



LITHGOW CITY COUNCIL

**“A Centre of Regional Excellence”**

AGENDA

ORDINARY MEETING OF COUNCIL

TO BE HELD AT

THE ADMINISTRATION CENTRE, LITHGOW

ON

08 FEBRUARY 2010

AT 7.00pm

# AGENDA

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## **APOLOGIES**

## **PRESENT**

## **QUESTIONS FROM THE PUBLIC FORUM**

## **PRESENTATIONS**

## **CONFIRMATION OF THE MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD ON 18<sup>th</sup> January 2010**

## **DECLARATION OF INTEREST**

## **MAYORAL MINUTES - NIL**

## **NOTICE OF RESCISSIONS - Councillor M F Ticehurst - Lithgow Golf Course**

## **NOTICES OF MOTION - Councillor M F Ticehurst - Lithgow Golf Course**

## **CORRESPONDENCE AND REPORTS**

General Managers Reports  
Regional Services Reports  
Operation Services Reports  
Community and Corporate Services Reports  
Internal Services Reports

## **COMMITTEE MEETINGS**

Sports Advisory Committee  
Meadow Flat Hall Committee  
Lithgow Flash Gift Committee  
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## **BUSINESS OF GREAT URGENCY**

As identified by Clause 241 of the Local Government (General) Regulations 2005

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**NOTICE OF RESCISSION**

**ITEM:1 NOTICE OF RESCISSION - 08/02/10 - LEASE FOR THE LITHGOW GOLF CLUB LTD**

**NOTICE OF RESCISSION MOTION**

**MOTION TITLE/TOPIC:** Lease for Lithgow Golf Club Ltd.

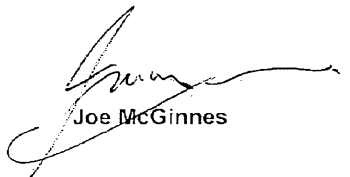
At Agenda Item 13 in the Ordinary Meeting of the Lithgow City Council on Monday 18 January 2010, the Lithgow City Council resolved the following:

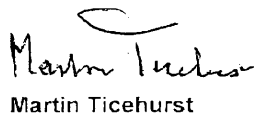
**THAT:**

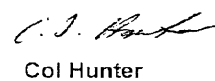
1. The Council advertise the Draft Lease to the Lithgow Golf Club, for the use of the Lithgow Golf Course and Club House, for a period of 28 days, allowing 42 days for response from the public as per Sections 47 and 47 A of the Local Government Act.
2. The lease period be for five (5) years.
3. The rent to commence at \$5,000 and be subject to annual CPI increases.
4. The Lithgow Golf Club be required to undertake a minimum of \$5,000 maintenance on the golf club house each year; or provide \$5,000 towards maintenance.
5. A service level agreement be negotiated and reviewed each year between the Council and the Lithgow Golf Club outlining minimum works to be undertaken by Council and the Lithgow Golf Club.
6. That the service level agreement includes provisions for works to be undertaken by members of the Lithgow Golf Club on a volunteer basis around the golf course and club house.

We the undersigned 3 Lithgow City Councillors lodge this formal notice for the above resolution of the Lithgow City Council to be immediately rescinded and re-submitted before the next Ordinary Meeting of the Lithgow City Council on Monday 8 February 2010 for further consideration by the Council.

This Notice of Rescission has been duly signed by 3 Lithgow City Councillors.

  
Joe McGinnes

  
Martin Ticehurst

  
Col Hunter

**Date:** 19 January 2010.

## NOTICE OF MOTION

### ITEM:2 NOTICE OF MOTION - 08/02/10 - COUNCILLOR M F TICEHURST - PUBLIC EXHIBITION OF THE DRAFT LEASE FOR LITHGOW GOLF COURSE

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#### MOTION

Public Exhibition of the Draft Lease for Lithgow Golf Course.  
Listed by Councillor Martin Ticehurst 31 January 2010

#### BACKGROUND

Further to the formal signing and lodgement of a Notice of Rescission titled 'Lease for Lithgow Golf Club Ltd.' dated 19 January 2010, this Notice of Motion, following the successful resolution of the Notice of Rescission, seeks to have the Lithgow City Council reconsider their previous Resolution 10-15 and to adopt the Recommendation as set out below.

As Council and Councillors would be aware, the Lithgow City Council currently has on Public Exhibition under the Local Government Act 1993, a Draft Public Lease for the proposed use of their multi-million-dollar asset, the Lithgow Golf Course at the historic 'Eskroy Park', Marrangaroo via Lithgow.

The Draft Public Lease provides for the future use of the 99 acres of community-owned public land and former large historic Homestead, currently leased to the ASIC listed Lithgow Golf Club Ltd. as a Licensed Liquor and Gaming Registered Golf Club, Function and Wedding Reception Centre and a commercial Golf Pro-Shop.

The Lithgow City Council, following on from last year's 8.27% special rate rise approved by the Minister for Local Government, Barbara Perry MP, proposes to (renew ) and offer the Draft Public Lease for up to another 5-years to the small restricted membership of the ASIC listed, Lithgow Golf Club Ltd.: -

1. at a cash and in-kind financial loss to all Council ratepayers of some \$2 million dollars
2. at a non-commercial rent of less than \$100 per week (\$5,000 pa)
3. at a non-commercial building maintenance fee of less than \$100 per week (\$5,000 pa)
4. without claim upon any Members or Non-Members Green Fees – direct income to the Lithgow Golf Club Ltd. of some (*currently at*) \$100,000 pa
5. with Lithgow Council providing for the ground maintenance for the 18-hole Lithgow Golf Course to Championship level at ratepayer's expense of over (*currently at*) \$250,000 pa
6. with Lithgow Council providing also for the town water and public liability insurance for the 18-hole Lithgow Golf Course at ratepayer's expense of up to (*currently at*) \$75,000 pa
7. Club Members (240) will each receive a *significant* cash and in-kind financial benefit of more than \$7,500 (*currently over \$1,500pa*)

8. without compliance of the correct legal status for 'community' or 'operational' land uses as set out under the Local Government Act
9. without compliance of State Government, Ministerial and Departmental Tendering Guidelines and ASIC
10. without conducting an open governance and transparent public tender selection process
11. restricting public access of ratepayers and residents to community-owned public land

The Council and Councillors would be aware that if there are any objections to the Draft Lease for the Lithgow Golf Course, it will require under the Local Government Act for the Minister for Local Government, Barbara Perry to sign-off on a Lease for publicly owned community land, that over the term of the lease of 5-years will give-away some \$2 million dollars of limited Council rate monies to keep a licensed liquor and gaming Registered Golf Club financially viable.

The Council and Councillors will also be aware that after last year's uproar over the Ministers approval for substantial rate rises, many of the Councils more than 10,000 ratepayers, in particular the pensioners will be asking why their Council rates have been and are to continue to subsidise the small number of members of the ASIC listed Lithgow Golf Club Ltd. by up to \$40 a year for every ratepayer.

### **RECOMMENDATION**

**THAT** the Council withdraw the Public Exhibition of the Draft Lease for the Lithgow Golf Course until such time as the matters as set out from 1. to 11. above in this Notice of Motion are examined by the Department of Local Government and reported back to the Council for the information of all ratepayers and residents.

### **GENERAL MANAGERS COMMENT**

This matter may only be dealt with if the Rescission Motion is successful.

## GENERAL MANAGERS REPORTS

### ITEM:3 GM - 08/02/10 - LITHGOW BUSINESS ASSOCIATION

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#### REFERENCE

NIL

#### SUMMARY

The Lithgow Business Association (LBA) have requested that Council waive \$2,143 in fees in relation to the 2009 Celebrate Lithgow event held on 29 November 2009.

#### COMMENTARY

The Celebrate Lithgow event is designed as a day of free entertainment to promote Lithgow in its Main Street and CBD area. The day included rides, dancers, singers, face painting, craft stalls, wood chopping in the lead up to Christmas. To assist with the holding of this event Council provided a donation of \$10,000.

A meeting was held on 19 November 2009 between representatives of the LBA and Council in relation to the then upcoming Celebrate Lithgow event. This meeting focussed on the Council donation of \$10,000 towards the running of the event and the Council fees charged for the event. These fees amounted to \$2,053 plus bonds of \$572.

The bonds required by Council were for:

- |                        |       |
|------------------------|-------|
| • Queen Elizabeth Park | \$242 |
| • Chairs and tables    | \$330 |

Both bonds were fully refunded.

The fees of \$2,053 included:

Hire Fees (GST incl) for:

- |                                     |       |
|-------------------------------------|-------|
| • Cook Street Plaza                 | \$10  |
| • Rotunda Hire Queen Elizabeth Park | \$111 |
| • Chair Hire for 25 November        | \$200 |
| • Delivery and collection of chairs | \$200 |
| • Chair hire for 29 November        | \$200 |
| • Delivery and collection of chairs | \$200 |

Sub-Total \$921

Main Street road closure (GST incl):

- |  |       |
|--|-------|
| • Road Closure Application                           | \$242 |
| • Temporary closure (incl advertising and setup etc) | \$890 |

Sub-Total \$1,132

The LBA indicated in its letter that the organisation is a not for profit one and works solely with voluntary man hours and asks that the fees of \$2,143 be waived for the 2009 event and all future Celebrate Lithgow events.

It is understood that the original donation to the LBA was to provide for both the Celebrate Lithgow event and also for the annual Business Awards. The LBA indicated during their discussions with Council that they proposed to again hold the Business Awards in 2010.

There are several major events held in Lithgow each year that Council provides major assistance to. To consider one of these events in isolation would be inappropriate in addition it would mean that the Council policy would then be no longer relevant. A review should be undertaken to ensure that the policy is retained.

It is also noted from a recent media article that the LBA provided donations of \$3,300 to three community organisations from registrations for the Celebrate Lithgow event.

### **POLICY IMPLICATIONS**

Council Policy 4.4; Financial Assistance - Section 356 of the Local Government Act - this provides that the maximum amount to be provided to an organisation is \$10,000. The fees charged go towards the expense costs to Council of including staff resources. These costs are not full cost recovery. The cost incurred by Council for staffing and other costs for the day was \$8,063. This does not include cleanup costs.

### **FINANCIAL IMPLICATIONS**

Should Council choose to waive the fees then the donation would need to be funded from Council general funds.

### **LEGAL IMPLICATIONS**

Under Section 356 of the New South Wales Local Government Act 1993 Council can provide donations to various organisations.

### **356 Can a council financially assist others?**

- (1) A council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.
- (2) A proposed recipient who acts for private gain is not ineligible to be granted financial assistance but must not receive any benefit under this section until at least 28 days' public notice of the council's proposal to pass the necessary resolution has been given.
- (3) However, public notice is not required if:
  - (a) the financial assistance is part of a specific program, and
  - (b) the program's details have been included in the council's draft operational plan for the year in which the financial assistance is proposed to be given, and
  - (c) the program's proposed budget for that year does not exceed 5 per cent of the council's proposed income from the ordinary rates levied for that year, and
  - (d) the program applies uniformly to all persons within the council's area or to a significant group of persons within the area.

- (4) Public notice is also not required if the financial assistance is part of a program of graffiti removal work.

In this instance the donation to the LBA falls under existing Council policy. If there is to be any additional donation then such donation should be advertised for 28 days under S.356.

## **ATTACHMENTS**

1. Lithgow Business Association letter dated 16 January 2010.

## **RECOMMENDATION**

### **THAT:**

1. Publicly advertise its intention to provide a donation under S.356 of the Local Government Act to the Lithgow Business Association \$900;and
2. During annual management plan process review Policy 4.4 'Financial Assistance - Section 356 of the Local Government Act' in relation to donations to various groups.

**ITEM:4 GM - 08/02/10 - LITHGOW AQUATIC CENTRE**

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**REFERENCE**

Min No 04-870	Ordinary Meeting of Council 25 <sup>th</sup> October 2004
Min No P08-07	Policy and Strategy Committee Meeting of Council 4 <sup>th</sup> February 2008
Min No O08-239	Ordinary Meeting of Council 15 <sup>th</sup> December 2008
Min No 09-108	Ordinary Meeting of Council 9 <sup>th</sup> March 2009
Min No 09-196	Ordinary Meeting of Council 11 <sup>th</sup> May 2009
Min No 09-270	Ordinary Meeting of Council 22 <sup>nd</sup> June 2009
Min No 09-292	Ordinary Meeting of Council 13 <sup>th</sup> July 2009
Min No 09-536	Ordinary Meeting of Council 14 <sup>th</sup> December 2009
Min No 10-23	Ordinary Meeting of Council 18 <sup>th</sup> January 2010

**SUMMARY**

Council has submitted an application under the Federal Government's funding under the Regional and Local Community Infrastructure Program (RLCIP) Round 2. Funding applications under this program closed on 15 January 2010.

**COMMENTARY**

As Council would be aware a number of options have been considered for the development of an aquatic centre in Lithgow. Council has previously considered arrangements for the development of such a facility such as:

- The development indoor swimming complex;
- A partnership arrangement with the PCYC; and
- A Public Private Partnership

After further deliberations Council's Aquatic Centre Committee has submitted a funding application in line with the Council resolution 09-536 for a staged development of an aquatic centre on the existing site.

The Council resolution 09-536 is:

THAT Council:

1. Authorise the General Manager, in conjunction with the Lithgow Aquatic Centre Committee, to prepare a funding application under the Regional and Local Community Infrastructure Program (RLCIP) on Council's behalf for the development/improvement of public swimming facilities in Lithgow;
2. Provide funding towards the proposed application totalling a **MAXIMUM** of \$750,000 (\$250,000 from Council reserves and up to \$500,000 in loan funds) plus any grant funds that may be available to the project;
3. Contact the Federal Department of Health and Ageing to seek a variation of the existing grant funding of \$700,000 to accommodate this application; and
4. Seek to retain the full \$700,000 in grant funding

**Regional Local Community Infrastructure Program (RLCIP) – Strategic Projects, Round 2; 2009-10 \$120 million**

Under this new round of funding the Prime Minister announced that additional funding of \$220 million for the Community Infrastructure Program would be made available in 2009-10.

This funding has been made available to assist councils to build and modernise community facilities, including town halls, libraries, community centers, sports grounds and environmental infrastructure. The program is intended to support local jobs during the global economic recession and provide long-term benefits to communities by renewing and upgrading local infrastructure.

Funding under the Strategic Projects R2 has been made available to councils on a competitive basis for limited number of larger scale strategic projects and all projects must comply with the new round's Guidelines.

Under the \$120 million RLCIP-SP R2, funding has been made available for a limited number of large strategic projects seeking a minimum Commonwealth contribution of \$1 million. Preference is to be given to projects that can demonstrate community benefit and councils who have completed their \$250 million RLCIP projects. Partnership funding is required and preference may be given to projects with greater co-contributions.

Advice was that applications would have a greater chance of success if they can quantify or otherwise demonstrate what the project will achieve, what the ongoing community benefits will be and how the project will be sustainable. Councils were encouraged to identify projects that address the needs of the local Indigenous population. Councils were also encouraged to consider environmental sustainability when preparing project proposals, and how their RLCIP activities will promote green building technologies, design practices and operations.

The proponent (Council) must commence construction within six months of the Funding Agreement (contract) being signed by the recipient and the Commonwealth. Commence Construction means to begin a continuous program of on-site construction. Only significant and continuous site preparation work such as major clearing or excavation or placement, assembly, or installation of facilities or equipment at the site is considered to constitute a program of on-site construction.

All RLCIP-SP funds should be expended by 30 June 2011.

Project proposals are to be assessed by the Department against the program Guidelines and it is expected that successful projects will be announced during the first quarter of 2010.

**Funding Application**

Based on the above resolution an application for funding has been submitted to the Federal Government for building of the \$2.6M first stage of a Lithgow Aquatic Centre. The application is seeking grant funding of \$1.5M. The proposed works make provision for:

- Relocation and reconstruction of the amenities
- Construction of a new 25 metre multi function pool
- Splash Park with soft fall area
- New store and plant rooms
- Ancillary facilities

It was hoped that a new entry and carpark could also be provided on the concourse area however it was felt that this would extend the project to far and possibly make the funding requirements too great. These improvements would be considered in future stages when funds become available.

In considering the various options for this proposal the Committee had regard to a number of different options including:

- Public Private Partnerships (PPP)
- Alternative sites, including Wallerawang

In the process of considering these options the Committee had concerns for the detrimental effect that a new facility may have on the future of an Olympic sized 50 metre swimming pool facility. The Committee also felt that Council should maintain the integrity of the sporting precinct that currently exists in the Tony Luchetti precinct area.

In the case of the PPP there was not significant interest shown in the proposal from various groups. In considering a site at Wallerawang for use of hot water from the power station there was the additional concern for the effect of any future Emissions Trading Scheme (ETS) on the future of the power station.

## **POLICY IMPLICATIONS**

NIL

## **FINANCIAL IMPLICATIONS**

The proposal proposes the following funding requirements:

RLCIP	\$1,500,000
Department of Health and Ageing	\$700,000
Council (Reserves and loan funds)	\$400,000
Total Project	\$2,600,000

## **LEGAL IMPLICATIONS**

NIL

## **ATTACHMENTS**

1. Cost Estimates Stage 1
2. Stage 1 Master Plan (Note: Stage 1 does not include the kiosk, café areas and carpark)
3. Stage 2 Master Plan

**RECOMMENDATION**

**THAT** Council endorse the application for Regional and Local Community Infrastructure Program (RLCIP) Round 2 funding for the development of the Lithgow Aquatic Centre.

## REGIONAL SERVICES REPORTS

### ITEM:5            REG - 08/02/10 - MAJOR PROJECT - RECYCLED EFFLUENT TO LITHGOW GOLF COURSE

**REPORT BY: GROUP MANAGER REGIONAL SERVICES - ANDREW MUIR**

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#### REFERENCE

Nil

#### SUMMARY

To update Council on the project to provide recycled effluent to Lithgow Golf course and recommend a course of action.

#### COMMENTARY

Council has received an Australian Government commitment to provide funding of up to \$350,000 for the Lithgow Golf Club Recycled Water Project under the *Water for the Future – National Water Security Plan for Cities and Towns* and a further \$50,000 from the Australian Government *Community Water Grants Program (CWG)* to transfer treated effluent from the Lithgow Sewage Treatment Plant to the Lithgow Golf Course to be used for irrigation purposes on the course. This funding will only go part of the way to complete the project.

Council's initial proposal was to undertake the project in stages to allow the project to be undertaken over more than one financial year, with the largest component of the project involving the golf course irrigation and environmental assessment. However, after consultation with NSW Office of Water it was found that an approval under the 60 of the Local Government Act 1993 was required for the project as a whole from the source of reclaimed water to the point of irrigation and could not be a staged assessment on the individual components of the project as first proposed. Furthermore, the funding authority, DEWHA, have insisted that the project must be undertaken as a whole and all components of the overall project fully funded. This has a significant impact on the project as the additional funding to complete the entirety of the project is substantial.

Council has prepared a Project Management Plan for the Lithgow Golf Club Recycled Water Project to satisfy the requirements of Department of Environment, Water, Heritage and the Arts (DEWHA), *Water for the Future* program. Prior to entering into a funding agreement, DEWHA require the adoption of the Project Plan and assurance that Council will commit the required funds to complete the project by 30 June 2012

The project has 3 separate components that combine to form the Effluent Reuse project, each with funding commitments from different sources and differing construction times. The 3 components of the project include the Augmentation of the Lithgow Sewage Treatment Plant (STP), the construction of the Delivery Pipeline from the STP to the Lithgow Golf Course and the completed installation of Irrigation Equipment at the Lithgow Golf Course.

### **Augmentation of Lithgow Sewage Treatment Plant**

Construction has commenced on the Augmentation of the Lithgow Sewage Treatment Plant. As part of the augmentation LCC has incorporated the necessary infrastructure of both on-site (STP site) and off-site effluent reuse. Through the design stages of the augmentation consideration was given to the Golf Course Effluent Reuse project and therefore the necessary infrastructure was sized to accommodate the pumping of recycled water to the Golf Course.

The following infrastructure is to be installed;

- Reclaimed water storage tank (22.5 kl)
- 2 pumps capable of delivering 10 L/s @ 60m
- 100 mm DICL PN35 rising main to the boundary of the STP

Under the contract for the augmentation, the construction period is 64 weeks which includes the commissioning of the new plant. The augmentation will ensure that the effluent is of a quality that ensures its use by irrigation. Until the plant is constructed and operational the effluent reuse cannot come on line, although it is anticipated that all necessary infrastructure will be in place prior to the completion of the STP.

The Construction of the recycled water infrastructure at the STP has a current estimated capital cost of \$194,909. This portion of the works has been incorporated into the overall Augmentation and is funded through the *Country Towns Water and Sewerage Scheme* at a rate of 39%.

### **Construction of Delivery Pipeline**

This pipeline will be used to convey treated effluent from the STP site to the Golf Course. Preliminary investigations show an existing easement for “water supply” in the vicinity of the proposed pipeline route, further clarification is required on the possible easement use. There is also an existing sewer rising main that runs in close proximity to the water easement, however an easement is not shown on any plans within Council and would require further clarification with Department of Lands. The proposed route is shown in Attachment 1.

The construction of the Delivery Pipeline has a current estimated capital cost of \$381,865

The construction of the delivery pipeline is to be part funded from the funds committed by the Australian Government under the *Water for the Future – National Water Security Plan for Cities and Towns* funding program. The Australian Government has committed \$350,000 to Lithgow Golf Club Recycled Water Project.

### **Irrigation of the Golf Course**

A design of the irrigation system was undertaken by Mid – West Irrigation in 2005 and has been installed gradually over the last 4 years. A new ring main around the perimeter of the golf course has been constructed and the infrastructure for the watering of one fairway has been completed.

To complete the irrigation network the following infrastructure is required to be installed;

- Central Computer with Toro Site Pro Irrigation program
- Toro LTC Plus, 32 and 24 station electric Satellites
- Communications wiring to solenoid valves
- Irrigation pipework including sprinklers, solenoid valves etc as per design

The commitment of \$50,000 from *Community Water Grants* is to be used for the installation of an Irrigation Controller and associated equipment, which is to be installed on the Golf Course to give additional automation and control of the irrigation system and therefore provide a more efficient and effective watering regime. This funding is a 'dollar for dollar' funding arrangement with Council having to commit a matching \$50,000 to the project, for a combined total of \$100,000. This funding is currently under threat and may be extinguished if Council cannot meet the requirements of the funding program.

If Council can maintain the funds it will move quickly toward the installation of the required equipment to ensure this funding commitment is not removed. This makes it hard to accurately assess timetables for the completion of works. Because the funding commitment and LCC contribution doesn't cover the total estimated capital cost for the irrigation equipment, the project is expected to run over consecutive financial years.

The current estimated capital cost for the purchase and installation of the irrigation equipment is \$243,530.

Also required to complete the project is the requirement of a "water storage" for the recycled water on site at the golf course. This can be achieved by using the existing dams or the construction of a reservoir, this will be further assessed within the Environmental Assessment and HACCP process to define the specific requirements. An estimated capital cost/allowance of \$400,000 has been provided for this portion of the works, but will require further refinement based on outcomes of the Environmental Assessment and HACCP.

### **POLICY IMPLICATIONS**

Council will be required to adopt the Recycled Water Management Plan as a policy prior to seeking Section 60 approval under the *Local Government Act 1993*.

### **FINANCIAL IMPLICATIONS**

The final Project Plan has been prepared for the overall project. For the project to be completed on time and to ensure funding is made available through DEWHA, Council would need to allocate an addition \$50,000 into the current budget to engage consultants to undertake the Recycled Water Management Plan.

Council will then need to commit the following funds from the Sewer Fund as shown in the table below;

<b>Inclusion into Capital Works Budget Over Recurrent Years</b>			
Financial Years	2009/2010	2010/2011	2011/12
Commitment	\$50,000	\$238,657.84*	\$429,814.69*

\* = includes contingency

The above figures are derived from the following table;

Funding	Fin Yr 2009-10	Fin Yr 2010-11	Fin Yr 2011-12	<b>Total</b>
Construction of Effluent Storage		\$200,000	\$200,000.00	\$400,000.00
Installation of Irrigation Equipment	\$100,000		\$143,530.00	\$243,530.00
Construction of Pipeline from STP to Golf Course			\$381,865.00	\$381,865.00
Construction of Reclaimed Water Infrastructure at the STP		Separately funded & budgeted		Separately funded & budgeted
Sub Total Direct Costs	\$100,000.00	\$200,000	\$725,395.00	\$1,025,395
3% Allowance for cost escalation on direct costs		\$6,000	\$21,761.85	\$27,761.85
Total Cost by Financial Year(including escalation)		\$206,000	\$747,156.85	\$1,053,156.85
Revenue from Funding	-\$50,000		-\$350,000	-\$400,000
Total by Financial year	\$100,000	\$206,000	\$397,156.85	\$653,156.85
			Sub Total	\$653,156.85
			10% Contingency	\$65,315.68
			<b>Total</b>	<b>\$718,472.53</b>

A pricing structure will need to be formulated prior to the completion of the project to part recover construction cost and the ongoing operation and maintenance of the system. That is, whilst there will be savings to Council's load based licence (roughly estimated between \$30,000 - \$50,000 per annum) for the Sewerage Treatment Plant that partly justify the project there will also be costs associated with accessing and delivering recycled effluent to the golf course.

It would be proposed to enter into discussions with the Lithgow Golf Club to negotiate an affordable but realistic pricing structure to part recover construction costs and costs of operating the system.

### **LEGAL IMPLICATIONS**

Council will be required to seek Section 60 approval under the *Local Government Act 1993*

### **CONCLUSION**

Final project planning for the overall project has indicated a significant shortfall for the entire project. The option to stage the project out over a number of years appears as though it will not gain the approval of the funding authority. At officer level DEWHA are requiring Council to commit the remaining funds or may recommend to the Minister that the \$350,000 commitment be withdrawn. DEWHA's position is very arbitrary and the Federal Member has been requested to make representations to see if this approach may be softened. Under the circumstances every effort should be made to preserve the funding and allow time to pursue other funding sources prior to the adoption of the 2010/2011 budget.

### **ATTACHMENTS**

1. Proposed Pipeline Route Plan

### **RECOMMENDATION**

#### **THAT**

1. Council adopt the Project Management Plan for the Lithgow Golf Course Recycled Water Project.
2. That the following amounts be included for consideration into Council's 2010/2011 – 2012/2013 Management Plan and respective draft budgets

Financial Year 2010/11 - \$238,657.84

Financial Year 2011/12 - \$429,814.69

3. Council reallocate \$50,000 from Sewer Fund at the March Quarterly review toward the project with equivalent savings to be found in other projects.
4. Additional funding sources be investigated for the project prior to final adoption of the 2010/2011 budget.
5. The Federal Member for Macquarie be requested to make representations to the relevant Minister to preserve all current project funds and seek assistance in identifying additional funding to reduce the proposed Council contribution.
6. Discussions be held with Lithgow Golf Club in relation to a pricing structure for access and delivery of recycled effluent to the Lithgow Golf Course.

**ITEM:6 REG - 08/02/10 - DROUGHT MANAGEMENT**

**REPORT BY: GROUP MANAGER REGIONAL SERVICES - ANDREW MUIR**

**REFERENCE**

Min No: 10-05: Ordinary Meeting of 18 January 2010

**SUMMARY**

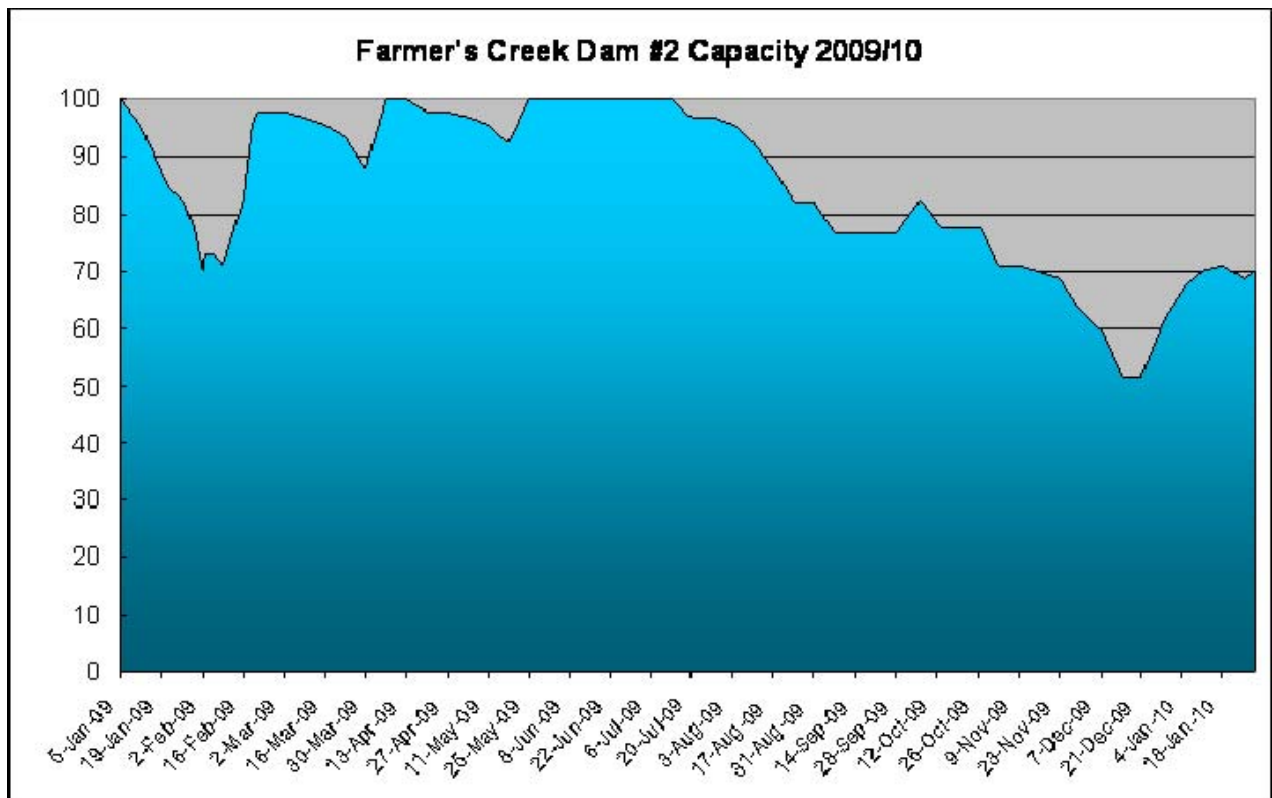
This report provides an update on various drought management issues as per Min No 10-03.

**COMMENTARY**

In relation to drought management issues the following information is provided.

**CURRENT DAM LEVELS FOR BOTH FARMERS CREEK AND OBERON**

As at 29 January 2010 Farmers Creek Dam was at 69.9% and as at 28 January 2010 Oberon Dam was at 9.93%. The graph below (Figure 1) indicates 12 months data on levels for Farmers Creek dam.



**CURRENT WATER USAGE FROM EACH SUPPLY**

Table 1 below indicates total output from the Oakey Park Water Treatment Plant (consumption) and the volume transferred from the Clarence Transfer system for January up to the 25<sup>th</sup>. Colliery Engineers are working on the problem in relation to consistent volumes being available for the transfer system at the moment and it is hoped an update will be available for the meeting.

<b>JANUARY</b>		<b>OPWTP OUTPUT VOLUME (KL)</b>	<b>CLARENCE TRANSFER VOLUME(KL)</b>
<b>2010</b>			
<b>Total as at 25/1/10</b>		86530	72017

Table 1 – Oakey Park Output and Clarence Transfer

Table 2 below indicates consumption from customers of the Fish River Water Supply from 1 July 2009 to date. It also provides the Maximum Annual Quantity (MAQ) of each customer and their annual consumption since 2004/05. This shows a general trend of each customer in reducing their consumption. It should be noted that whilst the Sydney Catchment Authority has made a major contribution in drought management terms by not utilising any of its allocation for some time, it is likely, due to decreasing levels in Blue Mountains supplies that it will need to take 3.5ML per day in the near future.

**Fish River Water Supply Consumption**

<b>2009/10</b>	Water Consumption (ML)					Total
	Delta Electricity	Lithgow Council	Sydney Catchment Authority	Oberon Council	Minor Consumers	
Jul	179	36	0	44	20	278
Aug	328	48	0	58	20	454
Sep	266	45	0	47	20	378
Oct	370	55	0	59	20	504
Nov	356	49	0	50	20	475
Dec	193	61	0	42	20	316
Jan						0
Feb						0
Mar						0
Apr						0
May						0
Jun						0
<b>Total</b>	<b>1,691</b>	<b>367</b>	<b>-</b>	<b>300</b>	<b>240</b>	<b>2,599</b>
2004/05	4,960	735	1,878	677	162	8,412
2005/06	6,367	959	2,098	725	228	10,378
2006/07	6,590	795	3,115	749	218	11,468
2007/08	4,367	747	1,077	601	150	6,942
2008/09	3,356	699	208	583	240	5,086
<b>MAQ</b>	<b>8,184</b>	<b>2,092</b>	<b>3,650</b>	<b>750</b>	<b>200</b>	<b>14,876</b>

Table 2 - Fish River Water Supply Consumption from 1 July 2009 to date

### **CURRENT WATER RESTRICTIONS UPDATE**

Level 4a restrictions for consumers from the Farmers Creek Supply have been in place since resolved by Council at its meeting of 18 January 2010. The Marrangaroo area was switched back to the Farmers Creek Supply on 25 January 2010 which allowed this area to also move to Level 4a. This area is believed to consume on average approximately 400 kL per day and whilst in the context of Oberon Dam is very minor, it is a reasonable contribution provided it does not adversely impact on the much smaller Farmers Creek Dam. Therefore, this situation requires constant monitoring, and if the Farmers Creek Dam starts to reduce significantly, it may need to be switched back to Fish River supply.

On 28 January 2010 Oberon Dam was at 9.93% and under the Drought Management Plan water restrictions in relation to customer allocation are now at 6%. This restricts customer allocations, for example Lithgow Council's allocation is reduced by 65% which reduces its normal 2092 ML MAQ to 732 ML. Given Council's 2008/2009 consumption and current trends, consumption below 732ML appears achievable.

However, notwithstanding allocation restrictions, it will be up to Council as to whether it wishes to impose Level 6 restrictions on consumers off the Fish River Supply. For consumers of water sourced from the Fish River Water Supply, Council has generally equated its restrictions on consumption to the Fish River Water Supply drought management strategy. If Council continued this trend then Level 6 restrictions would be imposed on consumers off that supply, eg Portland, Wallerawang, Cullen Bullen and Glen Davis. A copy of the current water restriction table is attached for Councillors information, but the main difference for residential consumers on Level 6 is that garden watering could only be undertaken with reused water, bore water only or tank water only.

### **WATER SAVING SCHEMES OR PROCESSES UPDATE**

Council's Rainwater Tank and Domestic Appliance Rebate program provides the following rebates for residential premises:

#### **Rainwater Tank - Option 1**

- Minimum 5000 litre tank – connected to Garden Tap only - **\$200**

#### **Rainwater Tank - Option 2**

- Minimum 5000 litre tank – connected to Garden Tap & Toilet and Washing Machine - **\$800**

#### **Household Appliances – Washing Machines and Dishwashers**

- For water efficient Household appliances such as Dishwasher or Washing machine that have a four star WELS rating or AAAAA rating a rebate of **\$150/appliance/Household**.

In January 2010 Council has received 17 applications for household appliance rebates and 3 applications for water tank rebates.

## **ALTERNATE WATER SOURCES UPDATE**

### **Middle River Weirs**

Middle River has lower and upper dams which are not in use. They were previously used as supplementary water supply which was discontinued approximately 20 years ago. Each dam/weir is believed to have a 1 megalitre capacity. An inspection was carried out in January to observe the current condition of the dam, associated infrastructure and the degree of siltation within the dam.

Whilst the upper dam has not been inspected as yet it is understood to be in similar condition. Due to the capacity, siltation and need for treatment this alternative is not proposed for detailed investigation at this stage.

### **Re-commissioning of Farmers Creek Dam No 1**

The Dam was built in 1896 as a water supply dam to serve the town of Lithgow. It is located on Farmers Creek approximately 5km north-east of Lithgow and is 0.5km downstream of the Lithgow No. 2 Dam (current drinking water supply). It is a concrete arch dam with a free overfall spillway, having a height of 12m, a crest length of 53m and capacity of 77ML. The Dam is currently used as a flood retarding structure and is kept in an empty state.

Expressions of interest have been sought from specialist consult ands to provide a report on Farmers Creek No 1 dam in accordance with the following terms of reference:

- Whether or not the Dam can be recommissioned to provide additional drinking water to the Lithgow reticulation system.
- Identifying the issues, process (studies, approvals, licences etc), works and indicative associated costs if it is feasible to recommission the Dam.
- What are the advantages and disadvantages of recommissioning the Dam? This should include as a minimum:
  - What impacts the recommissioning will have on the Dam Safety Plans as this Dam is currently being utilised as a flood retarding structure.
  - What benefits (if any) would the recommissioning the dam have on Council's ability to operate the water reticulation network in Lithgow and villages by back feeding through the Fish River Water Supply reticulation network.
  - What benefits (if any) the recommissioning of the dam would have as an additional water storage following the augmentation of the Clarence Transfer System.
  - What benefits (if any) the recommissioning of the dam would have in terms of drought management.

A number of expressions of interest have now been received. This will now proceed to a site inspection and submission of quotations.

**Springvale/Angus Place Colliery**

Preliminary investigations indicate that all water from this system is currently fully committed to Delta Electricity. It has also been ascertained that the water is of poor quality and if it could be made available would require treatment by via a Reverse Osmosis plant. Current estimates for such a plant are \$1,000,000 per megalitre capacity of the plant. For example, a plant capable of treating 2 megalitres of water per day would have a capital cost of \$2,000,000. Transfer of the water, eg pipelines would be additional. This alternative appears not to warrant further detailed investigation at this stage.

**Old Collieries**

Research has been undertaken in relation to old collieries with details as follows.

<b>Mine</b>	<b>Comments</b>
Kerosene Vale Colliery	Currently abandoned. A pump test has shown that 2.2 ML/day pump rate did not affect the water level.
Oakey Park/State Mines	1983 tests showed pumping rates of 8.4 ML/day from both mines (which are hydraulic connected) was not sustainable.
Blue Mountains/Hartley Vale	Estimated 0.2-0.3 ML/day may be available. Water has not been pumped for some years due to decrease in water make.
Ivanhoe Colliery	Water is discharged into Coxs River at an unknown rate only during high rainfall.

Of these, the most likely for further investigation due to its location, is the Oakey Park/State mines. It is proposed to locate the former borehole and arrange testing of the water. At the time of writing this report this had not occurred.

**CLARENCE TRANSFER SYSTEM UPDATE**

The final project plan has been submitted to the Commonwealth Department of Environment, Water, Heritage and the Arts. Once the Department approves the project plan Council can then enter into the final funding agreement. The Department has recently sought further information which is being compiled by Council’s Project Engineer.

**ANY OTHER MATTER RELATING TO THE ISSUE THAT SHOULD BE REPORTED TO COUNCIL**

The investigation into pressure problems associated with trials of the Farmers Creek water to villages project has narrowed down the problem to the existing pipeline in the vicinity of the Cook Street High Level Reservoir. Sections of the pipeline have been exposed to further narrow down the problem with monitoring equipment. However, it appears sensible to construct a duplicate main and this is currently being costed. Council has a total of \$400,000 in drought relief funding available.

The recent issues with the Farmers Creek supply during periods of peak demand and low inflows have confirmed that this option will only be effective outside those periods until the Clarence Transfer system is upgraded. However, prior to augmentation, successful completion of the drought relief project should still make a very valuable saving to Oberon dam consumption during the cooler months.

Of other issues, State Water is investigating whether the current required environmental flow from Duckmaloi weir may be reduced and make more water available. This requires investigation by a qualified ecologist. State water is also investigating pumping water from the weir back to the Duckmaloi Treatment Plant for treatment. This could provide additional water during cooler periods when the weir is spilling.

**THAT ALL ITEMS ABOVE BE REPORTED BACK TO THE MEDIA SO THAT LOCAL RESIDENTS ARE AWARE OF THE SITUATION**

A press release will be issued following Council's consideration of this report.

**POLICY IMPLICATIONS**

12.2 WATER RESTRICTIONS - This Policy determines Council's response to non-compliance with water restrictions.

**FINANCIAL IMPLICATIONS**

Council maintains access to the \$400,000 drought relief funds to provide Farmers Creek Water to Villages.

**LEGAL IMPLICATIONS**

No specific legal issues arise as a result of this report.

**ATTACHMENTS**

1. Water restriction table.

**RECOMMENDATION**

**THAT**

1. The information in relation to drought management issues be noted.
2. Council not impose Level 6 water restrictions on consumers off the Fish River Water Supply at this stage.

## **OPERATION SERVICES REPORTS**

**ITEM:7            OPER - 08/02/10 - TRANSFER OF CROWN ROAD TO COUNCIL - GLENROCK PLACE**

**REPORT FROM: IAIN STEWART, ACTING GROUP MANAGER OPERATIONS**

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### **REFERENCE**

NIL

### **SUMMARY**

This report relates to correspondence received from the land and Property Management Authority in relation to the Transfer of Crown Road to Council - Glenrock Place.

### **COMMENTARY**

Council is in receipt of correspondence from the Land and Property Management Authority in relation to Council application, where Council requested the transfer of the Crown public roads in the Parish of Hartley, County of Cook known as Glenrock Place.

Attached for the information of Council is a copy of the Gazette notice which appeared in the Government gazette on 22<sup>nd</sup> January 2010, Folio 320 (including a diagram of the road transferred).

### **POLICY IMPLICATIONS**

NIL

### **FINANCIAL IMPLICATIONS**

NIL

### **LEGAL IMPLICATIONS**

NIL

### **ATTACHMENTS**

1. Gazette Notice of 22<sup>nd</sup> January 2010.

### **RECOMMENDATION**

**THAT** Council note the report on the transfer of Crown Road to Council - Glenrock Place.

**ITEM:8 OPER - 08/02/10 - ROAD CLASSIFICATION REVIEW**

**REPORT FROM: IAIN STEWART, ACTING GROUP MANAGER OPERATIONS**

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**REFERENCE**

NIL

**SUMMARY**

This report relates to correspondence received from the Honourable David Campbell, Minister for Transport and Roads in relation to the Road Classification Review.

**COMMENTARY**

Council is in receipt of correspondence from the Honourable David Campbell, Minister for Transport and Road in relation to the Road Classification Review and in particular the concerns of the reclassification of Diamond Swamp Road and Range Road.

The Minister is appreciative of the Councils concern at the reclassification of these roads from regional to local road status. However, the Government has a responsibility to ensure that available road funds are distributed fairly to the roads of greatest significance to regional communities, irrespective of council boundaries.

As Council would be aware, an Independent Panel carried out the review based on the functional importance and usage of each road. The panel consulted widely with Councils and the Roads and Traffic Authority (RTA). The Minister was advised that when the review was initiated the panel met with Councils around NSW and with the Local Government and Shires Associations. It was widely accepted that there would be reclassifications across the state and that the impacts could fall unevenly across Councils.

The Minister went on to say that the panel issued an interim report during the review process which identified the roads for possible declassification. The panel invited Councils with concerns to seek one-on-one meetings with the panel to further discuss these proposals. The Minister has been advised that Lithgow City Council did not seek a meeting with the panel.

The Minister appreciates the view that the roads in question are important community roads for school buses and local access for rural activities. However, the panel had the difficult task of considering road functions from a wider regional and state perspective to assess their relative importance.

The Minister has also been advised that Lithgow Council will have the opportunity to put the roads forward for reclassification in the next state-wide review, which can be expected to be initiated within the next five years.

The Government recognised that some Councils would be impacted by the review and that's why the Government is providing \$10.5million over three years to lessen these impacts. This extra transitional funding will provide for a three year safety net arrangement. The Minister believes that Lithgow Council will benefit from this safety net funding.

Furthermore, after three years, extra funds of \$3.5million will be added permanently to the regional road funding pool for distribution by the Block Grant formula. All Councils, including Lithgow once again, will benefit from this.

The Minister reminds Council that it can spend a preparation of its Annual Block Grant on declassified roads over the next three years. Also the reclassifications are likely to impact on the NSW Grants commission calculations, which may result in some increase in Federal Grants. This will be a further modest but helpful offset for the council.

**POLICY IMPLICATIONS**

NIL

**FINANCIAL IMPLICATIONS**

NIL

**LEGAL IMPLICATIONS**

NIL

**ATTACHMENTS**

NIL

**RECOMMENDATION**

**THAT** Council continue to make representations through the State Local Member, Gerard Martin, in relation to the most recent reclassification of regional roads and also for Glen Davis and Glen Alice roads.

## COMMUNITY AND CORPORATE SERVICES REPORTS

ITEM:9            COMM - 8/02/2010 - DRAFT ABORIGINAL CONSULTATION POLICY

REPORT FROM: MANAGER COMMUNITY AND CULTURE – MATTHEW JOHNSON

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### REFERENCE

NIL

### SUMMARY

The draft Aboriginal Consultation Policy has been developed following discussions with Mingaan Aboriginal Corporation in late 2008 at which Council was asked to develop such a policy.

The draft policy has been developed with reference to policies from other Councils and The Department of Environment, Climate Change and Water's *NSW Aboriginal Cultural Heritage Draft Community Consultation Requirements for Proponents May 2009*.

### COMMENTARY

This consultation policy will be used in relation to Council planning and decision-making around matters that have the potential to impact on Aboriginal people as defined by Part 6 of the *National Parks and Wildlife Act 1974* (NPW Act) which is the primary legislation regulating the protection of Aboriginal heritage.

This will include strategic land use planning, development applications being determined by Council and the development of Plans of Management for community lands.

The policy will also be applied in relation to Council plans, including the development of Social and Cultural Plans, and decision-making where Council considers that the matter has special significance or relevance to the Aboriginal community.

Council will consult with a range of organisations as detailed in the policy.

### POLICY IMPLICATIONS

This Aboriginal Consultation Policy is a new policy for Council.

### FINANCIAL IMPLICATIONS

Reimbursement of costs incurred by Aboriginal people in the consultation process.

### LEGAL IMPLICATIONS

Local Government Act NSW 1993  
National Parks and Wildlife Act 1974

### ATTACHMENTS

1. Draft Aboriginal Consultation Policy

## RECOMMENDATION

### THAT:

1. Council endorse the attached Draft Aboriginal Consultation Policy and place it on public exhibition for a period of 28 days.
2. Following public exhibition, comments from the public be reported to the Council, including a recommendation for adoption of the policy.

## ITEM:10            COMM - 08/02/2010 - DRAFT COMPANION ANIMALS POLICY

### REPORT FROM: MANAGER COMMUNITY AND CULTURE – MATTHEW JOHNSON

## REFERENCE

Min 10-14 of the Ordinary Meeting of Council held on 18 January 2010.

## SUMMARY

The draft Companion Animals Policy was presented to Council for adoption at the Ordinary Meeting held on 18 January 2010. Council resolved at that meeting (Min 10-14) as follows:

*THAT Council defer the (Draft Companion Animals) policy until there is clarification on the breeding of animals in residential areas.*

Clarification is provided below in relation to the breeding of animals in residential areas.

The draft Companion Animals Policy has been developed in response to the findings of a Promoting Better Practice Review undertaken by the Department of Local Government in 2007. The draft Companion Animals Policy, the first for Lithgow City Council, has been developed in accordance with the Companion Animals Act 1998 (NSW).

## COMMENTARY

The objectives of the draft policy are to:

- Manage companion animals in partnership with the community and in accordance with the Companion Animals Act 1998 (NSW).
- Ensure a balanced approach to the effective management of domestic pets recognising the benefits, including improved health and quality of life, as well as the responsibilities of pet ownership.
- Use community education and behavioural change in preference to enforcement.
- Enforce the Companion Animals Act 1998 when necessary.
- Encourage microchipping, registration, picking up of litter and community safety.

- Take proactive measures to ensure that owners of Restricted Breeds and Dangerous Dogs comply with all relevant provisions of the Companion Animals Act and to strictly enforce sanctions when owners of Restricted Breeds and Dangerous Dogs allow dogs to enter prohibited areas such as playgrounds and childcare facilities or cause repeated damage to private property.
- Identify and promote suitable and sufficient off-leash parks and open space areas for dog exercise.
- Install and maintain clear signage and convenient dog-tidy stations in off-leash areas.
- Reduce the number of lost and wandering cats and dogs.
- Educate non-pet owners and children on animal behaviour and how to interact with other people's pets.

The draft policy will provide a policy framework for Council staff to consistently administer the provisions of the Companion Animals Act for the benefit of companion animals, their owners and the general public.

### **Breeding of Animals in Residential Areas**

The Companion Animals Act and Local Government Act do not provide powers to Council to directly restrict the operation of animal breeders nor to directly limit the number of animals per property.

Under Council's LEP 1994, Animal Boarding and Training Establishments are prohibited in the Residential 2A Zone (Lithgow Urban Area), 2V Zone (Wallerawang and Portland Urban Areas) and IC Zone (small rural holdings). Animal Boarding and Training Establishments are permitted with consent in non-urban rural areas zoned 1A.

The draft Companion Animals Policy (Section 2.11) however seeks, under the Local Government Act, to restrict the operation of animal breeders in residential areas by limiting to three, the number of animals that can be kept over the age of 6 months of age when it is considered that the animals are impacting on residential amenity eg continual barking, odour issues and poor management of animal wastes. This requirement makes it practically difficult for animal breeders to operate while still allowing companion animals owned by the general community to have the occasional litter. The draft policy further states that where there are continuing impacts on residential amenity from companion animals on a particular premise, Council will enforce a further reduction in the number of adult and juvenile companion animals.

The Draft Companion Animals Policy (Section 2.11) also states that consent is required to establish kennels, catteries, breeding facilities or facilities for animal welfare agencies outside of residential or urban areas.

The Draft Companion Animals Policy presented to Council on 18 January 2010 has been amended to state that "In considering development applications for kennels, catteries etc, Council will give consideration to the "Animal Welfare Code of Practice – Breeding Dogs and Cats" produced by Industry & Investment NSW (formerly the NSW Department of Primary Industry).

### **POLICY IMPLICATIONS**

This Companion Animals Policy is a new policy for Council.

**FINANCIAL IMPLICATIONS**

NIL

**LEGAL IMPLICATIONS**

Local Government Act NSW 1993

**ATTACHMENTS**

1. Draft Companion Animals Policy

**RECOMMENDATION**

**THAT:**

1. Council adopt the attached Draft Companion Animals Policy and place it on public exhibition for a period of 28 days.
2. Following public exhibition, comments from the public be reported to the Council, including a recommendation for adoption of the policy.

## INTERNAL SERVICE REPORTS

**ITEM:11           INTS - 08/02/10 - NSW LOCAL INFRASTRUCTURE FUND \$4,897,000  
INTEREST FREE LOAN FOR WALLERAWANG SEWERAGE  
TREATMENT PLANT**

### **REPORT FROM - INTERNAL SERVICES MANAGER C FARNSWORTH**

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#### **REFERENCE**

Nil

#### **SUMMARY**

This report is to advise Council that our application to NSW Planning for an interest free loan of \$4,897,000 for the upgrade of the Wallerawang STP has been successful and a recommendation is included for it to be accepted.

#### **COMMENTARY**

During 2009 the NSW Planning called for applications under the NSW Local Infrastructure Fund which was allocating \$200 million from an 'interest free' loan scheme for local Councils to bring forward infrastructure projects which may be delayed due to a lack of funding.

It was planned that the funding would provide an immediate local economic boost to water, sewerage, drainage and road infrastructure projects to be provided for local communities and trigger construction in areas of high population growth whilst assisting to increase the level of serviced land for housing and employment. The scheme was designed for local projects that support urban development typical water and wastewater projects estimated in excess of \$1 million.

Lithgow considered the major upgrade of the Sewage Treatment Plants (STPs) to be feasible projects to pursue and as such an application was submitted for the upgrade at Wallerawang.

Council has been officially notified by the Executive Director, Strategy and Infrastructure Planning, NSW Planning, on the 25 January 2010 that our application for an interest free loan of \$4,897,000 for the upgrade of the Wallerawang STP has been successful.

NSW Planning advise that there was considerable interest in the fund with over 100 applications being received, seeking in excess of \$500 million in funding. The applications were assessed by an assessment panel in accordance with funding criteria set out in the guidelines. Technical specialists provided the assessment panel with a detail technical analysis of each project and a Probity Advisor was appointed to oversee the assessment process to ensure that the assessment of application occurred in a fair and transparent manner.

The Premier, the Hon Kristina Keneally, MP, approved the recommendation from the assessment panel and a total of 37 projects are being offered interest free loans which total approx \$180 million. Only projects that met the funding criteria and considered to have merit were recommended and approved for funding.

The interest free loan offered to Lithgow Council, \$4,897,000, is for a maximum period of 10 years and will be repaid in equal quarterly instalments of \$122,475. The offer must be accepted prior to 1 March 2010.

Council had originally planned to upgrade the Wallerawang STP by borrowing \$4,897,000 over a period of 30 years, at an estimated annual interest rate of 7%. Should this have been the case total interest of \$6,881,600 would be repaid but due to the interest free loan from NSW Planning the ratepayers of Lithgow will reap the benefits.

#### **POLICY IMPLICATIONS**

Nil

#### **FINANCIAL IMPLICATIONS**

Acceptance of an interest free loan of \$4,897,000 to be repaid over 10 years in 40 equal instalments of \$122,475.

#### **LEGAL IMPLICATIONS**

Nil

#### **ATTACHMENTS**

Nil

#### **RECOMMENDATION**

##### **THAT:**

1. Council acknowledge and accept the offer of a \$4,897,000 interest free loan from the Crown in right of the State of NSW for the Wallerawang Sewage Treatment Plant Upgrade to be repaid over a maximum of 10 years.
2. Council authorise the affixing of the Common Seal of Lithgow City Council to the relevant documentation.

**ITEM:12           INTS - 08/02/10 - VALUER GENERAL ADVICE TO COMMENCE THE REVALUATION OF LAND TO APPLY FOR THE 2010/11 RATING YEAR**

**REPORT FROM - INTERNAL SERVICES MANAGER C FARNSWORTH**

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**REFERENCE**

Min 09-509:     Ordinary Meeting 23/11/09: Valuer General Proposal for a three year revaluation cycle

**SUMMARY**

To advise Council that the Office of the New South Wales Valuer General will commence the revaluation of land in the Lithgow local government area from the 1 July 2010 and the values will apply to the 2010/11 rating year.

**COMMENTARY**

Council has received advice from the Office of the New South Wales Valuer General that they are in the process of commencing the revaluation of land in the Lithgow local government area from the 1 July 2010.

The 1 July 2010 land values will be provided to Council in November / December 2010 and will be applied to the 2011/12 rate levy.

Council considered a request from the Valuer General at the Ordinary meeting of 23 November 2009 which moved the revaluation process to a three year cycle. The Valuer General advised that the more frequent valuation cycle will ensure periodic fluctuations in the local property market are more regularly reflected in Council's rates model, thus reducing troughs and spikes in land values and assisting in enhancing equity for ratepayers. It will also allow landowners to be better informed about their land value and the valuation system.

The Valuer General's office will contact each landowner when their revaluation is complete and answer questions without Councils involvement.

**POLICY IMPLICATIONS**

Nil

**FINANCIAL IMPLICATIONS**

Variation to notional yield based on a three year revaluation cycle.

**LEGAL IMPLICATIONS**

Nil

**RECOMMENDATION**

**THAT** Council note the Valuer General's advice of the commencement of the land revaluation for the base date of 1 July 2010 which will apply for the 2011/12 rating year.

**ITEM:13           INTS - 08/02/10 - COUNCIL INVESTMENTS HELD TO 31 JANUARY 2010**

**REPORT FROM - INTERNAL SERVICES MANAGER C FARNSWORTH**

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**REFERENCE**

Min No 09-299	13 July 2009 (June 2009)
Min No 09-354	24 August 2009 (July 2009)
Min No 09-393	14 September 2009 (August 2009)
Min No 09-459	02 November 2009 (September 2009)
Min No 09-511	23 November 2009 (October 2009)
Min No 09-548	14 December 2009 (November 2009)
Min No10-20	18 January 2010 (December 2009)

**SUMMARY**

To advise Council of investments held as at 31 January 2010 for the 2009/10 financial year.

**COMMENTARY**

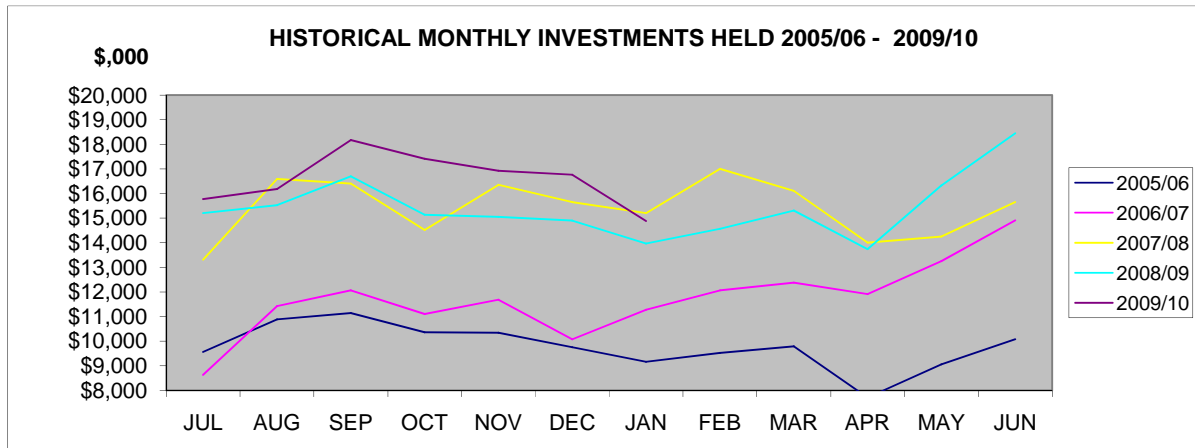
Council's total investment portfolio, as at 31 January 2010 when compared to 31 December 2009, has decreased by \$1,891,049 from \$16,768,481 to \$14,877,431.

Councillors commented at the Ordinary meeting of Council on the 18 January 2010, that investments had gradually declined over recent months from net total on 30 June 2009 of \$18,450,964.73 to \$16,768,481.34 at end of December 2009 and now to an investment total of \$14,877,431.87 at the end of January 2010.

Council must bear in mind that as reported in the General Purpose Financial Reports, and also at the Auditors presentation of the 23 November 2009 the investments as at 30 June 2009 included an advance payment of the first quarter instalment of \$985,000 for the 2009/10 Financial Assistance Grant, and also the initial payment of RLCIP Round 2 grant funding of \$1,642,000. These projects were included in the 2009/10 Management Plan and as such the projects have commenced and expenditure is reducing the investments held.

It is the normal annual process for investments to fluctuate depending on a particular month and by the extent of expenditure on major works.

The four annual rate instalments, as well quarterly payments of the financial assistant grant, are received in August, November, February and May and the combination of the two generates increased income during those periods of approximately \$3,460,000 so naturally peaks are created in the investments during those respective months. This is shown in the following graph:



Major capital works may be funded by a number of different sources for example by a grant or a loan or a combination of both and as the project progresses Council may be required to 'fund' the work until relevant income is claimed and received.

Grant works are a prime example. Funding conditions which are regulated by an external body dictate when a progress claim may be submitted and when the appropriate payment will be made. This could be at the completion of particular stage or at the end of the project and if this is the case Council may need to fund continuing expenditure on the project until reimbursement is received.

The same scenario may apply for projects which are funded by borrowings.

As Council is aware the upgrade of the Lithgow STP commenced during December 2009 income and expenditure is planned and defined in the 2009/10 to 2011/12 Management Plan. Income will come from a number of sources namely the Department of Commerce, the Sydney Catchment Authority and a Council loan. To date no grant funds have been received or loans sourced therefore our investments are matching current expenditure on the project.

INVESTMENT REGISTER 2009/10								
INSTITUTION	INV TYPE	DATE LODGED	DATE DUE	DAYS	INT	VALUE 31.01.10	VALUE 31.12.09	% OF TOTAL
ANZ	TD	17.08.09	12.02.10	179	4.00	513,587.03	513,587.03	3.45%
BANKWEST	TD	08.01.10	10.03.10	61	5.20	517,359.97	515,326.90	3.48%
	TD	07.01.10	09.03.10	62	5.20	511,043.42	508,099.23	3.44%
CBA	On Call				3.70	490,705.84	990,705.84	3.30%
	Ethical Nt	06.11.06	06.11.11	1,825	**	56,500.00	56,500.00	0.38%
	TD	03.12.09	04.01.10	33	4.62	0.00	500,000.00	0.00%
	TD	03.12.09	01.02.10	61	4.67	500,000.00	500,000.00	3.36%
CITIBANK	TD	24.11.09	24.02.10	90	4.93	509,259.46	509,259.46	3.42%
	TD	15.10.09	18.01.10	90	4.82	0.00	509,108.69	0.00%
LGFS	On Call				2.90	7,159.79	7,159.79	0.05%
IMBS	TD	02.12.09	02.03.10	62	5.40	1,503,834.76	1,503,834.76	10.11%
	TD	03.11.09	01.02.10	90	4.09	930,226.32	930,226.32	6.25%
NAB	TD	10.12.09	10.03.10	90	5.07	1,024,000.59	1,024,000.59	6.88%
	TD	14.01.10	14.03.10	60	5.05	365,241.00	765,241.00	2.46%
WESTPAC	TD	15.09.09	15.02.10	150	4.81	1,013,526.03	1,013,526.03	6.81%
	TD	01.10.09	01.01.10	90	4.56	769,725.02	760,978.56	5.17%
	TD	04.09.09	04.02.10	150	4.79	750,000.00	750,000.00	5.04%
MACQUARIE	TD	19.11.09	15.02.10	88	4.90	2,040,663.01	2,040,663.01	13.72%
ST GEORGE	TD	19.11.09	03.07.10	226	5.20	758,294.37	758,294.37	5.10%
	On Call				3.45	47,872.78	47,723.14	0.32%
	TD	07.12.09	05.02.10	60	5.00	257,579.42	257,579.42	1.73%
	TD	02.12.09	01.02.10	61	4.75	757,397.26	757,397.26	5.09%
SUNCORP	TD	07.01.10	08.02.10	32	4.96	1,030,959.00	1,026,773.14	6.93%
	TD	17.12.09	17.03.10	90	5.28	522,496.80	522,496.80	3.51%
<b>TOTAL</b>						<b>14,877,431.87</b>	<b>16,768,481.34</b>	<b>100.00%</b>

I, Carol G Farnsworth, Lithgow City Council Internal Services Manager (Responsible Accounting Officer) certify as required under Local Government (General) Regulations 2005, that Council's investments have been made in accordance with the Local Government Act 1993, Regulations and Lithgow City Council's Investment Policy.

**POLICY IMPLICATIONS**

Investments are held in accordance with the Lithgow City Council's Investment Policy at the date of investing the funds. On 21 October 2008 Council adopted the current version of the Investment Policy as Policy 8.2.

**FINANCIAL IMPLICATIONS**

Interest received to 31 January 2010 is \$292,646.83 of an estimated \$525,000.00 which is shown in the 2009/10 Management Plan. Interest is paid on the maturity date of the investment.

\*\* The interest on the CBA Ethical note is subject to the global financial markets and therefore interest is subject to change.

**LEGAL IMPLICATIONS**

Investments are held in accordance with the Lithgow City Council's Investment Policy at the date of investing the funds. On 21 October 2008 Council adopted the current version of the Investment Policy as Policy 8.2 and all future investments will comply with this Policy which accords with the requirements of the:

- Local Government Act 1993 - Section 625
- Local Government Act 1993 - Order dated 31 July 2008
- Local Government (General) Regulation 2005
- Trustee Amendment (Discretionary Investments) Act 1997 Section 14A(2), 14c(1) & (2)

## ATTACHMENTS

Nil

## RECOMMENDATION

**THAT** Investments of \$14,877,431.87 for the period ending 31 January 2010 be noted.

### ITEM: 14      INTS – 08/02/10 – QUARTERLY PERFORMANCE REPORT ON 2009/10 TO 2011/12 MANAGEMENT PLAN FOR THE PERIOD 1 OCTOBER 2009 TO 31 DECEMBER 2009

#### REPORT FROM - INTERNAL SERVICES MANAGER C FARNSWORTH

#### REFERENCE

Min No 09-229 -            Ordinary Meeting of Council 1 June 2009  
Min No 09-335 -            Ordinary Meeting of Council 3 August 2009  
Min No 09-508 -            Ordinary Meeting of Council 23 November 2009

#### SUMMARY

This report provides the Quarterly Performance Report on the 2009/10 to 2011/12 Management Plan for the period of 1 October 2009 to 31 December 2009 with a recommendation that the adjusted surplus of \$70,604 be noted.

#### COMMENTARY

The December Quarterly Performance Report on the 2009/10 to 2011/12 Management Plan has been prepared and details are provided with the attachment to the Business Paper.

It details the achievement of activities identified in the Management Plan and provides information on variations to activities and provides information on variations to activities.

<b>2009/10 QUARTERLY BUDGET COMPARISON</b>			
<b>Budget (Inc Internal)</b>	<b>Income \$'000</b>	<b>Expenditure \$'000</b>	<b>Total \$'000</b>
Original	\$69,511	-\$69,507	\$4
September Quarter	\$76,572	-\$76,482	\$90
December Quarter	\$77,517	\$77,587	\$70

Adjustments to the 2009/10 Management Plan are shown in the attachment to this report.

### **POLICY IMPLICATIONS**

There are no policy implications as a result of this report.

### **FINANCIAL IMPLICATIONS**

The financial implications as reported in the December Quarterly Performance Report are included in the 2009/10 to 2011/12 Management Plan.

The Internal Services Manager, as the Responsible Accounting Officer has reviewed the statements and certifies as required by the Local Government (General) Regulation 2005, that Council's 2009/10 to 2011/12 Management Plan has been reviewed and the financial position of Council is satisfactory.

### **LEGAL IMPLICATIONS**

The Local Government Act 1993 and Local Government (General) Regulation 2005 sets out requirements for the quarterly reporting of the achievement of performance targets and the submission of a budget review statement after the end of each quarter. This report and attachment achieves these requirements.

### **ATTACHMENTS**

1. Net Program Costs 2009/10
2. December Quarterly Report, 2009/10 Management Plan

### **RECOMMENDATION**

#### **THAT:**

1. The surplus of \$70,604 for the 2009/10 to 2011/12 Management Plan as detailed in the Quarterly Performance Report for the period 1 October 2009 to 31 December 2009 be noted.
2. The Council notes that the Internal Services Manager, as the Responsible Accounting Officer has reviewed the statements and certifies as required by the Local Government (General) regulation 2005, (s203) that Council's 2009/10 to 2011/12 Management Plan has been reviewed and the financial position of Council is satisfactory.

## COMMITTEE MEETINGS

ITEM:15            **COMM - 08/02/10 - MEADOW FLAT HALL COMMITTEE MINUTES - 02/12/09**

**REPORT BY:    CORPORATE PLANNING AND COMMUNICATIONS OFFICER – DEBORAH MCGRATH**

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### **SUMMARY**

This report details the minutes of the Meadow Flat Hall Committee held on Wednesday 2 December 2009 for Councils information

### **COMMENTARY**

At the Meadow Flat Hall Committee meeting held on 2 December 2009, four (4) items were discussed by the Committee.

1. Declaration of Interest
2. Minutes of the Previous Meeting
3. Business Arising from the Minutes
4. Next Meeting

The minutes contain updates for Council on the Meadow Flat Hall Committee with recommendations for Council.

### **ATTACHMENTS**

1. Copy of the Minutes of the Meadow Flat Hall Committee Meeting held on 2 December 2009.

### **RECOMMENDATION**

**THAT** Council notes:

1. The minutes of the Meadow Flat Hall Advisory Committee held on the 2 December 2009.
2. That liaison is occurring with the Department of Lands regarding the relinquishment of the Meadow Flat Showground in lieu of a Community Trust Board.

**ITEM:16            COMM - 8/02/10 - LITHGOW FLASH GIFT COMMITTEE MINUTES  
20/01/2010**

**REPORT BY: ACTING TOURISM MANAGER – KELLIE BARROW**

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**REFERENCE**

Min No 09-235 –            Ordinary Meeting 1 June 2009.  
Min No 09-305 –            Ordinary Meeting 13 July 2009.  
Min No 09-462 –            Ordinary Meeting 2 November 2009.  
Min No 09-514 –            Ordinary Meeting 23 November 2009.  
Min No 10-22 –            Ordinary Meeting 18 January 2010.

**SUMMARY**

This report details the Minutes of the Lithgow Flash Gift Committee held on 20 January 2010 for Council adoption.

**COMMENTARY**

At the Lithgow Flash Gift Committee meeting held on 20 January 2010, there were (5) five items discussed by the Committee.

1. Sponsorship update
2. NSW Athletics League update
3. Little Athletics update
4. Action List
5. General business

The minutes contain updates on the Lithgow Flash Gift Committee. The minutes were electronically distributed and were electronically endorsed by three (3) committee members.

**POLICY IMPLICATIONS**

Nil

**FINANCIAL IMPLICATIONS**

Nil

**LEGAL IMPLICATIONS**

Nil

**ATTACHMENTS**

1. Minutes of the Lithgow Flash Gift Committee held on 20 January 2010

**RECOMMENDATION**

**THAT** Council:

1. Notes the minutes of the Lithgow Flash Gift meeting held on 20 January 2010.
2. Notes Lithgow Tourism is to arrange a media launch for the Lithgow Flash Gift.

**ITEM:17      COMM - 08/02/10 - ECONOMIC DEVELOPMENT ADVISORY  
                 COMMITTEE**

**REPORT FROM: GROUP MANAGER – COMMUNITY & CORPORATE – SUZANNE  
LOLLBACK**

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**REFERENCE**

Min No 07-254 -	Ordinary Meeting of Council 18 June 2007
Min No 08-133 -	Ordinary Meeting of Council 19 August 2008
Min No 08-196 -	Ordinary Meeting of Council 18 November 2008
Min No 09-78 -	Ordinary Meeting of Council 16 February 2009
Min No 09-199 -	Ordinary Meeting of Council 11 May 2009
Min No 09-336 -	Ordinary Meeting of Council 3 August 2009
Min No 09-404 -	Ordinary Meeting of Council 14 September 2009
Min No 09-513 -	Ordinary Meeting of Council 23 November 2009

**SUMMARY**

This report provides the Minutes of the Economic Development Advisory Committee Meeting held on 21 January 2010.

**COMMENTARY**

At the Economic Development Advisory Committee Meeting held on 21 January 2010, there were (9) nine items discussed by the Committee:

- ITEM 1: Attendance and apologies
- ITEM 2: Confirmation of minutes from previous meeting
- ITEM 3: Business arising from previous minutes
- ITEM 4: Achievement of Milestones Economic Development
- ITEM 5: Draft Economic Development Strategy
- ITEM 6: Changes to EDAC Terms of Reference
- ITEM 7: Enterprise Connect: Special Information Session To Be Held 16 December 2009
- ITEM 8: Other Business
- ITEM 9: Next Meeting

The minutes contain full details on the Economic Development Advisory Committee meeting with recommendations for Council.

**POLICY IMPLICATIONS**

Nil

**FINANCIAL IMPLICATIONS**

Nil

**LEGAL IMPLICATIONS**

There are no legal implications as a result of this report.

## **ATTACHMENTS**

1. Minutes of the Economic Development Advisory Committee Meeting held on 21 January 2010.

## **RECOMMENDATION**

**THAT** Council:

1. Notes the minutes of the Economic Development Advisory Committee held on 21 January 2010.
2. Recognizes and thanks staff for the work that has been undertaken in preparing the Economic Development Strategy and other strategic documents currently under development, namely: Economic Development Officer, Arabella Perugini-Sheere; Strategic Land Use Planner, Sherilyn Hanrahan; and, Group Manager Community and Corporate, Suzanne Lollback.

**ITEM:18            OPER - 08/02/10 - SPORTS ADVISORY COMMITTEE - MINUTES  
25TH JANUARY 2010**

**REPORT BY: PROJECT CO-ORDINATOR – LEANNE KEARNEY**

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## **SUMMARY**

Details of the Minutes of the Sports Advisory Committee Meeting held on Monday, 25 January 2010 for Council adoption.

## **COMMENTARY**

At the Sports Advisory Committee Meeting held on Monday, 25 January 2010, there were twelve (12) items discussed by the Committee, and it is considered that all these items be adopted by Council as per the Committee's recommendations.

## **POLICY IMPLICATIONS**

Nil.

## **FINANCIAL IMPLICATIONS**

Nil.

## **LEGAL IMPLICATIONS**

Nil.

## **ATTACHMENTS**

1. Minutes of the Sports Advisory Committee Meeting held on Monday, 25 January 2010.

## **RECOMMENDATION**

**THAT** the minutes of the Sports Advisory Committee meeting held on Monday, 25 January 2010 be adopted.

## **BUSINESS OF GREAT URGENCY**

*In accordance with Clause 241 of the Local Government (General) Regulations 2005 business may be transacted at a meeting of Council even though due notice of the business has not been given to the Councillors. However, this can happen only of:*

- a) *A motion is passed to have the business transacted at the meeting: and*
- b) *The business proposed to be brought forward is ruled by the Chairperson to be of great urgency.*