, or by electronic process, or in any other manner or by any other means. *State Records Act 1998 (NSW)*

Records management program - A records management program encompasses the management framework, the people and the systems required within an organisation to manage full and accurate records over time. This includes the identification and protection of records with longer-term value that may be required as State archives.

Retention and Disposal Authority - Documents authorised by the Board of State Records NSW that set out appropriate retention periods for classes of records.

State archive - A State record that the State Records Authority of New South Wales has control of under the *State Records Act, 1998 (NSW)*.

Appendix D – Web addresses for publications referred to in this document

See also Appendix A for links to legislation.

Government Chief Information Office, *Guide to labelling sensitive information*, 2002, available at: <http://www.gcio.nsw.gov.au/pages.asp?CAT=764&ID=779>

State Records, *Guideline 3 - Destruction of records*, revised 2010, available at:

<http://www.records.nsw.gov.au/recordkeeping/government-recordkeeping-manual/guidance/guidelines/guideline-3>



State Records, *General retention and disposal authority: local government records* (GDA10), revised 2006, available at: <http://www.records.nsw.gov.au/recordkeeping/government-recordkeeping-manual/rules/general-retention-and-disposal-authorities/local-government-records-gda-10>

State Records, *Guideline 8 - Normal administrative practice*, 2005, available at: <http://www.records.nsw.gov.au/recordkeeping/government-recordkeeping-manual/guidance/guidelines/guideline-8>

State Records, *Recordkeeping in Brief 14 - Handle with care*, 2000, available at: <http://www.records.nsw.gov.au/recordkeeping/government-recordkeeping-manual/guidance/recordkeeping-in-brief/recordkeeping-in-brief-14>

See also Independent Commission Against Corruption, *Lobbying local government councillors*, 2006, available at: www.icac.nsw.gov.au which includes recommendations for recordkeeping.

6.9 End of Employment Policy

WO/2016/01778

61 **RESOLVED** on the Motion of Councillors Lyon and Kermode that Council **ADOPT** the “End of Employment Policy” as submitted.

ADMINISTRATION POLICIES END OF EMPLOYMENT POLICY



INTRODUCTION

Walcha Council’s End of Employment Policy has been designed to support Council’s Corporate Goal “to provide effective, efficient and responsive government for our community.” This is achieved by employees complying with their responsibilities under the State Records Act 1998 and ensuring corporate records are retained and stored correctly within Council’s electronic document management system.

POLICY

This Policy and related procedure will:

- ❖ Provide documented evidence of Walcha Council’s commitment to complying with the State Records Act 1998 and best practice;
- ❖ Provide opportunities for continuously improving performance at all levels of the organisation.

Employees leaving the employ of Walcha Council must ensure that the End of Employment Procedure and Checklist (WINT/15/2427) is completed.

The main objectives of the End of Employment Policy are to:

- ❖ Maintain the highest possible integrity for services provided by Walcha Council;
- ❖ Retain Walcha Council’s information assets and enhance corporate memory;
- ❖ Create an environment where all Walcha Council employees will understand their personal responsibility for creating and filing corporate records into Councils electronic document management system;
- ❖ Achieve and maintain legislative compliance;

END OF EMPLOYMENT PROCEDURE AND CHECKLIST

It is each employee’s responsibility (as stated in all position descriptions) to correctly file into Councils official electronic document management system, any corporate correspondence they create or receive. Employees leaving the employ of Walcha Council are expected to ensure that the following tasks are completed before they leave.



Task to be completed	Date	Signed
All relevant council emails (including sent items) have been TRIMMED to the correct files		
All outstanding tasks in TRIM have been reassigned		
All council records stored in the personal "my documents" area have been TRIMMED to the correct files		
All password protected documents or files have been unprotected		
All personal emails received via my individual @walcha.nsw.gov.au email address have been unsubscribed from or updated with my new contact email address		
A notification has been sent to the senders of council emails that are received directly to my individual email address, requesting that the contact email address be updated to council@walcha.nsw.gov.au		
All of my personal records stored on Council systems have been removed eg, in "my documents", saved emails etc		
Out of office notification has been turned on to inform of new email contact of council@walcha.nsw.gov.au		
Civica support has been requested to start a redirection of my individual council email address to council@walcha.nsw.gov.au		

I CERTIFY THAT NO COUNCIL RECORDS HAVE BEEN COPIED OR TAKEN BY ME, OR PASSED ON TO ANOTHER PARTY.

I CERTIFY THAT I HAVE NOT DELETED OR DESTROYED COUNCIL RECORDS WITHOUT THE WRITTEN AUTHORISATION OF THE RECORDS MANAGER.

Name:	Witness Name:
Signed:	Witness Signature:
Date:	Date:

6.10 Annual Review of Investment Policy

WO/2016/01643

62 **RESOLVED** on the Motion of Councillors Ferrier and Wellings that Council NOTE that a review of the Investment Policy has been carried out and ADOPT the Investment Policy as presented.

ADMINISTRATION POLICIES

Investment Policy

Table of Contents

1	Definitions	3
2	Background	4
3	Investment Policy	5
4	Legislative Requirements	5





5	Delegation of Authority	5
6	Prudent Person Standard	6
7	Ethics and Conflicts of Interest	6
8	Approved Investments	6
9	Prohibited Investments	7
10	Risk Management Guidelines	7
11	Investment Advisor	8
12	Benchmarking	8
13	Reporting and Review of Investments	8
14	Review of Investment Policy	8
Appendix 1	Local Government Act 1993 – Ministerial Investment Order	

1. DEFINITIONS

ADI- Authorised Deposit-Taking Institutions (ADI) are corporations that are authorised under the *Banking Act 1959* (Commonwealth) to take deposits from customers.

AFMA BBSW- Australian Financial Markets Association Bank Bill Reference Rate.

Bill of Exchange – A bill of exchange is an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand, or at a fixed or determinable future time, a sum certain in money to or to the order of a specified person, or to bearer.

Credit Risk - Credit risk is the risk of loss to an investor due to the failure of the institution/entity with which an investment is held to pay the interest and/or repay the principal of an investment.

Debentures- A debenture is a document evidencing an acknowledgement of a debt, which a company has created for the purposes of raising capital. Debentures are issued by companies in return for medium and long-term investment of funds by lenders.

DLG - NSW Division of Local Government, Department of Premier and Cabinet.

Interest Rate Risk - Interest rate risk is the risk that the fair value or future cash flows of an investment will fluctuate because of changes in market interest rates.

Investment Portfolio - The total pool of all of the council’s investments.

LGGR - Local Government (General) Regulation 2005 (NSW)

Liquidity Risk - Liquidity risk is the risk an investor is unable to redeem the investment at a fair price within a timely period.

Market Risk - Market risk is the risk that the fair value or future cash flow of an investment will fluctuate due to changes in market prices.

Maturity Risk - Maturity risk is the risk relating to the length of term to maturity of the investment. The larger the term, the greater the length of exposure and risk to market volatilities.

Preservation of Capital - Preservation of capital refers to an investment strategy with the primary goal of preventing losses in an investment portfolio’s total value.

Prudent person standard - Prudent person standard is a legal standard restricting the investing and managing of a client’s account to what a prudent person seeking reasonable income and preservation of capital might exercise for his or her own investment.

Responsible accounting officer - Responsible Accounting Officer (RAO) of a council means a member of the staff of the council designated by the General Manager, or if no such member has been designated, the General Manager. (LGGR, clause 196).

Securities - For financial markets these are the many types of financial instruments (ie, documents) that are traded in financial markets (except futures contracts), eg, bonds and shares.

2. BACKGROUND

Council can have on average \$2-3 Million of surplus funds invested at any one time. Interest on these investments represents a significant contribution to the total income of Council and it is essential that Council has clear policy guidelines as to how funds can be invested. This policy aims to clearly state the institutions with which Council can invest the maximum proportion of funds that may be placed with individual organisations and the types of investments entered into.



3. INVESTMENT POLICY

3.1 Objectives

3.1.1 To provide 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.

3.1.2 While exercising the power to invest, consideration is to be given to the 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 the risk of significant costs due to the unanticipated sale of an investment.

c) Investments are expected to achieve a market average rate of return in line with the Council’s risk management guidelines.

4. LEGISLATIVE REQUIREMENTS

4.1 Investments are to comply with the following:

- Local Government Act 1993;
- Local Government (General) Regulation 2005;
- Ministerial Investment Order;
- Local Government Code of Accounting Practice and Financial Reporting,;
- Australian Accounting Standards; and
- Division of Local Government Circulars.

5. DELEGATION OF AUTHORITY

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

The General Manager may in turn delegate the day-to-day management of Council’s Investment 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

6. PRUDENT PERSON STANDARD

Council’s investments 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 portfolios to safeguard the portfolio in accordance with the spirit of this Investment Policy, and not for speculative purposes.

7. ETHICS AND CONFLICTS 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.

8. 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 Appendix 1 Local Government Act 1993 – Investment Order attached.

9. PROHIBITED INVESTMENTS

In accordance with the Ministerial Investment Order, this investment policy prohibits but is not limited to any investment carried out for speculative purposes including:

- Derivative based instruments;
- Principal only investments or securities that provide potentially nil or negative cash flow; and



- Stand alone securities issued that have underlying futures, options, forwards contracts and swaps of any kind.

This policy also prohibits the use of leveraging (borrowing to invest) of an investment.

10. RISK MANAGEMENT GUIDELINES

Investments obtained are to be considered in light of the following key criteria:

- a) **Preservation of Capital** – the requirement for preventing losses in an investment portfolio’s total value (considering the time value of money);
- b) **Institutional Diversification** –
 - Not less than three(3) quotations shall be received when an investment is made;
 - Individual investments shall not exceed \$1,000,000
 - All term deposits investments are to be made with authorised deposit taking institutions covered by the Australian Government Guarantee.
- c) **Market / Credit Risk** - consideration shall be given to the risk that the fair value or future cash flows of an investment will fluctuate due to changes in market prices, or the risk of failure to repay principal or pay interest of an investment.
- d) **Liquidity Risk** – Investment maturity shall correspond with cash flow requirements.
- e) **Maturity Risk** - the investment portfolio shall be invested within the following maturity constraints.

Institution Term Rating	OVERALL PORTFOLIO MATURITY		
AAA to AA	Portfolio % < 1 year	Minimum 20%	Maximum 100%
AA to A+	Portfolio % >1 year, < 3years	Minimum 0%	Maximum 50%

11. INVESTMENT ADVISOR

Should Council engage an investment advisor, the advisor must be approved by Council and 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 choose 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 actual or potential conflicts of interest in relation to the investments they are recommending or reviewing, including that they are not receiving any commissions or other benefits in relation to the investments being recommended or reviewed.

12. BENCHMARKING

The performance of the investment portfolio shall be compared as follows:

Cash	11am Cash Rate
Direct Investments	AFMA BBSW Rate: Average Mid - 90 day

13. REPORTING AND REVIEW OF INVESTMENTS

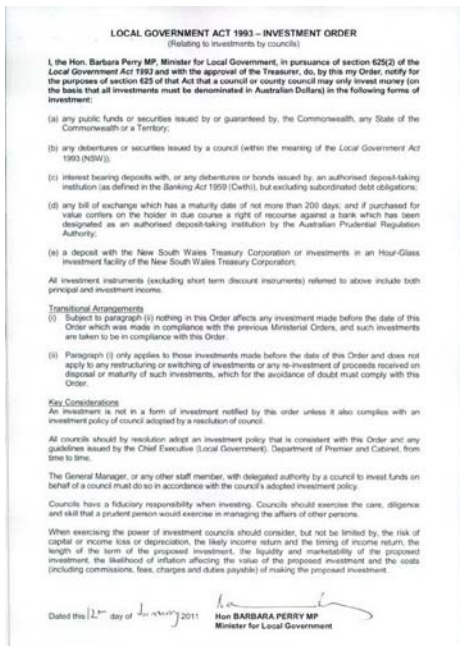
The General Manager/ Responsible Accounting Officer shall be responsible for reconciling the investment register on a monthly basis and ensuring sufficient records are maintained including:

- The source and amount of money invested;
- Particulars of the security or form of investment in which the money was invested;
- The term of the investment; and
- The rate of interest to be paid and the amount earned, in respect of the money invested.

A report shall be provided to each Council meeting, detailing the investment portfolio in terms of performance, investment institution and amount of each investment.

14. REVIEW OF INVESTMENT POLICY

This policy shall be reviewed annually and any amendments, if necessary, shall be approved by a resolution of Council.



Adopted Council Meeting 30 March 2011 – Minute No.: 156/2010-11.
Adopted Council Meeting 24 April 2013 – Minute No.: 180/2012-13
Adopted Council Meeting 29 July 2015 – Minute No.: 005/2015-16

LATE REPORTS:

1. Draft Drought Management Plan

WO/2016/01764

63 **RESOLVED** on the Motion of Councillors Kealey and Lyon that Council place the “Walcha Council Drought Management Plan September 2016” on public exhibition inviting public submissions for a period of 28 days as per the *NSW DPI-Water Best Practice Management of Water Supply and Sewerage Guidelines (DWE 2007)*.

2. Update Credit Card Policy

WO/2016/01801

64 **RESOLVED** on the Motion of Councillors Ferrier and Kealey that Council cancel the credit cards issued to the Library Manager and the Works Manager **FURTHER THAT** Council provide the Community Services Manager, Senior Manager – Waste, Sewer & Water and the Library Youth Officer a credit card **STILL FURTHER THAT** amend the Credit Card Policy to reflect the changes as follows:

ADMINISTRATION POLICIES

CREDIT CARDS



Objective:

To provide a framework for the efficient and effective administration of Council and ensure that the community is well informed of Council’s decisions.

Policy:



That employees holding the following positions with Council shall be issued with Credit Cards to operate on Council’s Business Card Expense Account for use on office Council business:

<u>Position</u>	<u>Set Limit of Card</u>
General Manager	\$6,000
Director – Engineering Services	\$6,000
Manager – Environmental Services	\$3,000
Chief Financial Officer	\$3,000
Human Resources Manager	\$3,000
Storeman	\$2,000
Preschool Nominated Supervisor	\$2,000
Walcha Council Community Care Co-ordinator	\$2,000
Library Manager	\$2,000
Mayor	\$2,000
Manager – Community Services	\$2,000
Senior Manager – Waste, Sewer & Water	\$2,000
Library Youth Officer	\$2,000

Reason:

To reduce the administration and financial costs associated with the payments of accounts primarily resulting from employees carrying out Council business outside the Walcha Council area, through the efficient use of credit cards.

7. NOTICE OF MOTION

Nil.

8. MATTERS OF URGENCY

Nil.

9. MANAGEMENT REVIEW REPORTS

WO/2016/01763

5. Tourism Report – September 2016

65 **RESOLVED** on the Motion of Councillors Lyon and Heazlett that Council thank Councillor Ferrier for his efforts in running the Billy Cart Derby at the Walcha Mountain Festival.

10. Waste

Council agreed that the December Council Meeting will be held on 14 December 2016 commencing at 9am with the Workshop for the Walcha Council Waste Committee followed by Strategic Planning session and concluding with the Ordinary Council business Meeting after the Workshops.

Council also agreed that there will be no Meeting in January 2017 but that the February 2017 be brought forward to Wednesday, 15 February 2017.



66 **RESOLVED** on the Motion of Councillors Heazlett and Kealey that items included in the Management Review Report, numbered 1 to 15 inclusive, be **NOTED** by Council.

10. COMMITTEE REPORTS

10.1 Minutes of the Walcha Council Community Care Advisory Committee Meeting held at the Community Care Day Centre Rooms on Tuesday, 18 October 2016. WO/2016/01774

67 **RESOLVED** on the Motion of Councillors Ferrier and Kealey that Council place the Draft Disability Inclusion Action Plan on public exhibition inviting submission for the period of 28 days.

11. DELEGATE REPORTS

11.1 Minutes of the Namoi Councils Joint Organisation Meeting held at Gunnedah Shire Council on Thursday, 6 October 2016. WI/2016/06375

THERE BEING NO FURTHER BUSINESS THE CHAIRMAN DECLARED THE MEETING CLOSED AT 5:25PM.