



MINUTES

**Ordinary Council Meeting
Tuesday, 21 March 2023**

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**MINUTES OF THE BALRANALD SHIRE COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE COUNCIL CHAMBERS, MARKET STREET BALRANALD
ON TUESDAY, 21 MARCH 2023 AT 5PM**

1 OPENING OF MEETING**2 ACKNOWLEDGMENT OF COUNTRY**

We pay our respects to the Traditional Custodians of the Lands where we hold this meeting to Elders past, present and emerging.

PRESENT:

Administrator, General Manager and Senior Executive Assistant

3 APOLOGIES

Executive Manager of Engineering

4 CONFIRMATION OF MINUTES**4.1 MINUTES OF THE ORDINARY COUNCIL MEETING HELD ON TUESDAY, 21 FEBRUARY 2023**

RESOLUTION 2023/24

Moved: Administrator Mike Colreavy

That the Minutes of the Ordinary Council Meeting held on Tuesday, 21 February 2023 be received and noted.

CARRIED

5 DISCLOSURE OF INTERESTS

There were no Disclosure of Interests submitted to this Meeting.

6 ADMINISTRATOR MINUTE/REPORT

There was no Administrator Minute for this Meeting.

7 COMMITTEE REPORTS**7.1 BIDGEE HAVEN RETIREMENT HOSTEL - MODELLING OF POSSIBLE INCREASES IN BEDS****RESOLUTION 2023/25**

Moved: Administrator Mike Colreavy

That Council notes the five models provided in **Attachment 1** to the report.

CARRIED

7.2 BIDGEE HAVEN HOSTEL MANAGEMENT COMMITTEE MEETING HELD ON FRIDAY, 3 MARCH 2023

PREAMBLE FROM ADMINISTRATOR

It is clear from comments made at the Section 355 Bidgee Haven Hostel Management Committee (**Committee**) meeting on Friday, 3 March 2023, and there is little doubt, that there is understandable support in the community for an expansion of the Bidgee Haven Retirement Hostel. Two members of Committee, who voted in favour of the 30-bed option, even said that the community would be willing to accept **occasional** deficits on the Hostel's operations.

Consideration of this matter is happening at a time when there are significant regulatory changes to the operation of aged-care facilities required by Commonwealth regulators. Exactly how much money the Government intends to provide to facilities such as Bidgee Haven Hostel to meet regulatory requirements and to provide an adequate standard of care for residents is, as yet, unclear.

On Friday, 3 March 2023, by a majority split decision, the Committee resolved as follows:

COMMITTEE RESOLUTION 2023/6

That the Committee:

1. *Note the attached costings as to income, staffing and overall operations of the existing Bidgee Haven Retirement Hostel and the five (5) models provided as comparisons.*
2. *Recommend to Council that it proceeds with the extension on the basis of Option four (4) (30 beds), subject to the capital grants to be received from the Federal Government still being available.*
3. *Recommend that Council re-establish the 'Hostel Extension Project Steering Committee' to re-evaluate suitable plans and costings with the grants available.*
4. *Recommend that prior to Council potentially deciding to proceed with the expansion of the Bidgee Haven Retirement Hostel, Council contacts the Commonwealth Government to meet and discuss the needs for full cost recovery funding to meet the recently introduced legislation for Aged Care facilities and the disadvantages of remote community living and the ability of residents to meet increased personal cost to enter or remain at the Hostel.*

In framing its advice to Council, the Committee examined financial modelling that compared 5 operating options for the facility. The Committee was considering a management report that recommended retention of the current 15-bed facility, rejecting any extension to either 20, 25, 30, or 50 beds unless full cost recovery is received from the Commonwealth Government to cover future operational costs. Financial models available to the Committee showed the following estimated annual operating deficits for each of the 5 models (since adjusted):

Beds Model	Annual Deficit	Adjusted
15 beds	\$246,483	\$294,833
20 beds	\$440,177	\$522,811
25 beds	\$683,111	\$622,017
30 beds	\$343,693	\$401,892
50 beds	\$466,043	\$498,533

The Committee asked that some of the estimated expenditure in the Models be checked. The models were then reviewed by management after the Committee meeting and the estimated annual deficits were revised as shown in the third column above.

The model predicts that the 30-bed option recommended to Council by the Committee will incur an estimated deficit of **\$401,892** per annum.

Management has advised me that, based on Council's general purpose financial modelling, it cannot afford the financial risks associated with ongoing annual \$401,892 deficit on Hostel operations. The suggestion that the community is willing to accept annual deficits of that size begs the question – how will they be paid for? There are basically three options (or a combination of these) for doing that:

- The Commonwealth covers the annual deficit on Hostel operations;
- The community covers the annual deficit on Hostel operations through a permanent special rate variation – estimated to be least 10% per annum, if spread across all rating categories, or much more if confined to properties oriented towards Balranald township; or
- Expenditure is reduced proportionately across other Council budget items (primarily roads).

The proponents of the 30-bed option on the Committee are optimistic that the Commonwealth will meet costs associated with changes in the aged-care residential framework. That is by no means clear and needs to be clarified with the Commonwealth. The same Committee members are also optimistic that the community will accept occasional deficits at the Hostel.

I was reminded at the outset of today's Agenda of Council's obligation to comply with Section 8B of the *Local Government Act 1993 (the Act)*. Section 8B of the Act requires Council, along with all New South Wales local government councils, to adhere to the following set of principles of sound financial management:

“8B Principles of sound financial management

The following principles of sound financial management apply to councils:

- (a) *Council spending should be responsible and sustainable, aligning general revenue and expenses.*
- (b) *Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.*
- (c) *Councils should have effective financial and asset management, including sound policies and processes for the following:*
 - (i) *performance management and reporting,*
 - (ii) *asset maintenance and enhancement,*
 - (iii) *funding decisions,*
 - (iv) *risk management practices.*
- (d) *Councils should have regard to achieving intergenerational equity, including ensuring the following:*
 - (i) *policy decisions are made after considering their financial effects on future generations,*
 - (ii) *the current generation funds the cost of its services.”*

While Section 8B of the Act specifically allows councils to invest in infrastructure for the benefit of the community, that must be done responsibly and sustainably. In my view Council cannot afford to take the risk on expanding the Bidgee Haven Hostel from 15 to 30 beds until it knows exactly how much the Commonwealth will contribute to ongoing operational costs there and that the Commonwealth's contribution will be sufficient to cover those costs, or alternately that the community will accept a permanent special rate variation in the order of 10% to fund the ongoing annual deficit. This will raise complexities with regard to what category(ies) of land across the Shire would attract the rate increases.

Also, there is still some uncertainty around the suitability of the land footprint for the building extensions and the impact of a sewer main that extends through the Hostel site.

RESOLUTION 2023/26

Moved: Administrator Mike Colreavy

That prior to potentially deciding to proceed with any expansion of the Bidgee Haven Hostel, that Council:

1. Is to explore with the Commonwealth Government the availability of contributions to meet the operational deficits of an expanded Hostel that complies with recently introduced legislation for Aged Care facilities, solves the cost disadvantages of remote community living for the elderly, and equips Hostel residents to meet increased personal cost to enter or remain at the Hostel.
2. Consult with the Balranald Shire community about its willingness to accept a Special Rate Variation sufficient to meet the estimated ongoing operational costs of an expanded Hostel.
3. Further clarify the suitability of the land footprint and the impact of the sewer main on the project.
4. Publicise this decision in Balranald Shire Council's monthly Newsletter.
5. Publish the Administrator's Preamble to this decision in the Minutes of this Council Meeting.

CARRIED

7.3 EXECUTIVE OF CHAIRS COMMITTEE MEETINGS HELD ON MONDAY, 9 JANUARY AND THURSDAY, 2 MARCH 2023

RESOLUTION 2023/27

Moved: Administrator Mike Colreavy

That the Minutes of the Executive of Chairs Committee meetings held on Monday, 9 January 2023 and Thursday, 2 March 2023 be received and noted.

CARRIED

GENERAL MANAGER'S REPORTS (INCORPORATING ALL STAFF REPORTS)**PART A – ITEMS REQUIRING DECISION****8 GENERAL MANAGER'S REPORTS****8.1 DONATION REQUESTS - SPORTING PARTICIPANTS****RESOLUTION 2023/28**

Moved: Administrator Mike Colreavy

That Council:

1. Approves a \$150 donation to Noah Bodinnar and Lani Jones as both of these requests comply with Donations, Financial & Assistance Policy; and
2. Decline the application request of Rachael Jones, as this does not comply with the policy.

CARRIED

8.2 CONFLICT OF INTERESTS POLICY - DEALING WITH COUNCIL RELATED DEVELOPMENT THROUGHOUT THE DEVELOPMENT PROCESS**RESOLUTION 2023/29**

Moved: Administrator Mike Colreavy

That Council:

1. Places the Draft Conflict of Interests Policy - Dealing with Council-Related Development Throughout the Development Process on public exhibition for a period of 28 days; and
2. Report the results of the public exhibition to the Ordinary Council Meeting scheduled to be held on Tuesday, 16 May 2023.

CARRIED

PART B – ITEMS FOR INFORMATION**9 GENERAL MANAGER'S REPORTS****9.1 REPORT ON FINANCIAL INFORMATION AS AT TUESDAY, 28 FEBRUARY 2023****RESOLUTION 2023/30**

Moved: Administrator Mike Colreavy

That Council receives and notes the financial information contained in this report for the period ending 28 February 2023.

CARRIED

9.2 ADMINISTRATOR, GENERAL MANAGER AND EXECUTIVE STAFF MEETINGS

RESOLUTION 2023/31

Moved: Administrator Mike Colreavy

That the report be received and noted.

CARRIED

9.3 GRANT STATUS UPDATE

RESOLUTION 2023/32

Moved: Administrator Mike Colreavy

1. That the report be received and noted.
2. That a workshop be held on Monday 17 April 2023 commencing at 11am to update the Administrator on the status of all grant projects.
3. That the Administrator be invited to inspect all significant capital grant works on completion in the company with the General Manager
4. That where appropriate official openings be held when significant capital works are completed and that publicity be given to these through the newsletter.

CARRIED

9.4 OUTSTANDING ACTIONS

RESOLUTION 2023/33

Moved: Administrator Mike Colreavy

1. That the report be received and noted.
2. That a road infrastructure inspection with the administrator on a 6 monthly basis to include the General Manager and relevant Managers.
3. That this decision remain in the outstanding action as a reminder to make it happen.
4. That the first inspection be undertaken on Monday, 15 May 2023

CARRIED

9.5 ACTIVITIES UNDERTAKEN WITHIN THE PLANNING DEPARTMENT

RESOLUTION 2023/34

Moved: Administrator Mike Colreavy

That the report be received and noted.

CARRIED

10 NOTICE OF MOTION / QUESTIONS ON NOTICE

Nil

11 CONFIDENTIAL MATTERS

Nil

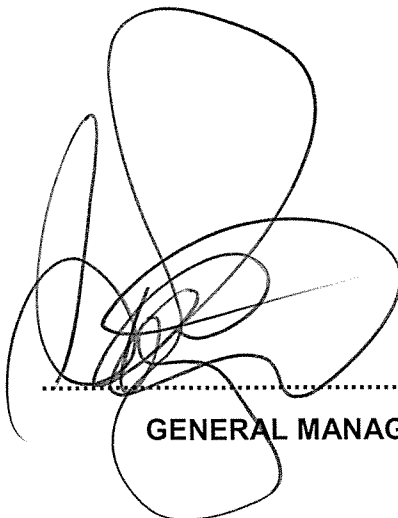
The Meeting closed at 5.45pm.

The minutes of this meeting were confirmed at the Council Meeting held on 18 April 2023.



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CHAIRPERSON



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GENERAL MANAGER

