

Tweed Shire Council



Statutory Annual Report **2005/06**





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Message from the General Manager

2005 – 2006 has again been an interesting and encouraging year for Tweed Shire Council.

This statutory annual report is presented to the community and stakeholders at large as an indicative snapshot of a well functioning efficient and effective organisation.

Under the governance of the three administrators, Mr Garry Payne AM, Director General of the Department of Local Government, Ms Lucy Turnbull and Mr Max Boyd AM, Council embarked on a comprehensive review of projects and initiated community consultation on a proposed seven-year plan, which included annual rate increases.

The outcome of this proposal was the granting of rate increases for the years 2006 – 2007 and 2007 – 2008

I was fortunate to be appointed as General Manager in May 2006, having served in the acting capacity since November 2005, following the retirement of the previous General Manager Dr John Griffin.

Council now meets on every third Tuesday, with an opportunity for members of the community to address issues of concern with the administrators at each meeting.

A handwritten signature in black ink, appearing to read 'M. Payne', with a long horizontal stroke extending to the right.

General Manager



Financial report

s.428 (2)(a)

Statement of financial performance

Income statement as at 30 June 2006

Budget ⁽¹⁾			Actual 2006	Actual 2005
\$'000		Notes	\$'000	\$'000
	INCOME FROM CONTINUING OPERATIONS			
	<i>Revenue:</i>			
45,999	Rates and annual charges	3a	47,639	44,354
17,878	User charges and fees	3b	17,822	17,278
8,321	Interest and investment revenue	3c	8,787	8,575
752	Other revenues	3d	795	1,233
13,642	Grants and contributions provided for operating purposes	3e,f	16,444	13,322
29,194	Grants and contributions provided for capital purposes	3e,f	20,703	41,070
	<i>Other Income:</i>			
	Share of interests in joint ventures and associates using the equity method	19	32	31
115,786	TOTAL INCOME FROM CONTINUING OPERATIONS		112,222	125,863
	EXPENSES FROM CONTINUING OPERATIONS			
30,007	Employee benefits and on-costs	4a	32,889	28,600
2,691	Borrowing costs	4b	2,293	3,137
21,497	Materials and contracts	4c	27,330	23,910
23,986	Depreciation and amortisation	4d	21,785	22,350
7,785	Other expenses	4e	9,686	8,189
	Net Loss from the disposal of assets	5	1,569	328
85,966	TOTAL EXPENSES FROM CONTINUING OPERATIONS		95,552	86,514
29,820	OPERATING RESULT FROM CONTINUING OPERATIONS		16,670	39,349
29,820	NET OPERATING RESULT FOR THE YEAR		16,670	39,349
	Attributable to Council			
29,820	- Council		16,670	39,349
	Net operating result for the year before grants and			
626	Contributions provided for capital purposes		(4,033)	(1,721)

Note:

⁽¹⁾ The original budget as approved by Council refer to Note 16

The above Income statement should be read in conjunction with the accompanying notes

**Statement of financial position**

Balance Sheet as at 30 June 2006

	Notes	Actual 2006 \$'000	Actual 2005 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	6a	129,027	147,736
Investments	6b	3,159	4,284
Receivables	7	11,077	7,216
Inventories	8	863	1,502
Other	8	951	902
Total current assets		145,077	161,640
Non-current assets			
Investments	6b	4,045	1,005
Receivables	7	1,288	1,222
Infrastructure, property, plant and equipment	9	961,134	828,283
Investment property	14	1,590	1,570
Intangible assets	26	198	200
Total non-current assets		968,255	832,280
Total assets		1,113,332	993,920
LIABILITIES			
Current Liabilities			
Payables	10	15,597	13,763
Interest bearing liabilities	10	3,698	3,199
Provisions	10	8,641	7,937
Total current liabilities		27,936	24,899
Non-current liabilities			
Payables	10	563	1,354
Interest bearing liabilities	10	38,290	34,687
Provisions	10	9,244	8,790
Total non-current liabilities		48,097	44,831
Total Liabilities		76,033	69,730
Net assets		1,037,299	924,190
EQUITY			
Retained earnings	20	938,804	922,134
Revaluation Reserve	20	98,495	2,056
Total Equity		1,037,299	924,190

The above balance sheet should be read in conjunction with the accompanying notes

**Statement of changes in equity**

Statement of changes in equity as at 30 June 2006

	Notes Ref	Actual 2006 (\$'000)				Actual 2005 (\$'000)			
		Retained	Revaluation	Other	Total	Retained	Revaluation	Other	Total
		Earnings	Reserve	Reserves	Equity	Earnings	Reserve	Reserves	Equity
Balance at beginning of the reporting period		922,134	2,056		924,190	882,955	1,886		884,841
Adjustment on adoption of AASB 132 and AASB 139									
Transfers to Asset Revaluation Reserve	9,14		96,439		96,439		170		170
Net movements recognised directly in equity		922,134	98,495		1,020,629	882,955	2,056		885,011
Net operating result for the year		16,670			16,670	39,179			39,179
Balance at end of the reporting period		938,804	98,495		1,037,299	922,134	2,056		924,190

The accompanying notes form an integral part of the financial statements

The above statement of changes in equity should be read in conjunction with the accompanying notes

**Statement of cash flows**

Cash flow statement as at 30 June 2006

Budget 2006			Actual 2006	Actual 2005
(\$'000)		Notes	(\$'000)	(\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts:				
45,999	Rates & annual charges		47,220	44,170
18,205	User charges & fees		16,706	16,966
8,321	Investment revenue and interest		8,944	8,407
31,008	Grants and Contributions		25,026	33,158
425	Other		807	787
Payments:				
(30,007)	Employee benefits and on-costs		(32,076)	(28,467)
(21,497)	Materials & Contracts / Other		(34,207)	(30,840)
(2,691)	Borrowing Costs		(2,214)	(2,410)
(7,785)	Other			
41,978	Net cash provided by (or used in) operating activities	11(b)	30,206	41,771
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts:				
1,416	Sale of infrastructure, property, plant & equipment		804	4,744
	Payments from deferred debtor		319	16
Payments:				
	Purchase of investments			
(66,497)	Purchase of infrastructure property, plant & equipment		(52,888)	(34,501)
	Advances to deferred debtors		(300)	0
	Refunds of deposits held in trust		(951)	(1,500)
(65,081)	Net cash provided by (or used in) Investing activities		(53,016)	(31,241)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts:				
5,476	Borrowings & advances		7,539	4,837
Payments:				
(3,574)	Borrowings & advances		(3,438)	(3,333)
1,902	Net cash provided by (or used in) financing activities		4,101	1,504
(21,201)	Net increase/(decrease) in cash and cash equivalents		(18,709)	12,368
	Cash & cash equivalents at beginning of reporting period	11(a)	147,736	135,368
(21,201)	Cash & cash equivalents at end of reporting period	11(a)	129,027	147,736

The above cash flow statement should be read in conjunction with the accompanying notes

The auditors report and the 'audit opinion'

Refer to Appendix A for a full [auditors report](#) and audit opinion.

**2004 rating variation, year-two report**

(s.508 (2))

Outcomes and expenditures report for the 2nd year of an existing 7-year rates variation

Total expenditure on projects undertaken to 30 June 2006 was \$876,400

Surplus budget carried over into 2006-2007 works is \$227,515

Sealing School Bus Routes	Budget \$481,432	Expenditure	Outcome
Byrrell Creek Road		12,981	In progress
Urliup Road		184,587	Complete
Hopkins Creek Road		109,089	Complete
Commissioners Creek Road		174,652	Complete
	\$481,432	\$481,309	

Additional Asphalt Resurfacing	Budget \$424,328	Expenditure	Outcome
Tweed Heads			
Honeysuckle St to Rose St		3,126	Complete
Marana St to TLCC Entry		29,696	Complete
Red Bass Ave to Jacaranda Ave		10,941	Complete
Rivera Ave to Poinsettia Ave		10,886	Complete
Sunset Blvd to Poinsettia Ave		12,135	Complete
Banora Point / South Tweed			
Bosun Blvd to HN 76		47,293	Complete
Cominan Ave to House No 99		21,459	Complete
Machinery Drive		71,603	Complete
Old Ferry Rd to Clifford Crs		3,586	Complete
Toolona Ave to Darlington St		19,677	Complete
Westray Ave to Cominan Ave		16,092	Complete
Wupawn Place		4,903	Complete
Kingscliff / Coast			
Anne St		10,229	Complete
Bambery St to Chittick St		8,151	Complete
Bambery St to Fingal Rd		2,418	Complete
Queen St		6,575	Complete
Murwillumbah			
Coodgie St, Tyalgum to Cooman St		11,422	Complete
George St to Peter St		1,158	Complete
George St		1,030	Complete
Mayal Lane to George St		1,486	Complete
Mooball St to Rous St		4,558	Complete
Peter St to George St		10,410	Complete
Station St, Burringbar to End Road		14,585	Complete
	\$424,328	\$323,419	

Drainage Asset Works	Budget \$134,405	Expenditure	Outcome
Additional Gullies in Sags - Tweed /Banora		54,948	Complete
- Ourimbah Rd			
- Aroona Cr			
- Monomeeth Ave			
- Park Ave			
- Inlet Dr			
- Ash Dr			
- Cominan Ave			
Sunrise Place			Deferred
Tumbulgum Road			Deferred
	\$134,405	\$54,948	



Footpath Asset Repairs	Budget \$63,750	Expenditure	Outcome
Wollumbin Street - RSL			Deferred pending streetscape works
Wollumbin Street - Sunnyside			Deferred pending streetscape works
Main Street, Murwillumbah			Deferred pending underground drainage
Kennedy Drive (Ducat Street)		16,724	Complete
	\$63,750	\$16,724	
Total expenditure	1,103,915	\$876,400	

**Principal work activities 2005- 2006**

(s. 428(2)(b))

1. Community action plan**Recreation program**

2005 – 2006	Performance	Target	Actual	Progress notes
Draft Regional Recreation Facilities Plan	% completed	100%	100%	Plan adopted by Council 7/2/2006
Review Community Land Plans of Management	% completed	75%	70%	Draft sports fields POM ¹ adopted. A generic POM for community land to be completed in parallel with a proposed open space strategy in 2006-07
Commence landscape infrastructure planning process for the coastal zone (as identified in the Coastal Plan of Management)	% completed	50%	50%	Draft Kingscliff foreshore plan completed. Furniture design in progress
Provide adequate resources to maintain open spaces in urban releases	% completed	100%	100%	Extra resources identified for additional open space acquisition. Additional acquisitions have been included in the 2006/07 Management Plan.
Implement of an ongoing sports fields capital works program	% of sports field upgrades completed from ongoing program	50%	20%	Quotes received & priorities commenced. Additional funds from the capital works program will need to be redirected to the maintenance of sports fields
Commence parks upgrades as allocated in Contribution Plans CP 1 & CP 5	% of parks upgraded as per CP 1 & CP 5	100%	80%	Draft designs completed by consultants
Continue implementation of Tweed Coast Bitou Strategy	Area controlled	80%	80%	2006/07 arial spraying program completed
Continue development of Regional Botanic Gardens as per Master Plan	% completed	2%	2%	Pending future documentation and plans from consultants

Health and community program

2005 – 2006	Performance	Target	Actual	Progress notes
Murwillumbah pool and multi-level car park concept and design finalised	% of work completed	100%	75%	Development application to be lodged. Construction planning to commence April 2007
Preliminary plan for Murwillumbah Community Centre (subject to funding)	% of work completed	5%	8%	No funding became available
Construction of Tweed Respite Centre	% completed	10%	6%	No longer proceeding
Commence Murwillumbah & Tweed museums strategies	% of work completed	100%	10%	Consultants to be appointed for strategies development
Murwillumbah Civic Centre office accommodation extensions	% of construction completed	100%	50%	A long-term plan is completed. Work is being completed in accordance with the budgeted funding

¹ POM: Plan of Management



2005 – 2006	Performance	Target	Actual	Progress notes
Continued upgrade of public toilets	% of amenities upgraded	100%	100%	
Develop heritage package	% completed	100%	25%	Draft package determined by council
Increase recycling bin space 50 / 50 split in domestic waste bins	% completed	100%	99%	Conversion of small number of bins remains outstanding
Provide a recycling service to multi-unit dwellings	% completed	100%	100%	Completed
Implement voluntary green waste collection service	% completed	100%	100%	Completed New customers to be attracted to the service
Commercial waste recycling education program	% completed	20%	10%	Waste audits to be carried out on the five largest waste producers in the Shire
Implement pre-sort disposal area at Stotts Creek	% completed	100%	100%	Project completed
Continuation of the 5 th City of the Arts project (subject to grant)	No of projects undertaken	10	10	Project completed
Implementation of the "Quality of Life Program" to maintain service levels for the community	% of program implemented	0%	0%	No funding was received in the 2005/06 budget to commence the project
Integrated Human Services Delivery Plan (subject to NSW State Govt. approval)	% completed	0%	0%	The plan is to be integrated into the Far North Coast Strategy as per Government directions
Crime Prevention Strategy	% completed	100%	90%	Draft prepared for consideration by the Administrators
Public Transport Plan	% completed	100%	50%	Draft prepared for consideration by the Administrators
Re-development of Art Gallery	% completed	100%	100%	Work completed by June 2005
Enhanced exhibition program including local and national artists	No of exhibitions held	100%	100%	Exhibition program completed on time & within budget
Expanded workshop programmes	No of workshops		54	Program suspended from April to June 2006 because of stage 2 construction of the Gallery. Workshop space reopened 14 June 2006
Increased entrepreneurial activities and opportunities by the Gallery	Increase in economic activity		Inc. interest in Foyer Hire	Sales of art from exhibitions and supporting artists has increased



2. Economic action plan

2005 – 2006	Performance	Target	Actual	Progress notes
Facilitate and implement Reserve Trust resolutions in relation to caravan park maintenance and development	Implementation of resolutions	100%	60%	Notification of success in Public Reserve Management Fund loan application received late August 2005 with funds not received until 12 Sept 2006 incurred delay. In light of planning delays with Pottsville north and uneconomic costs associated with reticulation of Pay TV signal to all sites are revising works program to produce a better return. Some works carry-over to next financial year.
Review of TEDC ² performance quarterly	Comparison of plan to actual	100%	75%	Three quarterly reports presented as per agreement. Forth quarter presented in Sept 2006
TACTIC ³ quarterly review of performance standards	Comparison of plan to actual	100%	75%	Three quarterly reports presented as per agreement. Forth quarter presented in Sept 2006
Participation rates at visitors information centres	% change in participation rates		6% dec	Murwillumbah visitors centre participation rate decreased by 6% over the year
TACTIC tourism promotion strategies	Promotion funding	\$0	\$0	No funding become available
TACTIC –Taste of the Tweed project (subject to grant of \$65,000)	% completed	100%	80%	Council contribution of \$35,000 provided. 2006 part of project to be commenced September 2006
Tourism Industry Development Strategy	% completed	100%	40%	Negotiations with TACTIC and Administrators underway on new agreement
Development & implementation of the Economic Development Strategy	% completed	100%	90%	Draft Economic Development Strategy exhibited with revisions in progress
Complete Retail Development Strategy	% completed	100%	100%	Adopted as council policy
Industrial Land Working Group (subject to funding)	Land Available	0%	0%	Project delayed until further notice when funding becomes available

3 Environment action plan

Natural and built environment program

2005 – 2006	Performance	Target	Actual	Progress notes
Built Environment				
Land Use Structure Plan & Urban Design Framework	% completed	100%		Urban design review panel formed
Develop Residential Development Strategy	% completed	100%		Subject to draft Far North Coast Regional Strategy
Implement and adopt Tweed Local Environmental Plan Review Program	% completed	100%	75%	Work in progress
Complete Kingscliff Local Plan	% completed	100%	25%	Community participation program commenced
Rural Villages Development Strategy	% completed	100%		Revised strategy to be developed
Pottsville Locality Plan	% completed	100%	20%	Budget allocated for commencement in 2007

² Tweed Economic Development Corporation

³ Tweed and Coolangatta Tourism Incorporated



2005 – 2006	Performance	Target	Actual	Progress notes
Kings Forest Planning Framework	% completed	100%	50%	Awaiting Ministers review and decision
State of the Shire Report	% completed	100%	40%	Draft completed. Community comment underway
Rural Land Use Study	% completed	100%		To be undertaken in stage 2 of the LEP review
Tweed Heads Planning Framework	% complete	100%	30%	Review of Master Plan completed by consultants. Awaiting Ministers direction over re-exhibition of the draft plan
Uki Development Control Plan	% completed	100%	100%	Council resolved to adopt plan upon completion of consolidated DCP ⁴ for the shire
Review administrative processes associated with applications	% completed	100%	30%	Timetable for review being prepared
Review assessment processes for applications	% completed	100%	30%	Timetable for review being prepared
Customer Service Survey Design	% completed	100%		Project not yet commenced
Customer Service Survey Results	% completed	100%		
Natural Environment Water Unit				
Lakes Drive boat ramp and jetty upgrade	% completed	100%	100%	Project completed
Pontoons on Terranora Creek jetty	% completed	100%	20%	Development consent received. Contract awarded
Tweed River Estuary Program	% completed	50%	40%	Annual funding process from State Government does not allow full expenditure of budget
Mooball Creek erosion work & rehabilitation	% completed	100%	80%	Additional works required and underway
Canoe Launch trail signs	% completed	100%	100%	Completed
Jack Julius Park, Kingscliff, bank erosion rehabilitation	% completed	100%	100%	Project completed
Implementation of Coastline Management Plan	% budget expended	100%	30%	Contracts awarded for Seawall EIS. Landscape design project commenced

4 Infrastructure action plan

Infrastructure planning program

2005 – 2006	Performance	Target	Actual	Progress notes
Infrastructure Planning & Development				
Interim amended DCP5 Plan to adopt levels from new flood study only	% completed to adoption by Council	100%	100%	DCP5 v2.3 adopted March 2006
Prepare Flood Plain Risk Management Study & Plans	% completed to adoption by Council	100%	35%	Part 1 adopted. Draft Part 2 for Floodplain Management Committee under consideration. Parts 3 & 4 are being developed
Final amended DCP5 Plan & Tweed LEP (follows completion of Flood Plain Risk Management Study & Plan)	% completed to adoption by Council	20%	20%	Some delay due to State Government requirement to incorporate all DCP's into one document

⁴ DCP: Development Control Plan



2005 – 2006	Performance	Target	Actual	Progress notes
Full review Tweed Road Contribution Plan	% completed to adoption by Council	100%	85%	Works program reviewed & sent to consultants to recalculate contribution rates for sectors
Review Tweed Development Program	% completed to adoption	10%	5%	Limited action taken in review of the program
Amend specifications for water supply, sewer, storm water & integrated water cycle management to current national recommended best practice guidelines	% completed to adoption by Council	100%	75%	Sewer specifications updated with standard drawings. Water specifications are under review
Infrastructure Coordination Committee	Number of decisions resolved		1	Committee commenced. Criteria for prioritisation in preparation of section 94 planning commenced
Construct East Murwillumbah & Dorothy Street Levee	% completed	100%	90%	Construction works are complete. Landscaping in progress

Roads & Transport

Complete Works Program	All approved works to be completed under budget	100%	80%	Current year projects commenced & expenditure as approx 50% of total budget. Road drainage programs contained at budget limit with some carry-over items.
Review forward works program	Revised Programme completed (Feb 2006)	100%	100%	Review completed and report prepared
Complete Tweed Heads depot upgrade	New building completed	100%	10%	Development application & construction certificate application submitted

Water and sewerage program

2005 – 2006	Performance	Target	Actual	Progress notes
Kingscliff Sewerage Treatment Plant (\$40M)	% complete	10%	7%	Contract awarded and earthworks commenced & ongoing. Some delays due to wet weather
Bray Park Water Treatment Plant (\$30M)	% complete	10%	4%	Detailed design in progress
Capital Works Program 05/06 (\$67M)	% of budget expended	100%	60%	Based on revised budget of \$47(M)
Integrated water cycle plan	% completed	100%	60%	Strategy & context study on exhibition
Revised water and sewer strategic business plan	% complete	100%	70%	Consultants engaged. Commenced drafting of activity management plans
Department of Energy Utilities and Sustainability (DUES) Water and Sewer Best Practice Guidelines	% completed June 2008	100%	20%	Completed long-term financial plan. Developer services plan & residential water supply & sewerage pricing plans underway



5 Governance action plan

2005 – 2006	Performance	Target	Actual	Progress notes
Risk Management				
OMS ⁵ Procedures Review	% of procedures reviewed	100%	100%	90 SOP's have been reviewed and revised, 25 SWMS's have been created & 50 MSG's have been created
Implementation OMS Audit Systems	Number of audits per quarter	10	1	Audit training completed 21/9/05. Target of 10 audits not achieved
Improve State Cover OHS ⁶ Systems evaluation against 2004 benchmarks	80% compliance	100%	73%	OMS working group is working through safety works external audit
Purchases made with documented risk assessment	100% compliance for major purchases	100%	100%	OMS working group reviewing OHS purchasing & contracts administration guidelines
Accident/Incidents reported & investigated	% completed within 24 hours	100%	65%	
Reduction in workers compensation costs	\$2,500 per capita	\$2,500	\$2,460	Premium of \$1,600,000 for 650 staff
Quarterly review of key performance indicators by Executive Management Team	Number of corrective actions made	100%	100%	100% of EMT ⁷ requests implemented
OHS management meetings with EMT	Monthly meetings held	100%	100%	All meetings held
OHS issues communicated with staff	% of issues communicated	100%	100%	Toolbox talk format endorsed by OHS committee & EMT
Financial Management				
Implementation of international financial reporting standards	Completed in accordance with program	100%	100%	100% compliant with AASB1 – Note 1 of Annual Financial Statements
Ensure compliance with Local Government Financial Management Regulation in relation to receipting, banking and cash control	100% compliance	100%	100%	100% compliant with <i>Local Government (General) Regulations 2005</i> (NSW)
Maintain good financial controls to ensure the ongoing strong financial position of Council	Ongoing	100%	100%	100% of internal controls reviewed
Implement Asset Management Software & Generic Asset Management Plans	Operating efficiency & user satisfaction	25%	15%	Expressions for asset software to be called in early 2007
Review & amend system design of Finance One System	100% operating time maintained	100%	100%	Review ongoing
Review of long-term Financial plan (6 monthly)	Provision of resources to achieve work outcomes	100%	100%	Plan to be reviewed to incorporate rate increase outcomes

⁵ OMS: Operational Management System

⁶ OHS: Occupation Health & Safety

⁷ EMT: Executive Management Team



2005 – 2006	Performance	Target	Actual	Progress notes
Revenue Unit				
Monitor and reduce debts incurred by Council	Monthly debt level monitored & reported		Ongoing	Ongoing monitoring of debts
Encourage payments via Direct Debit Policy	Number of direct debits increased in period		3% increase	Ongoing
Review and amend systems design of Proclaim One System	Target 100% operating time maintained	100%	98%	Minimal downtime throughout the year
	Review of procedures in Proclaim One	100%	40%	40% of all procedures reviewed over the year Proclaim software review to be completed by August 2006
Timely issue of account, rates, debtors and water	Rates in accordance with <i>Local Govt. Act 1993 (NSW)</i>	100%	100%	Completed
	Debtors within 14 days	100%	100%	Debtors current to end of June
	Water within 3 weeks of completion of water read	100%	100%	All Water accounts processed within 3 week target
Revenue policies implementation and review	Number of policies implemented & reviewed	8	8	8 policies reviewed over the year
Human resources				
Strategic Plan Human Resources	Strategic plan developed and implemented	100%	100%	Project completed
Equal Employment Opportunity Management Plan	-EEO sub-committee functional	100%	100%	Project completed
	-EEO officers elected		3	3 elected officers received training in order to deliver Bullying & Harassment training to staff in conjunction with HR officers
Industrial relations	Management advice to ensure and maintain knowledge and understanding of award and legislative requirements		Ongoing	Changes to legislation reviewed
HR policies and procedures	All policies reviewed All associated procedures reviewed	9	6	Further training of staff scheduled for October 2006



2005 – 2006	Performance	Target	Actual	Progress notes
Performance development and review	-Performance appraisal documentation review,	100%	100%	Project completed
	-Adjustment and Implementation of performance recognition framework	100%	100%	Project completed
	-Occupational progression tables – competency formulation	100%	20%	HR Steering Committee priority project, 12 month timeframe
	-Salary structure review		Ongoing	
	-Succession planning and career pathways		Ongoing	
Council training plan	Implemented training programs	100%	100%	100% of training targets met
Corporate policies	Staff trained	100%	100%	Project completed
HR policies	Staff trained	100%	100%	
Implement Dataworks record system to HR	Conversion of files to Dataworks	100%	0%	Information Technology Steering Committee adopted projects business plan. Project to be completed by June 2007
Information technology				
Murwillumbah office extensions; network cabling installation	50% complete by 1 January 2006. Amended target June 2006	100%	30%	Server room currently in constructed Completion of fit-out of server room scheduled for late 2006
Murwillumbah office – telecommunication infrastructure upgrade	-Complete business case -Prepare request for tender document -Release request for tender document -Evaluate responses (Jan 2006)	100%	80%	Telecommunication upgrades completion and is dependent on completion of new server room. Project completion expected late 2006
Records management centralised storage facility	-Identify suitable location -Construct facility. -Install compactus	100%	100%	Temporary facility completed. Permanent facility project postponed until completion of 2-storey infill over existing Information Technology server room
New GIS implementation	Review, investigate, implement	100%	90%	Full implementation to be completed September 2006
Regulatory business system upgrade Proclaim One version 9.05 and E-Proclaim	Plan, review, investigate, implement	100%	20%	Project delayed, re-scheduled for completion by Dec 2006



2005 – 2006	Performance	Target	Actual	Progress notes
Corporate Performance				
All correspondence replied to within 14 days	% of correspondence replied to within 14 days	100%	97%	Ongoing monitoring by EMT
Complaint Handling	Number of complaints received		33	Complaints received over the period
	Resolved in accordance with the Complaints Handling Policy		24	24 outstanding complaints were resolved per quarter over the period. Monitoring of complaint numbers continuing
	Customer work requests % outstanding		4.5%	An average of 4.5% of requests remained outstanding at the end of each quarter throughout the year
Staff training on policies	Number of policies trained	7	7	Council conducted training on 7 policies over the year
Carry out internal audits per year in accordance with Management Plan	4 per quarter	16	20	20 audits were completed in accordance with 2005/06 Audit Plan
	% of recommendations implemented	100%	62%	62% of audit recommendations were implemented over the year. Monitoring is ongoing
Film Applications	% of applications approved within 5 working days	100%	100%	
Corporate Performance Monitoring	Number of activities investigated		8	8 activities were investigated throughout the year
Implementation of Council resolutions	% of resolutions implemented	100%	100%	
Governance Health Check List	% of segments reviewed	100%	100%	



Condition of public works 2005 – 2006

(s.428 (2)(d))

Asset Class	Asset Category (as determined by Council)	Depreciation Expense (%) (Specific rate or range or rates)	Depreciation Expense (\$'000)	Cost (\$'000)	Valuation (\$'000)	Accumulated Depreciation & Impairment (\$'000)	WDV (\$'000)	Asset Condition (Refer details attached)	Estimated cost to bring to a satisfactory standard (\$'000)	Required Annual Maintenance (\$'000)	Current annual Maintenance (\$'000)
		Per Note 1	Per Note 4	Per Note 9			Per Section 428 (2d)				
Public Buildings	Council Offices	1%	153	15451		3972	11479	Fair/Good	800	75	125
	Council Works Depot	2%	64	3789		1413	2376	Fair/Good	500	110	110
	Council Halls	2%	68	3,415		579	2,836	Fair	500	110	88
	Council Houses	2%	13	655		224	431	Fair	100	6	8
	Museum	2%	1	100		86	14	Poor	5,000	12	8
	Library	2%	54	3,434		555	2,879	Satisfactory	Nil	55	44
	Childcare Centre(s)	2%	3	182		78	104	Good	Not funded by Council		
	Art Gallery	2%	84	4,209		270	3,939	Satisfactory	Nil	50	10
	Amenities/Toilets	2%	129	6,577		2,741	3,836	Fair/Good	800	130	150
				569	37,812		9,918	27,894		7,700	548
Public Roads	Sealed Roads	2.5%	5,586	222,994		129,860	87,548	Fair	76,057	5,776	4,970
	Unsealed Roads	1%	126	12,524		7,561	4,837	Poor	10,789	1,591	770
	Sealed Roads Structure	0.67%		230,503		50,817	179,686		Nil	Nil	Nil
	Bridges	1.25%	567	45,481		13,870	31,044	Fair/Good	11,723	1,650	572
	Footpaths Cycle ways	2%	70	7,398		615	6,713	Fair	545	212	55
	Kerb & Gutter	5%	1,619	32,671		13,324	17,728	Fair	8,036	120	25
	Traffic Facilities	5%		181				181	Satisfactory	Nil	228
			7,968	551,752		216,047	327,737		107,150	9,577	6,590
Water	Treatment Plants	2%	274	15,882		6,500	9,382	Satisfactory	Nil	1,063	798
	Water Connections	6.67%		9,798		3,902	5,896	Satisfactory	Nil	398	550
	Reservoirs	1.43%	316	21,757		7,902	13,855	Satisfactory	Nil	163	101
	Dams	1%	345	34,004		7,725	26,279	Satisfactory	Nil	310	326
	Pipeline	1.43%	1,472	114,258		27,360	86,898	Satisfactory	Nil	574	520
	Pump Stations	5%		12,032		5,459	6,573	Satisfactory	Nil	779	678
	Dam Site										
			2,407	207,731		58,848	148,883			3,287	2,973
Sewerage	Pump Stations	5%	802	36,388		17,786	18,602	Satisfactory	Nil	1,756	1,706
	Pipeline	1.45%	1,553	122,884		30,485	92,399	Satisfactory	Nil	1,080	911
	Treatment Works		3,106	71,675		20,508	51,167	Satisfactory	Nil	2,890	2,848
	Turf Farm										
			5,461	230,947		68,779	162,168			5,726	5,465
Drainage Works	All Infrastructure	1.25%	1,529	127,332		39,853	87,479	Fair	3,272	1,000	850
			1,529	127,332		39,853	87,479		3,272	1,000	850
Total - Classes	Total - All Assets		17,934	1,155,574		393,445	754,161		118,122	20,138	16,421



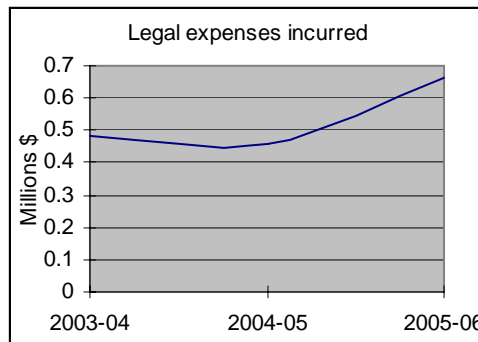
Summary of legal proceedings

(s.428 (2)(e))

Legal costs incurred by Council over 2005-06 year was \$661,665

Party	State of progress	Total	Costs	Awarded
			\$661,665	\$76,966
Kress	Won		2,453	\$20,000
Taylor Made Car Sales	Won, applicant ordered to pay costs to Council		1,321	4,460
Timothy Barr Pty Ltd & Narui Pty Ltd	Settled with consent orders Costs to Council agreed		7,732	32,500
Dawe	Matter settled with consent orders Costs awarded to Council plus accrued interest		2,442	20,006
Zalan Pty Ltd	Matter was finalised		3,528	
Walter Elliot Holdings	Matter was settled		5,340	
Debato Pty Ltd	Consent orders issued, proceedings discontinued		2,579	
Peninsular Developments Groups	Consent orders issued, proceedings discontinued		23,013	
T & J Blundell	Consent orders issued, proceedings discontinued		4,722	
Telco Select	Consent orders issued, proceedings discontinued		17,683	
Michael Mitchell	Consent orders issued, proceedings discontinued		4,183	
GPS Properties	Discontinued council refusal stands		2,031	
Masterbuild Pty Ltd	Court determined approval of DA		34,941	
Greenview Developments Pty Ltd	Court determined approval of DA		61,841	
Turner	Settled with consent orders		7,087	
Project 28 Pty Ltd	Consent issued by Council. Proceedings discontinued		29,711	
Metricon QLD Pty Ltd	Recommended for consent		11,250	
Reysson Pty Ltd	Ongoing matter respondent has submitted rehabilitation plan		3,168	
Penny Ridge Resort	Legal advice sought by Council, ongoing matter		1,862	
Lizzo subdivisions	Legal advice sought by Council, ongoing matter		12,771	
Sinclare & Green	Ongoing matter		2,144	
JMS Capital Pty Ltd	Ongoing matter		3,801	
Gales Holdings	LEP amendment, ongoing matter		73,553	
	Preliminary point of law; frogs & snails, ongoing matter		208,998	
	Other ongoing legal proceeding by Gales Holdings		18,462	
	Legal advice sought by Council		553	
	Council lost: Freedom of Information matter		6,646	
	Mediation advice sought by Council		1,135	
Caraco Pty Ltd	Statutory creditors demand unpaid rates		6,158	
Caraco Pty Ltd, Blackington Pty Ltd & Tschannen	Cost orders determined in Councils favour		42,066	
Blackington Pty Ltd	Class 2 matter, no cost orders in Councils favour		58,491	

3-yearly comparison of legal costs incurred by Council



**Administrator fees and expenses**

(s.428 (2)(f))

Total expenditure on Administrator fees and expenses to 30 June 2006 was \$141,763

Description	Value
Administrator fees	78,214
Provision of facilities to Administrators	5,817
Administrator expenses	57,731
Total	\$141,762

Tweed Administrators remuneration together with reasonable travel and other expenses incurred in connection with their office has been paid in accordance with a proclamation by the NSW Governor.

Council has adopted a policy for the payment of expenses and provisions by Councillors in accordance with s.252 of the *Local Government Act 1993* (NSW). Refer to [Appendix B](#) for Tweed Shire Council Councillor Policy for the provision of facilities and payment of expenses to Councillors.

Senior staff salary

(s.428 (2)(g))

Council employs five senior staff

Total remuneration of senior staff packages and benefits for the year ending 30 June 2006 was \$794,838

Salary package	General Manager (to 31/01/2006) 27 weeks	Acting General Manager (from 21/11/05 to 18/05/2006) 25 weeks	General Manager (from 19/5/06) 6 weeks	Director Engineering & Operations (to 20/11/2005) 20 weeks	Director Governance & Corporate Services	Director Environment & Community services	Director Planning & Development
Salary & superannuation	\$97,593	\$92,532	\$21,432	\$56,128	\$134,077	\$138,876	\$154,407
Motor vehicle & FBT	17,595	13,308	1,846	10,646	15,923	16,274	15,593
Other payments	1,462	1,387	0	534	0	0	0
Professional development allowance & membership	5,227	0	0	0	0	0	0
Total package value	\$121,876	\$107,226	\$23,278	\$67,308	\$150,000	\$155,150	\$170,000

**Details of contracts**

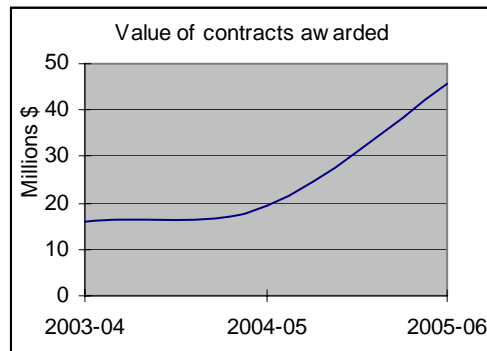
(s.428 (2)(h))

Council awarded 21 contracts exceeding \$150,000 to the value of \$45,648,308

Total value of contracts awarded			\$45,648,308
Contract #	Contact awarded to	Contract description	Contact value
EC2005-190	Brice Engineering Pty Ltd	Supply & replacement of roof structure & works for 4 water storage reservoirs	\$256,200
EC2005-221	CDJ Equipment Pty Ltd	Volvo L50E loader / tool carrier	\$192,730
EC2005-220	Chesterfield Brisbane	Kobelco SK135SR 13,900 kg excavator	\$169,373
EC2005-222	McDonald Murphy Machinery Pty Ltd	Case 580SRll backhoe loader	\$150,273
EC2006-002	Patterson Britton Pty Ltd	Kingscliff foreshore protection environmental impact statement	\$231,818
EC2005-129	Hopedale Service Pty Ltd	Terranora & Cobaki Creek bridge crossing DN600 SRN - DN 450 water main	\$670,501
EC2005-230	Avopling Pty Ltd	Piling for water main & sewer rising Kennedy Dr, Tweed Heads	\$205,500
EC2005-217	Turner Civil Works Pty Ltd	Stotts Creek solid waste landfill - stage 2	\$217,982
EC2005-033	FRH Group Pty Ltd	Construction of Kingscliff sewerage treatment works	\$30,758,288
EC2005-166	Kembla Watertech Pty Ltd	Sewer rehabilitation at various sites	\$409,176.02
EC2005-132	Tyco Water Pty Ltd	Manufacture - supply & delivery of 2450m PN 16 3000 pressure pipe	\$292,300
EC2005-062	Transpacific Industrial Solutions	Repainting Doon Doon Creek bridge	\$208,345
EC2005-136	Hart Family Trust	Construction of concrete footpaths & cycle ways	\$306,446.60
EQ2005-174	Humes Pty Ltd	Reinforced concrete products	\$1,112,444
EC2005-163	Pioneer Road Service Pty Ltd	Supply & laying of asphaltic concrete	\$561,214
EC2005-181	Tompkins MDS Pty Ltd	Detailed design & documentation of Murwillumbah pool & carpark	\$695,000
EC2005-188	MJ & SL Seery Excavation Pty Ltd	East Murwillumbah & Dorothy St flood levee upgrade	\$963,155
EC2005-193	Water Technology Australia Pty Ltd	Design & construction of Murwillumbah sewerage treatment	\$2,437,350
EC2005-206	Brice Engineering Pty Ltd	Supply & erecting of structural steelwork Durambah reservoir	\$291,900
EC2005-195	Turner Civil Works Pty Ltd	Portion A - Woolumbin St Murwillumbah	\$272,461
EC2006-031	Wirtgen Australia Pty Ltd	Supply & delivery 1 of 4 vibrating road rollers	\$569,800
	Solo Waste Australia Pty Ltd.	Collection and disposal of Domestic waste from residential properties.	\$4,676,051



3-yearly comparison of contracts exceeding \$150,000 awarded by Council



Bush fire hazard reduction activities

(s.428)(2)(il))

A report of bush fire hazard reduction activities undertaken for the year ending 30 June 2006, including activities carried out under the Tweed Bush Fire Risk Management Plan approved under the *Rural Fire Act 1997* (NSW)

- The Rural Fire Service (RFS), Tweed District carried out 7 significant hazard reduction burns during the reporting period totalling 22 hectares.
- 1,304 fire permits were issued, the majority of these for agricultural purposes such as sugar cane harvesting.
- The RFS also assessed and addressed 25 bush fire hazard complaints in the reporting period.
- During the reporting period the district recorded 5 significant wildfires exceeding one hectare with a total area burnt, approximately 205 hectares.
- Two major fires occurred. These fires occurred simultaneously in the Fingal Head and Mount Burrell areas. One temporary dwelling and one caravan were damaged in the Mt Burrell Fire.

**Summary of access and equity activities**

(s.428 (2)(k))

Services, programs and activities undertaken by Council for the year ending June 2006 to promote access and equity in the community. Access and equity goals:

- A fair and equitable distribution of resources in the community
- Support services essential in meeting the basic needs and improving quality of life in the community
- Improve opportunities for unrepresented and marginalised community groups

Activities undertaken to promote services, programs and access to services for:

- Children (0 –11yrs)
- Young people (12-24 yrs)
- Women
- Older people
- People with disabilities including those with HIV/AIDS and mental illness
- People from culturally & linguistic diverse backgrounds
- Aboriginal and Torres Strait Islanders (ATSI) people
- Wider community

Group	Support	Results
Children Children & youth	-Health -Safety -Environmental education & awareness	<ul style="list-style-type: none"> • Provide facilities to conduct immunisation programs • Continuation of the Rural Bus Program to provide safer interchange areas for children and parents • Ongoing sealing of rural bus routes to provide safer school bus travel • Council's Education Resource Centre continues to supply students with information & resources on environmental issues relating to the Tweed Valley • Councils Environment Officer continues visits to schools & TAFE to speak on water, waste & energy conservation • Education using a 'Catchment Activity Model' (CAM) being an interactive 3D model of a typical catchment on the north coast of NSW. <p>CAM allows people to see the accumulated impact of day to day activities on the local environment (such as stormwater pollution). But more importantly, CAM demonstrates how these activities can be adjusted to reduce environmental harm. To date, CAM has visited seven local schools and two local festivals. It has had an audience of approximately 1,200 people. For more information on CAM visit: http://www.tweed.nsw.gov.au/Agenda21/CAMHome.aspx</p>
Children with a disability	-Access -Safety	<ul style="list-style-type: none"> • Planning for better playground access & equipment • Lobbying for a mandatory 'working with children' checks for Tweed care service workers providing respite & personal care to children with a disability
Youth	-Inform and educate	<ul style="list-style-type: none"> • Support for 'Youth Week' • Council commissioned a Youth Needs Analysis in 2005/06. Planning for implementation of recommendations is underway, including a full-time Youth Development Officer with a focus on promoting youth events • Public transport working group formed to address issues of public transport access to the youth, the disabled and urban design issues
Aboriginal youth	-Community harmony	<ul style="list-style-type: none"> • NSW Department of Community Services – Anti-Racism, & Community Harmony Project: Tweed Aboriginal Corporation for Sport: "Stringarays" will present the project
Women	-Inform & educate	<ul style="list-style-type: none"> • Support for 'Whole Women's Festival' • Provide facilities for local health workers to conduct counselling and other health services • Participate in the Families First Program



Group	Support	Results
Aged & frail aged persons	<ul style="list-style-type: none"> -Care -Health -Fitness -Safety -Inform & educate -Transport 	<ul style="list-style-type: none"> • Tweed Aged Interagency: Ongoing facilitation of the Tweed Disability Interagency, in liaison with the Department of Ageing Disability & Home Care on service provision matters • Ageing Interagency working groups formed to address transport, respite and abuse issues of the elderly • Working groups ongoing between Council & the Department of Ageing Disability & Home Care to address future provisions of services for the aged & disability sector in the Tweed Shire • HACC⁸ planning rounds: Council officers attended 2006 HACC planning round and provided input on identified needs • Seniors Gentle Exercise Project: Council supported Murwillumbah Community Centre to facilitate this project • Compilation of a seniors physical and social activities information service brochure • Tweed Coolangatta Community Safety Action Plan targets Tweed Heads & southern Gold Coast areas crime prevention strategies • NSW Fire Brigade SABRE project, replacement of smoke alarm batteries for aged, frail aged & disabled persons in the shire • Tweed Seniors Groups & Committees: Support for these groups to increase membership and committee numbers. • Seniors week: In 2005, a sub-committee convened to provide more events in the town of Tweed Heads. Council formed partnerships with many organisations to encourage them to hold Seniors Week events, such as Southern Cross University, Tweed Hospital, Club Banora, Dept of Veterans Affairs and the Salvation Army. Resulting in a successful initiative • Tweed Seniors EXPO: Councils Healthy Ageing Officer and Community Worker Aged & Disability coordinated the EXPO in May 2005, which attracted over 1000 people. The EXPO provided information via workshops, information sessions and service provider stalls • Continued assistance to the visually impaired to access local news & the 'Tweed Link' newsletter via recorded media • Continual expansion of audio books and Braille publications at the local libraries • A Survey conducted in 2004/05 identified many activities in Tweed for seniors, but a lack of transport to get to them. Formation of a transport group to address issues associated with funding from the NSW Ministry of Transport to conduct a series of 'Transport Education' days for seniors
People with a disability	<ul style="list-style-type: none"> -Access -Community awareness -Information & advise -Acceptance -Participation -Service provision -Plan for improvements 	<ul style="list-style-type: none"> • Continued upgrade of footpath ramps with tactile ground surface indicators • Marketing campaign and 'Missed Business' booklet for local business awareness of disabled access issues • Disability Access Award with a plaque to be presented to the winner at the next International Day for People with Disabilities • Facilitation of Tweed Disability Access Advisory Committee with ongoing financial commitment to fund projects • Council facilitated a tenpin bowling tournament for people with a disability on 3 December 2005 to celebrate International Day of People with a Disability. • Council maintains and advertises two beach wheel chairs, both free of charge to people with a disability • Purchase and installation of a hydraulic electrical pool hoists at Tweed and Kingscliff swimming pools • Ongoing preparation of Tweed 'Mobility Map' • Continued support for the 'Audio Information Service' whereby volunteers read to tape news & activities happening in the Shire and elsewhere • Council purchased a new recording machine for the Audio Information Service.

⁸ Home and Community Care (HACC) Program is a central element of the Australian Government's aged care policy, providing community care services to frail aged and younger people with disabilities, and their carers.



Group	Support	Results
	-Participation	<ul style="list-style-type: none"> • DisAbility Arts Project: provided workshops in drama, creative writing, drumming, lantern making, sitting dancing and teacher training; a DVD of the project is available • Multi Arts Performance Project: A grant from the Regional Arts NSW will fund development & commencement of this project for people with a disability
Aboriginal people	-Understanding & community harmony -Employment & training skills	<ul style="list-style-type: none"> • Council continues support for the Aboriginal Advisory Committee. Liaison with the Aboriginal Community through Councils Aboriginal Advisory Committee Support Worker • Council supports NAIDOC week 2006 • Aunty Chris Morgan, nominated for the 'Local Hero's Award' by Councils Aboriginal Advisory Committee Support Worker, won the award and donated the money back to the community • "Yarn Up". Council supports bi-monthly meetings of local service providers to discuss current issues and brainstorm ideas to help all the community • Planning has commenced for an Aboriginal & Torres Strait Islander Health Expo scheduled for May 2007 • Employment of three persons from the Tweed Bryon Local Aboriginal Land Council as part of the Fingal Wetlands Conservation Project. The project also allowed the team members to attain TAFE certification III in conservation and land management. Funded through the Local Government Association of NSW Excellence in Environment Biodiversity Management Award
Culturally and linguistic diverse persons	-Cultural awareness	<ul style="list-style-type: none"> • Support and assistance to the Murwillumbah Community Centre to apply to the Community Relations Commission for funding to employ a Culturally & Linguistically Diverse (CALD) worker. Council provided financial assistance via the Community Workers budget, as well as administrative assistance to this project • Publication of a Culturally & Linguistically Diverse newsletters • Council maintains a display in the Council premises of the Home and Community Care (HACC) of non-English speaking backgrounds (NESB) support service brochures to promote services for the aged and disabled in the shire. Brochures for health, welfare and cultural contracts are distributed • Council provides an up-to-date, on-line Directory of all Community Services in the shire • Council provides a brochure on access to services for the local Aboriginal and Torres Strait Islander community • Registration of clients through the Tweed Shire Council's Community Options to the free Translating and Interpreting Service provided by the Department of Immigration, Multicultural, and Indigenous Affairs • Support of the Aboriginal & Torres Strait Carer Program and the Federal Government Initiative on Carer Support information in different languages • Ongoing support of multicultural staff through Human Resources which includes access to interpreter services when required • Ongoing liaison with Migrant Liaison Officers from Government Departments in accessing and assisting people with diverse linguistic and cultural backgrounds
Wider community	-Cultural awareness	<ul style="list-style-type: none"> • Harmony Day: Murwillumbah Community Centre Inc., with Council support hosted local celebrations involving multicultural food, music, dance and artists • Taste of the Tweed, the local indigenous community to display local 'bush tucker'
Wider community	-Cultural awareness	<ul style="list-style-type: none"> • The Australian with the Aboriginal & Torres Strait Islander flags are flown at civic centres • Entry signage into the Tweed Shire will include Aboriginal welcoming of the Bundjalung Dialect • Place names in the Shire that use Aboriginal words also include the traditional clans of the Tweed • Tweed Shire City of the Arts, Shaping a Distinctive Environment Project,



Group	Support	Results
		<p>an Aboriginal "garden" project within the overall Jack Evans Boat Harbour project</p> <ul style="list-style-type: none"> • Gungah Binnung "Listen Up" Exhibition 2006 of items collected and stories from the local area • Tweed Shire City of the Arts, Shaping a Distinctive Environment Project, an Aboriginal "garden" project within the overall Jack Evans Boat Harbour project • Gungah Binnung "Listen Up" Exhibition 2006 of items collected and stories from the local area • Council displays two gifts from the local indigenous community at civic centres. A permanent South Sea Islander display at the Tweed Civic Centre • Museums buildings in construction
	-Fitness	<ul style="list-style-type: none"> • 2324 lineal meters of new cycle ways were constructed • 3989 lineal meters of new footpaths were constructed
	-Health	<ul style="list-style-type: none"> • 187 persons received case management support through the Department of Health, ComPacks Project. 6 weeks support after discharge from Tweed Hospital • 127 persons eligible for HACC case management & brokerage services received support • Council involvement in a trial case management & brokerage services to eligible veteran affairs clients
	-Acknowledge and reward	<ul style="list-style-type: none"> • Sunshine Days Project Aug 2006: Council has provided support for this project to the Tweed Palliative Service Group and The Bright Side. The aim is to provide a special day for people with cancer; provide information on complementary medicines and establish links between Council and Palliative Service Providers
	-Environmental Awareness	<ul style="list-style-type: none"> • Big 3 for Green Living Project: AAA rated showers, compact fluorescent light globes and green power electricity are three environmentally products that will save money, water, energy and greenhouse gas emissions without affecting upon lifestyle. <p>To promote the Big 3 for Green Living to the local community, council undertook a yearlong case study to quantify what the actual savings are. To view the results of the project visit: http://www.tweed.nsw.gov.au/Agenda21/SustainDetail.aspx?Doc=SustainableHouseholdsProject.pdf</p> <ul style="list-style-type: none"> • Showerhead and Light Globe Giveaway: To complement the findings of the Big 3 for Green Living case studies, Council gave away 2,000 energy and water saving kits to the local community in November 2005. These kits consisted of one AAA rated shower, five compact fluorescent light globes and a green power application form. <p>The project was funded via the NSW Greenhouse Gas Abatement Scheme. The success of the initiative prompted another giveaway in September 2006 in conjunction with six other north coast councils. For more information on the initial showerhead and light globe giveaway visit: http://www.tweed.nsw.gov.au/Agenda21/SustainDetail.aspx?Doc=SustainableHouseholdsProject.pdf</p>
	-Publications	<ul style="list-style-type: none"> • Council produces a weekly "Tweed Link" , an informational newsletter of issues & events distributed to all residents in the shire
	-Transport	<ul style="list-style-type: none"> • Publication of a Tweed Shire Transport Network Guide brochure of timetables, maps and operator contacts

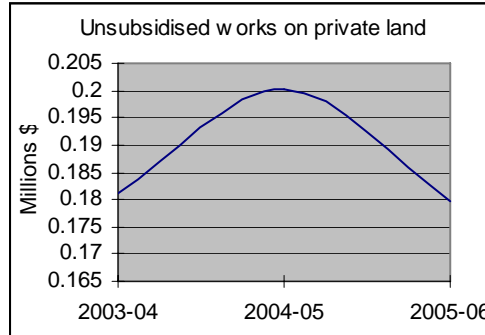


Summary of works carried out on private lands

(s.428 (2)(k))

Council did not undertake any subsidised works on private lands for the year ending June 2006

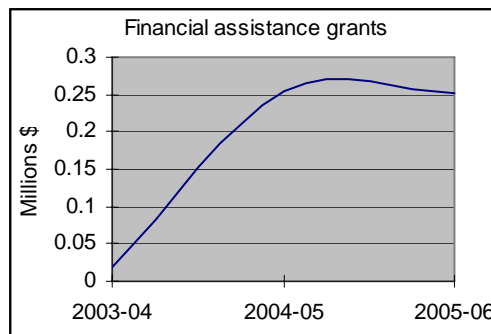
Works	Value
Subsidised work on private lands	Nil
Non-subsidised works on private lands	\$179,852



Financial assistance grants to the community

(s.428(s) (l))

Assistance	Contribution
Donations	\$253,121



External bodies delegated functions by Council

(s.428 (2)(o))

Body	Function
Far North Coast County Council	Weed control
Richmond-Tweed Regional Library	Library services
Tweed Economic Development Corporation	Economic development in the Tweed
Tweed & Coolangatta Tourism Incorporated	Tourism development in the Tweed
Land-care and dune-care groups	Land care & weed control

Statement of companies which Council held a controlling interest

(s.428 (2)(p))

Council did not hold a controlling interest in a private company for the year ending June 2006



Human resource activities

(s.428 (2)(m))

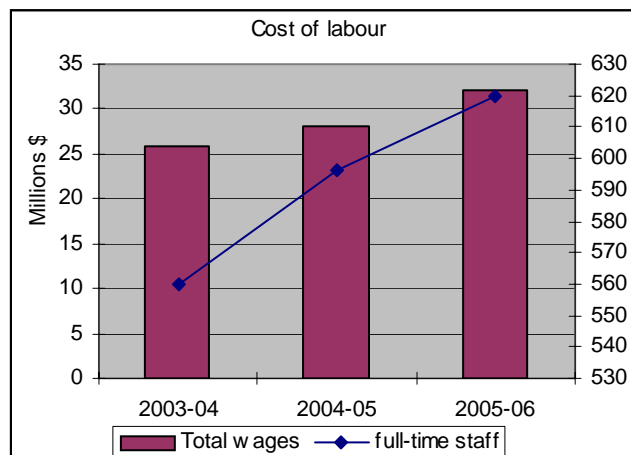
Council employed 652 staff as at 30 June 2006

Permanent		Temporary	
Males	477	Males	28
Females	143	Females	4
	620		32

- 23 staff worked on a permanent part-time basis
- 49 people left the organisation during the year with 81 new employees commencing
- Average labour turnover rate for the year was 1.79%
- 93 vacancies were notified to the Human Resources unit during the year with 92 of these being filled during the period
- Council has provided 10 work experience placements throughout 2005/2006 to TAFE, Universities and High School students. A database is used to track all placements
- Average number of employees paid each week was 645
- Total wages paid for the year was \$32,067,441

Council provided professional and skill development training during the year totalling 164 programs, involving 1,261 employees at a total cost of \$144,287. This ranged across statutory training including confined space entry and traffic control through to committee training, negotiation skills, new legislation briefings and various workshops and conferences.

The formalised training of all field staff in safe working practices as part of the organisation wide Workplace Safety Management System has continued.





Human resources coordination

Objectives To develop and implement policies, procedures and systems that will maximise best practice in the coordination of Council's human resource function and associated activities.

Activities and actions undertaken by the Human Resource Unit for the financial year ending 30 June 2006

Activity	Performance Targets	Means of Achieving	Performance Report
<ul style="list-style-type: none"> Policy Implementation 	<ul style="list-style-type: none"> Implement effective & equitable policies, procedures systems & practices for the coordination of human resources & industrial relations within Council 	<p>Policy</p> <ul style="list-style-type: none"> Review, refine and implement existing policies Provide equity in employment practice 	<ul style="list-style-type: none"> Existing policies reviewed and refined as required EEO advice provided as requested
<ul style="list-style-type: none"> Industrial Relations advice 	<ul style="list-style-type: none"> Advise employees/management on all industrial matters Interrogate NAPSA and WorkChoices legislation and interpret accordingly 	<ul style="list-style-type: none"> Work with line management to maintain effective and harmonious industrial relations 	<ul style="list-style-type: none"> Advice provided as requested Consultative Committee serviced as required Service standards maintained Restructuring within various units achieved with no dispute
<ul style="list-style-type: none"> Industrial Relations advice continued 		<ul style="list-style-type: none"> Coordinate formal and ad hoc employee/management consultative processes Maintain agreed customer services standards 	
<ul style="list-style-type: none"> Recruitment & Selection 	<ul style="list-style-type: none"> Ensure that Council has sufficient and suitably skilled staff available and motivated to undertake work necessary to achieve corporate and community goals 	<p>Recruitment</p> <ul style="list-style-type: none"> Carry out timely and effective recruitment and selection activities 	<ul style="list-style-type: none"> 93 vacancies listed 92 vacancies filled Labour Turnover: 1.79 %
<ul style="list-style-type: none"> Training Delivery and Coordination 	<ul style="list-style-type: none"> The coordination of effective training courses for all staff resulting from statutory requirements to identified performance appraisal training objectives Delivery of courses in the most cost-effective and efficient manner 	<p>Training</p> <ul style="list-style-type: none"> Develop and implement training plans Develop and deliver in-house training programs for field and office-based staff Coordinate attendance by staff at training courses 	<ul style="list-style-type: none"> 164 Training courses organised and coordinated 1261 employees Regional cooperation supported and promoted

**Equal employment opportunities**

(s.428 (2)(n))

Programs for equal employment opportunities

An EEO Management Plan provides a strategy and guidance for all employees and an ongoing commitment in all areas of Council to the improvement of EEO practice and principles.

- Formal training provided for EEO Contact Officers on requirements of an EEO Contact Officer
- Recruitment and Selection Policy updated to reflect current EEO policy and principles
- Sessions conducted with Selection Panel members before each selection process to train/reinforce EEO practices, principles and responsibilities of panel members and Chairpersons

Statement of partnerships, co-operatives or other joint ventures

(s.428 (2)(r))

Company	Purpose of venture
Statewide mutual	A self-insurance pool covering public liability and professional indemnity insurance. The scheme established by the Local Government and Shire Association, consists of most councils throughout the state of NSW. Its purpose is to reduce insurance costs to members
StateCover	Self-insurance pool covering workers compensation. The scheme established by the Local Government and Shire Association, consists of most councils throughout the state of NSW
State Forests of NSW	Joint venture plantation forestry at a Byrill Creek property
Sunshine Energy & Delta Electricity	Environmental agreement to supply tertiary treated effluent from Murwillumbah sewerage treatment plant to the cogeneration facility at Condong.
NEWLOG	A joint venture with other North Coast Councils to control the overloading of vehicles on local roads
World Environment Day	A partnership between Council and the Murwillumbah Community Centre. The annual celebrations are jointly organised by Council and the Community Centre to highlight local environmental issues and promote community involvement in addressing these issues
NECO Pty Ltd	To distribute 'water and energy saving kits' to local households via NECO Pty Ltd using the NSW Greenhouse Gas Abatement Scheme.
Country Energy & DEC	Country Energy: Supply of electricity consumption records for 23 local households participating in the 'Sustainable Households Pilot Project'. DEC: It is a Living Thing funding assisted in the delivery of the project.

Details of overseas travel

(cls.217 (1)(a))

No persons from Council or representing Council undertook overseas travel during the 2005-06 financial year in the course of her or his work.



Written off rates and charges

(cls. 132)

Tweed Shire Council written off rates and charges amounted to \$2,902,125 for the year ending 30 June 2006

Written-off	Total written-off (\$'s)
Pensioner rates Farmland	26,780.83
Residential	1,618,542.39
Postponed rates Farmland	47,996.38
Residential	194,831.60
Pensioner water rates	352,544.31
Pensioner Sewerage	655,919.40
Dobby's creek	569.00
Burringbar	4,192.71
Uki	713.41
Bilambil	35.23
Total	2,902,125

Annual levy for stormwater management services

(cls. 217)

Tweed Shire Council did not introduced an annual levy for stormwater management services for the year ending 30 June 2006

Planning agreements

Environmental Planning & Assessment Act 1979 (NSW) s.93 (G)(5)

Tweed Shire Council did not enter into any planning agreements during the year ending 30 June 2006



Councils implementation of competition neutrality principles

(cls.217 (1)(d)(v))

The principles of competitive neutrality require local government business activities to operate without advantage over private business and to encourage fair and effective competition in the supply of goods and services.

National Competition Principles agreement:

- Competitive neutrality principles need not be applied where the benefits are outweighed by the costs of the implementation
- Competitive neutrality principles apply to Councils business activities
- Include debt guarantee fees, where the business benefits from the councils borrowing position by comparison with commercial rates
- Disclose return on investment
- Make any subsidies provided to customers and the funding of these subsidies explicit
- Operate within the same regulatory framework as other businesses
- Include in their costs the same Federal, State and Local Government taxes and charges, as do private businesses.

Councils business activities with an annual threshold greater than \$2M in annual sales turnover / annual gross operating income and generate a significant economic impact to the area, are classified as category-1 business activities. Council must apply competitive neutrality principles to all category-1 business activities.

Other business activities, which may also be economically significant regardless of the \$2M threshold, are classified as category-2 business activities.



Council business activities

(cls.217 (1)(d)(ii, iii))

Tweed Council category-1 business activities include:

1. Water
2. Sewerage
3. Tweed Coast Caravan Parks

Tweed Council category-2 business activities include:

1. Commercial waste

Council's progress in implementing the principles of competitive neutrality is:

1. Identification of three category-1 businesses and one category-2 business
2. Calculation of the following
 - a. Taxation equivalent regime payments
 - b. Debt guarantee fees
 - c. Company tax
 - d. Dividends
 - e. Implied subsidy from council for each business activity
3. Activity based costing is in place to ensure full costs are charged to each business activities
4. The above calculations were disclosed in the 2005-06 Management Plan

Category-1 competitive neutrality pricing requirements

Taxation equivalent payments, debt guarantee fees, corporate taxation equivalents and returns on capital have been calculated for all category-1 business activities.

**Council category-1 business activity statement**

(cls.217 (1)(d)(iv))

Category 1 and 2 balance sheet statements as at 30 June 2006

(Cat 1) Water supply business activity	Actual	(Cat 1) Sewerage supply business activity	Actual
ASSETS	('000)	ASSETS	('000)
Current assets		Current assets	
Cash and cash equivalents	29137	Cash and cash equivalents	46385
Investments	0	Investments	0
Receivables	4004	Receivables	1668
Inventories	0	Inventories	0
Other	0	Other	0
Non-current assets classified as held for sale		Non-current assets classified as held for sale	
Total current assets	<u>33141</u>	Total current assets	<u>48053</u>
Non-current assets		Non-current assets	
Investments	0	Investments	0
Receivables	0	Receivables	0
Inventories	0	Inventories	0
Infrastructure, property, plant and equipment	161592	Infrastructure, property, plant and equipment	173551
Investments accounted for using equity method		Investments accounted for using equity method	
Investment property	450	Investment property	140
Other		Other	
Total non-current assets	<u>162042</u>	Total non-current assets	<u>173691</u>
Total assets	<u>195183</u>	Total assets	<u>221744</u>
LIABILITIES		LIABILITIES	
Current liabilities		Current liabilities	
Payables	488	Payables	4305
Interest bearing liabilities		Interest bearing liabilities	439
Provisions		Provisions	
Total current liabilities	<u>488</u>	Total current liabilities	<u>4744</u>
Non-current liabilities		Non-current liabilities	
Payables		Payables	
Interest bearing liabilities		Interest bearing liabilities	4803
Provisions		Provisions	1561
Total non-current liabilities	<u>0</u>	Total non-current liabilities	<u>6364</u>
Total liabilities	<u>488</u>	Total liabilities	<u>11108</u>
Net assets	<u>194695</u>	Net assets	<u>210636</u>
EQUITY		EQUITY	
Retained earnings	3214	Retained earnings	203214
Revaluation reserves	6837	Revaluation reserves	7422
Council equity interest		Council equity interest	
Minority equity interest		Minority equity interest	
Total equity	<u>10051</u>	Total equity	<u>210636</u>



Other business activities	Holiday Parks (Cat 1)	Commercial Waste (Cat 2)
	Actual	Actual
ASSETS	\$'000	\$'000
Current assets		
Cash and cash equivalents	6595	1381
Investments	0	212
Receivables	112	0
Inventories	0	0
Other	74	0
Non-current assets classified as held for sale		
Total current assets	6781	1593
Non-current assets		
Investments	0	0
Receivables	0	0
Inventories	0	0
Infrastructure, property, plant and equipment	20290	2352
Investments accounted for using equity method		
Investment property		
Other		
Total non-current assets	20290	2352
Total assets	27071	3945
LIABILITIES		
Current liabilities		
Payables	1247	63
Interest bearing liabilities	401	66
Provisions	40	62
Total current liabilities	1688	191
Non-current liabilities		
Payables		
Interest bearing liabilities	1464	312
Provisions	16	750
Total non-current liabilities	1480	1062
Total liabilities	3168	1253
Net assets	23903	2692
EQUITY		
Retained earnings	17179	1897
Revaluation reserves	6724	795
Council equity interest		
Minority equity interest		
Total equity	23903	2692



Category 1 & 2 income statements as at 30 June 2006

(Cat 1) Water supply business activity	Actual (\$'000)	(Cat 1) Sewerage supply business activity	Actual (\$'000)
Income from continuing operations		Income from continuing operations	
Access charges	2482	Access charges	12371
User charges	6507	User charges	
Fees	473	Liquid trade waste charges	847
Interest	2206	Fees	536
Grants and contributions provided for non capital purposes	382	Interest	2841
Profit from the sale of assets		Grants and contributions provided for non capital purposes	364
Other income	528	Profit from the sale of assets	
Total income from continuing operations	12578	Other income	11
Expenses from continuing operations		Total income from continuing operations	16970
Employee benefits and on-costs	2022	Expenses from continuing operations	
Borrowing costs	0	Employee benefits and on-costs	3537
Materials and contracts	4765	Borrowing costs	360
Depreciation and impairment	3464	Materials and contracts	4565
Water purchase charges		Depreciation and impairment	5206
Loss on sale of assets	503	Loss on sale of assets	513
Calculated taxation equivalents	212	Calculated taxation equivalents	184
Debt guarantee fee (if applicable)		Debt guarantee fee (if applicable)	26
Other expenses	724	Other expenses	897
Total expenses from continuing operations	11690	Total expenses from continuing operations	15288
Surplus (deficit) from continuing operations before capital amounts	888	Surplus (deficit) from continuing operations before capital amounts	1682
Grants and contributions provided for capital purposes	2209	Grants and contributions provided for capital purposes	2677
Surplus (deficit) from continuing operations after capital amounts	3097	Surplus (deficit) from continuing operations after capital amounts	4359
Surplus (deficit) from discontinued operations		Surplus (deficit) from discontinued operations	
Surplus (deficit) from all operations before tax	3097	Surplus (deficit) from all operations before tax	4359
Less Corporate Taxation Equivalent (30%) [based on result before capital]	266	Less Corporate Taxation Equivalent (30%) [based on result before capital]	505
Surplus (deficit) after tax	2831	Surplus (deficit) after tax	3854
Opening retained profits	0	Opening retained profits	199085
Adjustment on adoption of IFRS		Adjustment on adoption of IFRS	(384)
Adjustments for amounts unpaid		Adjustments for amounts unpaid	
Taxation equivalent payments	212	Taxation equivalent payments	184
Debt guarantee fees	0	Debt guarantee fees	26
Corporate taxation equivalent	266	Corporate taxation equivalent	505
Less: – TER dividend paid	(95)	Less: – TER dividend paid	(56)
Less: – Surplus dividend paid		Less: – Surplus dividend paid	
Closing retained profits	3214	Closing retained profits	203214
Return on Capital %	0.5%	Return on Capital %	1.2%
Subsidy from Council		Subsidy from Council	
Calculation of dividend payable:		Calculation of dividend payable:	
Surplus (deficit) after tax	2831	Surplus (deficit) after tax	3854
Less: Capital grants and contributions (excluding developer contributions)	2209	Less: Capital grants and contributions (excluding developer contributions)	2677
Surplus for dividend calculation purposes	622	Surplus for dividend calculation purposes	1177
Dividend calculated from surplus	0	Dividend calculated from surplus	0



Other business activities	Actual 2006 Holiday Parks (Cat 1) \$'000	Actual 2006 Commercial Waste (Cat 2) \$'000
Income from continuing operations		
Access charges		343
User charges		878
Fees	4718	
Interest	344	
Grants and contributions provided for non capital purposes		
Profit from the sale of assets		
Other income	221	
Total income from continuing operations	5283	1221
Expenses from continuing operations		
Employee benefits and on-costs	406	268
Borrowing costs	67	(21)
Materials and contracts	788	985
Depreciation and impairment	460	148
Loss on sale of assets		
Calculated taxation equivalents	265	23
Debt guarantee fee (if applicable)	9	2
Other expenses	2266	54
Total expenses from continuing operations	4261	1459
Surplus (deficit) from continuing operations before capital amounts	1022	(238)
Grants and contributions provided for capital purposes		
Surplus (deficit) from continuing operations after capital amounts	1022	(238)
Surplus (deficit) from discontinued operations		
Surplus (deficit) from all operations before tax	1022	(238)
Less Corporate Taxation Equivalent (30%) [Based on result before capital]	307	0
Surplus (deficit) after tax	715	(238)
Opening retained profits	16744	0
Adjustment on adoption of IFRS		
Adjustments for amounts unpaid		
Taxation equivalent payments	265	23
Debt guarantee fees	9	2
Corporate taxation equivalent	307	0
Less:		
– TER dividend paid	(861)	
– Surplus dividend paid		
Closing retained profits	17179	(213)
Return on Capital %	5.4%	-11.0%
Subsidy from Council	1955	612
Calculation of dividend payable:		

**Category-1 business activity performance comparison**

(cls.217 (1)(d)(viii))

Category 1	Budget (\$'000)	Actual (\$'000)
Water		
Expenses	9,413	7,749
Revenue	18,257	14,190

- Expenses variation due to a revised depreciation rates
- Income variation due to a downturn in developer contributions

Category 1	Budget (\$'000)	Actual (\$'000)
Sewer		
Expenses	10,879	12,467
Revenue	22,386	19,498

- Expenses variation due to an accelerated depreciation and remediation charges relating to treatment works.
- Income variation due to a downturn in developer contributions

Category 1	Budget (\$'000)	Actual (\$'000)
Holiday Parks		
Expenses	3,665	3,987
Revenue	5,295	5,283

Competitive neutrality complaints

(cls. 217(1)(d)(ix))

Council has implemented a three level complaints handling mechanism, which supports a speedy resolution of all complaints. The complaints handling mechanism responds to all complaints received in writing or verbal.

Unique identification of competitive neutrality complaints in council's complaints handling system will ensure separate recording and monitoring of outcomes. Complaints of this type will be directed to staff trained in the principles of the National Competition Policy.

To make councils general complaint handling mechanism known to the public, council advertises the complaints handling mechanism on its Internet and plans to make freely available complaint registration forms and informational leaflets at all council offices.

Number of competitive neutrality complaints received to the year ending June 2006 was Nil



Privacy and Personal Information Protection Act 1998 (NSW)

The *Privacy & Personal Information Protection Act 1998* (NSW) (the Act) provides for the protection of personal information and privacy for individuals. A requirement of the Act is for local government to prepare and implement a privacy management plan. Tweed Council has an adopted Privacy Management Plan 2004.

The Act provides for the protection of personal information by adopting twelve information protection principles. These principles cover the collection, retention, access, alteration, accuracy, use and disclosure of personal information.

Application of this Act applies to councillors, council staff, consultants & contractors, council owned businesses and council committees. Council must ensure that all such parties are aware of compliance of the Act. Council has undertaken staff-training sessions on the requirements of the Act. All relevant staff are well informed on the responsibilities in compliance of the twelve information protection principles

Disclosure of personal information contained in public registers. The Act permits personal information held in public registers to be disclosed only when in accordance with the intended purpose for which the information was originally collected. Local government authorities, Code of Practice relaxes this requirement by allowing any person to inspect a copy of a single entry or page of a public register within council premises without the need to provide purpose of the intended use of the information. If substantial information is required from the register, the code requires the names and addresses of all previous and current property owners are suppressed.

Council has had no requests for internal review under Part 5 of the Act.



Statement of Affairs Freedom of Information Act 1989 (NSW)

Section A			
Number of new FOI requests			
	Personal	Other	Total
New (including transferred in) Including requests brought forward	1	10	11
Total to be processed	1	10	11
Completed	1	9	10
Transferred out			
Withdrawn		1	1
Total processed	1	10	11
Unfinished carried forward	Nil	Nil	Nil

Section B		
What happened to completed requests?		
Results of FOI requests	Personal	Other
B1 Granted in full	1	5
B2 Granted in part		4
B3 Refused		
B4 Deferred		
B5 Completed	1	9

Section C		
Ministerial certificates		
	Personal	Other
C1 Ministerial certificates issued	Nil	Nil

Section D		
Formal consultations		
	Issued	Total
D1 Number of requests requiring formal consultations	7	7

	Total
E1 Results of amendment – agreed	
E2 Results of amendment – refused	
Total	Nil

	Total
F1 Number of requests for notation	
Total	Nil

Section G		
FOI requests granted in part or refused		
Basis of disallowed or restricted access	Personal	Other
s. 19 [application incomplete, wrongly directed]		
s. 22 [deposit not paid]		
s. 25(1)(a)(1) [diversion of resources]		
s. 25(1)(a) [exempt]	1	4
s. 25(1)(b), (c), (d) [otherwise available]		
s. 28(1)(b) [documents not held]		
s. 24(2) [deemed refused over 21 days]		
s. 31(4) [released to medical practitioner]		
Total	1	4

Section H		
Costs and fees of requests processed		
	Assessed costs	FOI fees received
Completed requests	\$1,380	\$795



Section J		
Days to process		
	Personal	Other
0 – 21 days		1
22 – 35 days		7
Over 36 days	1	1
Total	1	9

Section K		
Processing time		
	Personal	Other
0 – 10 hours	1	8
11 – 20 hours		1
21 – 40 hours		
Over 40 hours		
Total	1	9

Section L		
Reviews and appeals		
Number of internal reviews finalised		2
Number of Ombudsman reviews finalised		Nil
Number of District Court appeals finalised		Nil

Details of internal review results				
Basis of internal review	Personal		Other	
	*Upheld	*Varied	*Upheld	*Varied
Grounds on which internal review was requested				2
Access refused				
Deferred				2
Exempt matter				
Unreasonable charges				
Charge unreasonably incurred				
Amendment refused				
Total	Nil	Nil	Nil	4

Note: * relates to whether or not the original agency decision was upheld or varied by the internal review



Appendix A

The Auditors Report and Auditors Opinion

Lismore, 5 October 2006

The Administrators
Tweed Shire Council
Civic and Cultural Centre
MURWILLUMBAH NSW 2484

Dear Administrators

We advise that we have completed our audit of the Council's general purpose and special purpose financial reports for the year ended 30 June 2006 under section 417 of the Local Government Act 1993.

In accordance with that section we now report on the conduct of the audit.

1. AUDITORS' RESPONSIBILITIES

In order that your Administrators may appreciate our responsibilities as auditors, we take this opportunity to briefly discuss the scope of our audit.

In accordance with our contractual arrangements with Council we have undertaken to perform an attest (risk based) audit. The definition of an attest audit is:

"the minimum audit work necessary to enable an opinion to be expressed as to whether the financial report is presented fairly in accordance with the requirements of the Local Government Act 1993, Australian Accounting Standards and Accounting Concepts so as to present a view which is consistent with an understanding of the Council's financial position, the results of its operations and its cash flows."

Forming an opinion

Our function as auditors is to examine the general purpose and special purpose (National Competition Policy) financial reports presented to us by the Council. Our audit responsibility does not extend to:

- the original budget information included in the income statement, cash flow statement, Note 2(a) and Note 16 budget variation explanations in the general purpose financial report,
- the best practice disclosures in Notes 2 & 3 to the special purpose financial report, and
- information presented at Note 17 to the general purpose financial statements relating to projected future contributions, cost of works and over / (under) funding.

Accordingly, we do not express an audit opinion on this information.

As auditors of the Council we are not responsible for the preparation of the financial reports nor for the maintenance of proper and adequate accounting records and proper systems of internal control. These responsibilities, together with the requirement to present financial reports which give a true and fair view of the state of the Council's affairs and of its results are imposed on the General Manager and Administrators by the Local Government Act and Regulations 1993.



As auditors of Council we are not required to:

- 1) Review and assess the adequacy of Council's:
 - a) management plans;
 - b) quarterly budget reviews;
 - c) insurance cover; and
 - d) infrastructure improvement / maintenance planning and monitoring.
- 2) Form an opinion on, or advise Council on the probity of its decisions, however we ensure that the financial effect of Council's decisions are adequately disclosed in the general purpose and special purpose financial reports in accordance with applicable Accounting Standards, Statements of Accounting Concepts and other mandatory professional requirements.

The responsibility of the abovementioned rests with Council.

2. FINANCIAL MANAGEMENT PRACTICES

In accordance with the requirements of the Local Government Act and Regulations Council must prepare detailed budgets for all operations. As part of the budgetary process Council is responsible for authorising all expenditures and variations to budget. Council's policy in general fund is to operate with a balanced budget.

The quarterly review of Council's budget progress is a very important process in ensuring that the financial targets established by Council are satisfied. We are aware that management place a high level of importance in ensuring that budgets are complied with. To maintain Council's financial position there needs to be a continued level of accountability and responsibility by senior management.

All decisions of Council need to be made with appropriate consideration of their financial impact.

3. AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)

2006 represents the first year of reporting under AIFRS. Council has complied in all material respects with the new financial reporting regime which has also required restatement of 2005 comparative information. In some cases, AIFRS has had a material impact on Council's financial reporting. The financial effect of the introduction of AIFRS is disclosed and explained at Note 21 to the general purpose financial statements.



4. OPERATING RESULT

Council's surplus from all activities for 2006 totalled \$16,670,000. This compares to a surplus in 2005 of \$39,349,000. This result can be summarised as follows:

	2006	2005
	\$'000	\$'000
Revenues from continuing operations	91,519	84,793
Expenses from continuing operations	(72,198)	(63,836)
Result from continuing operations before depreciation	19,321	20,957
Less Depreciation expense	(21,785)	(22,350)
<i>Result from continuing operations before capital amounts</i>	<i>(2,464)</i>	<i>(1,393)</i>
Capital grants and contributions	20,703	41,070
Gain / (loss) on disposal of assets	(1,569)	(328)
Significant items	-	-
Surplus from all activities	16,670	39,349

Variations to 2005 by Income / Expenditure

The result from continuing operations before capital amounts, gain / (loss) on disposal of property, plant and equipment and significant items has decreased from a deficit of \$1,393,000 for the 2005 year to a deficit of \$2,464,000 in the 2006 financial year. Some of the components contributing to the deterioration in the result from continuing operations before capital amounts include:

Revenue

i) *increased general rates income \$2,627,000*

General rates revenue has increased due to the following factors:

- the rate-pegged increment of 3.5%, and
- natural growth in the number of assessments.

ii) *increased sewerage annual charges income \$929,000*

Revenue has increased due to an increment in the annual charge per assessment from \$445 in 2005 to \$473 in 2006.

iii) *increased water user charges revenue \$672,000*

Revenue has increase due to user charges increasing from 68c per kilolitre in 2005 to 82c per kilolitre in 2006.

iv) *reduced building and subdivision charges revenue \$665,000*

Building and subdivision fees have reduced in conjunction with a decline in the number of larger developments approved during the 2006 financial year.

v) *increased interest revenue \$212,000*



Interest revenue increased due to additional funds being held for investment and an increase in interest rates during the year.

Expenditure

i) *increased employee costs \$4,289,000*

Council's employment costs have been influenced by the following factors:

- award increases during the year of 3.25%, and
- an increase in full-time equivalent employees by 40.

ii) *reduced interest expense \$844,000*

Interest expense has been materially influenced by the unwinding of the discount associated with the rehabilitation liabilities for Council's tips and quarries. In the 2005 financial year the interest expense which represents the unwinding of the discount on these liabilities totalled \$751,000 however in 2006 an increase in government guaranteed bond rates used to calculate the tips and quarries rehabilitation liability has resulted in a reduced interest expense.

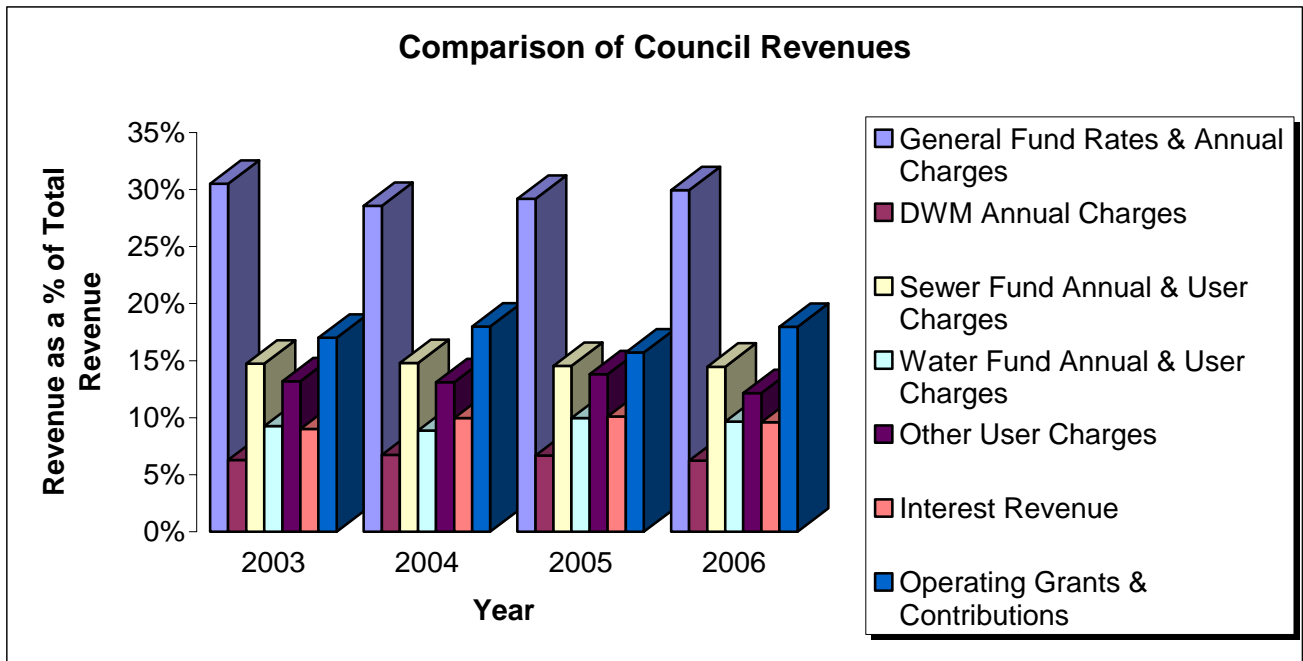
iii) *increased expenses relating to materials and contracts \$3,420,000*

Materials and contracts expenditure levels have largely been impacted by higher roads maintenance costs.

4.1 COUNCIL REVENUE SOURCES

	2006	2005	2004	2003
	\$'000	\$'000	\$'000	\$'000
General Fund Rates & Annual Charges	27,400	24,751	22,847	22,252
Domestic Waste Management Annual Charges	5,702	5,668	5,380	4,581
Sewer Fund Annual & User Charges	13,242	12,329	11,832	10,745
Water Fund Annual & User Charges	8,830	8,443	7,089	6,752
Other User Charges	11,114	11,705	10,473	9,612
Interest Revenue	8,787	8,575	7,971	6,575
Operating Grants & Contributions	16,444	13,322	14,377	12,393
	91,519	84,793	79,969	72,910

Council's relative reliance on its material income streams as detailed above have remained steady over the last four years. Council's total rates and annual charges as a percentage of total revenue before capital grants and contribution is 52% which is below other Category 5 Councils. Our review of this ratio for other Category 5 Councils noted that this ratio is in excess of 60%. On the following page is a graph illustrating Council's revenue streams as a percentage of total revenue excluding capital grants and contributions.



4.2. CAPITAL GRANTS AND CONTRIBUTIONS

Capital grants received during the period amount to \$3,464,000 and largely consisted of grants for Roads to Recovery, construction of extensions to the art gallery, cycleways / walkways, bus shelters and the environment.

Capital contributions received during the period amounted to \$17,239,000. This can be broken down as follows:-

	2006	2005	2004
	\$'000	\$'000	\$'000
Developer Infrastructure Dedications	9,034	21,494	12,493
Section 94 Contributions - cash	2,502	7,551	5,912
Section 64 Contributions - cash	2,912	9,313	7,927
RTA Contributions	0	525	388
Other contributions	2,791	672	567
TOTAL	17,239	39,555	27,287

Developer infrastructure dedications and contributions have reduced significantly on 2005 due to the completion of large residential developments during the 2005 financial year and a general reduction in development applications processed during the 2006 financial year.

**Section 94 and 64 Contributions**

At 30 June, 2006 Council had \$23,068,000 held as a restricted asset for S94 contributions. S64 receipts are treated as a recoupment of infrastructure constructed in prior years and accordingly there are no unexpended S64 contributions. Council places all such receipts into internal reserves. Unexpended S94 contributions comprised:

	2006	2005	2004
	\$'000	\$'000	\$'000
Open Space	7,533	7,292	5,020
Community Facilities	2,429	2,280	3,153
Car Parking	987	1,101	1,048
Roads & Associated Infrastructure	10,405	9,152	7,082
Drainage	971	913	502
Other	743	1,359	886
TOTAL	23,068	22,097	17,691

4.3 GAIN / (LOSS) ON SALE OF ASSETS

Council's loss on sale of assets comprise the following items.

	2006	2005	2004
	\$'000	\$'000	\$'000
Profit/(Loss) on sale of plant and equipment	151	32	253
Loss on disposal of roads infrastructure	(473)	(788)	(1,182)
Loss on disposal of water and sewer infrastructure	(1,016)	(1,862)	(1,562)
Profit / (Loss) on sale of property	(231)	2,290	(35)
Total	(1,569)	(328)	(2,526)

Loss on disposal of infrastructure represents the written down value of the assets replaced or reconstructed.

**4.4 WATER SUPPLIES****(i) Operating Result**

Water supply activities can be summarised as follows:-

Water	Actual 2006 \$'000	Actual 2005 \$'000	Actual 2004 \$'000
Rates and service availability charges	2,482	2,876	2,644
User charges	6,507	5,790	4,643
Interest	2,206	2,444	2,482
Other	901	890	704
Government grants	382	344	402
Capital contributions	2,209	6,548	5,529
Total Revenue	14,687	18,892	16,404
Management expenses	3,902	3,453	3,016
Operating costs	3,365	3,366	2,960
Other	339	419	293
Depreciation	3,464	3,225	3,072
Loss/(Gain) on disposal of assets	503	768	1,236
Interest expense	0	1	31
Total Expenses	11,573	11,232	10,608
Operating Result	3,114	7,660	5,796

(ii) Key Indicators

	2006 \$	2005 \$	2004 \$
Average Rate / Service Availability Charge Per Assessment	74	93	82
Management & Operating Costs Per Assessment	217	221	203

(iii) Explanations for Significant Variances to Prior Year*Revenue*

Water service availability and user charges have varied in comparison to 2005 revenues as a result of access annual charges reducing from \$106 to \$90 per assessment and user charges increasing from 68¢ to 82¢ per kilolitre. Capital contributions fluctuate from year to year dependent on the number and size of developments.

Expenditure

Management expenses and operating costs have increased largely due to a revision of activity based costing allocations during the 2006 financial year and the employment of asset management and other engineering personnel.



4.5 SEWERAGE SERVICES

(i) *Operating Result*

Sewerage services activities can be summarised as follows:-

Sewerage	Actual 2006 \$'000	Actual 2005 \$'000	Actual 2004 \$'000
Rates and service availability charges	12,267	11,408	11,136
User charges	992	1,058	1,056
Interest	2,720	2,626	2,559
Other	597	428	38
Grants - PWD	544	194	311
- Other	364	364	365
Capital Contributions	2,133	11,282	6,289
Total Revenue	19,617	27,360	21,754
Management Expenses	3,101	2,895	2,469
Operating Costs	5,754	5,302	4,795
Other	200	1,091	283
Depreciation	5,217	3,775	3,604
Loss/(Gain) on Disposal of Assets	513	770	397
Interest	360	507	724
Total Expenses	15,145	14,340	12,272
Operating Result	4,472	13,020	9,482

(ii) *Key Indicators*

	2006 \$	2005 \$	2004 \$
Average Rate / Service Availability Charge Per Assessment	422	393	403
Management & Operating Costs Per Assessment	304	282	263

(iii) *Explanations for Significant Variances to Prior Year*

Revenue

Capital contributions fluctuate from year to year dependent on the number and size of developments. Rates and service availability revenue increased in conjunction with an increment to the annual charge of \$28 per assessment.

Expenditure

Depreciation expense has increased as a result of management reassessing the remaining useful life of a number of sewer treatment facilities.



4.6 NATIONAL COMPETITION POLICY REPORTING REQUIREMENTS

Under the National Competition guidelines Council is required to apply taxation equivalent principles to each business similar to those that would apply if they were operating in the commercial sector. Council declared business activities have been reported with operating details and assets disclosed on a gross basis in Council's special purpose financial report. Each activity has a required rate of return on its activities that is calculated as the operating result plus interest expense divided by the written down value of property, plant & equipment. Where the return on investment is below the required rate of return, the difference is disclosed as a subsidy from Council's General Fund activities. Dividends represent funds provided by the relevant business activity for other functions of Council.

A summary of the financial performance of Council's declared business activities is :

Activity/Year	Revenue \$'000	Expenses \$'000	Result prior to capital amounts \$'000	Return on capital %	Subsidy \$'000	Dividends Paid \$'000
2006						
Water	12,478	11,690	788	0.5	-	95
Sewer	16,940	15,288	1,652	1.2	-	56
Holiday Parks	5,283	4,261	1,022	5.4	1,955	861*
Commercial Waste	1,221	1,459	(238)	(11.0)	612	-
2005						
Water	12,312	11,255	1,057	0.7	-	89
Sewer	17,701	14,280	3,421	2.5	-	64
Holiday Parks	5,075	3,299	1,776	13.8	156	836*
Commercial Waste	1,129	1,591	(462)	(21.8)	653	-

* Represents a contribution toward maintenance of Crown land managed by Council.

Water and Sewer Services

In accordance with a direction from the Department of Energy, Utilities and Sustainability all Councils are to declare and pay a dividend representing taxation equivalents calculated under National Competition Policy guidelines. The dividend paid to Council's general fund totalled \$95,000 and \$56,000 for water and sewer operations respectively for the 2006 financial year.

Holiday Parks

Council is Reserve Trust Manager for a number of holiday parks situated on Crown reserves located within the Tweed Shire local government area. The operating result for Crown Caravan Park operations declined from 2005 due to abnormal cabin refurbishment costs of \$413,000 incurred during the 2006 financial year.

Council has adopted a desired rate of return on assets for its Crown Holiday Park operations of 15%. Council's rate of return for the 2006 financial year has reduced on 2005 as a result of increasing land values. The difference between the actual rate of return and the desired rate of return is represented by a notional subsidy from Council of \$1,955,000.



Commercial Waste Services

Council's Commercial Waste operation has returned a loss before capital amounts of \$238,000. This loss has largely arisen due to the commercial waste activity incurring annual costs of approximately \$255,000 for collection of waste from bins located in public areas throughout the shire. Council has reviewed its commercial waste operations and has determined that the costs associated with collection of waste from bins located in public areas will be incurred by general fund commencing in the 2007 financial year. Commercial Waste losses have been funded from general fund revenue and commercial waste reserves which has been disclosed in the special purpose financial report as a subsidy from general fund.

Council has adopted a desired rate of return on assets for its commercial waste operations of 15%. Council's rate of return for the 2006 financial year has improved on 2005 however greater profits need to be generated to ensure Council achieves its desired rate of return. The difference between the actual rate of return and the desired rate of return is represented by a notional subsidy from Council of \$612,000.

5. STATEMENT OF FINANCIAL POSITION

5.1 NET CURRENT ASSETS

5.1.1 CASH AND INVESTMENTS

Council has net current assets of \$117,140,000 as at 30 June 2006. Net current assets however contains \$112,730,000 of externally restricted cash in the form of special purpose grants, security deposits, development contributions and restricted water, sewer, domestic waste management and Crown Reserve Caravan Park funds. Also included in Council's net current assets is \$5,770,000 of externally restricted receivables and other current assets relating to water, sewerage and domestic waste management activities.

In addition, Council has allocated \$17,983,000 to internally restricted cash to fund long term commitments.

After funding internal and external restrictions Council has unrestricted cash of \$1,472,000.

5.2 NON-CURRENT ASSETS AND LIABILITIES

Council has a net non-current asset position of \$920,158,000 which consists largely of infrastructure, property, plant and equipment, loans, and provisions for employee entitlements.

**5.2.1 ASSET MANAGEMENT**

During the year Council capitalised the following property, plant and equipment:

	2006	2005	2004
	\$'000	\$'000	\$'000
<i>Developer Infrastructure Dedications</i>			
Open Space	244	3,918	296
Roads and Drainage Network	6,986	10,445	8,293
Water Supply Network	731	1,557	1,089
Sewerage Network	839	4,936	2,815
<i>Non-cash Grants/contributions</i>			
Bush Fire, Subsidised Schemes etc.	348	51	519
<i>Council Constructed / Purchased Assets</i>			
Land and Buildings	3,012	4,089	5,051
Plant and Equipment	4,122	4,498	5,149
Roads and Drainage	10,573	8,693	15,198
Water Supply Network	6,867	10,218	9,707
Sewerage Network	1,882	7,436	5,056
Other Structures	371	996	38
Work in Progress	25,603	-	-
	61,578	56,837	53,211

As illustrated above, Council capitalises in excess of \$50 million in infrastructure, property, plant and equipment each financial year. Asset management is an important part of Council's operations. Council's infrastructure assets represent the largest item on Council's balance sheet and in most cases, the depreciation expense attaching to Council's assets represents Council's largest expense item in the income statement.

As at 30 June 2006 Council has estimated that it would cost approximately \$118 million to rehabilitate its infrastructure assets and buildings to a "satisfactory standard". \$107 million of this estimated expenditure relates to Council's roads infrastructure. Estimated annual costs to maintain infrastructure at this "satisfactory standard" is \$20 million. Council currently spends approximately \$16.4 million annually on maintaining its infrastructure assets. These figures have been assessed by Council staff and are unaudited.

Current Council Initiatives

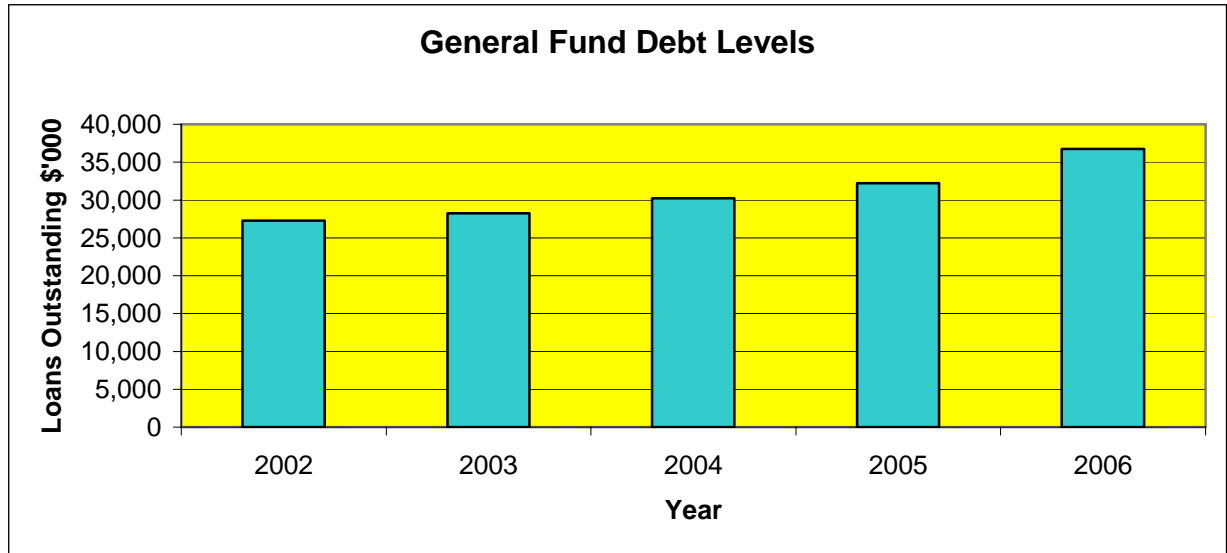
In addition to annual reassessment of the useful life of major infrastructure assets, Council's management is currently considering other asset management initiatives such as regular revaluations and better financial planning based on an improved understanding of the cost of maintaining each asset throughout its useful life. We also note that the Department of Local Government has announced its intention to introduce fair-value accounting for all Council infrastructure assets commencing in the 2007 financial year. Council has been pro-active in this area and has commenced a revaluation process for its infrastructure assets prior to the Department of Local Government announcement.



Council needs to continue to adopt improved asset management practices to:

- provide improved financial reporting,
- ensure maintenance expenditure satisfies asset usage patterns, and
- improve asset replacement and maintenance budgeting.

5.2.3 LOANS LIABILITY



Council's overall debt position has increased during the last twelve months by \$4,101,000. During the 2006 financial year Council's General Fund borrowed \$7,539,000 to fund the following projects:

	2006 \$'000
Open Space	577
Roads and Bridges	1,378
Improvements to Crown Holiday Park Operations	1,285
Drainage	2,007
Flood Mitigation	373
Tweed Art Gallery Improvements	350
Civic Centre Improvements	887
Waste Management	378
Other	304
	<hr/>
	7,539
	<hr/>



6. PERFORMANCE INDICATORS

Council's performance can be measured using selected indicators. We provide an analysis of key performance indicators as disclosed at Note 13 to the general purpose financial statements.

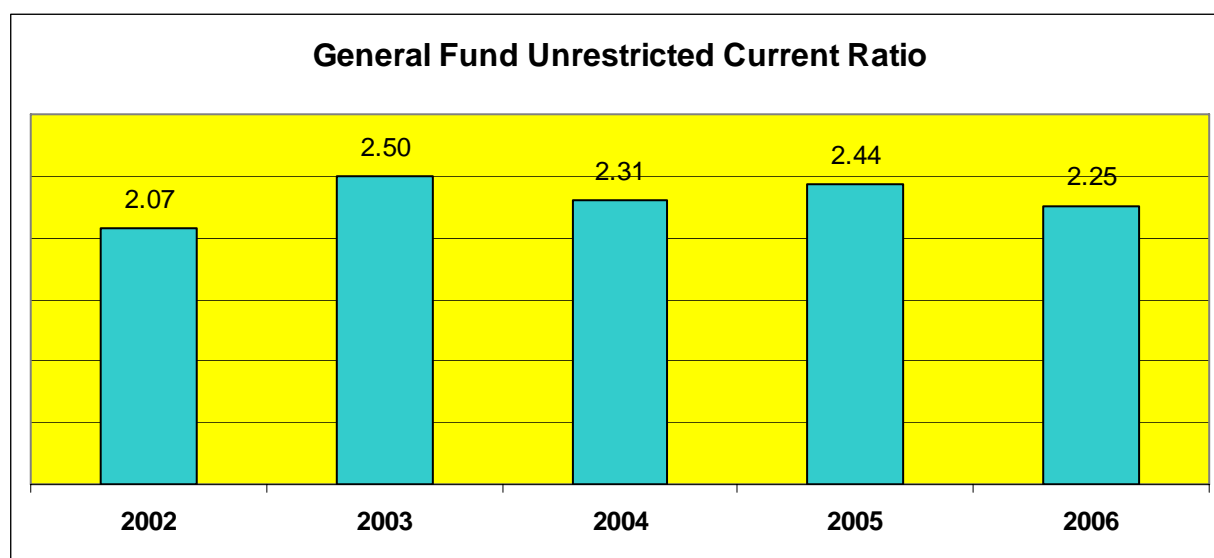
Unrestricted Current Ratio

The unrestricted current ratio represents Council's capacity to meet its commitments from current assets net of externally restricted cash, investments and receivables.

Factors influencing Council's unrestricted current assets ratio include:

- planning and budgetary controls
- cash management and the timing of cash flows
- the level of internally restricted assets
- credit management policies and economic circumstances

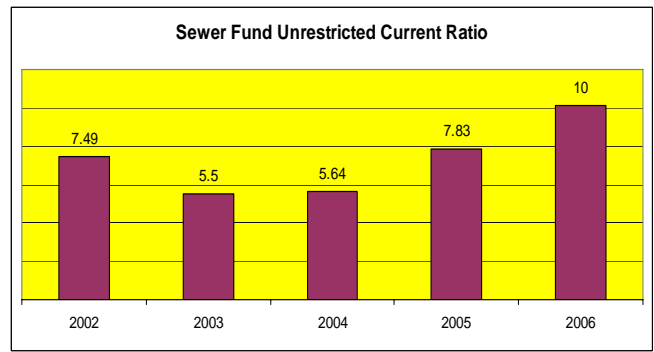
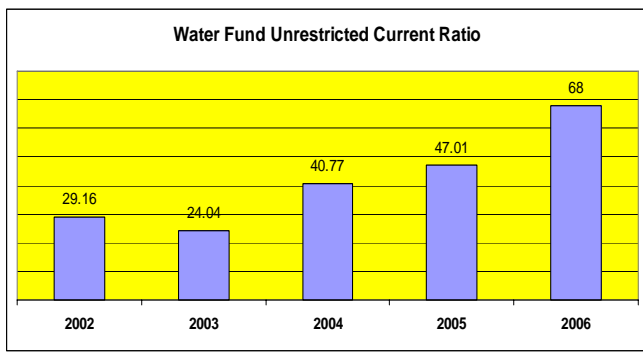
General Fund Unrestricted Current Ratio



Council's general fund unrestricted current ratio at balance date remains at an acceptable level of 2.25. This means that Council has \$2.25 in liquid assets for every \$1 in current liabilities. The trending of this ratio over the last five years highlights the stability of the general fund unrestricted current ratio and illustrates Council's sound short-term financial position.

General Fund Long-Term Objectives

It is important to note that the unrestricted current ratio does not reflect Council's capacity to fund long term infrastructure needs nor the state of the infrastructure itself. Council needs to assess its infrastructure requirements and develop strategies to ensure the long-term viability (ability to provide services) of its assets. (Refer to 5.2.1 for further discussion)



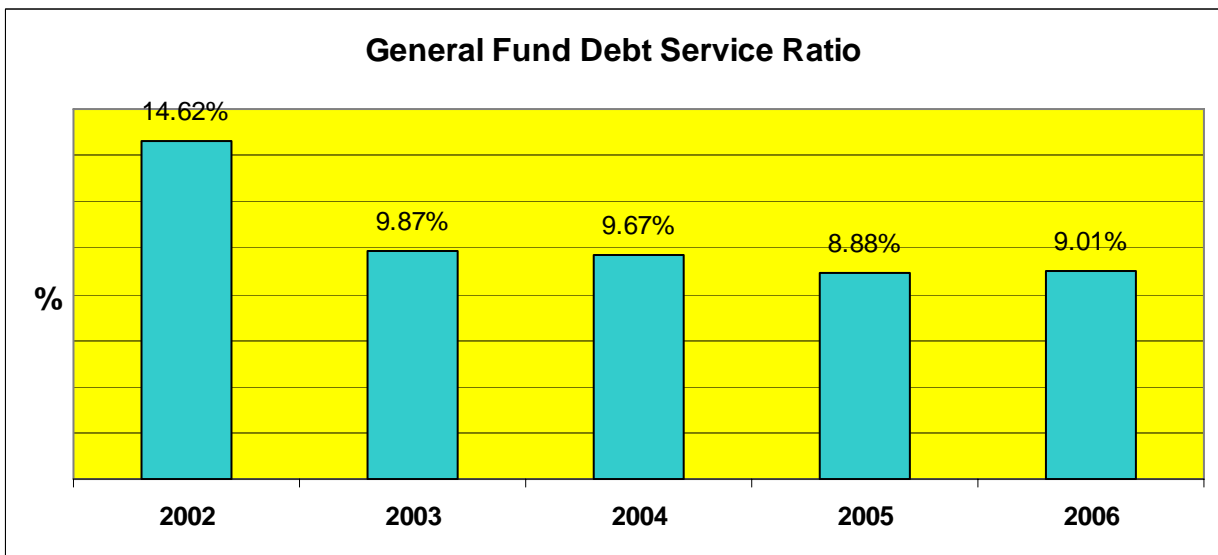
Sewer and Water Fund Unrestricted Current Ratio

The unrestricted current ratio for water and sewer activities may fluctuate significantly. Yearly variations in the ratio may result from the build up of internal reserves and the impact of lower debt levels and will continue to fluctuate in the future as further funds are collected and expended on infrastructure improvements.

Debt Service Ratio

This indicator assesses the degree to which revenues from continuing operations are committed to the repayment of debt. Factors influencing a council’s debt service ratio include:

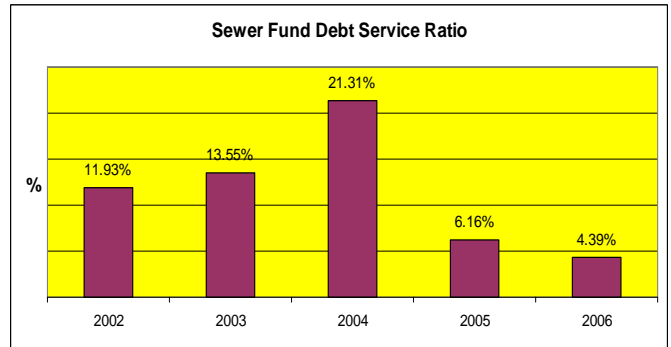
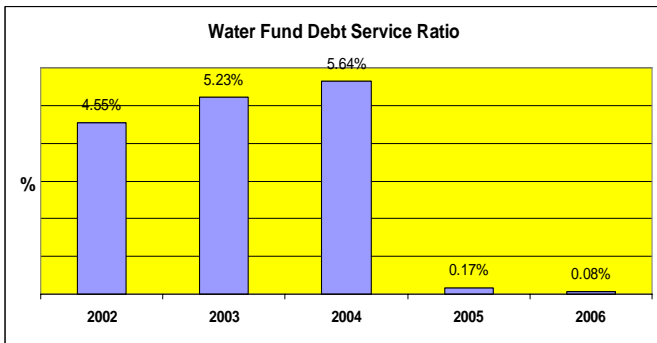
- the rate of new development in the shire
- Council’s debt policy
- interest rate movements and loan terms
- capital investment strategies and capital contributions policies
- the level of cash reserves available to reduce the level of borrowings
- the state of Council’s infrastructure / age of assets.



The above graph illustrates Council's management of debt service levels over the past five years. Council’s general fund debt service ratio has remained relatively static increasing from 8.88% in 2005 to 9.01% in 2006. Council's debt service ratio represents total debt service costs as a percentage of revenues (excluding specific purpose grants and contributions as well as capital revenue). Whilst Council's General Fund has higher debt levels at the end of the reporting period, the debt service ratio has remained at the same level as 2005 as a result of increasing revenue levels.



The current general fund debt service ratio is acceptable for a council with high population growth and corresponding infrastructure needs.

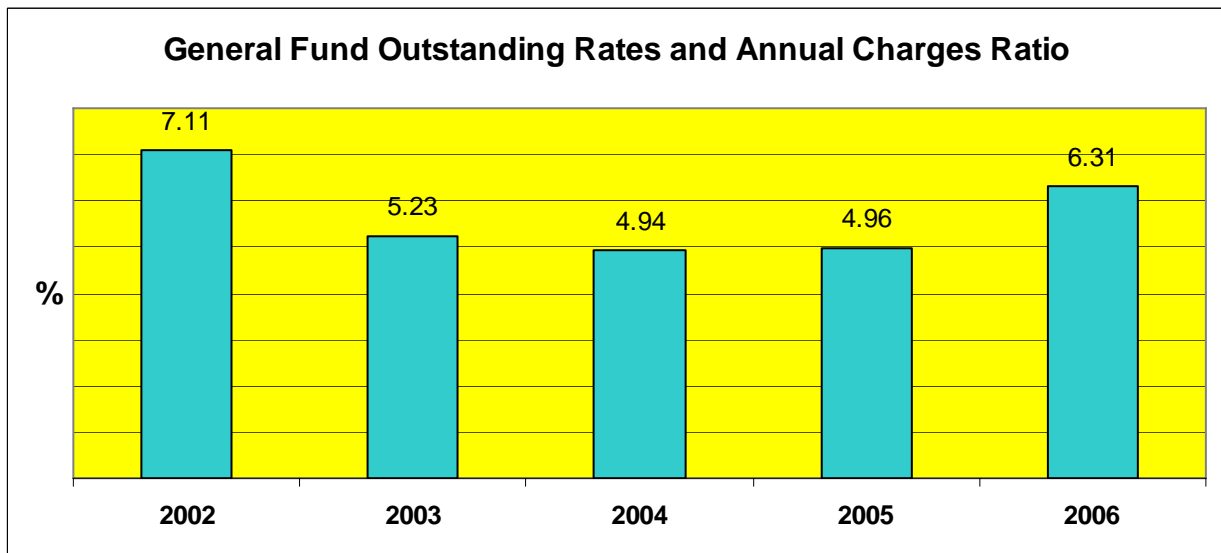


The above graphs illustrate the periodic borrowings to fund Council's capital works programmes for water and sewer funds. As at 30 June 2006 Council's water and sewer funds had low debt levels and, as a result, low debt servicing costs as a percentage of revenue. Neither water or sewer funds borrowed money during the 2006 financial year.

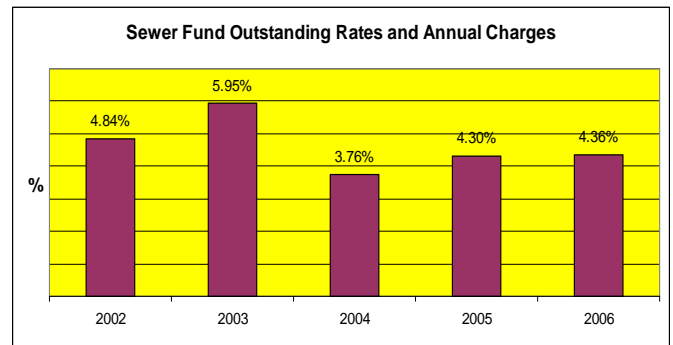
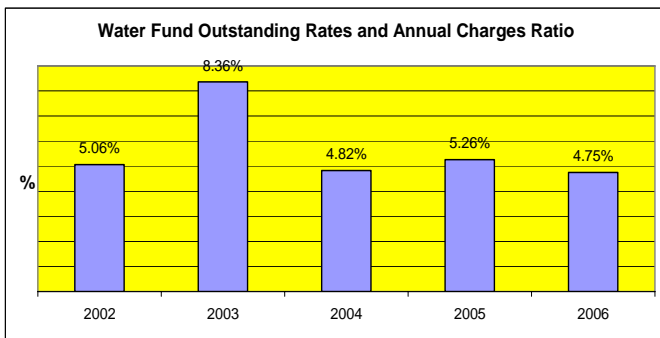
Rates and Annual Charges Outstanding Percentage

This indicator assesses the effectiveness of Council's revenue collection. Factors influencing Council's rates and annual charges outstanding ratio include:

- Council's rating policy
- credit management policies
- the socioeconomic characteristics of the area
- environmental factors influencing ratepayers ability to satisfy their obligations.



Council's general fund rates and annual charges outstanding percentage has increased from the 2005 financial year to 6.31%. Whilst this ratio has deteriorated it is consistent with industry statistics for rates and annual charges outstanding.



The above graphs illustrate the rates and annual charges outstanding ratio for water and sewer funds and reflect sound debt collection management practices.

7. OTHER CURRENT MATTERS

7.1 AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)

Tweed Shire Council has adopted Australian Equivalents to International Financial Reporting Standards (AIFRS) when preparing the 2006 financial report.

Financial reports of Tweed Shire Council until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing Tweed Shire Council's 2006 financial report, management has amended certain accounting, valuation and consolidation methods applied in the AGAAP financial statements to comply with AIFRS.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRS's on the Council's equity and its net income are provided at Note 21 to the general purpose financial statements.

Briefly, the 2006 financial report has been impacted by AIFRS requirements relating to the following areas:

i) Rehabilitation of Tip Sites and Quarries

Council is required to recognise a liability equivalent to the cost of rehabilitating its tip and quarry sites in accordance with applicable governing instruments such as EPA guidelines and development consents. This rehabilitation liability has been recognised in Council's financial records effective 1 July 2004 and appear in the 2006 financial report for the first time. Accurate recognition of the liability to rehabilitate tip and quarry sites will assist Council to implement improved costing systems so that rehabilitation costs may be recovered through sale of quarry products, tip user charges and domestic waste management annual charges.

ii) Recognition of Investment Properties

Council has disclosed carrying values and other information relating to properties held for rental or capital appreciation. These properties are now classified in the balance sheet as investment properties and are recognised at their fair value.



iii) Financial Instruments

Under AIFRS Council is required to classify its cash assets as cash and cash equivalents or investments. Where an item qualifies as an investment Council has elected to classify each item as "at fair value through the profit and loss". By designating each item as at fair value through the profit and loss each investment is carried at fair value in the balance sheet and movements in their fair value are recorded in the income statement.

iv) Current v Non-Current Classifications

AIFRS has impacted Council's financial report when classifying assets and liabilities as current or non-current in the balance sheet. A change in the definition of current liabilities has resulted in a larger proportion of employee benefits now being recognised in the balance sheet as a current liability. This increase in current liabilities has been offset by a change to the classification of cash and cash equivalents which has resulted in a greater proportion of these assets being recognised as a current asset.

7.3 INTERNAL CONTROL ENVIRONMENT

Results of Testing Council's Financial Reporting Systems

We have previously forwarded a report to the General Manager commenting on Council's systems of internal control and management procedures. No significant breakdowns of internal control were encountered during the course of our audit nor did we become aware of the existence of items comprising material error, sufficient to cause us to issue a qualified audit opinion.

Establishment of Council Audit Committee and Internal Audit Function

During the 2006 financial year Council has improved its governance processes by establishing an Audit Committee. In addition, Council has established an internal audit function that reports to the Audit Committee on an independent basis. We commend Council on these governance initiatives and believe it will greatly enhance the financial reporting, external and internal audit processes.

Subject to the foregoing comments the books of account and records of the Council were maintained in good order and condition and the information and explanations required during the course of our work were readily supplied by the General Manager and his staff.

Yours faithfully

THOMAS NOBLE & RUSSELL

Per:

.....
K R FRANEY (Partner)
Registered Company Auditor



COUNCIL OF TWEED SHIRE

INDEPENDENT AUDIT REPORT

Scope

The financial report and Council responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the Councillors' declaration for Tweed Shire Council (the Council), for the year ended 30 June 2006.

Our audit responsibility does not extend to the original budget information included in the income statement, cash flow statement, Note 2(a) and Note 16 budget variation explanations. In addition, our audit has not included the verification of forecast information contained within Note 17 to the financial statements and accordingly, we do not express an opinion on such. The Council is responsible for the preparation and true and fair presentation of the financial report in accordance with the Local Government Act 1993. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We have conducted an independent audit in order to express an opinion on the financial report to the Council. Our audit was planned and performed in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We have performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1993, including compliance with Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Council's financial position, and of its performance as represented by the results of its operations and cash flows.



We have formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures and the reasonableness of significant accounting estimates made by the Council.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide absolute assurance on internal controls.

Independence

As auditor, we are required to be independent of the Council and free of interests that could be incompatible with integrity and objectivity. In respect of this engagement, we have followed the independence requirements set out by The Institute of Chartered Accountants in Australia and the Auditing and Assurance Standards Board.

In addition to our statutory audit work, we were engaged to undertake other services for the Council. These services are disclosed in Note 4c to the financial statements. In our opinion, the provision of these services has not impaired our independence.

Audit Opinion

In our opinion:

- (a) Council's accounting records have been kept in accordance with the requirements of the Local Government Act, 1993, Chapter 13, Part 3, Division 2; and
- (b) The Council's financial reports:
 - i. have been prepared in accordance with the requirements of that Division; and
 - ii. are consistent with the Council's accounting records; and
 - iii. present fairly the Council's financial position and the results of its operations and cash flows;and
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial reports that have come to light in the course of the audit.

THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS

.....
K R FRANEY (Partner)
Register Company Auditor

Dated at Lismore this 16th day of October 2006.



**COUNCIL OF TWEED SHIRE
SPECIAL PURPOSE FINANCIAL REPORT**

INDEPENDENT AUDIT REPORT

Scope

The financial report and Council responsibility

The financial report comprises the balance sheet, income statement, accompanying notes to the financial statements, and the Councillors' declaration for Tweed Shire Council (the Council), for the year ended 30 June 2006.

The Special Purpose Financial Report has been prepared for distribution to the Council and the Department of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the Council or the Department of Local Government or for any purpose other than for which the report was prepared.

Our audit responsibility does not extend to the best practice management disclosures in Note 2 and Note 3 and accordingly, we do not express an opinion on such notes. The Council is responsible for the preparation and true and fair presentation of the financial report in accordance with the Local Government Act 1993. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We have conducted an independent audit in order to express an opinion on the financial report to the Council. Our audit was planned and performed in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We have performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1993, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Council's financial position, and of its performance as represented by the results of its operations and cash flows.



We have formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures and the reasonableness of significant accounting estimates made by the Council.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide absolute assurance on internal controls.

Independence

As auditor, we are required to be independent of the Council and free of interests that could be incompatible with integrity and objectivity. In respect of this engagement, we have followed the independence requirements set out by The Institute of Chartered Accountants in Australia and the Auditing and Assurance Standards Board.

In addition to our statutory audit work, we were engaged to undertake other services for the Council. These services are disclosed in Note 4c to the general purpose financial statements. In our opinion, the provision of these services has not impaired our independence.

Audit Opinion

In our opinion, the Council's Special Purpose Financial Report:

- i. has been prepared in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting; and
- ii. is consistent with the Council's accounting records; and
- iii. presents fairly the financial position of Council's nominated Business Activities and the results of their operations.

THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS

.....
K R FRANEY (Partner)
Register Company Auditor

Dated at Lismore this 16th day of October 2006.



Appendix B

Councillor Policy

Objectives

- To ensure that gifts to Council are properly accounted for and recorded as property of Council.
- To identify Conferences appropriate to Councillors and recognise travel and accommodation expenses.

Access to Council Files/Cheque Warrants

- All Council files to be made available to Councillors with the exception of those parts exempt under the provisions of the Freedom of Information Act.
- Councillors seeking information from staff or Council records are to make requests through the appropriate Director or Manager.
- Councillors are to establish an agreed timeframe with the Director or Manager for the provision of, or access to the information.
- Councillors seeking access to the cheque warrant must provide a legitimate reason(s), to the Chief Financial Office, as to how the information contained within the cheque warrant is related to the performance of a Councillors in carrying out their duties and functions.

Annual Conferences

- Amounts provided for attendance at Conferences are to be shown separately in the Budget;
- The costs for Councillors to attend at Conferences are to be met by Council on an actual cost basis;
- Attendance at Conferences by Councillors must be covered by Council resolution;
- All air travel is to be of economy class and other, eg, road, be on an actual cost basis for fuel, sustenance, accommodation, etc as necessary.
- Payment of expenses for spouses are to be made only as specifically authorised by Council.

Regular Conferences be:

- Institute of Municipal Management - NSW Division - Annual Conference
- Institute of Municipal Management - National Congress
- Local Government Engineers Association
- Local Government Planners Association
- Australian Institute of Health Surveyors and Building Surveyors
- Shires Association of NSW/Local Government Association of NSW
- Flood Mitigation Authorities of New South Wales
- New South Wales Water Resources Association

Attendance at Conferences

- The Councillor will indicate with as much certainty as possible at the relevant Council meeting the fact they he or she wishes to attend. A Council resolution to cover that attendance shall be passed at that meeting.
- The Councillor will contact the Mayor's Secretary within one week of the Council resolution to confirm his/her intention to attend and to also advise the most convenient times for departing and returning.
- At the same time, the Councillor will also indicate any special requirements such as cash advances, rental cars, accommodation, etc.
- Advice must also be given as to whether a spouse or partner will be travelling with the Councillor.
- When all of this information has been provided, the Mayor's Secretary will proceed to make all of the travel arrangements and will liaise with the Councillor to ensure maximum satisfaction.
- Should a Councillor have to alter the arrangements due to an emergency or unforeseen circumstances, contact will be made with the Mayor's Secretary as soon as possible to allow the necessary changes to be made.
- To play their part in keeping all costs, especially airfares and registrations, to an absolute minimum, Councillors will be required to make their decisions as precisely and as early as



possible and unless there is an emergency or some unforeseen circumstance, the travel arrangements made by the Mayor's secretary will stand.

- Any excess costs incurred as a result of changes made after completion of the travel bookings by the Mayor's Secretary and not due to an emergency or unforeseen circumstance must be paid for by the Councillor.
- The cost for attendance at conferences/seminars is not to exceed \$5,000.00 per Councillor per annum. Costs to include expenses relating to registration, travel, accommodation, meals and sundry items.
- A report is to be prepared and submitted to Council on the conference/seminar within four (4) weeks of attendance.

Councillor's Fees, Expenses and Facilities

Objective

- To ensure that the fees paid, civic expenses reimbursed and facilities provided to the Mayor and Councillors are appropriate to the importance of the Office.
- To ensure that the Mayor and Councillors do not suffer financial hardship by meeting their Civic responsibilities as a member of the governing body of the Council or as an elected person.

Introduction

- In accordance with the provisions of the Local Government Act 1993, the Council is required to adopt a policy concerning the payment of fees and expenses and the provision of facilities to the Mayor, Deputy Mayor and other Councillors in relation to their roles as elected persons and members of the governing body of the Council.
- Councillors, in carrying out their civic responsibilities, are required to attend a variety of functions in their capacity as a representative of Council, ie Council meetings, Committee meetings, and as delegates.
- Councillors will also be expected to attend a variety of functions in a capacity where they may not directly represent Council, but attendance is relevant to their effectiveness as a Councillor, ie attendance at community functions.
- The Local Government Act recognises this obligation and makes provision for payment of fees (s248 and s249); payment of expenses (s252) and provision of facilities (s252).

Legislative Provision

Division 5 of Chapter 9 of the Local Government Act 1993 provides what fees, expenses and facilities may be paid or provided to the Mayor and Councillors.

Fixing and Payment of Annual Fees for Councillors

s.248

1. A council must pay each Councillor an annual fee.
2. A council may fix the annual fee and, if it does so, it must fix the annual fee in accordance with the appropriate determination of the Remuneration Tribunal.
3. The annual fee so fixed must be the same for each Councillor.
4. A council that does not fix the annual fee must pay the appropriate minimum fee determined by the Remuneration Tribunal.

Fixing and Payment of Annual Fees for the Mayor

s.249

1. A council must pay the Mayor an annual fee.
2. The annual fee must be paid in addition to the fee paid to the Mayor as a Councillor.
3. A council may fix the annual fee and, if it does so, it must fix the annual fee in accordance with the appropriate determination of the Remuneration Tribunal.
4. A council that does not fix the annual fee must pay the appropriate minimum fee determined by the Remuneration Tribunal.
5. A council may pay the Deputy Mayor (if there is one) a fee determined by the council for such time as the Deputy Mayor acts in the office of the Mayor. The amount of the fee so paid must be deducted from the Mayor's annual fee.

Payment of Expenses and Provision of Facilities



s.251

1. A Council must adopt a policy concerning the payment of expenses incurred or to be incurred by and the provision of facilities to the Mayor, the Deputy Mayor (if there is one) and the other Councillors in relation to discharging the functions of civic office.
2. The policy may provide for fees payable under this Division to be reduced by an amount representing the private benefit to the Mayor or a Councillor of a facility provided by the Council to the Mayor or Councillor.

Public Notice of Proposed Policy concerning Expenses and Facilities

s.253

1. Before adopting a policy for the payment of expenses or provision of facilities, the Council must give at least 28 days' public notice of the proposal.

Decision to be made in Open Meeting

s.254

1. The Council or a Council Committee all the members of which are Councillors must not close to the public that part of its meeting at which a policy for the payment of expenses or provision of facilities is adopted or at which any proposal concerning those matters is discussed or considered.

Fees

- The Remuneration Tribunal must not later than 1 May in each year determine in each of the categories determined under Section 239 the maximum and minimum amounts of fees to be paid during the following year to Councillors and Mayors.

Expenses

▪ **Carer Expenses**

Councillors are entitled to the reimbursement of carer expenses that were necessary to enable Councillors to attend Council business. The maximum entitlement for such expenses is \$2,000 per annum. Receipts will need to be provided no later than three (3) months after the expense has been incurred for reimbursement of funds.

▪ **Mobile Phone Charges**

Councillors will be provided with a mobile telephone to assist in undertaking Councillor duties. Council will meet the cost of providing the telephone, maintenance, monthly service and access fees, and call charges made on Council business. Individual Councillors meet the cost of any additional calls.

▪ **Facsimile Charges**

Councillors will be provided with a fax machine to assist in undertaking Councillor duties. Council will meet the cost of providing the fax machine, maintenance and rental charges for one (1) home facsimile line.

▪ **Internet Charges**

Council will meet the cost of internet charges involved in the conduct of Council business.

▪ **Postage of Official Councillor Correspondence**

Councillors will be reimbursed where expenses can be verified and where it is impractical to use the Council's own mail system.

Travelling Expenses

▪ **Within the Local Government Area**

Councillors will be entitled to be reimbursed for travel from their home whilst on Council business at the rate per kilometre as set out in the Local Government State Award. The travelling expense is payable for Council Meetings, Committee Meetings, formal and social functions where representing council, consultation with the Mayor, General Manager, or staff or other meetings involving the general community and attendance is approved for the purpose of this Policy by the Mayor or General Manager.

▪ **Outside the Local Government Area**

Councillors will be entitled to travel to official engagements at Council's expense by the most practical method, ie aircraft, Council vehicle or private vehicle. Councillors, when travelling by air, will travel Economy Class or as determined by the General Manager. A Councillor who travels in his/her own vehicle will be reimbursed at the appropriate per kilometre rate or airfare whichever is the lower.

Expenses Incurred at Conferences, Seminars and Courses



Attendance at Conferences by Councillors must be covered by Council resolution;
Conferences, Seminars and Courses – reimbursement of costs associated with:-

Registration

Including official luncheons, dinners and tours relevant to the Conference.

Travel

By Council vehicle, private vehicle, hire vehicle, rail or air. Persons using private vehicles to be reimbursed according to the relevant kilometre rate in the staff award (subject to the costs not exceeding the economy class air fare as applicable). Any travel by train will be by First Class, including sleeping berths where necessary. With all travel arrangements due consideration is to be given to the physical capacity of the Councillor and any variation to these arrangements be with the approval of the Mayor and the General Manager.

Accommodation

Accommodation for other Council business will be as follows:

- i) At a standard of up to four star NRMA rating
- ii) Booked and paid for by Council in advance or, where this is not possible, a claim for reimbursement made no later than three months after the expenses were incurred, and with receipts attached

Meals and Other Expenses

Reasonable costs (including sustenance, telephone charges and incidental expenses) including the night before and after the conference where necessary to be met by the Council.

Spouses/Partners Accompanying Delegates

Accommodation (shared basis) will be met by Council.

Insurance

Councillors are to receive the benefit of insurance cover for:

Personal Injury

Whilst on Council business, covering bodily injury caused by accidental, violent, external and visible means up to a sub-limit for death and capital limits of \$500,000. Also covering permanent disablement, temporary total disability and temporary partial disability.

Professional Indemnity

For matters arising out of Councillors' performance of civic duties or exercise of their functions as Councillors provided the performance or exercise of the relevant civic duty or function in the opinion of Council bona fide and/or proper and is carried out in good faith, as required under 731 of the Local Government Act.

Public Liability

For matters arising out of Councillors' performance of civic duties or exercise of their functions as Councillors, carryout out in good faith.

Facilities – Councillors

- **Stationery**
Use of personalised Councillor letterhead and envelopes
- **Postage**
Official Councillor correspondence – to be directed through the Council's own mail system. If not practicable reimbursement will be made for costs involved.
- **Facsimile Machines/Answering Machines**
Purchase and maintenance of machines, including supply of all fax paper, such to remain the property of Council.
- **Meetings, Meals and Refreshments**
Provision of meals and refreshments associated with Council, Committee and Working Party meetings where appropriate.
- **Meeting Rooms / Councillor Room**
Provision of meeting room facilities, including telephone, computer network facilities, and access to a photocopier in the Administration Centre for the purpose of Council Committee and Working Party Meetings, and for meeting with constituents.
- **Mobile Phones**
Provision of a mobile telephone, with the cost of calls on Council business to be met by Council and all private calls cost be met by the individual Councillor.
- **Secretarial Support**
The provision of secretarial support, as necessary, for Councillors generally.



▪ **Access to Council Files**

- All Council files to be made available to Councillors with the exception of those parts exempt under the provisions of the Freedom of Information Act.
- Councillors seeking information from Staff or Council records are to make requests through the appropriate Director or Manager.
- Councillors are to establish an agreed timeframe with the Manager Administration/Public Officer for the provision of, or access to information.

▪ **Business Cards** 250 Business cards (replacement on request).

▪ **Christmas Cards** 100 Maximum per year.

▪ **Filing Cabinet** Councillors to be provided with home filing cabinet if requested.

▪ **Name Badge** Councillors to be provided with a name badge.

▪ **Relevant Acts, Building Codes, Policy Register** A current copy of the relevant Acts, Building Codes and a copy of the Policy Register to be made available upon request.

Additional Facilities – Mayor

▪ **Mayor Office**

Mayor Office to be provided including office furniture, desk, chair, filing cabinets, meeting table and chairs and a bar fridge.

▪ **Council Vehicle**

A Council vehicle will be provided in accordance with Council's resolution.

▪ **Secretarial Support**

Suitably qualified and experienced person to provide administrative support, word processing, secretarial support, research and briefings.

▪ **Administrative Support**

Assistance with organisation of functions and meetings and briefings on functions to which the Mayor is invited to attend.

▪ **Office Refreshment**

As provided in the Mayoral Office for entertainment purposes.

▪ **Stationery**

Mayoral letterhead, envelopes and stationery generally.

▪ **Mobile Phone**

Purchase and maintenance. Payment of service and equipment charges and all calls made on Council business.

▪ **Conditions for the Provision of a Motor Vehicle to the Mayor**

- The conditions of the use of the vehicle by the Mayor were covered by Minute No 170 of Council meeting of 19 July 1995 and Minute No 652 of the Council meeting of 20 December 2000.
- The motor vehicle is and shall remain the property of Council and shall be surrendered to Council by the Mayor in the event that the person is no longer the Mayor.
- Council shall replace each motor vehicle as soon as is practicable after the expiry of twenty four (24) months from the date of the first registration of the motor vehicle or forty thousand kilometres (40,000km) of travel whichever occurs first. The type of vehicle provided is to be of the standard of a Ford Fairlane/ Holden Calais or an alternative which is mutually acceptable to Council and the Mayor.
- Council cars provided in accordance with this Agreement shall bear no markings or identification.
- The Mayor is to be given unrestricted use of such vehicle with the council servicing and maintaining such vehicle, paying registration and insurance (including full comprehensive cover) and providing petrol
- Private use means that the Mayor and his/her spouse or other licensed driver (provided the Mayor or Mayor's spouse is in the car) or any other Council employee are allowed to drive the vehicle.
- The Mayor is responsible for the proper care and maintenance of the vehicle including garaging, regular cleaning – both inside and outside – and ensuring that normal running items such as petrol, oil, battery, radiator and tyre pressure are checked at regular intervals, in accordance with the Manufacturer's recommendations.



- The Mayor is not allowed to compete in any car rally or competition or use the vehicle in any manner which may contravene the comprehensive insurance policy and result in voidance of the insurance cover and/or the vehicle Manufacturer's warranty.
- If the vehicle is involved in an accident, the Mayor agrees to pay the full amount of any claim rejected by Council's insurers due to a breach of the insurance contract by an action of the Mayor or the Mayor's family. An age excess applicable to a claim is to be paid by the Mayor, except where the driver is an employee of Council.

Gifts, Benefits and Hospitality to Councillors

Gifts and hospitality should only be token in nature and accepted only when to refuse would give offence.

Token means for example:

- Tea or coffee or light refreshments
- baseball cap
- tie
- note pad
- key ring.

Reporting on Councillors Expenses

All relevant financial payments made to Councillors in pursuit of their duties as Councillors is to be included in Council's annual report and their attendance at all categories of meetings, so that Councillors' performance can be more fairly and accurately monitored by the ratepayers.

Private Benefits

Any private benefit derived from facilities provided for discharging the functions of civic office shall be deducted from fees paid to Councillors.

Acquisition of Equipment

Upon ceasing the position of Councillor or Mayor all equipment must be returned to Council.

Provision of Information to and Interaction Between Councillors and Staff

Introduction

Based on the provisions in the Local Government Act, the councillors and staff have distinctly different roles to play in council. The council is responsible for the strategic direction and for determining the policy framework of council. The council also has a statutory role as the consent authority, under both the Environmental Planning and Assessment Act and the Local Government Act, for applications for development consent and local approvals. The general manager with the senior officers of council is responsible for the effective management of the organization and the carrying out of council's policies and strategic objectives.

However, the distinction between these two roles may be unclear. There often needs to be personal interaction between councillors and senior officers, particularly regarding access to and provision of information, to effectively integrate policymaking and service delivery. This has created the need for guidelines that help councillors and staff to understand fully their respective roles and how they should operate, in order to perform their job effectively.

Formalising procedures to specify how these rights should be exercised should be done without trying to restrict a councillor's legal right to access staff and information. This policy is not intended to limit any statutory and common law rights councillors have to access information. However, councillors should avoid any perceptions of wrongdoing when exercising their rights as an elected representative, particularly the appearance of trying to improperly influence staff.

Aims

This policy will:

- provide clear communication channels to ensure the speedy provision of accurate information;
- recognise the particular circumstances of the council;
- require adequate training of staff and councillors on the need for the policy and its requirements;
- provide appropriate sanctions for non-compliance; and
- be reviewed periodically to monitor its effectiveness and compliance.



Objectives

The objectives of this policy are to:

- provide a documented process on how councillors can access council records;
- ensure councillors have access to all documents necessary for them to exercise their statutory role as a member of the governing body of the council;
- ensure that councillors receive advice to help them in the performance of their civic duty in an orderly and regulated manner;
- provide direction on councillors' rights of access to council buildings; and
- provide a clear and consistent framework for the reporting of, and appropriate application of sanctions for, breaches of this policy.

Inappropriate Interactions

Council's policy is that the following interactions are inappropriate:

- councillors approaching junior members of staff for information on sensitive or controversial matters;
- members of staff approaching councillors directly (rather than via their director, staff representative or union delegate) on staffing or political issues;
- councillors approaching staff outside the council building or outside hours of work to discuss council business;
- staff refusing to give information which is available to other councillors to a particular councillor because of the staff member's or councillor's political views;
- councillors who have a development application before council discussing the matter with junior staff in staff-only areas of the council;
- junior staff being asked to answer questions or provide documents to councillors who are overbearing or threatening;
- councillors directing or pressuring staff in the performance of their work, or recommendations they should make; and
- staff providing advice to councillors without recording or documenting the interaction as they would if the advice was provided to a member of the community.

Statutory Provisions for Councillors and Staff

Chapters 9 and 11 of the Local Government Act set out the statutory roles and duties of councillors and the general manager. The introduction to Chapter 9 states that "each council is a statutory corporation. The councillors are the governing body of the corporation and they have the responsibility of directing and controlling the affairs of the council in accordance with this Act." Chapter 9 includes the following provisions.

1. The governing body (s.222). The elected representatives, called "councillors" comprise the governing body of the council.
2. The role of the governing body (s.223) The role of the governing body is to direct and control the affairs of the council in accordance with this Act.
3. The role of the mayor (s.226)
The role of the mayor is:
 - to exercise, in cases of necessity, the policy-making functions of the governing body of the council between meetings of the council (for example, urgent demolition orders, authority to financially assist the community by the allocation of resources during natural disasters, commencement of urgent legal action);
 - to exercise such other functions of the council as the council determines (for example, determining the appropriateness of holding a special event such as a fun run, approval of the general manager's annual leave);
 - to preside at meetings of the council; and
 - to carry out the civic and ceremonial functions of the mayoral office.
4. The role of a councillor as a member of the governing body (s.232(1))
The role of a councillor is, as a member of the governing body of the council:
 - to direct and control the affairs of the council in accordance with this Act (for example, input into preparation of council's management plan, financial plan and organisational structure);



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- to participate in the optimum allocation of the council's resources for the benefit of the area (for example, providing input into deciding priorities for construction and maintenance work);
 - to play a key role in the creation and review of the council's policies and objectives and criteria relating to the exercise of the council's regulatory functions; and
 - to review the performance of the council and its delivery of services, and the management plans and revenue policies of the council.
5. The role of a councillor as an elected person (s.232(2))
The role of a councillor is, as an elected person:
- to represent the interests of the residents and ratepayers;
 - to provide leadership and guidance to the community; and
 - to facilitate communication between the community and the council.
6. The role of the general manager (s.335(1))
The general manager is generally responsible for the efficient and effective operation of the council's organization and for ensuring the implementation, without undue delay, of decisions of the council.
7. The functions of the general manager (s.335(2))
The general manager has the following particular functions:
- to manage the council on a day-to-day basis;
 - to exercise such of the functions of the council as are delegated by the council to the general manager;
 - to appoint staff in accordance with an organisational structure and resources approved by the council;
 - to direct and dismiss staff; and
 - to implement the council's equal employment opportunity management plan.

Access To Council Records By Councillors

1. Statutory provisions

Section 12 of the Local Government Act provides that the council must provide access to the current version of certain council documents free of charge to all members of the public.

These documents are:

- Council's code of conduct;
- Council's code of meeting practice;
- Annual report;
- Annual financial reports;
- Auditor's report;
- Management plan;
- EEO management plan;
- The council's land register;
- Council's policy concerning the payment of expenses incurred by, and the provision of facilities to, councillors;
- Register of investments;
- Returns of the interests of councillors, designated persons and delegates;
- Returns as to candidates' campaign donations;
- Business papers for council and committee meetings (but not including business papers for matters considered when a meeting is closed to the public);
- Minutes of council and committee meetings, but restricted (in the case of any meeting or part of a meeting that is closed to the public) to minutes of:
 - a) the recommendations of the meeting, other than recommendations concerning the proposed acquisition of land at a public auction; and
 - b) such other matters as the council or committee resolves should be made public;
- any codes referred to in this Act;
- register of delegations;
- annual reports of bodies exercising delegated council functions;
- local policies adopted by the council concerning approvals and orders;
- records of approvals granted and decisions made on appeals concerning approvals;
- records of building certificates;



- plans of land proposed to be compulsorily acquired by the council;
- leases and licences for use of public land classified as community land;
- plans of management for community land;
- environmental planning instruments, development control plans and plans made under s.94AB of the Environmental Planning and Assessment Act 1979 applying to land within the council's area;
- the statement of affairs, the summary of affairs and the register of policy documents required under the Freedom of Information Act 1989; and
- departmental representatives' reports presented at a meeting of the council according to s.433.

The Local Government (Meetings) Regulation, provides a procedure for councillors to obtain access to council documents, without limiting any common law right of access.

Clause 41 provides:

- (1) The general manager may allow or refuse to allow any councillor to inspect any record of the council that the councillor requests to see.
- (2) If the general manager refuses to allow a councillor to inspect any such record, the councillor may, at a meeting of the council, move for the production of the document. However, the councillor must give notice of intention to move the motion.
- (3) If the council passes a motion for the production of a council record, the council must ensure that the record:
 - (a) is produced immediately and laid on the table for inspection by the councillors; and
 - (b) is made available for inspection by any councillor on reasonable notice to the general manager during the council's ordinary office hours on any day that is within one month after the passing of the motion.

Sections 15(1) and 16(1) of the Freedom of Information Act 1989 also include provisions for members of the public to a general right of access to council documents.

2. Procedures

Access to a council file, record of other document can only be provided according to this policy to ensure that access is obtained in ways that are legal and appropriate. This policy does not limit or restrict statutory or common-law rights of access.

Councillor can request the general manager, the public officer or a person nominated by the general manager to provide access to a particular council record.

Councillors who have a personal (as distinct from civic) interest in a document of council have the same rights of access as any other person.

Councillors are entitled to access to all council files, records or other documents where that document is identified in s.12 of the Local Government Act or to a matter currently before the council.

The general manager shall not unreasonably decide that a document is not relevant to the performance of the councillor's civic duty and deny access to a council document. The general manager must state their reasons for the decision if they refuse access. Councillors can request access to other documents of the council either by a Notice of Motion to the council or a Freedom of Information application.

The general manager, public officer or a person identified by the general manager, shall keep a record of all requests by councillors for access to information (other than those listed in s.12 of the Local Government Act, the Freedom of Information act or by a Notice of Motion at a council meeting). These requests must be reported regularly to the council.

Interaction between Councillors and Council Staff

1. During meetings

The interaction between councillors and staff at council meetings and committee meetings is regulated by s.360 of the *Local Government Act 1993* (NSW) cl.21 of the Local Government (Meetings) Regulation;



- council's code of conduct and;
- council's code of meeting practice (if it exists).

Section 360 of the Local Government Act enables the council to make regulations in regard to the conduct of meetings, adopt codes of meeting practices and states that meetings must be conducted in accordance with the code of meeting practice.

Clause 21 of the Local Government (Meetings) Regulation details how, in council meetings, councillors can ask questions of other councillors by going through the chairperson. The regulation also details the process councillors must follow if they wish to ask a question of council staff, by going through the general manager.

2. Outside of meetings

The Meetings Regulation (cl.21) makes provision for a councillor to obtain information at a council meeting, or by a Question on Notice at a council meeting.

The general manager is responsible to the council for performance and direction of all staff and day-to-day management of council. Therefore, it is appropriate that all requests for information and approaches to staff outside the forum of a council or committee meeting, be directed to the general manager, or person/s nominated by the general manager.

Only those senior officers (as defined in s.332) and managers nominated by the general manager can provide advice to councillors.

It is within the discretion of the general manager to require councillors to make an appointment with a senior officer, to put a request in writing, or to put it on notice to the council to obtain detailed or otherwise time consuming information. The general manager must indicate in writing, the reasons for refusing a request.

For all but straightforward advice on administrative matters, councillors should put their requests for information or advice in writing to be answered by the general manager or the appropriate senior officer. These written requests then form part of council records and can be filed appropriately.

A senior officer has the discretion to refer any request for information to the general manager. The senior officer must indicate to the councillor their reasons for the referral.

If a councillor is concerned about any refusal to provide information, they should firstly raise the matter with the general manager (or the mayor if it was the general manager who refused to provide the advice). If the councillor is still dissatisfied they should request the information by way of a Question on Notice to the council.

Councillors must not request staff to undertake work for the councillor or any other person. A councillor, member of staff or delegate must not take advantage of their official position to improperly influence other councillors, members of staff or delegates in the performance of their public or professional duties for the purpose of securing private benefit for themselves or for some other person.

Access to Council Offices

As elected members of the council, councillors, are entitled to have access to the council chambers, committee room, mayor's office, councillors' rooms and public areas of the council buildings.

Councillors who are not in pursuit of their civic duties have the same rights of access to council buildings and premises as any other member of the public.

A councillor has no rights to enter staff-only areas without the express authorisation of the general manager or his nominee or by resolution of the council.



Breaches of This Policy

1. Reporting

All occasions of a councillor or staff member not complying with this policy should be immediately reported to the general manager.

Where the report relates to the conduct of a councillor, the general manager shall immediately report the matter to the mayor and to the next council meeting.

Where the report relates to the conduct of staff, the general manager shall deal with the matter according to the terms of employment of the staff member. Proven breaches should also be dealt with accordingly, that is, by counselling, disciplinary action or dismissal.

Where a councillor believes that the general manager has failed to comply with the policy, the councillor shall immediately report to the mayor who will report the matter to the council.

Before a report to council by the general manager (or the mayor), the general manager (or the mayor) should undertake preliminary inquiries to establish the facts. The preliminary investigations may take any form the mayor and general manager considers appropriate, but must involve discussions with staff member and councillor involved. Natural justice principles need to be satisfied in dealing with an alleged breach.

The council, or a committee of all councillors established for the purpose, must decide whether a matter reported to it under this policy, reveals a breach. The council may take any steps provided for in this policy that it considered reasonable in the circumstances.

2. Sanctions

Council, having resolved that a councillor has failed to comply with this policy, can, by resolution:

- Require the councillor to apologise to the person concerned;
- Request a formal apology;
- Counsel the councillor;
- Reprimand the councillor;
- Resolve to make its decision on the matter public;
- Pass a censure motion at a council meeting (councils should not underestimate the power of public censure as a deterrent);
- Make public disclosures of inappropriate conduct (such as making the community aware of the breach through the media or annual report);
- Refer the matter to an appropriate investigative body if the matter is serious; and/or
- Prosecute any breach of the law.
- Sanctions for staff, depending on the severity, scale and importance of the breach, may include:
 - Counselling the staff member;
 - Instituting council disciplinary proceedings; or
 - Dismissal.



Samuel Mwangi Macharia visit

Cultural awareness took a giant leap forward at Tweed Shire Council with the arrival of Kenyan orphan Samuel Mwangi Macharia under the Tweed Community-Kenya Mentoring Program.

The program uses Tweed Shire Council's physical resources, knowledge, experience and sponsorship funds to raise living standards through implementation of water quality improvement programs in the pilot areas.



Sam is nearing the end of his six month stay in the Tweed but the impact of this 11 year old soccer-playing orphan has had on the Tweed will be felt for a long time. In fact not only has Sam bonded with his host family Sandra and Bernie Zietlow and their three sons Ricky, Kurt and Ryan but seemingly with the entire community.

When Sam arrived in the Tweed in June he was found to be illiterate. With the assistance of his school Mt St Patrick Primary School and a private coach Brian Tucker of Tweed heads he is now proficient in both his native Swahili and English. He has proven to be a very bright student.

A well-mannered delightful boy, Sam never knew his father and his mother died when he was three years old. His mother's friend took care of Sam but died two years later. In desperation Sam went to live with his alcoholic grandmother who was incapable of feeding him and prone to violence. He survived by collecting and selling firewood.

His home in Kibera, the largest slum in Africa, situated on the outskirts of Nairobi Kenya could not be more different than the Tweed. The sprawling stench-filled mass of Kibera is where Sam, since he was nine, has shared a tin-roofed shanty with his aunt and uncle and two young cousins.

Many families, including Sam's, buy water from vendors or drink from pipes and tanks fed by streams polluted with untreated human waste and industrial chemicals dumped in the Nairobi River. Those who become sick cannot work or afford clean water. It is a vicious cycle.



Sam knows hunger in his home environment and has gone some days without food. When that happens he cannot get to school because that is a 45-minute trip and he is too weak.

His home is beside a bar which means his family can use the bar's toilet but it is Sam's job to clean the toilet each morning.

Sam's visit is the result of community affiliation with children in Kibera through sport. Murwillumbah Services Soccer Club sent shirts, boots and balls for a fun Tweed Sports Day in the slums. This was a huge success, which encouraged Tweed to invite a child to Australia. Sam was chosen because of his impressive football talent and maturity.

Many people throughout the Tweed have donated time and money to the mentoring project with some volunteering their services in Kibera during leave. For example the Murwillumbah Seventh Day Adventist Church has donated \$2000 towards the purchase and installation of the SkyStation to provide a safe drinking water supply. Some Council staff members donate weekly to the mentoring project.

World Cup officials on the Gold Coast have noticed Sam's soccer skills.

The mentorship has galvanised the community and provided a collective sense of hope of which Sam is definitely a part. So much so that staff members have decided to establish a trust fund to ensure that he returns to a suitable boarding school to further his education and maintain links with the mentoring program.

It is the community's wish that the Tweed will see more of Sam in the years to come.

The mentoring program has also enabled several staff members to use their annual leave to travel to Kenya to assist the program.

The next such staff member will be Marty Hancock who will travel to Kenya in January or February 2007 to install a water treatment plant.