



A CENTRE OF REGIONAL EXCELLENCE

AGENDA

ORDINARY MEETING OF COUNCIL

TO BE HELD AT

THE ADMINISTRATION CENTRE, LITHGOW

ON

17 JUNE 2013

AT 7.00pm

AGENDA

ACKNOWLEDGEMENT OF COUNTRY

APOLOGIES

PRESENT

CONFIRMATION OF THE MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD ON 27 MAY 2013

DECLARATION OF INTEREST

PUBLIC FORUM

PRESENTATIONS - NIL

MAYORAL MINUTES - NIL

NOTICES OF MOTION - NIL

NOTICE OF RECISSIONS - NIL

CORRESPONDENCE AND REPORTS

General Managers Reports
Environment and Development Reports
Operation Reports
Community and Strategy Reports
Finance Reports

COMMITTEE MEETINGS

Sports Advisory Committee Meeting - 28 May 2013
Youth Council Committee Meeting - 21 May 2013
Tourism Advisory Committee Meeting - 4 June 2013
Howard and Sons Pyrotechnics Pty Ltd Community Liaison Committee - 15 May 2013

REPORTS FROM DELEGATES - NIL

BUSINESS OF GREAT URGENCY

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

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GENERAL MANAGERS REPORTS

ITEM-1 GM - 17/06/13 - REQUEST FOR LEGAL ASSISTANCE FROM MID
WESTERN REGIONAL COUNCIL - CATEGORISATION OF MINING
LAND

REPORT BY: R BAILEY - GENERAL MANAGER

REFERENCE

NIL

SUMMARY

Mid Western Council have requested financial assistance through Local Government NSW in a matter before the Land and Environment Court in relation to the categorisation of lands as Mining for rating purposes.

COMMENTARY

In September 2012 Mid Western Regional Council undertook a review of their rating categories, in particular land used for mining. This review resulted in a change of rating categorisation from Residential and Farmland to Mining Coal.

Mid Western Regional Council determined that a categorisation of Mining is applicable where relevant land that is owned by a mining company and may be used for such purposes as a passive buffer for the attenuation of noise, for the disposal of excess mine water, for environmental offset and other purposes relating to the mining of coal and is not located within the boundaries of a mining lease.

The Mining companies that were affected by the re-categorisation have since commenced appeal proceedings in the Land and Environment Court challenging the rating categorisation.

Local Government NSW agree that this matter is of great importance as mining, including coal seam gas mining, is a major issue for local government. Mid Western Council believe that this matter will serve as a test case for councils across NSW and therefore request assistance from other councils impacted by coal mining.

According to the *Local Government NSW Legal Assistance Policy and Guidelines - Request for assistance with legal costs* a council may apply for the support of the Association in seeking contributions from all councils to assist with its legal costs where that council is involved in litigation and the principle in question in the matter involves a major local government principal. Assistance under these guidelines are generally not granted to fund litigation in a court of initial jurisdictions such as the Land and Environment Court unless the Association is satisfied that there exists a special and

exceptional reason for doing. This may include a 'test case' where the matter will affect all councils.

Local Government NSW has recently approved the application for legal assistance by Mid Western Regional Council and now requests a voluntary contribution from NSW councils affected by mining.

Local Government NSW has requested an amount of \$3446.16 from Lithgow City Council. There is no obligation for a council to provide assistance.

Lithgow City Council derives a large portion of our rate income from Mines and this decision may affect our revenue in the future and therefore we should support it.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

A request for a contribution of \$3446.16 from the Legal fees in the current operational and delivery program

LEGAL IMPLICATIONS

That as a neighbouring Mining council may be impacted by the outcome of these proceedings in terms of rating categorisation.

ATTACHMENTS

1. Letter from Local Government NSW - 18 April 2013 - Approval of Legal Assistance Mid Western Regional Council
2. Letter from Mid Western Regional Council - 18 April 2013
3. Letter from Local Government NSW - 14 May 2013 - Advice re: Contribution to Legal Assistance
4. Local Government NSW Legal Assistance Policy and Guidelines

RECOMMENDATION

THAT Council approve funds in the amount of \$3,446.16 in support of the Land and Environment Court proceedings by Mid Western Council.

ITEM-2 GM - 17/06/13 - LITHGOW CBD REVITALISATION ACTION PLAN

REPORT BY: M BREWSTER - ECONOMIC DEVELOPMENT OFFICER

SUMMARY

Main St is the primary focus for business, transport, governance and community activity within the Lithgow CBD. In addition to being a hub for employment, service delivery and retail spend, Main St also contributes strongly to Lithgow's sense of place, liveability and visitor experience.

To ensure the ongoing vitality of Main St and the surrounding CBD, it is proposed to prepare a Lithgow CBD Revitalisation Action Plan. The process to prepare this plan will incorporate significant community and stakeholder engagement enabling Council to comprehensively identify and address existing and emerging challenges impacting on Lithgow's CBD as well as realise latent opportunities. Prioritised actions to ensure the vitality of the Lithgow CBD into the future will be identified for delivery by Council and/or through partnerships and collaborations between Council and other stakeholders.

The process to prepare and implement the Lithgow CBD Revitalisation Action Plan will comprise the following key project milestones:

- Formation of a Steering Committee
- Formation of a Project Team
- Investigation and analysis (including community consultation)
- Identification of revitalisation principles
- Preparation of the draft Lithgow CBD Revitalisation Action Plan
- Final Lithgow CBD Revitalisation Action Plan with prioritised deliverables for implementation
- Programmed implementation of prioritised actions with a "quick win" component

Ongoing liaison with the business community suggests that revitalisation action areas will need to focus on:

- improving accessibility and car parking
- enhancing streetscape character (including paving)
- upgrading existing and providing additional public amenities
- activating public domain space and vacant buildings
- embracing community driven place making
- increasing community safety
- developing collective marketing and branding

It is proposed that the Lithgow CBD Revitalisation Action Plan would be prepared by an external consultancy managed through a Project Team with monitoring and periodic review via a Steering Committee. It is expected that a draft Lithgow CBD Revitalisation Action Plan will be prepared by December 2013 and be utilised to guide the expenditure of allocated funds.

COMMENTARY

Additional detail about the key milestones of the Lithgow CBD Revitalisation Action Plan is provided:

1. Formation of a Steering Committee

It is proposed that a Steering Committee be formed consisting of the Mayor, Chairs of the Economic Development Advisory Committee, Tourism Advisory Committee, Traffic Advisory Local Committee, and Operations Committees as well as the General Manager. The role of the Steering Committee will be to identify key project objectives, monitor achievement of project milestones and review draft project outcomes. The Committee Chairs will also be able to brief their Committee members on the progress of the Plan and provide inputs from these sources.

2. Formation of a Project Team

It is proposed that a Council Project Team be formed and led by the nominated Project Manager. The Project Team will incorporate relevant representatives from Executive, Environment and Development, Community and Corporate and Operations areas of Council. The role of the project team will be to collaboratively oversee the delivery of the project from inception to completion, provide specialist advice, resourcing and review draft proposals.

3. Investigation and analysis including community engagement

Undertaking a comprehensive program of community engagement will be a key part of achieving this milestone. Consultation processes will include:

- a CBD business operator survey
- intercept surveys of pedestrians using Main St at different locations, at different times and on different days
- a community invitation place making workshop
- one on one interviews with key CBD stakeholders such as the Lithgow Business Association, NSW Police, emergency service providers, Lithgow City Radio Cabs, Lithgow Buslines, LINC etc

Investigation and analysis of key social, economic and environmental components of the Lithgow CBD will also form part of this milestone. This will include incorporating key directions from relevant adopted Council strategies and policies, identifying emerging challenges and opportunities, as well as an audit of public domain infrastructure and servicing including parking and access.

4. Identification of Revitalisation Principles

The completion of the analysis and investigation phase including community engagement will enable the development of a set of revitalisation principles. These principles will drive the development of the Lithgow CBD Revitalisation Action Plan.

5. Preparation of the draft Lithgow CBD Revitalisation Action Plan

It is proposed that the draft Lithgow CBD Revitalisation Action Plan will incorporate:

- Summary of the investigations and analysis
- Summary of community engagement outcomes
- Identification of the revitalisation strategies
- A Master Plan of the CBD precinct with a focus on Main St illustrating proposed public domain infrastructure, servicing improvements and place making projects
- Prioritised delivery program including a ‘quick wins’ component

The draft Lithgow CBD Revitalisation Action Plan will be reported to Council after review from the Steering Committee. Subject to Council resolution the draft Plan would then placed on public exhibition for comment.

6. Final Lithgow CBD Revitalisation Action Plan

Following the period of public exhibition comments received will be reviewed and amendments made to the draft as required. The Final Plan would then put to Council for adoption.

7. Programmed implementation of priority actions

The delivery program component of the Lithgow CBD Revitalisation Action Plan will inform and prioritise the implementation of revitalisation works including improvements to the streetscape and the upgrading of public amenities.

While Council will be the key driver for delivering outcomes it is likely that some actions will be delivered collaboratively with relevant stakeholders and the broader community.

A key part of the delivery program is to identify a “quick wins” component where the community is able to participate and help deliver actions immediately following on from the adoption of the Final Lithgow CBD Revitalisation Action Plan.

POLICY IMPLICATIONS

The project will utilise the data and strategies contained in a number of completed Council strategies and reports including:

- Lithgow Cultural Precinct Study
- Crime Prevention Plan
- Ageing Strategy
- Economic Development Strategy 2010-14
- Business and Retail Strategy Final Report
- Land Use Study
- Lithgow Tourism Strategy and Destination Management Plan

FINANCIAL IMPLICATIONS

Council has already allocated significant funding in the 2013/14 Operational Plan to undertake master planning and delivering improvements to public domain infrastructure within the Lithgow CBD. This includes:

- \$500,000 allocation for the development of a Master Plan for the Lithgow CBD and implementation of a staged replacement of pavers and environmental enhancements (incl. street furnishings and plantings).
- \$300,000 allocation for the upgrade of public toilet facilities within the CBD.

Additional allocations of \$500,000 per year for 2014/15 and 2015/16 have also been identified in forward planning for Councils budgets.

LEGAL IMPLICATIONS

The consultant appointed to prepare the Lithgow Main St Revitalisation Action plan will be required to show evidence of required professional insurances.

RECOMMENDATION

THAT Council:

1. Endorse the outlined process to develop the Lithgow CBD Revitalisation Action Plan.
2. Appoint a Lithgow CBD Revitalisation Action Plan Committee consisting of the Mayor, Chairs of the Economic Development Committee, Tourism Advisory Committee, Traffic Advisory Local Committee, and Operations Committee and also the General Manager.
3. Officers prepare a Terms of Reference for the Lithgow CBD Revitalisation Action Plan Committee.

ITEM-3 GM - 17/06/13 - LOCAL GOVERNMENT AMENDMENT (EARLY INTERVENTION) BILL 2013

REPORT FROM: R BAILEY - GENERAL MANAGER

REFERENCE

NIL

SUMMARY

The *Local Government Amendment (Early Intervention) Bill 2013* has again been deferred to allow the opportunity for further examination by stakeholders.

COMMENTARY

The *Local Government Amendment (Early Intervention) Bill 2013* was introduced into the Legislative Assembly on 26 February 2013 to give the State government more power to suspend and appoint administrators to councils to address 'dysfunction and poor performance in local councils and to drive improvement'.

The Bill was reintroduced to Parliament however the Government has now decided to defer debate on the Bill in the Legislative Council. As a result this deferral will give all councils and stakeholders the opportunity to further examine and comment on the Bill.

The aim of the Bill is to introduce a system whereby a council that is classified as dysfunctional by the Minister for Local Government may be issued with a Performance Improvement Order or a Suspension Order.

Previously amendments were made to the Bill when it was debated in the Legislative Assembly, subsequently all major political parties and independents approved the amendments at the committee stage.

Several issues with the current provisions of the Local Government Act dealing with poor performance of councils are to be dealt with in the amendment; including:

- that the current powers are limited and unwieldy;
- the whole process of public inquiries can take years while ratepayers have to put up with suboptimal services; and
- the Government needs power to act sooner to bring about improvement in councils.

The Bill proposes to amend the LG Act:

- to enable the issuing of performance improvement orders to a council;

- to deal with situations when actions of councillors regularly prevent the formation of a quorum;
- to allow for the temporary suspension of councils; and
- to deal with public inquiries into councils.

Performance improvement orders are proposed to be orders issued by the Minister if he or she reasonably considers that action must be taken to improve the performance of the council. The actions that the Minister may require in an order include any actions the Minister considers necessary to improve or restore the proper or effective functioning of the council, and the order may direct that the action be taken by the council, by individual councillors or both.

The Minister will generally be required to give councils notice of the proposed order, and an opportunity to make submissions before a performance improvement order is issued. It is proposed that a performance improvement order may direct that a quorum of the council is as specified in the order, rather than the majority of councillors holding office. This is to address the concern that groups of councillors can frustrate the business of a council by not attending or walking out of meetings.

The Bill also proposes to give the Minister the power to suspend a council and appoint an interim administrator for a period of up to 3 months (which can be extended up to 6 months) if the Minister reasonably believes that the appointment of an interim administrator is necessary to improve or restore the proper or effective functioning of the council. Notice must be given to council of the proposed suspension, and the council may have only 14 days to make submissions.

In addition the Bill proposes to give the Minister the power to suspend a council if a public inquiry is to be held into the council.

There is also new requirements in respect of reporting, particularly in respect of compliance with a performance improvement order.

The opportunity now exists for councils to make a submission in relation to the Bill. LGNSW has indicated that it believes that there should be clear criteria in the legislation to limit the reasons the Minister can use to take action against a council to improve its performance.

Matters that LGNSW would like councils to consider include:

- Performance Improvement Orders and Suspension Orders are not necessarily linked in the Bill in its current form.

LGNSW is of the view that a Suspension Order should not be issued unless a valid Performance Improvement Order has been issued and not been complied with by the council.

- By way of the Bill, the Minister will have total discretion to decide when action should be taken to improve the performance of the council.

LGNSW believe that there should be clear criteria in the legislation to limit the reasons the Minister can use to take action against a council to improve its performance.

- As the Bill is currently drafted, the Minister would be able to initially suspend a council for three months and to appoint an interim administrator where the Minister believes that such action is necessary to improve or restore the “proper functioning of the council”.

There is no definition of what constitutes the “proper functioning of the council” and LGNSW believes that if Performance Improvement Orders and Suspension Orders are not linked, then such a definition is necessary in the legislation.

Advice on whether councils agree with LGNSW’s position on the above three points is being sought and should be submitted by Wednesday 12 June 2013.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

Amendment to the NSW Local Government Act 1993.

RECOMMENDATION

THAT Council note the report on the Local Government Amendment (Early Intervention) Bill 2013.

ITEM-4 GM - 17/06/13 - LOCAL LAND SERVICES REVIEW

REPORT FROM: R BAILEY - GENERAL MANAGER

REFERENCE

NIL

SUMMARY

Council was previously advised that the New South Wales State Government was looking at creating new organisations called Local Land Services (LLS). Community consultation occurred in relation to this with a proposal that the Lithgow Local Government Area be included in the Central Tablelands LLS. Direction was sought from Council on the preferred LLS for the Lithgow LGA.

The Government has announced that the Lithgow LGA will be included in the Central Tablelands LLS. This is consistent with the submission made by Lithgow City Council.

COMMENTARY

The new Local Land Services model, including the final regional boundaries and governance structure, have been announced by the NSW Government.

Within the announcement are details that the Local Land Services (LLS) are to be the new regional service delivery organisations replacing Catchment Management Authorities (CMAs), Livestock Health & Pest Authorities (LHPAs) and incorporating agricultural advisory services currently provided by Agriculture NSW.

From January 2014, Local Land Services will be regionally-based, semi-autonomous, statutory organisations, that are governed by locally elected and skills-based Board members, delivering services for farmers and landowners. The new Local Land Services are to deliver:

Agricultural advice.

- Plant and animal pest control and biosecurity.
- Natural resource management.
- Emergency management

The advantages to the farming sector appears to be that the new model will deliver the services that the farmers need and improve service delivery through:

- Integrating service delivery at the most appropriate landscape scale
- Supporting the most effective management of key resources such as water supply

- Supporting efficient management of critical natural assets (such as the World Heritage Area)
- Providing accessibility for landholders to services such as advice, funding and management support
- Minimising transaction costs by aligning boundaries of LLS with key service providers

There continue to be concerns for potential cuts to agricultural services or the Government cost shifting as a result of these changes.

From January 2014, LLS are to comprise:

- Eleven regions (generally aligned with Local Government Area boundaries).
- Regional boards with seven members.
- Interim boards of four NSW Government appointed members are to be established by late 2013.
- A further three elected members are to be appointed following elections in early 2014.
- Western LLS are to have a 5:4 ratio (total of nine members) to account for its size.
- Interim regional chairs are to be appointed for three years (from one of the four NSW Government appointments) in June/July 2013.
- A state wide Board of Chairs (including all regional chairs and an independent chair).

Hence there are to be 11 regions, each with seven member local boards consisting of four Government appointments and three ratepayer elected positions. In addition there shall also be a Board of Chairs with an independent Chair (i.e. 12 member board).

Funding arrangements announced for the new LLS's include:

- The establishment of a \$35 million future fund. The interest from this is to be managed for and made available to local LLS boards. This is to be a consolidation of the cash reserves held previously by LHPAs and CMAs.
- \$5 million of savings from the removal of duplication are to be directed back to the LLS to be used at the board's discretion but are encouraged to be used for agricultural advisory and extension services.
- The asset base of LLS will be \$130 million which is a combination of LHPA and CMA assets.

A series of advertisements are to be run in June 2013 to fill the interim appointed board positions. Interested individuals will be encouraged to apply for these positions and help influence the establishment of the local LLS boards.

The Independent Pricing and Regulatory Tribunal of NSW (IPART) has developed a funding framework for LLS and has released an issues paper for public consultation. This

includes the issues of rates payable by landholders and rate collection mechanisms, which may be of significant interest to councils. Submissions here will close on 2 July 2013.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Map of the new Local Land Services Region
2. IPART Issues Paper, Review into the development of a funding framework for Local Land Services NSW

RECOMMENDATION

THAT Council note the outcome of the Local Land Services Review and that the Lithgow Local Government Area has been included in the Central Tablelands LLS.

ITEM-5 GM - 17/06/13 - CONSTITUTIONAL RECOGNITION FOR LOCAL GOVERNMENT

REPORT FROM: R BAILEY - GENERAL MANAGER

REFERENCE

NIL

SUMMARY

The Australian Government has decided to hold a referendum on Saturday 14 September 2013 to ask Australians to financially recognise Local Government in the Constitution. Councils across NSW are now being encouraged to call on their communities to vote 'Yes' in September's referendum to ensure essential funding for communities can continue to be provided directly to councils by the Australian Government.

COMMENTARY

Local Government is considered to be an essential part of Australia's system of government and contributes to our national wellbeing in economic, social and environmental terms. It should therefore be recognised in the Australian Constitution, alongside Commonwealth State and Territory Governments.

Unfortunately Local Government is heavily reliant on State and Commonwealth Government funding to carry out many of its responsibilities. The High Court Pape and Williams cases has cast doubt on the Commonwealth Government's ability to directly fund Local Government projects. The Australian Local Government Association (ALGA) believes that a constitutional referendum, empowering the Commonwealth to directly fund Local Government is vital for the future of Local Government.

At a very practical level, including Local Government in the constitution is about securing funding to deliver the services communities need.

The various State and Territory local government associations have been working closely with ALGA on constitutional recognition since the Local Government Constitutional Summit - A Special National General Assembly in December 2008.

The Australian Government has decided to hold a referendum on Saturday 14 September 2013 in conjunction with the federal election to seek the approval of the Australian people to financially recognise Local Government in the Constitution. Councils across NSW are now requested to call upon their communities to vote 'Yes' in September's referendum to ensure essential funding for communities can continue to be provided directly to councils by the Australian Government.

The change proposed is simple and pragmatic, that is that Section 96 of the Constitution would be amended to formalise the capacity of the Commonwealth to provide funds

directly to Local Government bodies formed by a law of a State. This would not change the status of councils, nor would it give the Federal Government any power over Local Government. It would simply remove the uncertainty which now surrounds direct funding programs such as Roads to Recovery which have been in place for many years under both sides of politics. Section 96 will be amended to read "...Parliament may grant financial assistance to any state or local government body formed by a law of a State on such terms and conditions as the Parliament thinks fit".

The words of the proposed amendment were designed specifically to give assurance to State Governments that, under the proposed change, Local Government would remain the responsibility of State and Territory Governments. Legal advice confirms that the Federal Government will not be able to ask Local Government to do anything that would contravene a State law, and that States will retain the right to legislate for their councils, including the ability to stop them from accepting Federal funding if they have concerns.

All major parties at the Federal level, as well as the Independents, have committed to ensuring that Commonwealth direct funding of councils can continue, and reports from an Expert Panel and a Federal Parliamentary Joint Select Committee on the issue have supported a Referendum as the way to remove uncertainty surrounding the Commonwealth's capacity.

It is important that local members and senators give the communities that elect them a fair go in terms of continued direct Federal funding for vital local services and infrastructure. A vote against would be considered a vote against that funding and against communities.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. LGSA Submission to the Joint Select Committee Inquiry into Constitutional Recognition of Local Government, January 2013
2. ALGWA NSW Branch advice of a motion passed by Gosford City Council
3. Email from Sophie Cotsis, Shadow Minister for Local Government – Constitutional Recognition of Local Government
4. LGSA submission to the Joint Select Committee Inquiry into Constitutional Recognition of Local Government (January 2013)
5. LGSA submission to the Expert Panel on Constitutional Recognition of Local Government in November 2011

RECOMMENDATION

THAT Council note the report on Constitutional Recognition for Local Government.

ENVIRONMENT AND DEVELOPMENT REPORTS

ITEM-6 ENVIRO - 17/06/13 - WASTE SERVICES TENDER

REPORT BY: A MUIR – GROUP MANAGER ENVIRONMENT AND DEVELOPMENT

REFERENCE

Min No 12-187: Ordinary Meeting of Council held on 4 June 2012

SUMMARY

To advise council of the current situation in relation the tender for waste services. This report outlines the Tender evaluation process undertaken by the Evaluation Committee and the resulting recommendations to Council.

COMMENTARY

In October 2012 Lithgow City Council invited tenders for the provision of waste collection and recycling processing services.

The Tender was issued in two Parts:

- Part A Waste Collection Services
- Part B Receival and Processing of Recyclables

Tenders were sought for the waste collection for terms of 7 and 10 years and for the receival and processing of recyclables for terms of 7 years and 10 years.

An Evaluation and Probity Plan was developed, detailing the framework for the processes and controls to be adhered to throughout the tender evaluation.

Tenders were received on 11 December 2012. One tender was received from J R Richards and Sons. The tender was lodged via Lithgow Council's Tenderlink portal.

The Evaluation Committee initially met on 17 December, 2012 and assessed the offer received on the basis of the assessment criteria specified in the Request for Tender. The Committee was comprised of the following members:

Lithgow City Council
Group Manager – Environment and Development
Team Leader - Environment
Development Manager

Consultants:

Greg Freeman, Impact Environmental Consulting
 Katherine Driscoll, Impact Environmental Consulting

Impact Environmental Consulting is a firm that as one of its specialities assists councils in preparing and assessing waste tenders.

Declarations of Independence for each Evaluation Committee member were made. No conflicts of interest were noted. J R Richards and Son's Tender was accepted as conforming by the Committee. A Conformity Report was submitted by Impact Environmental Consulting.

The Evaluation of the Tenders commenced with an assessment of the non-price components. An analysis of the tendered rates and price analysis was provided to the Committee following the assessment of the non-price components, in accordance with the Probity and Evaluation Plan. The Committee followed the Assessment Criteria and weightings below.

Part A – Waste Collection Services

Assessment Criteria	Weightings
Conformity of Proposal	Pass/Fail
Cost to Council	60%
Confidence in the Contractor including the Physical and Human Resources	30%
<ul style="list-style-type: none"> ○ Confidence in the ability and expertise with which the tenderer will perform the service: (relevant experience and past performance; capacity; service methodologies and systems). ○ Ability to manage the daily operations involved in the collection services. The proposed management of the operations must be demonstrated. ○ All plant, equipment and staff ○ Management systems (environment management plan, IT infrastructure and reporting systems etc). ○ Local Inputs 	
Contamination Plan, Community Education and Call Centre Operations	10%
Demonstrated capacity, systems and experience	
Financial Capacity	Pass/Fail
Work Health and Safety	Pass/Fail

Part B – Receival and Processing Of Recyclables

Assessment Criteria	Weightings
Conformity of Proposal	Pass/Fail
Cost to Council	60%
Environmental Performance	20%
<ul style="list-style-type: none"> ○ Recovery rates ○ Markets and end use for beneficial products ○ Ability to secure markets for beneficial products ○ Quality / value of beneficial products ○ Design of Receival and Processing/Transfer Facility ○ Flexibility to handle changes in quality and composition of feedstock ○ Emissions from processing facility particularly odour management ○ Environmental management systems 	
Confidence in the Contractor	20%
<ul style="list-style-type: none"> ○ Management and staff ○ Experience and past performance ○ Project development risk ○ Referees ○ Quality systems ○ Reporting ○ Innovation ○ Location of facility ○ Local Inputs 	
Financial Capacity	Pass/Fail
Work Health and Safety	Pass/Fail

Part A - Waste Collection Services – Evaluation

Waste collection services proposed by J R Richards and Sons included a variety of proposals for the collections sought and for alternative terms. The following summarise the contents of the Tender and the Evaluation Committee's deliberations:

Confidence in the Contractor & Physical and Human Resources:

Confidence in the ability and expertise with which the tenderer will perform the service: (relevant experience and past performance; capacity; service methodologies and systems). Ability to manage the daily operations involved in the collection services. The proposed management of the operations must be demonstrated. All plant, equipment and staff. Management systems (environment management plan, IT infrastructure and reporting systems etc). Local inputs.

This criteria was examined by the Evaluation Committee members observing the capabilities demonstrated. The information provided in J R Richards and Sons submission was examined in accordance with the assessment criteria outlined.

A comprehensive submission was received by J R Richards and Sons (JRR). JRR have a proven track record and are well experienced in delivering waste collection services across many NSW local government areas.

JRR's tender also demonstrated strong management organisation and corporate structure. Key staff were nominated with responsibilities outlined. Referees were provided and current similar contracts were noted.

JRR currently provide waste collection services to Lithgow City Council and demonstrated their connections to the local community.

JRR included referees and outlined similar relevant past experience. Collection vehicles were detailed and other equipment was outlined. Service methodologies were all outlined.

JRR demonstrated a peerless industrial relation record and included their IR policy. Quality standards were demonstrated and current certificates for accreditation were included. An Environment Management System was outlined and accreditation was included.

IT systems were detailed and the BinTrack system utilised was explained with examples of data management included. Reporting from the data management system was explained.

Contamination Plan. Community Education and Call Centre Operations:

Demonstrated capacity, systems and experience.

This criteria was examined by the Evaluation Committee members considering the systems to be utilised for the management of these components of the collection services.

Proposed measures for contamination management by JRR was outlined. The components include:

- Identification initiatives
- Staff training
- Monitoring by drivers (Drivers Procedures included).
- Community Education
- Contamination procedures for enforcement at the kerbside. An example of a tiered education and enforcement system was outlined including letters to residents that aim to educate the resident for compliance and to avoid contamination. A bin sticker system was included.

- JRR offer a moratorium on enforcement for resident in the first month of the contract to allow residents to get used to the introduction of the new system.

Examples of educational material provided to other councils were included in the appendix. Promotional information material for the roll-out of new bins and services was included e.g. brochures, calendars, etc., Call centre operations are to be managed via JRR's established call centre in Orange.

The following scores out of 10 were given for **Confidence in the Contractor and Physical and Human Resources** and for **Contamination, Community Education and Call Centre Operations** for Part A:

WASTE SERVICES NON-PRICE SCORING SUMMARY	
PART A - WASTE COLLECTION SERVICES	
CRITERIA	CONSENSUS SCORES
J R RICHARDS & SONS	
CONFIDENCE IN THE CONTRACTOR & PHYSICAL AND HUMAN RESOURCES	9.00
CONTAMINATION, COMMUNITY EDUCATION & CALL CENTRE OPERATIONS	8.50

Work, Health and Safety

Work, Health and Safety (WH&S) forms part of JRR's Integrated Management Plan which is reviewed regularly. A copy of their Policy was included. JRR's WH&S component is in the process of being certified. Employees are instructed and trained in WH&S. Site specific plans would be developed with safe work procedures. An incident notification procedure was included. Hazard identification and handling procedures were noted. Examples of internal WH&S audits were included.

The Evaluation Committee agreed that the tender would be passed for WH&S.

Financial Capacity

A financial capacity check has been arranged for JR Richards.

Part B - Receival and Processing Of Recyclables - Evaluation

J R Richards and Sons proposal for the receival and processing of Recyclables included 3 alternatives:

- The establishment and operation of a **material recovery facility** (MRF) at Council's Geordie Street site where collected recyclable materials would be

received and sorted prior to being delivered to market destinations for each material type.

- ii. The establishment of a **transfer station** at Council's Geordie Street site where collected recyclable materials would be received, bulked up and transferred via semi trailer to a MRF in Rydalmere in Sydney.
- iii. The **direct delivery** of collected recyclables material to the MRF in Rydalmere – the collection vehicles would deliver the kerbside collected materials directly to the MRF.

Each of the alternatives includes certain upgrades to the Geordie Street site.

The non-price evaluation of this Part required certain information to be provided in order to apply the stated criteria. JRR's submission provided the required details for the nominated infrastructure to be established in Lithgow e.g. options i. and ii above (MRF or transfer station).

For options ii. and iii. above where the collected material shall be delivered to the MRF at Rydalmere, this MRF is in the process of being established and shall be operated by Polytrade. The following summarises the alternatives outlined above for those components managed by JRR.

Non-Price Criteria

Environmental Performance

Recovery rates. Markets and end use for beneficial products. Ability to secure markets for beneficial products. Quality / value of beneficial products. Design of Receiving and Processing/Transfer Facility. Flexibility to handle changes in quality and composition of feedstock. Emissions from processing facility particularly odour management. Environmental management systems.

This criteria was examined by the Evaluation Committee members by considering the features of the alternatives offered.

The components of each alternative were noted:

ALTERNATIVE 1: New Truck Parking / Truck Wash Building, Office and Amenities Building, **MRF Building** and Equipment, and associated sustainable plumbing and electrical works, pavement construction, landscaping and other ancillary works.

ALTERNATIVE 2: New Truck Parking / Truck Wash Building, Office and Amenities Building, **Transfer Building**, and associated sustainable plumbing and electrical works, pavement construction, landscaping and other ancillary works.

ALTERNATIVE 3: New Truck Wash, Office and Amenities Building, and associated sustainable plumbing and electrical works, pavement construction, landscaping and other ancillary works. (**Direct delivery** of kerbside collected material to Rydalmere).

For ALTERNATIVE 1, JRR have proposed to build a material recovery facility at the Geordie Street site which would consist of a large colourbond clad shed to allow for the receipt and sorting of the collected material. The construction of the facility would be completed within a 26 week timeframe.

JRR's proposal included explanations of the layout of the facility, the expected plant to be installed and the likely outputs of the sorting process.

The nominated materials to be sorted at the facility include: paper and cardboard; glass jars and bottles; aluminium and steel cans; and plastic bottles and containers marked 1 – 7. JRR has established market connections for the on selling of all products.

The features of the proposed facility were explained with strategies for controlling water, air emissions and noise included. The technology to be employed was outlined and repair and maintenance schedules were included. The required demolition and civil works were nominated. A building plan and an environmental management plan were outlined. A truck washdown facility at the Geordie Street site would be included. The capacity of the facility would be able to accommodate any increases in collected materials anticipated over the term of the contract.

JRR were able to provide a reference facility being the recently constructed MRF at Orange. This MRF is larger than the proposed facility at Lithgow, but essentially providing the same services.

For ALTERNATIVE 2, JRR have proposed to construct a transfer station at the Geordie Street site which will receive the collected material and bulk the material up to allow transportation to the MRF nominated by JRR at Rydalmere.

The transfer building is proposed to be a smaller version of the type of shed nominated for the MRF in ALTERNATIVE 1. JRR included a draft agreement in principle with Polytrade (the MRF operator) to receive the material for the term of the contract.

Relevant information for the development of the transfer station at Geordie Street was provided as for the MRF alternative above. Details of the proposed MRF at Rydalmere were not included.

For ALTERNATIVE 3, JRR have proposed to deliver the material collected kerbside directly to the MRF at Rydalmere. JRR would continue to utilise the Geordie Street site as a depot and the existing buildings would be expected to remain.

Ancillary works will be undertaken at the site including a new truck wash bay, office and amenities building, and associated sustainable plumbing and electrical works, pavement construction, landscaping and other ancillary works.

For all ALTERNATIVES, JRR is able to demonstrate quality assured management systems.

Confidence in the Contractor

This criteria was examined for Part A and the Evaluation Panel relied on the information examined for Part A to agree for the scoring for this criteria.

The following scores out of 10 were given for **Environmental Performance** and **Confidence in the Contractor** for Part B:

WASTE SERVICES NON-PRICE SCORING SUMMARY	
PART B - RECYCLING SERVICES	
CRITERIA	CONSENSUS SCORE
J R RICHARDS & SONS	
ENVIRONMENTAL PERFORMANCE	9.00
CONFIDENCE IN THE CONTRACTOR	9.00

It is noted that these scores are provided for the JRR managed components of the proposal and do not include an analysis of those components managed by Polytrade.

Price Scoring

The approach of the Evaluation Committee was that once the non-price criteria were scored, the tendered prices were to be analysed.

The Evaluation Committee commenced the evaluation of the prices by examining the tendered rates submitted for each Part.

Part A – Waste Collection Services

The following outlines the Evaluation Committee’s review of the tendered prices. The Evaluation Committee considered the tendered rates offered by comparing the Year One costs of the seven and ten year terms for the waste collection services. This was firstly carried out for the collection of Mixed Solid Waste (MSW) and Recyclables. The collection of organics was then included in the analysis.

The tenderer was required to provide prices for three different combinations of collection services:

- System 1 MSW 240 L MGB collected weekly
 Recycling 140 L comingled MGBs collected weekly
 Organics 240 L MGB collected fortnightly (Optional for Council)

- System 2 MSW 240 L MGB collected weekly
 Recycling 240 L comingled MGB collected fortnightly
 Organics 240 L MGB collected fortnightly (Optional for Council)

- System 3 MSW 140 L MGB collected weekly (Residents have possibility to
 upgrade to 240 L MGB) (Multi Unit Dwellings and some premises will
 continue with 240 L MGBs etc)
 Recycling 240 L comingled MGB collected fortnightly
 Organics 240 L MGB collected fortnightly (Optional for Council)

Total premises to be serviced is estimated to be 9,048 and waste and recycling services are expected to be provided to all premises. The following one year total for seven and ten years are estimated for these systems.

Waste Collection Services – Kerbside Collections Only

Tendered Prices for 7 Year Term

TENDERED PRICES	J R RICHARDS & SONS	
7 Years	Collections/Year - 7 years	Exc GST
SYSTEM 1		
MSW 240 WKLY, RECYL 140 WKLY		
<i>WEEKLY MSW 240 L</i>	364	\$ 3,617,550
<i>RECYC WEEKLY 140 L</i>	364	\$ 3,295,448
<i>Bins</i>	84	\$ 758,588
TOTAL		\$ 7,671,586
One Year Total		\$ 1,095,941
ADD ORGANICS SERVICES		
<i>FTLY ORGANICS 240 L</i>	182	\$ 1,632,245
<i>Bins</i>	84	\$ 390,048
TOTAL		\$ 2,022,293
One Year Total		\$ 288,899
SYSTEM 1 ONE YEAR TOTAL		
		\$ 1,384,840
SYSTEM 2		
MSW 240 WKLY, RECYL 240 FTLY		
<i>WEEKLY MSW 240 L</i>	364	\$ 3,617,550
<i>RECYCLING FTLY 240 L</i>	182	\$ 1,778,804
<i>Bins</i>	84	\$ 780,097
TOTAL		\$ 6,176,451
One Year Total		\$ 882,350
ADD ORGANICS SERVICES		
<i>FTLY ORGANICS 240 L</i>	182	\$ 1,632,245
<i>Bins</i>	84	\$ 390,048
TOTAL		\$ 2,022,293
One Year Total		\$ 288,899
SYSTEM 2 ONE YEAR TOTAL		
		\$ 1,171,249
SYSTEM 3		
MSW 140 WKLY, RECYL 240 FTLY		
<i>WEEKLY MSW 140 L</i>	364	\$ 3,617,550
<i>RECYCLING FTLY 240 L</i>	182	\$ 1,778,804
<i>Bins</i>	84	\$ 758,588
TOTAL		\$ 6,154,942
One Year Total		\$ 879,277
ADD ORGANICS SERVICES		
<i>FTLY ORGANICS 240 L</i>	182	\$ 1,632,245
<i>Bins</i>	84	\$ 390,048
TOTAL		\$ 2,022,293
One Year Total		\$ 288,899.02
SYSTEM 3 ONE YEAR TOTAL		
		\$ 1,168,176

Tendered Prices for 10 Year Term

TENDERED PRICES	J R RICHARDS & SONS	
	Collections/Year - 10 years	Exc GST
10 Years		
SYSTEM 1		
MSW 240 WKLY, RECYL 140 WKLY		
<i>WEEKLY MSW 240 L</i>	520	\$ 5,077,593
<i>RECYC WEEKLY 140 L</i>	520	\$ 4,623,094
<i>Bins</i>	120	\$ 758,621
TOTAL		\$ 10,459,307
One Year Total		\$ 1,045,931
ADD ORGANICS SERVICES		
<i>FTLY ORGANICS 240 L</i>	260	\$ 2,285,905
<i>Bins</i>	120	\$ 390,114
TOTAL		\$ 2,676,018
One Year Total		\$ 267,602
SYSTEM 1 ONE YEAR TOTAL		\$ 1,313,533
SYSTEM 2		
MSW 240 WKLY, RECYL 240 FTLY		
<i>WEEKLY MSW 240 L</i>	520	\$ 5,077,593
<i>RECYCLING FTLY 240 L</i>	260	\$ 2,505,862
<i>Bins</i>	120	\$ 780,227
TOTAL		\$ 8,363,682
One Year Total		\$ 836,368
ADD ORGANICS SERVICES		
<i>FTLY ORGANICS 240 L</i>	260	\$ 2,285,905
<i>Bins</i>	120	\$ 390,114
TOTAL		\$ 2,676,018
One Year Total		\$ 267,602
SYSTEM 2 ONE YEAR TOTAL		\$ 1,103,970
SYSTEM 3		
MSW 140 WKLY, RECYL 240 FTLY		
<i>WEEKLY MSW 140 L</i>	520	\$ 5,077,593
<i>RECYCLING FTLY 240 L</i>	260	\$ 2,505,862
<i>Bins</i>	120	\$ 758,621
TOTAL		\$ 8,342,075
One Year Total		\$ 834,208
ADD ORGANICS SERVICES		
<i>FTLY ORGANICS 240 L</i>	260	\$ 2,285,905
<i>Bins</i>	120	\$ 390,114
TOTAL		\$ 2,676,018
One Year Total		\$ 267,602
SYSTEM 3 ONE YEAR TOTAL		\$ 1,101,809

The prices for the organics collection services were required as optional for Council to decide to include. The tenderer offered an alternate tender that reflects the savings to be offered in the event that all three waste streams are to be included. When services are optional for Council to decide, tenderers aim to recover all of their fixed costs on the services that are guaranteed. In the event that all three waste streams were included, JRR offered Alternative Tender F.

The table below outlines the Alternative Tender F which can be compared to System 2 above.

TENDERED PRICES - ALTERNATIVE F		J R RICHARDS & SONS	
7 Years		Collections/Year - 7 years	Exc GST
SYSTEM F			
MSW 240 WKLY, RECYL 240 FTLY, ORGANICS FTLY			
	WEEKLY MSW 240 L	364	\$ 3,483,505
	RECYCLING FTLY 240 L	182	\$ 1,715,570
	FTLY ORGANICS 240 L	182	\$ 1,632,245
	Bins	84	\$ 1,170,145
	TOTAL		\$ 8,001,465
SYSTEM F ONE YEAR TOTAL			\$ 1,143,066
10 Years		Collections/Year - 10 years	Exc GST
SYSTEM F			
MSW 240 WKLY, RECYL 240 FTLY			
	WEEKLY MSW 240 L	520	\$ 4,916,213
	RECYCLING FTLY 240 L	260	\$ 2,418,114
	FTLY ORGANICS 240 L	260	\$ 2,285,905
	Bins	120	\$ 780,227
	TOTAL		\$ 10,400,459
SYSTEM F ONE YEAR TOTAL			\$ 1,040,046

Should Council consider including organics collection services, this alternative offers the best value for Council. The one year total for the 10 year term for System 2, for example, where organics collections are optional is \$1,103,970 (\$836,368 excluding organics); whereas if Council commits to the organics collections the one year total for the 10 year term under Alternative F is \$1,040,046. So, the additional costs of providing an organics collection service needs to consider this alternative pricing. Together with considering the collection of organics material, Council will need to manage the processing of the extra organics that will be delivered to the Lithgow landfill.

As part of the clarification process a price was also sought from JR Richards on commencing an organics collection on 1 November 2016. JR Richards provided prices for both a 7 and 10 year service commencing at that date. However, the 10 year option could not be considered as (if accepted) it would see the green waste collection component of the contract expiring 3 years after the garbage/recycling component. The reason for the option of commencing an organics collection service in 2016 is that it give Council greater opportunity to set up receipt and processing of the organics. By way of comparison with Alternative F and System 2 above, the prices provided for the service commencing in 2016 are as follows:

TENDERED PRICES	J R RICHARDS & SONS	
10 Years	Collections/Year - 10 years	Exc GST
SYSTEM 1		
MSW 240 WKLY, RECYL 140 WKLY		
WEEKLY MSW 240 L	520	\$ 5,077,593
RECYC WEEKLY 140 L	520	\$ 4,623,094
Bins	120	\$ 758,621
TOTAL		\$ 10,459,307
One Year Total		\$ 1,045,931
ADD ORGANICS SERVICES		
FTLY ORGANICS 240 L	260	\$ 2,571,966
Bins	120	\$ 390,114
TOTAL		\$ 2,962,080
One Year Total		\$ 296,208
SYSTEM 1 ONE YEAR TOTAL		
SYSTEM 2		
MSW 240 WKLY, RECYL 240 FTLY		
WEEKLY MSW 240 L	520	\$ 5,077,593
RECYCLING FTLY 240 L	260	\$ 2,505,862
Bins	120	\$ 780,227
TOTAL		\$ 8,363,682
One Year Total		\$ 836,368
ADD ORGANICS SERVICES		
FTLY ORGANICS 240 L	260	\$ 2,571,966
Bins	120	\$ 390,114
TOTAL		\$ 2,962,080
One Year Total		\$ 296,208
SYSTEM 2 ONE YEAR TOTAL		
SYSTEM 3		
MSW 140 WKLY, RECYL 240 FTLY		
WEEKLY MSW 140 L	520	\$ 5,077,593
RECYCLING FTLY 240 L	260	\$ 2,505,862
Bins	120	\$ 758,621
TOTAL		\$ 8,342,075
One Year Total		\$ 834,208
ADD ORGANICS SERVICES		
FTLY ORGANICS 240 L	260	\$ 2,571,966
Bins	120	\$ 390,114
TOTAL		\$ 2,962,080
One Year Total		\$ 296,208
SYSTEM 3 ONE YEAR TOTAL		

Alternative F

10 Years	Collections/Year - 10 years	Exc GST
SYSTEM F		
MSW 240 WKLY, RECYL 240 FTLY		
WEEKLY MSW 240 L	520	\$ 4,916,213
RECYCLING FTLY 240 L	260	\$ 2,418,114
FTLY ORGANICS 240 L	260	\$ 2,571,966
Bins	120	\$ 780,227
TOTAL		\$ 10,686,520
SYSTEM F ONE YEAR TOTAL		

In summary, if Council chooses to accept Alternative F, commencing in 2016, the annual cost for organics would increase from \$267,602 to 296,208 or \$28,606 per annum..

The difficulty in deciding whether to include an organics collection service or not has also been complicated by other developments. For example, the NSW Government's 'Waste Less – Recycle More' initiative appears to offer possibilities of applying for funding to set up activities for taking less waste to landfills. There is a fund, known as the Organics, which is intended to provide \$70 million which is understood to be made available (subject to details) for the provision of new infrastructure and new collection systems for organics. Whilst it is not suggested that the kerbside waste service contemplated by this tender be delayed, there may be a benefit in not taking up the organics collection option at this stage. Furthermore, there also appear to be possibilities developing through the Netwaste group of Council's that could allow participation in regional initiatives and/or collection and processing contracts. Such activities, on a regional basis, should provide opportunities for reduced prices. Therefore, on balance, it would not be recommended to proceed with the organics collection option at this stage.

Other Optional Services

The tender also included a number of options for other services for Council's consideration with the acceptance or otherwise purely at Council's discretion. All of the optional services will be separately reported to Council as the priority at this stage is to finalise the waste and recycling collection/processing so that the contractor can commence planning for the new contract. These options were:

Cleanup Services

Council currently provides two bulky waste and four organics cleanup collection services per annum. The tender sought prices from tenderers for two options to provide this service. Option 1 looked at the Contractor providing two bulky waste and four organics cleanup services. This option includes residents calling and booking through a call centre and the Contractor providing the service to residents. Option 2 involves the contractor providing two cleanup collection services. Under this scenario the residents would book through a call centre and the bulky goods will be picked up.

Litter Bins

Council currently, through its day labour force, provides a service of emptying over 200 street litter bins and litter bins in and surrounding parks and sportsgrounds. The tender sought a price for the provision of this service. It also sought a price on providing and servicing Public place recycling and waste stations.

Dead Animal Collection Service

The tender sought prices for the provision of a dead animal collection service. This would be a service provided on a as needs basis and would not preclude the use of Council day labour.

Special Events

The tender sought prices for the provision of garbage and recycling services to special events, such as Ironfest and Lithgow Show.

Storm and Disaster Cleanup/Waste Collection Service

The tender sought prices from the Contractors on the provision of a storm and disaster cleanup service. Once again this would be a service provided on a as needs basis and will not preclude the use of Councils day labour.

Servicing Landfills or Transfer Stations

Prices were sought for the provision of skip bins and recycling facilities to cater for garbage and recycling at existing and planned future transfer stations.

Other requirements of the proposed Contractor

The tender documents also provided for a number of other services to be included as part of the contract. The most notable of these are the requirement for the contractor to provide a dedicated call centre where all general enquiries, complaints, bin repairs and replacements, and requests for additional bins would be processed. The tender also requires a significant community education program in relation to the waste and recycling services and in this regard under the first year of the contract the contractor will be required to spend \$50,000 on Community education and in subsequent years \$25,000 for Community education.

Additional Collection Areas

The tender also sought prices for extending the kerbside collection areas to Glen Davis/Glen Alice, the Wolgan Valley and Thompsons Creek Road, Wallerawang. JRR provided separate tendered rates for these areas. The provision of services to these areas would cost approximately \$120,000 per year which would have to be recovered across the entire customer base. Therefore, at this stage it would seem cost prohibitive to extend the service into these areas.

Part B – Receival And Processing Of Recyclables

The Evaluation Committee considered the tendered rates for Part B in a similar way. Prices here are applied 'per tonne' and JRR estimates that 2340 tonnes shall be collected in the first year of the contract. The tendered rates from JRR for the three alternatives are outline below:

TENDERED PRICES		OPTION 1 LOCAL MRF	
7 Years			Exc GST
	Recyclables	10300	\$ 535
	TOTAL		\$ 8,765,154
	One Year Total		\$ 1,252,165
10 Years			Exc GST
	Recyclables	23400	\$ 435
	TOTAL		\$ 10,189,043
	One Year Total		\$ 1,018,904
TENDERED PRICES		OPTION 2 TRANSFER STATION	
7 Years			Exc GST
	Recyclables	10300	\$ 200
	TOTAL		\$ 4,840,359
	One Year Total		\$ 691,480
10 Years			Exc GST
	Recyclables	23400	\$ 241
	TOTAL		\$ 5,648,491
	One Year Total		\$ 564,849
TENDERED PRICES		OPTION 3 DIRECT DELIVERY (CONFORMING TENDER)	
7 Years			Exc GST
	Recyclables	10300	\$ 200
	TOTAL		\$ 3,413,522
	One Year Total		\$ 487,646
10 Years			Exc GST
	Recyclables	23400	\$ 162
	TOTAL		\$ 4,254,541
	One Year Total		\$ 425,454

Further Evaluation

For Council, a comparison of what is currently being paid for the services is helpful. Currently, Council is providing waste collection services to 9,048 premises. Recycling processing costs are included in the recycling collection services. If it is assumed that the recycling collection services will be provided to all premises then the following systems costs are estimated:

Weekly MSW Collections $9,048 \times \$1.2462 \times 52 =$ \$586,332

Weekly Recycling Collections + Processing $9,048 \times \$1.1202 \times 52 = \$527,050$

Total Current System Costs **\$1,113.382**

How does this compare to the costs offered in the tender. Take, for example, System 2 collections for the 10 year term:

1. Collections + Alternative 1 Local MRF

Weekly MSW	$9,048 \times \$1.0792 \times 52 =$	\$507,759
Fortnightly Recyclables Collections	$9,048 \times \$1.0652 \times 26 =$	\$250,586
ALTERNATIVE 1 local MRF	$2,340 \text{ t} \times \$453 =$	\$1,060,020

Total System Costs ALTERNATIVE 1 **\$ 1,818,365**

This option assumes that Council is the owner of a MRF Building at Geordie Street at the end of the term.

2. Collection + Alternative 2 Local Transfer Station

Weekly MSW	$9,048 \times \$1.0792 \times 52 =$	\$507,759
Fortnightly Recyclables Collections	$9,048 \times \$1.0652 \times 26 =$	\$250,586
ALTERNATIVE 2 local transfer station	$2,340 \text{ t} \times \$241 =$	\$563,940

Total System Costs ALTERNATIVE 2 **\$ 1,322,285.**

This option assumes that Council is the owner of a transfer station at Geordie Street at the end of the term.

3. Collection + Alternative 3 Direct Delivery

Weekly MSW	$9,048 \times \$1.0792 \times 52 =$	\$507,759
Fortnightly Recyclables Collections	$9,048 \times \$1.0652 \times 26 =$	\$250,586
ALTERNATIVE 3 Direct Delivery	$2,340 \text{ t} \times \$182 =$	\$425,880

Total System Costs ALTERNATIVE 3 **\$ 1,184,225**

The System 2 Collections assume that new 240 litre MGBs will be supplied and distributed to all premises the nominated price for the 240 L MGBs for the 10 year term is \$0.3593 per bin per month. So for 9,048 premises:

$9,048 \times \$0.3593 \times 12 = \$39,011 \text{ p.a. for the MGBs}$

If new MGBs are required for garbage and for recycling, this amount is doubled.

There are a number of points for Council to consider:

- The new recycling collection system is expected to be utilised by greater proportion of residents;
- greater volumes of recyclables are expected to be recovered and diverted from landfill under the new recycling collection system:

JRR estimates 2,340 tonnes shall be collected in the first year compared to Council's reported estimated 786 tonnes¹ currently collected;

- recycling collection services provided fortnightly rather than weekly results in significant savings to Council:

Weekly 140 L Recycling Collections over 10 years is estimated at \$4.6million

Fortnightly 240 L Recycling Collections over 10 years is estimated at \$2.5million

- the limited tonnages result in high costs per tonne for the alternative processing proposals;
- Lithgow City Council can attain certain items of infrastructure (i.e. a MRF or transfer station) unencumbered at the conclusion of the contract. This infrastructure can then be utilised in following contracts;
- a transfer station in Lithgow could improve options for Council in the future. However, on further investigation any future use of the site by Council would require specialist design and construction. Therefore, there are no significant benefits in proceeding with recycling alternative number 2;
- there are clear cost advantages to contracting for a ten year term rather than a seven year term;
- all options proposed by JRR for utilising the Geordie Street site include upgrades i.e. new Truck wash, office and amenities building, and associated sustainable plumbing and electrical works, pavement construction, landscaping and other ancillary works. This is included even if recyclable material is delivered directly to the nominated MRF in Rydalmere.

Clarifications

A number of Clarifications were requested of J R Richards and Sons. The Evaluation Committee met with J R Richards representatives on 18 April to discuss and confirm further details of the tendered services.

Following this meeting a final clarification was issued to J R Richards on 29 April to confirm the matters raised at the earlier discussions.

J R Richards have responded to these clarifications and provided Council with the information requested.

¹ NSW local government waste and resource recovery data report 2009-10. Office of Environment and Heritage Feb 2012.

All information gained and evaluated have allowed for the Evaluation Committee to make Recommendations to Council.

The Evaluation Committee has made certain conclusions regarding the most suitable collection services (Part A) to be included in the next Contract. The Evaluation Committee has also made a conclusion regarding the Alternative for the recovery of Recyclables (Part B).

Part A

- Weekly MSW Collections and Fortnightly comingled Recycling Collections (garden organics not introduced at this time track).
- New 240 L MSW and 240 L Recycling MGBs are supplied and distributed
- Consider optional ancillary services separately.

Part B

- Alternative 3 – Direct delivery to Rydalmere material recovery facility.

Term: 10 Years

Employment Considerations

Clause 170(1)(e) of the Local Government (General) General Regulation provides that tender documents relating to a proposed *contract must, if the proposed contract is for the performance of domestic or other waste management services of the same kind as those performed under a contract in force immediately before the tenders are invited (an existing contract), specify the information which must be submitted about the continuity of employment of workers employed or engaged by the contractor under the existing contract to perform the domestic or other waste management services.* This was provided in the tender documents and for Council's information, JR Richards have provided the following information on employment which is dependant on which option is chosen for the processing of recyclables.

Employees	Current		Option 1 Local MRF		Option 2 Transfer Station		Option 3 Collection Vehicles to Rydalmere	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Waste Collection Drivers	2		2		2		2	
Recycling	3		2		2		2	1

Collection Staff								
JRR Transfer Station Staff					1			
Council's Transfer Stations Hooklift Driver			1		1		1	
MRF Workers		1		3				
Totals	5	1	5	3	6	0	5	1

POLICY IMPLICATIONS

The policies that have been most relevant to this process are 1.4 – Tendering and 9.11 Tenders – Canvassing / Lobbying of Councillors and Staff

FINANCIAL IMPLICATIONS

Outlined in this report.

LEGAL IMPLICATIONS

The most relevant legislative considerations relate to the Local Government Act, 1993 – Section 55 and Local Government (General) Regulation – Part 7

ATTACHMENTS

1. Proposed pricing schedule for parts of tender recommended for acceptance.

RECOMMENDATION

THAT A contract be entered into with J R Richards and Sons for the Waste Services as outlined in the Request for Tender (TEN 02/12) in accordance with the amounts identified in the attached pricing schedule and as outlined below:

Part A

- i) Weekly Mixed Solid Waste (MSW) Collections and Fortnightly commingled Recycling Collections for a term of ten (10) years.
- iii) New 240 Litre MSW and 240 Litre Recycling MGBs are supplied, assembled and distributed prior to the Commencement Date.
- iv) Possible additional collection areas for Wolgan Valley, Glen Davis/Glen Alice and Thompsons Creek Road NOT be included in the contract.
- v) Organics Collection NOT be included in the contract.
- vi) Optional ancillary services will be the subject of a separate report to Council.

Part B

J R Richards proposed Alternative No. 3 for the direct delivery of the collected Recyclables to the Rydalmere material recovery facility for a term of ten (10) years at the tendered rate as outlined in the attached pricing schedule

- i) Delegated authority be granted to the General Manager to finalise and execute the Contract and negotiate an earlier commencement date than 4 November 2013 if possible.
- ii) The affixing of the common seal be authorised for the necessary contract documents.

ITEM-7 ENVIRO - 17/06/13 - DA090/13 REQUEST FOR EXEMPTION OF SECTION 94A LEVY - PROPOSED TELECOMMUNICATIONS FACILITY PORTLAND GOLF CLUB WALLERAWANG ROAD PORTLAND NSW 2847

REPORT BY: A MUIR – GROUP MANAGER ENVIRONMENT AND DEVELOPMENT

SUMMARY

To advise Council of a request received for an exemption to Council's Section 94A Contribution relating to Development Application DA090/13 from CommPlan on behalf of NBN Co for a proposed telecommunications facility on land known as Lot 1 in DP 854929, Portland Gold Club, Wallerawang Road, Portland NSW 2847.

COMMENTARY

Council is in receipt of a request from CommPlan on behalf of NBN Co seeking an exemption of Section 94A Contributions of \$850.00.

Part C7 of *Lithgow's Section 94A Development Contributions Plan June 2012* states that Council may consider exempting developments or components of developments from the Section 94A plan involved in the following applications:

- g) An application for development associated with providing infrastructure funded by Section 94 levies;*
- h) An application for or on behalf of Lithgow City Council for community infrastructure such as libraries, community facilities, child care facilities, sport and recreational facilities, recreation areas of car parks;*
- i) An application for or on behalf of NSW Government for public infrastructure such as hospitals, police stations, fire stations, education facilities and public transport infrastructure;*
- j) An application for development that involves rebuilding or repair after natural disasters such as flooding or bushfires;*
- k) An application for privately funded community infrastructure, such as education facilities, universities, private hospitals etc;***
- l) An application for alterations and additions to an existing single dwelling;*
- m) An application for an industrial, retail or commercial development where there is no intensification of use or increase in floor space of an existing building;*
- n) Any other development for which Council considers an exemption is warranted, where the decision is made by formal resolution of council at an Ordinary Council meeting.*

In the case of points g to n above, such application will need to include a comprehensive submission arguing the case for exemption.

CommPlan Pty Ltd has provided a submission that the DA is lodged on behalf of NBN Co. as part of the government's broadband development program. No public amenities and services will be required as a result of the development. The telecommunications

facility will not have a significant demand on public services or derive from public amenity and will not use any water, create rubbish or generate any traffic etc.

The facility will further utilise a small footprint of the site, will be unmanned in nature and use existing driveways and other utilities.

There are currently no existing suitable telecommunication facilities located in the vicinity with a structure that is suitability capable of providing wireless radio/internet and mobile broadband services to the Portland area. Therefore the development would have a positive social and economic impact to the locality as it would provide a service that requires a high demand of consumer usage.

The infrastructure to be provided does not necessarily fall within that contemplated by subclause k above. However, it has been argued that the facility would have significant benefits for residents and businesses in the Portland area, enabling improvements in service delivery and productivity in a number of areas including health, education, financial services etc.

On balance, it can be argued either way as to whether an exemption should be granted in this instance. However, as the type of infrastructure does not necessarily fit in to the exemptions that fall under the Section 94A Plan, it will be recommended that an exemption not be granted in this instance.

POLICY IMPLICATIONS

No specific policy implications arise in the context of Council's Policy Register, however the Lithgow City Council's Section 94A Development Contributions Plan 2012 is in essence a Council Policy.

LEGAL IMPLICATIONS

The Contributions Plan has been duly made under the provisions of Section 94A of the Environmental Planning and Assessment Act.

FINANCIAL IMPLICATIONS

Council would forego \$850 in revenue if it agrees to the exemption.

RECOMMENDATION

THAT Council NOT provide an exemption to CommPlan on behalf of NBN Co for the levy of a contribution under Council's Section 94A Contribution Plan in accordance with the provisions of Part C7, subclause k) of the Plan.

ITEM-8 ENVIRO - 17/06/13 - PROPOSED BUILDING ADDITIONS AND ALTERATIONS UNION THEATRE - BRIDGE STREET LITHGOW - ADOPTION OF TENDER METHOD

REPORT BY: A MUIR – GROUP MANAGER ENVIRONMENT AND DEVELOPMENT

SUMMARY

To adopt the appropriate tender method for the proposed additions and alterations at the Union Theatre in Bridge Street Lithgow.

COMMENTARY

Council has approved for implementation in 2012-13 and 2013-14 building improvements to the Union Theatre that include reconstruction and an addition to the toilets, improved disabled access to the front of the building, removal and replacement of the external steel stairs, and removal and replacement of the existing defective northern side walkway.

For this project to proceed it is necessary for Council to determine the appropriate tender method. Under Council's Policy 1.4 – Tendering, Council must first determine whether to adopt the open tender method or selective tender method.

Clause 166 of the Local Government (General) Regulation 2005 indicates that whenever a Council is required by Section 55 of the Local Government Act to invite tenders Council must decide whether to utilise (a) the open tendering method by which tenders for the proposed contract are invited by public advertisement; (b) the selective tendering method by which invitations to tender for a particular proposed contract are made following a public advertisement asking for expressions of interest; or (c) selective tender method by which recognised contractors selected from a list prepared or adopted by the Council are invited to tender for proposed contracts of a particular kind.

As this project has a tight timeframe being part funded by a Community Building Partnership Grant that must be finalised by 31 December 2013 it is considered that the most advantageous method would be to adopt the open tendering method by which tenders are requested by public advertisement.

POLICY IMPLICATIONS

Policy 1.4 – Tendering

FINANCIAL IMPLICATIONS

Funding for the project has been included in the 2012-13 and 2013-14 budgets.

LEGAL IMPLICATIONS

Requirements for tendering and process for open or selective tendering may be found in Section 55 of the Local Government Act and Clauses 163 – 179 in the Local Government Regulations.

RECOMMENDATION

THAT Council adopt the open tendering method for the construction works involving alterations and additions to the Union Theatre, Bridge Street, Lithgow.

OPERATION REPORTS

ITEM-9 OPER - 17/06/13 - WOLGAN VALLEY ROAD PROJECT PROGRESS REPORT

REPOR BY: I STEWART – GROUP MANAGER OPERATIONS

REFERENCE

Min No 12-494: Ordinary Meeting of Council held on 17 December 2012

SUMMARY

To advise Council of the progress to date on the construction of the \$4.2million upgrade project on the Wolgan Valley Road.

COMMENTARY

Council will recall that matching grants were received from the NSW State Government and the Emirates Resort totalling 4.2 Million dollars for the widening and bitumen sealing of 14.2 kilometres of the Wolgan Valley Road extending from the foot of the Wolgan Gap to the Emirates Resort.

Council undertook the Project Management of this major works and proposed to execute the work using a combination of day labour and external plant hire contractors. The first milestone of the project was the completion of 5 kilometres of road anticipated by the end of June 2013 and it was proposed to complete the balance of the work by the end of the calendar year, though the Memorandum of Understanding required completion by the end of April 2014.

Council commenced construction works extending from the entrance to the Emirates Resort back towards the foot of the Wolgan Gap, this section being the most difficult due to the low lying nature of the terrain, inadequate existing drainage/swampy conditions, poor alignment and unsuitable pavement material.

Work commenced in the second week in April and major resources were allocated to this section of a road to ensure satisfactory progress bearing in mind the possible impact of adverse wet weather on the roadworks and the impact this would have on access for locals and clients to the Emirates Resort.

Substantial and satisfactory progress has been made on this section of road and completion of the first 5.1 kilometres is expected by the end of June.

Due to the storm events in February 2013 and resulting storm damage Council's resources were reallocated from this project to rectifying essential infrastructure. This resulted in an increase in the level of sub contractor resources engaged to ensure the progress of this project. As a result payments to subcontractors engaged on an hourly

basis exceeded the \$150,000 limit specified in the Local Government Tendering requirements. To this point in time staff have been utilising the Council's Contractor Management System to engage contractors. In reviewing progress to date, with an additional 9 kilometres of the project still to complete by the end of 2013, it is considered necessary for council to proceed and advertise tenders for the hire of plant and equipment for specific engagement on this important project. The tenders will seek Plant Hire rates, type of plant and machinery being offered, experience of the operators and contractors in carrying out this type of work, details of the individual Contractors WPH Management Systems and relevant insurances. Open tenders will ensure availability of contract plant and machinery, competitive pricing, commitment to a timetable of works, value for money and expeditious completion of the project.

It is proposed that tenders be advertised closing on 5 July 2013 with a report being reported to Council on 29 July 2013 recommending acceptance of a number of tenders.

These open tenders will be project specific and will invite tenders on a casual schedule of rates hire for various items of plant and equipment. Contractors will need to ensure that they make sufficient allowance within the plant hire rates tendered for overtime and weekend work to ensure that this project takes full advantage of suitable weather conditions when they prevail. Contractors seeking approval for work on this project must comply with the RMS QA Specification G22 Work Health and Safety (Construction and Maintenance Works)

Prior to the completion of the tender process work will be proceeding on the project using Council's existing resources (when available) and contractors previously registered with Councils Management System until the 4 August 2013.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

RECOMMENDATION

THAT:

1. Council note the report of the progress of the Wolgan Valley Road project;
2. Proceed to invite open tenders for plant hire for the Wolgan Valley Road Project
3. On the basis of extenuating circumstances continue to engage Gracey's Earthmoving and Excavations and ICF Haulage until 4 August 2013 whilst the tendering process is finalised

ITEM-10 OPER - 17/06/13 - CONTRACTOR MANAGEMENT SYSTEM UPDATE

REPORT BY: I STEWART – GROUP MANAGER OPERATIONS

REFERENCE

Min No 12-96: Ordinary Meeting of Council held on 26 March 2012.

SUMMARY

This report provides information on the updated implementation of Council's Contractor Management System. The aim is to develop a standardised Contractor Management System that consolidates the Health, Safety, Environment & Community (HSEC), Work Management, Supply and Commercial streams of contractor management into a formal, documented, standard and simple operating process that delivers clear benefits for Lithgow City Council.

COMMENTARY

From discussions with Councils insurer's and internal managers there has been a very clear business need to improve our HSEC and commercial contractor management performances, levels of compliance and process efficiencies to make it easier for people to understand and follow a one systematic process and its associated requirements.

It is essential that simple processes be adopted to manage a wide variety of contracted engagements and any risks associated with these commitments, in the most effective means possible.

As a part of a business wide approach, new documentation has been developed to improve HSEC performance and organisation effectiveness that delivers clear benefits and assists LCC to:

- improve and standardise the way contractors are managed
- improve HSEC performance;
- improve efficiency, transparency, consistency and fair value for money
- make it easier for LCC personnel and contractors to understand the processes;
- improve compliance with LCC processes (LCC & Contractors);
- provide simple cost effective training in the application of the contractor management processes;
- promote methodology based decision making.

Key improvement messages included a need to standardised contractor management practices and make contractor management a One formalised document process capturing vital information front up, to simplify and streamline activities, clearly define roles and responsibilities and to introduce formalised and structured approaches to training and ongoing governance.

Other information requested in the CMS includes 'Schedule of Rates' for the hire of Contractor Services and the machinery information pertaining to current Australian

Standards of compliance. The listed Schedule of Rates provides a tendered price which allows staff to assess best practice principles and fair value for money when selecting a required service. It is expected that the 'Schedule of Rates' will vary infrequently with rise and fall of fuel and any other influential market changes. However at the absolute minimum rate schedules will be updated annually in line with insurances or as per contractor advice.

It is proposed to engage contractors on an as needs basis to undertake works for Council when additional resources are required or to fill resource shortages. In addition to price and value for money, it should be noted that the availability of the equipment/ plant, type of equipment offered, skill of operators, and experience in specific type of roadwork projects can often be determining factors, when selecting a contractor for a specific project.

The CMS will remain indefinitely open on Councils web-site for any interested Contractor wishing to seek formal registration and become involved with services required by Council. Contractors may change details on the website at any time including changing rates, type of equipment available and any other relevant details, however, Contractors will be formally invited on an annual basis to review details and update plant hire rates.

All contractors engaged by Council must comply with the Roads and Maritime Services QA Specification G22 Work Health and Safety(Construction and Maintenance Works).

To date the following Civil Contractors have submitted all necessary information regarding formal induction into the CMS:

- Dukes Civil Pty Ltd
- Gracey's Earthmoving & Excavations
- Henry Plant & Equipment Hire Pty Ltd
- KC Shaw Earthmoving & Excavation
- Peters Earthmoving Pty Ltd
- RT & KM Lund Earthmoving
- Tony Scott Plant Hire Pty Ltd

POLICY IMPLICATIONS

Formal introduction of an updated system to fully capture Contractor information ensuring a higher level of governance within the organisation.

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Schedule of rates for various contractors

RECOMMENDATION

THAT Council endorse the services offered by the current Contractors inducted into Councils CMS as preferred contractors for works that do not require compliance with tendering procedures:

- Dukes Civil Pty Ltd
- Gracey's Earthmoving & Excavations
- Henry Plant & Equipment Hire Pty Ltd
- KC Shaw Earthmoving & Excavation
- Peters Earthmoving Pty Ltd
- RT & KM Lund Earthmoving
- Tony Scott Plant Hire Pty Ltd

**ITEM-11 OPER - 17/06/13 - PEDESTRIAN ACCESS AND MOBILITY PLAN FOR
THE GREAT WESTERN HIGHWAY THROUGH LITHGOW**

REPORT BY: I STEWART – GROUP MANAGER OPERATIONS

SUMMARY

To advise Council of the preparation of a Pedestrian Access and Mobility Plan (PAMP) for the Great Western Highway through the Lithgow urban area.

COMMENTARY

Cardno (NSW/ACT) Pty Ltd has been engaged by Council to prepare a Pedestrian Access and Mobility Plan (PAMP) for the Great Western Highway through Lithgow.

A PAMP is a strategy and action plan to facilitate the provision and improvement of pedestrian infrastructure. PAMPs provide a means to coordinate investment in safe, convenient and connected pedestrian routes. The primary objective of the study will be the provision of safe pedestrian access across the Highway which currently has only one regulated crossing location. The report will assist Council in seeking funds from the RMS for any upgraded infrastructure relating to pedestrian movements.

As part of the investigations for the study, consultation is being sought with the Traffic Advisory Local Committee and the Disability Access Committee on the issues, constraints and opportunities associated with the pedestrian facilities along the highway.

The objectives of the PAMP for the Great Western Highway through Lithgow are:

- To facilitate improvements in the level of pedestrian access, safety and priority, particularly in areas of pedestrian concentration
- To reduce pedestrian access severance and enhance safe and convenient crossing opportunities in the entire area
- Identify strategies for resolving pedestrian crash clusters
- To facilitate improvements in the level of personal mobility and safety for pedestrians with disabilities and older persons through the identification of pedestrian infrastructure and facilities which cater to the needs of all pedestrians
- To further Council's obligations under the Commonwealth Disability Discrimination Act

The study area for the PAMP extends along the Great Western Highway between Magpie Hollow Road to just past Lockyer Street.

Stakeholder and community consultation is an important component of the development of PAMPs. Engaging stakeholders and the public will allow the known issues, risks, opportunities and constraints to be considered in the assessment of pedestrian needs.

Cardno Pty Ltd undertook consultation for the draft PAMP report via:

- Community survey: via the Lithgow Council website, customers service desk and library
- Stakeholder interviews: Cardno conducted phone interviews with key organisational stakeholders for the project including retirement villages, La Salle Academy, Lithgow Information and Neighbourhood Centre, Lithgow Community Health Centre and Lithgow Hospital.
- Council committees: Cardno requested that the Traffic Advisory Local Committee and the Disability Access Committee provide advice on the pedestrian and access issues that should be investigated and addressed

The Pedestrian Facilities Community Survey received 34 responses. Key issues raised in the survey included the lack of safe crossing opportunities, missing footpaths on the western side of the highway and concern about motorist behaviour. Col Drewe Drive was identified as an important crossing point on the highway for pedestrians. A number of survey respondents relied on mobility aids such as walking sticks.

Cardno is currently awaiting feedback from the Traffic Advisory Local Committee and the Disability Access Committee before the draft PAMP Report can be finalised. The draft PAMP report will then be placed on public exhibition and the community will have the opportunity to comment on the report and its recommendations.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

This proposal is being funded by a grant from Roads and Maritime Services.

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. PAMP Study Area Map
2. Pedestrian Facilities Community Survey

RECOMMENDATION

THAT Council note the report on the Pedestrian Access and Mobility Plan for the Great Western Highway through Lithgow.

ITEM-12 OPER - 17/06/13 - WATER REPORT

REPORT BY: I STEWART – GROUP MANAGER OPERATIONS

REFERENCE

Min No 13-174: Ordinary Meeting of Council held on 27 May 2013.

SUMMARY

This report provides an update on various water management issues as per Minute Number 13-174.

COMMENTARY

In relation to current water management issues the following information is provided.

Current Dam Levels for both Farmers Creek and Oberon

Farmers Creek Dam #2 capacity on Friday 31st May was 94.5%. Oberon Dam capacity on Wednesday 27th May was 84.4%

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 (CWTS) for 2012/13.

Table 1 - Oakey Park Monthly Output and Clarence Transfer

Month Total	Oakey Park WTP (ML)	Clarence Transfer (ML)	Farmers Ck Dam Accumulative Yield (ML)
July	107	0	107
August	106	0	213
September	115	0	328
October	140	0	468
November	140	5	608
December	135	81	743
January	146	73	889
February	92	0	981
March	114	0	1,095
April	109	0	1,204
May	123	0	1,327
2011/12 Monthly Av	121	0	
Rolling 12 Month Total	1,327	159	1,327

Table 2 - Oakey Park Daily Output and Clarence Transfer

Oakey Park WTP	Avg Daily Use kL	Avg Daily CWTS Transfer kL
May	3,959	0
April	3,619	0
Last Week	3,648	0
Previous Week	3,202	0

Oakey Park Water Quality Summary

Oakey Park Water Treatment Plant is currently supplying water to Lithgow. No health-based ADWG guideline values were exceeded in May. Two high Total Coliform results were recorded and were investigated.

Monitoring results for the licence to operate the water treatment plant have been published on the Lithgow City Council website as required by the *Protection of the Environment Operations Act 1997*.

Fish River Water Scheme Water Quality Summary

The FRWS is currently supplying water to Marrangaroo, Wallerawang, Lidsdale, Portland, Cullen Bullen, Glen Davis and Rydal. No health-based ADWG guideline values were exceeded. One Total Coliform sample exceeded guidelines and one low chlorine result was recorded and were investigated.

Current Water Restrictions Update

Level 1 water restrictions are in place for all residents throughout Lithgow and villages receiving water from both the Lithgow and the Fish River water supplies.

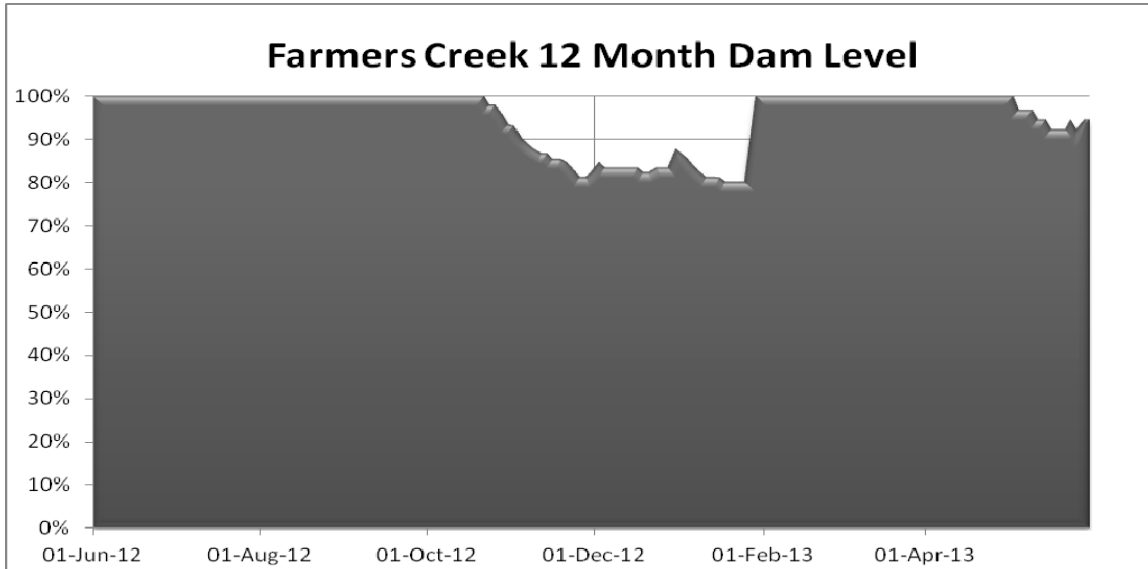
Water Saving Schemes or Processes Update

Council's Rainwater Tank and Domestic Appliance Rebate Program continued in May with Council approving four applications for a household appliance rebate and one application for a water tank rebate.

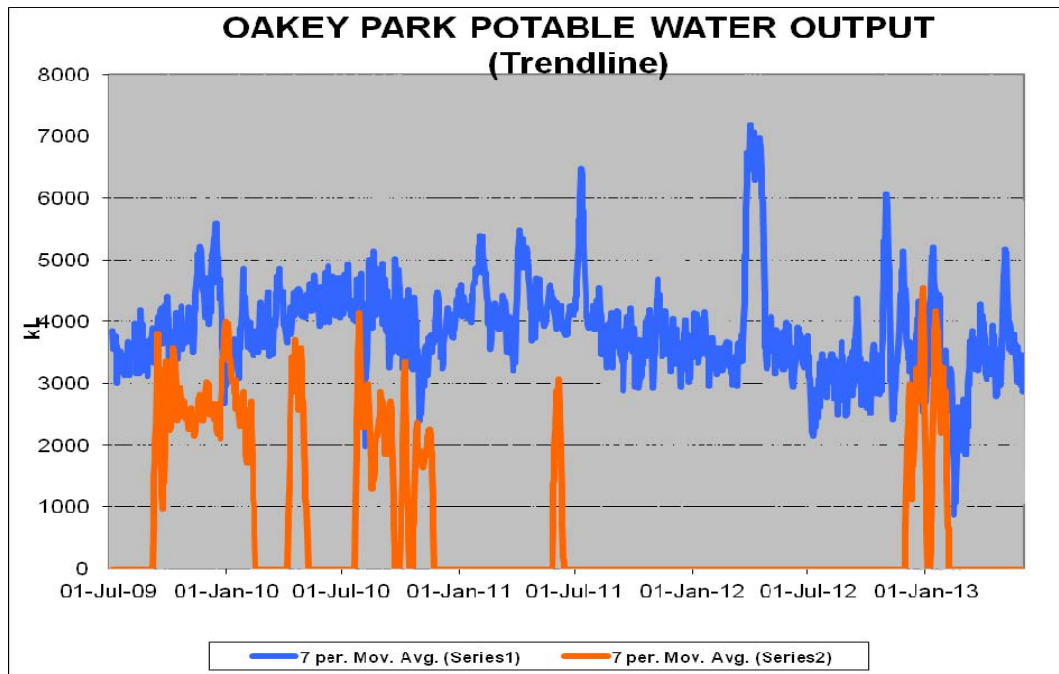
Farmers Creek Dam 12 Month Levels

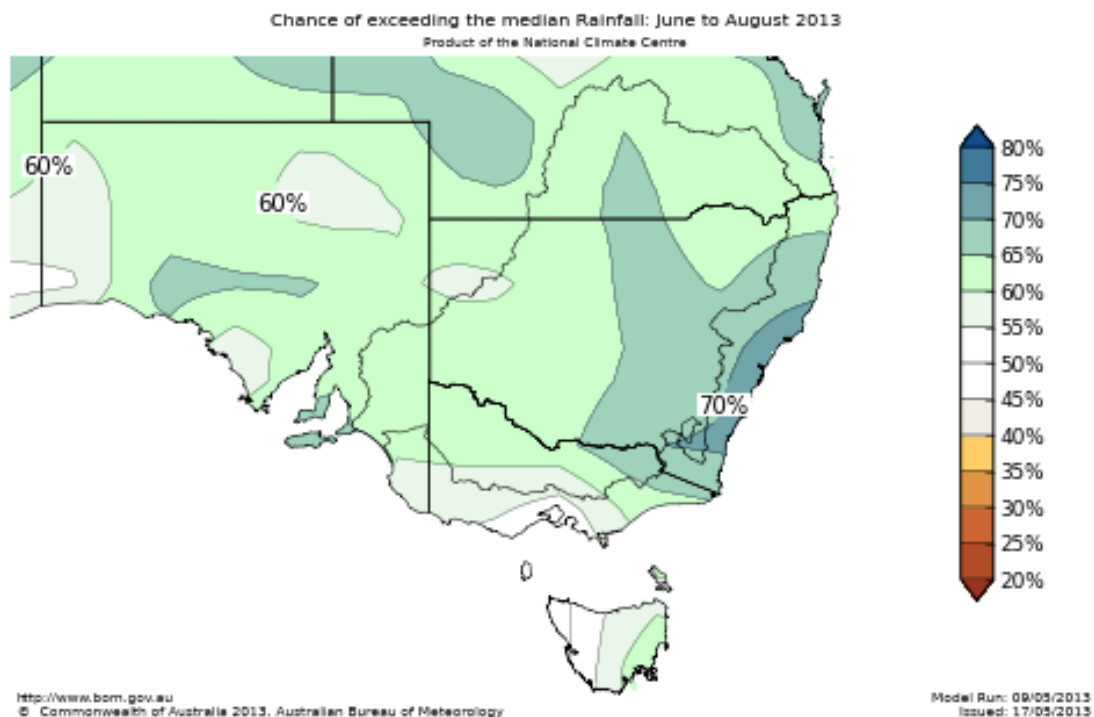
The attached chart shows the storage data to date for the last twelve months.

Graph 1 Farmers Creek Dam #2 over 12 Months



Graph 2 Trends in Oakey Park WTP Production and Clarence Water Transfer Scheme Use





The chances of receiving above median rainfall during the winter period are 60 to 70% over most of southeast Australia. (see map above).

Climate influences include a warmer than normal eastern Indian Ocean, a neutral tropical Pacific, and warm local sea surface temperatures

ALTERNATE WATER SOURCES UPDATE

The Lithgow villages and Marrangaroo Zone are currently being supplied from Fish River Water Scheme (FRWS).

RECOMMENDATION

THAT Council note the water report.

COMMUNITY AND STRATEGY REPORTS

ITEM-13 **COMM - 17/06/2013 - LOCAL GOVERNMENT ENERGY EFFICIENCY PROGRAM**

REPORT BY: M JOHNSON - MANAGER COMMUNITY AND CULTURE

SUMMARY

This report advises Council of the successful receipt of \$28, 585 funding to replace the hot water system under the Ashley Grandstand in the Tony Luchetti Sportsground and recommends that Council affix the Council seal to the funding agreement.

COMMENTARY

Council was invited to submit a funding application under the Commonwealth Government's Local Government Energy Efficiency Program which aims to support local councils to install energy efficient solar or heat pump hot water systems in their buildings and community facilities.

The amount of funding is dependent on Council size and the socio-demographic features of the community. Lithgow City Council is eligible to receive up to \$30,000 with a co-contribution of \$5,294.

Following a review undertaken by Council officers of a number of Council facilities that might benefit from this program, a funding submission was lodged to replace the existing gas hot water system under the Ashley Grandstand at the Tony Luchetti Sportsground which provides hot water for football teams and other groups using the facility. The existing system is very old, unreliable and does not deliver sufficient hot water to meet demand. It is also considered that the number of people benefiting from upgrading this system would exceed that of the other facilities.

Quotations were received from three potential contractors with the selected quote being to install a gas boosted solar system together with water efficiency plumbing improvements to reduce water demand.

Council is required to return the signed and sealed funding agreement by 23 June 2013.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

Council is to receive \$27,585 funding ex GST and Council is to contribute an additional \$4,868 ex GST, a total of \$33,453 ex GST. The system to be installed is to cost \$32,453 ex GST. Council is to receive a further \$1,000 for administration costs, reducing the Council contribution to \$3,868 ex GST.

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Local Government Energy Efficiency Program Funding Agreement

RECOMMENDATION

THAT Council:

1. Notes the successful receipt of funding under the Local Government Energy Efficiency Program.
2. Authorises the affixing of the Council seal to the Local Government Energy Efficiency Program funding agreement.

ITEM-14 COMM - 17/06/13 - MEMBERSHIP OF COUNCIL COMMITTEES

REPORT BY: M JOHNSON - MANAGER COMMUNITY AND CULTURE

SUMMARY

This report advises Council on nominations received for membership of the Community Development Committee, Crime Prevention Committee and Youth Council.

COMMENTARY

The Community Development Committee, Crime Prevention Committee and Youth Council have the following membership:

Community Development Committee

- Two Councillors (Mayor Statham and Councillor McGinnes)
- Lithgow City Council General Manager or nominee
- 1 member of the retail and business services sector
- 4 members of the community

Crime Prevention Committee

- Two Councillors (Councillor Inzitari and Councillor McAndrew)
- Lithgow City Council General Manager or his nominee (Lithgow Police)
- Lithgow Information and Neighbourhood Centre
- Lithgow Community Projects
- Lithgow PCYC
- Lithgow Business Association
- Lithgow Liquor Accord
- Housing NSW
- Lithgow Youth Council

Youth Council

- 2 Councillors (Councillor Inzitari and Councillor Higlett)
- Lithgow City Council General Manager or his nominee
- 2 youth work professionals
- A minimum of 6 people aged between 11 and 24 years who reside, work or attend school in the Lithgow local government area.

Council called for nominations from the community for membership of these committees with the following nominations being received:

Community Development Committee

Elwin Wolfenden – Mingaan Aboriginal Corporation
Helen Riley– Mingaan Aboriginal Corporation
Pippa Childs
Katelin Small
Renee Difranco – local resident and business operator

Crime Prevention Committee

Paul Phillips – local resident and business operator
Sharon Riley – MINGAAN Aboriginal Corporation

Youth Council

Zac Dray
Daniel Whiteman
Mallory Sedger
Ethan Perry
Kane Bott
Melissa Besley
Brenella Rehim

Sharon Riley – MINGAAN Aboriginal Corporation

Conclusions

It is recommended that the Crime Prevention Committee Terms of Reference be amended to allow for the appointment of two community representatives.

It is further recommended that Sharon Riley not be appointed to the Youth Council as she does not fulfil the age requirement and Council wishes to ensure that the Youth Council is predominantly run by young people.

POLICY IMPLICATIONS

In accordance with the terms of reference of S355 Committees of Council.

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

Local Government Act NSW 1993

ATTACHMENTS

1. Community Development Committee Terms of Reference
2. Crime Prevention Committee Terms of Reference
3. Youth Council Terms of Reference

RECOMMENDATION

THAT Council:

1. Amends the Crime Prevention Committee Terms of Reference to allow for an additional two community representatives.
2. Appoints community representatives to Council Committees as follows:

Community Development Committee

Elwin Wolfenden
Helen Riley
Pippa Childs

Katelin Small
Renee DiFranco

Crime Prevention Committee

Paul Phillips
Sharon Riley

Youth Council

Zac Dray
Daniel Whiteman
Mallory Sedger
Ethan Perry
Kane Bott
Melissa Besley
Brenella Rehim

**ITEM-15 COMM - 17/06/13 - SECTION 356 FINANCIAL ASSISTANCE TO
COMMUNITY ORGANISATIONS**

REPORT BY: M JOHNSON - MANAGER COMMUNITY AND CULTURE

REFERENCE

Min No 11-02:	Ordinary Meeting of Council held on 24 January 2011
Min No 11-74:	Ordinary Meeting of Council held on 7 March 2011
Min No 11-211:	Ordinary Meeting of Council held on 30 May 2011
Min No 11-212:	Ordinary Meeting of Council held on 30 May 2011
Min No 11-339:	Ordinary Meeting of Council held on 22 August 2011
Min No 11-405:	Ordinary Meeting of Council held on 10 October 2011
Min No 11-468:	Ordinary Meeting of Council held on 21 November 2011
Min No 12-193:	Ordinary Meeting of Council held on 4 June 2012
Min No 12-267:	Ordinary Meeting of Council held on 23 July 2012
Min No 12-425:	Ordinary Meeting of Council held on 5 November 2012
Min No 12-495:	Ordinary Meeting of Council held on 17 December 2012
Min No 12-440:	Ordinary Meeting of Council held on 26 November 2012

SUMMARY

This report considers requests for Round 1 2013/14 Non-Recurrent Financial Assistance.

COMMENTARY

Council provides financial assistance to not-for-profit community groups under Section 356 of Local Government Act, 1993.

Financial assistance is provided on the basis of the relative merits of each application and the benefits to the community from the project.

1. Recurrent Financial Assistance

Council has allocated a total of \$166,514 Financial Assistance in the 2013/14 Management Plan for distribution to community organisations. Of this amount, \$86,514 has been allocated for Recurrent Financial Assistance to the following organisations:

Lithgow Tidy Towns	\$2,060
Portland Tidy Towns	\$1,030
Cullen Bullen Tidy Towns	\$1,030
Wallerawang Tidy Towns	\$1,030
Ironfest	\$11,845
Lithgow Business Association	\$11,845
Arts OutWest	\$11,845
Solid Fuel Rebate	\$10,000
Lithgow Show	\$11,845
White Ribbon Day	\$850

LINC Rental Assistance	\$15,450
Western Region Academy of Sport	\$1,700
Lithgow Golf Club Sponsorship	\$2,060
Portland Golf Club Sponsorship	\$824
Portland Art Show	\$2,350
School Presentations	\$750
Total Recurrent	\$86,514

2. Non-Recurrent Financial Assistance

Council has also allocated \$80,000 Non-Recurrent Financial Assistance in the 2013/14 Management Plan for distribution throughout the 2013/14 Financial Year.

This is to be allocated in two funding rounds, with applications called for in April and October 2013.

Council called for applications from the community for Round 1 of 2013/14 Non-Recurrent Financial Assistance from 1 – 30 April 2013.

This report considers those requests as follows. A further report will be presented to Council in December 2013 detailing requests under Round 2 of 2013/14 Non-Recurrent Financial Assistance.

Organisation Name and Project	Amount requested	Amount Recommended	Comment
Lithgow Community Projects Art and craft materials for youth and women's art groups	\$2,800	\$2,000	Received \$2,000 in 2012/13 for Union Rock events
Lithgow Community Projects/ Youthworx Teach protective behaviours to children	\$1,200	\$1,200	See above
NAIDOC Working Party/Mingaan NAIDOC Celebrations 2013 to celebrate the culture of indigenous people in the Lithgow LGA	\$2,000	\$2,000	Received \$2,000 in 2012/13
Portland Crystal Cinema Upgrade 35 mm projector to a High Definition system.	\$2,000	\$2,000	
Lithgow City Band New uniforms, new music and new instrument	\$2,000	\$1,000	Received \$9,000 in 2012/13 for hall renovations

Organisation Name and Project	Amount requested	Amount Recommended	Comment
Combined Nepean & Blue Mountains Local Health District and Medicare Local Consumer Committee Establish the Inaugural Lithgow Health Consumers Working Group	\$2,000	\$0	Received \$1,000 in 2012/13
Hampton Cricket Club Upgrade pitch to enable the cricket club and school to use the field.	\$8,000	\$3,000	Received \$1,000 in 2012/13
Lithgow Family Support Service Operating costs to assist with running protective behaviours program	\$5,000	\$0	Not recommended as Lithgow Community projects have requested financial assistance for similar project
Lithgow Family Support Service Youth Support Program for 11-18 year old youth in Landa Street area.	\$3,500	\$2,000	Received \$2,500 in 2012/13 for youth programs in Bowenfels
Meadow Flat Hall Committee Complete renovations to Meadow Flat Hall including replace kitchen ceiling and kitchen tiling	\$3,000	\$0	Not recommended as Council has received \$10,000 in Community Building funding for hall renovations, part matched by Council.
Lithgow District Car Club Rate reimbursement for Yvonne Martyn Memorial Motorsport Park	\$1,071	\$800	Received \$1,000 in 2012/13
State Mine Heritage Park Upgrade interpretive displays	\$3,000	\$2,000	Funded \$2,000 in 2012/13
Lithgow Partnerships Against Domestic Violence and Family Abuse "Lithgow Cares" Campaign to raise community awareness of domestic and family violence	\$2,900	\$2,000	Funded \$2,000 in 2012/13

Organisation Name and Project	Amount requested	Amount Recommended	Comment
Portland Men's Shed New woodworking and metal working equipment and consumables.	\$4,825	\$2,500	Funded \$2,500 in 2012/13
The City of Greater Lithgow Mining Museum Sir Joseph Cook Memorial Picnic to celebrate 100 years since Joseph Cook became Prime Minister.	\$1,000	\$1,000	
Aboriginal Specialist Project "Migay Ngaruu" Aboriginal Healing Banner "Waluwin"	\$2,500	\$1,000	
Lithgow Community Transport Upgrade telephone system and purchase iPads for trip management	\$3,000	\$1,000	
Mitchell Conservatorium Scholarships for 2 students	\$2,500	\$2,000	Funded \$800 in 2012/13
Barton Park Giant Trees Arboretum Rebuild watering system for Arboretum of large trees adjacent to Lake Wallace	\$2,000	\$2,000	
VMX Magazine Suzuki Classic Dirt 10 sponsorship	\$5,000	\$0	Not recommended as this project can be considered for assistance through Council's Events Budget
Portland Youth Centre Assistance with operating costs of Portland Youth Centre	\$2,000	\$2,000	
Rydal A.H.&P. Society Sponsorship of Heavy Horse and Yard Dog events at 2014 Rydal Show	\$1,000	\$1,000	Funded \$500 in 2012/13
Rydal Village Association Assistance with printing and insurance costs for	\$2,000	\$2,000	Funded \$2,000 in 2012/13

Organisation Name and Project	Amount requested	Amount Recommended	Comment
2013 Daffodils at Rydal			
DET Industry Links Industry linked training for school students to assist them to gain employment	\$1,000	\$1,000	Funded \$1,000 in 2012/13
LINC Series of family fun days in Bowenfels	\$2,710	\$2,000	Funded \$2,000 in 2012/13
Lithgow Child Protection Interagency Community fun days in Cullen Bullen, Portland, Wallerawang and Lithgow to help build a sense of community.	\$5,071	\$3,000	
Tarana Tanker Trailers Registration costs for 12 fire fighting tankers	\$1,000	\$1,000	Funded \$980 in 2012/13
Portland Development Association Annual Spring Festival	\$2,000	\$2,000	
Fee waiver for Council facilities		\$1,000	
TOTAL	\$76,077	\$42,500	

3. Conclusion

Twenty two (24) projects to the value of \$42,500 are recommended for Round 1 Non-Recurrent Financial Assistance including \$1,000 for the waiver by the General Manager of fees for the use of Council facilities throughout the year.

This will leave a further \$37,500 for allocation in Round 2 Non-Recurrent Financial Assistance later in 2013/14.

Further, at the Ordinary Meeting of Council held 26 November 2012 (Min 12-440), Council resolved that a further report be brought to Council on possible arrangements for allocating up to 4 packages of up to \$2,500 each in financial support to non-profit community groups to allow them to hold major community functions at the Tony Luchetti Showground and Civic Ballroom. This report has not yet been prepared for Council's consideration however funds for this purpose could be met from the remaining Round 2 Non-Recurrent Financial Assistance funds.

POLICY IMPLICATIONS

Financial Assistance is provided under Policy 4.4 Financial Assistance – Section 356 of the Local Government Act.

FINANCIAL IMPLICATIONS

The Council provides Financial Assistance to not-for-profit community groups and has allocated a total of \$166,514 in the 2013/14 Management Plan.

Council has already allocated \$86,514 in the 2013/14 Management Plan for Recurrent Financial Assistance.

The Council has set aside \$80,000 in Non-Recurrent Financial Assistance for distribution throughout the 2013/14 Financial Year of which \$42,500 is recommended for allocation in Round 1 in July 2013.

This will leave a further \$37,500 for allocation by Council in Round 2 Non-Recurrent Financial Assistance in October 2013, for “as resolved” amounts as requested throughout the year and for the waiver of Civic Ballroom and Tony Luchetti Showground hire fees.

LEGAL IMPLICATIONS

Local Government Act NSW 1993, Section 356

RECOMMENDATION

THAT:

1. Council provides Round 1 2013/14 Non-Recurrent Financial Assistance to the following organisations:

Organisation Name and Project	Amount Recommended
Lithgow Community Projects Art and craft materials for youth and women's art groups	\$2,000
Lithgow Community Projects / Youthworx Teach protective behaviours to children	\$1,200
NAIDOC Working Party/Mingaan NAIDOC Celebrations 2013 to celebrate the culture of indigenous people in the Lithgow LGA	\$2,000
Portland Crystal Cinema Upgrade 35 mm projector to a High Definition system.	\$2,000
Lithgow City Band New uniforms, new music and new instrument	\$1,000
Hampton Cricket Club Upgrade pitch to enable the cricket club and school to use the field.	\$3,000
Lithgow Family Support Service Youth Support Program for 11-18 year old youth in Landa Street area.	\$2,000

Organisation Name and Project	Amount Recommended
Lithgow District Car Club Rate reimbursement for Yvonne Martyn Memorial Motorsport Park	\$800
State Mine Heritage Park Upgrade interpretive displays	\$2,000
Lithgow Partnerships Against Domestic Violence and Family Abuse "Lithgow Cares" Campaign to raise community awareness of domestic and family violence	\$2,000
Portland Men's Shed New woodworking and metal working equipment and consumables.	\$2,500
The City of Greater Lithgow Mining Museum Sir Joseph Cook Memorial Picnic to celebrate 100 years since Joseph Cook became Prime Minister.	\$1,000
Aboriginal Specialist Project "Migay Ngaruu" Aboriginal Healing Banner "Waluwin"	\$1,000
Lithgow Community Transport Upgrade telephone system and purchase iPads for trip management	\$1,000
Mitchell Conservatorium Scholarships for 2 students	\$2,000
Barton Park Giant Trees Arboretum Rebuild watering system for Arboretum of large trees adjacent to Lake Wallace	\$2,000
Portland Youth Centre Assistance with operating costs of Portland Youth Centre	\$2,000
Rydal A.H.&P. Society Sponsorship of Heavy Horse and Yard Dog events at 2014 Rydal Show	\$1,000
Rydal Village Association Assistance with printing and insurance costs for 2013 Daffodils at Rydal	\$2,000
DET Industry Links Industry linked training for school students to assist them to gain employment	\$1,000
LINC Series of family fun days in Bowenfels	\$2,000
Lithgow Child Protection Interagency Community fun days in Cullen Bullen, Portland, Wallerawang and Lithgow to help build a sense of community.	\$3,000
Tarana Tanker Trailers Registration costs for 12 fire fighting tankers	\$1,000

Organisation Name and Project	Amount Recommended
Portland Development Association Annual Spring Festival	\$2,000
Fee waiver for Council facilities	\$1,000
TOTAL	\$42,500

FINANCE REPORTS

ITEM-16 FINAN - 17/06/13 - COUNCIL INVESTMENTS HELD TO 31 MAY 2013

REPORT FROM: C FARNSWORTH - FINANCE MANAGER

REFERENCE

Min No 12-330: Ordinary meeting of Council held on 3 September 2012
 Min No 12-372: Ordinary meeting of Council held on 15 October 2012
 Min No 12- 462: Ordinary meeting of Council held on 26 November 2012
 Min No 12-500: Ordinary meeting of Council held on 17 December 2012
 Min No 13-35: Ordinary meeting of Council held on 4 February 2013
 Min No 13-66: Ordinary meeting of Council held on 25 February 2013
 Min No 13-97: Ordinary meeting of Council held on 18 March 2013
 Min No 13-130: Ordinary meeting of Council held on 15 April 2013
 Min No 13-180: Ordinary meeting of Council held on 27 May 2013

SUMMARY

To advise Council of investments held as at 31 May 2013 in the 2012/13 financial year.

COMMENTARY

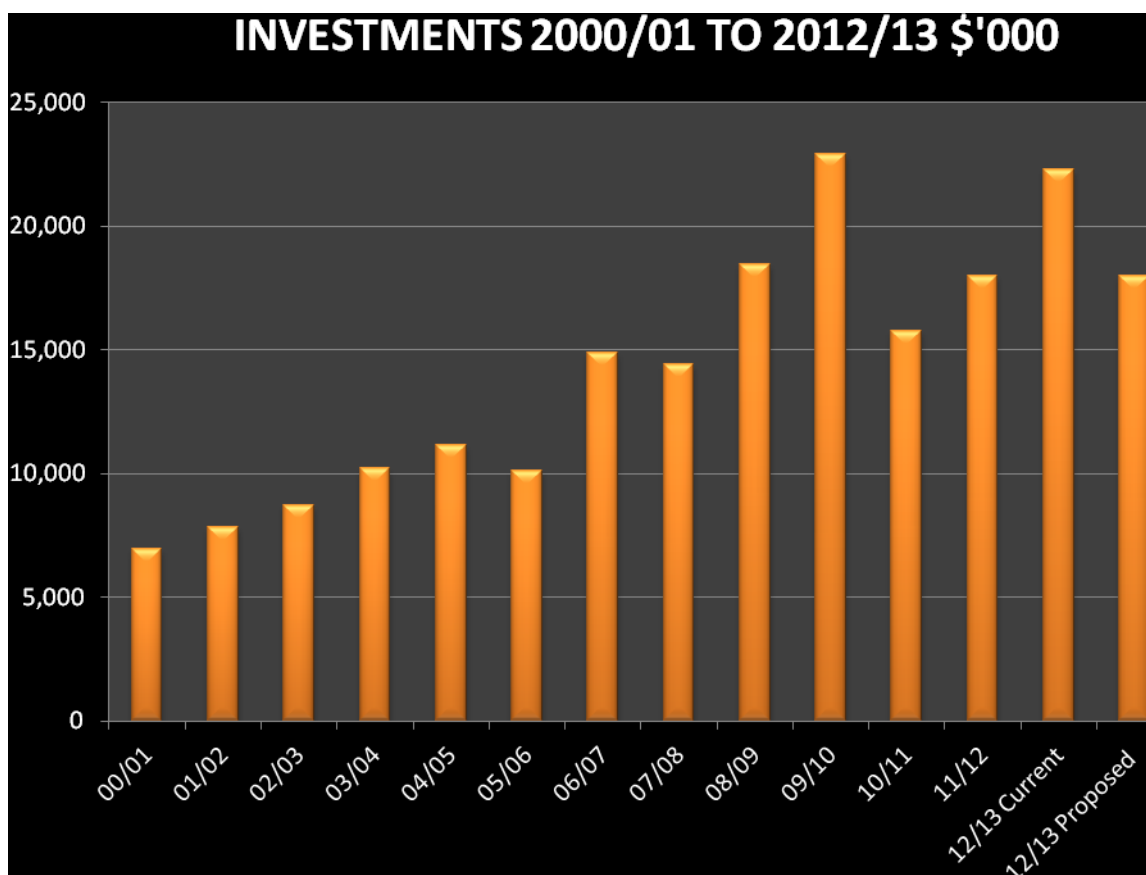
Council's total investment portfolio, as at 31 May 2013 when compared to 30 April 2013, has increased by \$864,104 from \$21,443,664 to \$22,307,768.

INVESTMENT REGISTER 2012/13								
INSTITUTION	INV TYPE	DATE LODGED	DATE DUE	DAYS	INT	VALUE 30.04.13	VALUE 31.05.13	% OF TOTAL
ANZ	TD	11.03.13	11.06.13	92	3.85	867,206.55	867,206.55	3.89%
	TD	11.03.13	11.06.13	92	3.85	516,646.33	516,646.33	2.32%
	TD	27.05.13	26.06.13	30	3.18	516,589.19	521,404.08	2.34%
	TD	04.03.13	03.06.13	91	3.75	1,021,865.49	1,021,865.49	4.58%
CBA	On Call				2.95	1,052,645.51	1,556,103.02	6.98%
	TD	17.05.13	17.06.13	30	3.83	0.00	500,000.00	2.24%
	TD	06.05.13	05.07.13	60	3.92	1,254,254.79	1,254,254.79	5.62%
	TD	13.03.13	11.06.13	90	4.07	500,000.00	500,000.00	2.24%
	TD	08.05.13	08.07.13	60	3.81	501,770.96	303,441.24	1.36%
	TD	26.03.13	24.06.13	90	4.04	1,000,000.00	1,000,000.00	4.48%
IMBS	TD	26.04.13	24.06.13	59	4.05	1,010,471.23	1,010,471.23	4.53%
	TD	26.04.13	24.06.13	59	4.05	505,235.62	505,235.62	2.26%
	TD	30.05.13	29.08.13	90	4.00	500,000.00	505,116.44	2.26%
NAB	TD	03.03.13	01.06.13	90	4.23	1,159,805.84	1,159,805.84	5.20%
	TD	25.04.13	24.07.13	90	4.33	1,067,052.86	1,067,052.86	4.78%
	TD	10.03.13	08.06.13	90	4.26	518,279.87	518,279.87	2.32%
WESTPAC	TD	09.04.13	09.10.13	182	4.26	606,949.68	606,949.68	2.72%
	TD	29.05.13	29.06.13	30	3.37	1,209,871.74	1,236,780.61	5.54%
	TD	09.04.13	09.10.13	182	4.26	266,358.25	266,358.25	1.19%
	TD	14.03.13	17.06.13	93	4.23	1,036,223.97	1,036,223.97	4.65%

	TD	05.03.13	03.06.13	91	4.10	512,082.19	512,082.19	2.30%
ST GEORGE	On Call				3.50	21,510.27	21,510.27	0.10%
	TD	06.05.13	06.08.13	90	3.75	551,324.41	556,602.62	2.50%
	TD	19.04.13	19.10.13	182	4.05	899,885.97	899,885.97	4.03%
	TD	12.04.13	15.07.13	182	4.01	536,186.71	536,186.71	2.40%
	TD	13.05.13	13.08.13	90	3.71	531,520.33	536,608.95	2.41%
	TD	24.05.13	26.08.13	90	3.65	522,553.92	534,323.84	2.40%
	TD	26.03.13	24.06.13	90	4.00	508,540.01	508,540.01	2.28%
	TD	01.03.13	07.06.13	96	3.95	500,000.00	500,000.00	2.24%
SUNCORP	TD	07.02.13	07.06.13	120	4.30	1,217,843.84	1,217,843.84	5.46%
	TD	22.04.13	22.07.13	91	4.10	530,988.27	530,988.27	2.38%
			TOTAL			21,443,663.80	22,307,768.54	100.00%
INTERNAL LN (Commercial Loan Int Rate)	Gen to Sew	15.01.11	On Receipt of Ext Loan		7.31	2,750,000.00	2,750,000.00	

I, Carol Farnsworth, Lithgow City Council's Finance 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.

On the graph below historical and current investments to 31 May 2013 are shown.



POLICY IMPLICATIONS

Investments are held in accordance with the Lithgow City Council's Investment Policy at the date of investing funds. On 21 November 2011 Council adopted a draft of the Investment Policy as Policy 8.2 which includes the Ministers Investment Order of 12 January 2011.

FINANCIAL IMPLICATIONS

Interest received to 30 April 2013 is \$661,434.87 for the 2012/13 financial year.

Interest is paid on the maturity date of the investment.

LEGAL IMPLICATIONS

Investments are held in accordance with the Lithgow City Council's Investment Policy at the date of investing the funds. On 21 November 2011 Council adopted a draft of the Investment Policy as Policy 8.2 and investments will comply with this Policy which includes the following:

- Local Government Act 1993 - Section 625
- Local Government Act 1993 - Order dated 12 January 2012
- Local Government (General) Regulation 2005
- Trustee Amendment (Discretionary Investments) Act 1997 Section 14A(2), 14c(1) & (2)

RECOMMENDATION

THAT Investments of \$22,307,768.54 for the period ending 31 May 2013 be noted.

**ITEM-17 FINAN - 17/06/13 - EXTERNAL AUDIT SERVICES TENDER 1 JULY
2013 TO 30 JUNE 2019**

REPORT BY: C FARNSWORTH - FINANCE MANAGER

SUMMARY

To advise Council of the results of the recently advertised external Audit Services Tender, with a recommendation that the successful tender be appointed as Councils auditors from 1 July 2013 to 30 June 2019.

COMMENTARY

Council's current contract for external auditors expires after the audit for the 2012/13 financial year ending 30 June 2013, and tenders for audit services for the following six years, ending 30 June 2019, were publically advertised and closed on 31 May 2019

The Local Government Act 1993 and Local Government (General) Regulations 2005 specify requirements for Council to undertake procurement when calling for tenders and on this occasion Council used the open tender method by which tenders for the proposed contract are invited by public advertisement.

Council's Audit Specifications clearly stated that Council shall not be bound to accept the lowest or any tender.

Five tenders were received by the closing date and one was received by courier mail on Monday morning 3 June 2013 and has been included in the process as Council has sighted dated documents that the documents were sent on Thursday 30 May 2013.

All the applicants who applied were of a very high standard.

The tenders were evaluated using the following criteria:

1. Value for Money
2. Availability (appropriate personnel's time and visits to Council)
3. Demonstrated understanding of the brief
4. Previous Local Government Experience, skills, qualifications and experience of the prospective team.

APPLICANTS AUDITING SERVICES 1 JULY 2013 TO 30 JUNE 2019						
Company:	PWC	Morse Group Bathurst / Dubbo	Crowe Howath Auswild Bathurst / Dubbo	Hill Rogers Spencer Steer	UHY Haines Norton	Ernst Young
Location:	Sydney			Sydney	Sydney	Sydney (NB Received 3 June 2013)
Services Required LG Act Sec 415 & 417	Y	Y	Y	Y	Y	Y
NSW LG Council Audits:	23	29	25	30	3	Nil
Metropolitan & Regional:	Metropolitan	Metropolitan / Regional	Regional (Council Audits currently conducted from Dubbo Office approx 12 and the remainder from Albury. Bathurst enlisting staff)	Metropolitan / Regional	Regional (Gosford, Gunnedah & Broken Hill)	Nil QLD / SA Specific Purpose Audits for Councils only eg Business Efficiencies
Interstate		1			Concentration SA & WA	New partners wishing to expand into External Council audits
No of Site Attendances per annum:	Not addressed	3	2	2	2	3
Days on Site:	Not addressed	10	7	6	10	21
Employees on site:	4	4-5	4-5	4	4-5	2-3
Audit Hours On / Offsite:	266	220	224	195	243.5	460
Cost: Base First Year (GST Exc)	40,000.00	43,300.00	35,300.00	45,000.00	33,000.00	43,000.00

				Will review after first year and adjust if required	In the event of a significant change in the required scope the audit fee may be re-negotiated	
Annual Increase on fee	CPI	CPI	CPI	CPI	CPI	CPI
Inclusive of:						
- Travel	Y	Y	y	y	y	y
- Accom	Y	Y	y	y	y	Out of pocket expenses
Additional Costs:			Additional for all Grant acquittals			
Additional Charges:						
- Partner		300.00	250.00	425.00	300.00	480.00
- Manager	Based on nature of work,	220.00	200.00	225.00	200.00	315.00
- Senior	seniority of staff and	175.00	125.00	180.00	180.00	250.00
- Graduate	deadlines	85.00	110.00	115.00	100.00	

Ernst Young does not currently conduct external audit services for any Council and has worked on specific based audits such as Qld, Brisbane City Council, Business & System Efficiency Project, SA Adelaide City Council, Co-sourced Internal Audit Services, and City of Charles Sturt Development of a Strategic Internal Audit Plan. They advised a new partner wishes to expand into Local Government auditing.

UHY Haines Norton currently audits 3 NSW Councils, Gosford, Gunnedah and Broken Hill and other audits in Western and South Australia.

Crowe Howath Auswild performs audits for a number of western regional councils mainly from their Dubbo and Albury offices. They advise they are in the process of enlisting staff for their Bathurst site. The audit hours quoted, 224 hours, are comparable to that offered by alternative applicants but will be on site for only 7 days during 2 audit visits. An additional charge is also proposed for all grant acquittals which is estimated between \$400 - \$500 per acquittal but this amount may vary depending on the detail of work required. Lithgow may have 15-20 grant finalisations per year which could be an additional cost of \$7,500 to \$10,000.

The Morse Group have tendered a first year base cost of \$43,300 which is \$8,000 to \$10,300 above lower tenders but will be on site for 3 audit visits per year, two interim and a final audit, approx 10 days with 4 – 5 staff on each occasion, 220 audit hours in total.

All grant acquittals are included in the quoted price. They currently audit 29 NSW councils and have a sound knowledge of Council practices.

The two preferred applicants would be Crowe Howath Auswild and the Morse Group. Crowe Howath Auswild tendered amount is \$35,300 with additional cost for each grant acquittal required which is estimated at between \$7,500 to \$10,000 per year. They will be on site for 2 visits, an interim and final audit totalling 7 days.

The Morse Group will be on site for 3 audit visits per year, two interim and one final audit approx 10 days. Their cost inclusive of grant acquittals is \$43,300

The Morse Group have been Council's past auditors, and have developed a very professional, positive and productive working relationship with Council. The partners and staff have an excellent understanding of the local government industry, local government auditing and a high level of knowledge in relation to relevant issues in local government financial reporting.

STATUTORY PROVISIONS

Section 422 to 427 of the Local Government Act prescribes the method for the appointment Council's Auditor. In accordance with section 424 of the Local Government Act, an auditor is appointed for 6 years, and is eligible for reappointment at the end of each six year term.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

Audit Fees to 30 June 2019: Base Year \$43,300 then subject to annual CPI

LEGAL IMPLICATIONS

Local Government Act 1993

Local Government General Regulations 2005

Lithgow City Council: Policy 1.4 Tendering

Lithgow City Council: Policy 9.11 Canvassing and Lobbying of Councillors & Senior Staff

RECOMMENDATION

THAT Council re-appoint The Morse Group Bathurst as Council's external Auditor for the 6 year term to 30 June 2019 at a cost of \$43,300 for the 2013/14 financial year (GST exc) then indexed annually by CPI.

COMMITTEE MEETINGS

ITEM-18 OPER - 17/06/13 - SPORTS ADVISORY COMMITTEE MEETING MINUTES 28 MAY 2013

REPORT BY: I STEWART - GROUP MANAGER OPERATIONS

SUMMARY

Details of the Minutes of the Sports Advisory Committee Meeting held on Tuesday, 28 May 2013 for Council adoption.

COMMENTARY

At the Sports Advisory Committee Meeting held on Tuesday, 28 May, there were 7 items discussed by the Committee, with all items being actioned under the Committee's delegated authority.

Items discussed included:

- Financial assistance requests
- 2013 LJ Hooker Reg Cowden Memorial Sports Star of the Year Awards
- Booking requests include:
 - Lithgow High School – CHS Rugby League
 - Lithgow Show Society – Agricultural Show, Australia Day Summer Horse Show
 - Lithgow Athletics Club – Intro to Coaching Course
 - Western School Sports Association – School Swimming Scheme

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Minutes of the Sports Advisory Committee Meeting held on Tuesday, 28 May 2013.

RECOMMENDATION

THAT Council note the minutes of the Sports Advisory Committee meeting held on Tuesday, 28 May 2013.

ITEM-19 COMM - 17/06/13 - YOUTH COUNCIL MINUTES - 21 MAY 2013

REPORT BY: M JONES - COMMUNITY DEVELOPMENT OFFICER

REFERENCE

Min No 13-69: Ordinary Meeting of Council held on 25 February 2013
Min No 13-104: Ordinary Meeting of Council held on 18 March 2013
Min No 13-133: Ordinary Meeting of Council held on 15 April 2013
Min No 13-187: Ordinary Meeting of Council held on 27 May 2013

SUMMARY

This report details the minutes of the Youth Council meeting held on 21 May 2013.

COMMENTARY

At the Youth Council meeting held on 21 May 2013 various items were discussed by the committee. Matters of interest include:

- PCYC Scholarships implementation and promotion.
- Creating a Youth Council website.

POLICY IMPLICATIONS

In accordance with the terms of reference of S355 Committees of Council.

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

Local Government Act NSW 1993

ATTACHMENTS

1. Minutes of the Youth Council meeting 21 May 2013.

RECOMMENDATION

THAT Council notes the minutes of the Youth Council meeting held 21 May 2013.

**ITEM-20 COMM - 17/06/13 - TOURISM ADVISORY COMMITTEE MEETING
MINUTES - 4 JUNE 2013**

REPORT BY - K BARROW – TOURISM MANAGER

REFERENCE

Min No 13-103: Ordinary Meeting of Council held on 18 March 2013
Min No 13-183: Ordinary Meeting of Council held on 27 May 2013
Min No 13-186: Ordinary Meeting of Council held on 27 May 2013

SUMMARY

This report details the Minutes of the Tourism Advisory Committee Meeting held on 04 June 2013

COMMENTARY

At the Tourism Advisory Committee held on 04 June 2013, there were numerous items discussed by the Committee including;

1. Tourism Strategy/Destination Management Plan
2. Costing for the Lithgow Visitors Guide and Lithgow App
3. Draft Wallerawang/Portland Drive
4. Tourism Manager's Report

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Minutes from the Tourism Advisory Committee meeting of 04 June 2013

RECOMMENDATION

THAT Council notes the minutes of the Tourism Advisory Committee held on the 04 June 2013.

**ITEM-21 ENVIRO - 17/06/13 - HOWARD AND SONS PYROTECHNICS PTY LTD
COMMUNITY LIAISON COMMITTEE MEETING MINUTES - 15 MAY
2013**

REPORT BY: A MUIR – GROUP MANAGER ENVIRONMENT AND DEVELOPMENT

REFERENCE

Min No 12-470: Ordinary meeting of Council held on 17 December 2012
Min No 13-17: Ordinary meeting of Council held on 4 February 2013
Min No 13-90: Ordinary meeting of Council held on 18 March 2013

SUMMARY

This report details the Minutes of the Howard & Sons Pyrotechnics Pty Ltd Community Liaison Committee.

COMMENTARY

The first meeting for the Howard & Sons Pyrotechnics Pty Ltd Community Liaison Committee was held on the 15 May 2013. No items arising from the meeting require a resolution by the Council and the minutes are provided for information.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Minutes from the Howard & Sons Pyrotechnics Pty Ltd Community Liaison Committee.

RECOMMENDATION

THAT the minutes of the Howard & Sons Pyrotechnics Pty Ltd Community Liaison Committee held on 15 May 2013 be noted.

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.*