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# 20 Local Government

## Hills a top performer

Harvey Grennan

One Sydney council, despite facing the pressures of being a major growth area, has managed to transform itself from being broke to arguably the state's best financial performer without government-mandated reform.

It is, however, an advocate of such reform. And the turnaround has been achieved with rate increases limited to the rate peg.

Twenty-four years ago the Hills Shire Council was placed under financial administration after pouring money into an entertainment centre which has now disappeared under the jackhammers of the north-west rail link.

T-Corp has rated the council as one of the strongest in NSW, a view supported by auditors Price-



Mayor Andrew Jefferies.

WaterhouseCoopers who say "they are some of the best numbers we have seen".

Those numbers reveal an improved operating surplus, a strong cash position, high liquidity and good management of assets such as roads, parks and facilities.

"We have an outstanding cash position of \$214 million, an operating surplus of \$127 million, excellent management of assets, all while remaining debt-free for more

than 10 years," says mayor Andrew Jefferies.

So how was it done?

Most important were elected councillors who stuck to a financial charter when adopting budgets.

"I have worked for eight councils in four states and cannot compliment enough the leadership of the elected council in terms of living within our means, rationalising expenditure in terms of community expectations and building reserves so we are now one of the first councils in NSW to refurbish our assets," says general manager Dave Walker.

Central to the council's recovery have been:

- ▶ A number of property developments with a percentage of profits set aside for future developments.



Swanky: The new council chambers.

▶ Councillors setting priorities at the beginning of their term.

▶ Asset renewal given priority over new capital works. Proposals for new capital works must identify lifecycle costs and funding.

▶ Borrowing only used if a continu-

ous income source services the debt.

▶ New or additional revenue sources required if service levels are to be improved, and users must pay for private benefits.