



A CENTRE OF REGIONAL EXCELLENCE

AGENDA

ORDINARY MEETING OF COUNCIL

TO BE HELD AT

THE ADMINISTRATION CENTRE, LITHGOW

ON

09 SEPTEMBER 2013

AT 7.00pm

AGENDA

ACKNOWLEDGEMENT OF COUNTRY

APOLOGIES

PRESENT

CONFIRMATION OF THE MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD ON 19 AUGUST 2013

DECLARATION OF INTEREST

PUBLIC FORUM

PRESENTATIONS - NIL

MAYORAL MINUTES - NIL

ELECTION OF MAYOR

ELECTION OF DEPUTY MAYOR

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

Aquatic Centre Committee Meeting Minutes - 22 August 2013
Disability Access Committee Minutes - 20 August 2013
Sports Advisory Committee Meeting Minutes - 27 August 2013
Operations (Works) Committee Meeting Minutes - 14 August 2013
Lithgow Flash Gift Committee Minutes - 8 August 13

Lithgow Flash Gift Committee Minutes - 22 August 2013
Tourism Advisory Committee - Minutes 13 August 2013

REPORTS FROM DELEGATES

BUSINESS OF GREAT URGENCY

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

TABLE OF CONTENTS

<u>ITEM</u>	<u>TITLE</u>	<u>PAGE</u>
<u>GENERAL MANAGERS REPORTS</u>		<u>5</u>
<u>ITEM-1</u>	<u>GM - 09/09/13 - NOMINATIONS FOR AND ELECTIONS FOR THE POSITION OF MAYOR 2013-14</u>	<u>5</u>
<u>ITEM-2</u>	<u>GM - 09/09/13 - NOMINATION FOR THE ELECTION OF THE DEPUTY MAYOR FOR 2013-14</u>	<u>10</u>
<u>ITEM-3</u>	<u>GM - 09/09/13 - LOCAL INFRASTRUCTURE RENEWAL SCHEME (LIRS)</u>	<u>12</u>
<u>ITEM-4</u>	<u>GM - 09/09/13 - COUNCIL COMMITTEES AND EXTERNAL BODIES</u>	<u>14</u>
<u>ITEM-5</u>	<u>GM - 09/09/13 - REQUEST FOR LEGAL ASSISTANCE FROM MID WESTERN REGIONAL COUNCIL - CATEGORISATION OF MINING LAND</u>	<u>17</u>
<u>ENVIRONMENT AND DEVELOPMENT REPORTS</u>		<u>19</u>
<u>ITEM-6</u>	<u>ENVIRO - 09/09/13 - WASTE SERVICES TENDER - OPTIONAL COMPONENTS</u>	<u>19</u>
<u>ITEM-7</u>	<u>ENVIRO - 09/09/13 - NEW ROAD NAMING - 067-10DA - BOWEN VISTA SUBDIVISION</u>	<u>23</u>
<u>ITEM-8</u>	<u>ENVIRO - 09/09/13 - PROPOSED STORMWATER DRAINAGE EASEMENT - 43 CASTLEREAGH HWY CULLEN BULLEN</u>	<u>24</u>
<u>ITEM-9</u>	<u>ENVIRO - 09/09/13 - DA188-13 - SHADE SHELTER LITHGOW POOL</u>	<u>26</u>
<u>OPERATION REPORTS</u>		<u>28</u>
<u>ITEM-10</u>	<u>OPER - 09/09/13 - PROPOSED ACQUISITION FROM THE CROWN - HW5 - UPGRADE OF GREAT WESTERN HIGHWAY BETWEEN MOUNT VICTORIA & LITHGOW - ROADS & MARITIME SERVICES</u>	<u>28</u>
<u>ITEM-11</u>	<u>OPER - 09/09/13 - NOTIFICATION - FUNDING APPLICATION UNSUCCESSFUL - PORTLAND SEWERAGE TREATMENT PLANT PROJECT</u>	<u>30</u>
<u>COMMUNITY AND STRATEGY REPORTS</u>		<u>32</u>
<u>ITEM-12</u>	<u>COMM - 09/09/13 - EXHIBITION OF DRAFT PLAN OF MANAGEMENT FOR MAIYINGU MARRAGU</u>	<u>32</u>
<u>FINANCE REPORTS</u>		<u>35</u>
<u>ITEM-13</u>	<u>FINAN - 09/09/13 - INTERNAL AUDIT SERVICES 1 JULY 2013 TO 30 JUNE 2016</u>	<u>35</u>

<u>ITEM-14</u>	<u>FINAN - 09/09/13 - COUNCIL INVESTMENTS HELD TO 31 AUGUST 2013</u>	<u>42</u>
<u>COMMITTEE REPORTS</u>		<u>45</u>
<u>ITEM-15</u>	<u>OPER - 09/09/13 - AQUATIC CENTRE COMMITTEE MEETING MINUTES - 22 AUGUST 2013</u>	<u>45</u>
<u>ITEM-16</u>	<u>COMM - 09/09/13 - DISABILITY ACCESS COMMITTEE MINUTES - 20 AUGUST 2013</u>	<u>47</u>
<u>ITEM-17</u>	<u>OPER - 09/09/13 - SPORTS ADVISORY COMMITTEE MEETING MINUTES - 27 AUGUST 2013</u>	<u>48</u>
<u>ITEM-18</u>	<u>OPER - 09/09/13 - OPERATIONS (WORKS) COMMITTEE MEETING MINUTES - 14 AUGUST 2013</u>	<u>50</u>
<u>ITEM-19</u>	<u>COMM - 09/09/13 - LITHGOW FLASH GIFT COMMITTEE MINUTES - 8 AUGUST 13</u>	<u>51</u>
<u>ITEM-20</u>	<u>COMM - 09/09/13 - LITHGOW FLASH GIFT COMMITTEE MINUTES - 22 AUGUST 2013</u>	<u>52</u>
<u>ITEM-21</u>	<u>COMM - 09/09/13 - TOURISM ADVISORY COMMITTEE - MINUTES 13 AUGUST 2013</u>	<u>53</u>
<u>BUSINESS OF GREAT URGENCY</u>		<u>54</u>

GENERAL MANAGERS REPORTS

ITEM-1 GM - 09/09/13 - NOMINATIONS FOR AND ELECTIONS FOR THE POSITION OF MAYOR 2013-14

SUMMARY

Council is, each year, to elect a Mayor. This report provides the procedure for the election of Mayor for the coming 12 month period.

COMMENTARY

Where the Mayor is elected by the councillors the Council is required each year to elect a Mayor to preside over the Council for the ensuing 12 month term.

As described by Section 230(1) a mayor elected by councillors holds office for one year, subject to the Act.

Section 290(1)(b) of the Act requires the election of the mayor to be conducted at a meeting held during the month of September.

290 When is an election of a mayor by the councillors to be held?

- (1) *The election of the mayor by the councillors is to be held:*
 - (a) *if it is the first election after an ordinary election of councillors-within 3 weeks after the ordinary election, or*
 - (b) *if it is not that first election or an election to fill a casual vacancy-during the month of September, or*
 - (c) *if it is the first election after the constitution of an area-within 14 days after the appointment of a provisional council or the first election of the council if a provisional council is not appointed, or*
 - (d) *if the relevant council is a non-functioning council, or a council of which all civic offices have been declared vacant, and the election is the first to be held after the appointment or election of the councillors-within 14 days after the appointment or election of the councillors.*
- (2) *If the councillors fail to elect a mayor as required by this section, the Governor may appoint one of the councillors as the mayor.*
- (3) *For the purposes of this section, an election of councillors does not conclude until the declaration of election of all the councillors of the council concerned.*

The election is to be conducted by the General Manager or in his or her absence, a Council employee designated by the General Manager, or in the event that all of these people are absent, by the person who called the meeting.

The Mayoral Fee presently paid by Lithgow City Council is **\$20,810pa** plus private use of a motor vehicle plus **\$9,825pa** Councillor Fee totalling **\$30,635pa**.

Nominations

Nominations are now invited for the Office of Mayor for the 2013/14 term (until September 2014). The elections of Mayor of Lithgow City Council must be held in accordance with Schedule 7 of the Local Government (General) Regulation, 2005 and Council's Code of Meeting Practice.

In accordance with Section 227(a) of the Local Government Act, 1993 the Mayor of Lithgow City Council is elected by the councillors from among their number.

Schedule 7 of the Local Government (General) Regulation, 2005, outlines the following procedures for the election of Mayor.

Returning Officer

The General Manager (or a person nominated by the General Manager) is the Returning Officer.

Nomination

A councillor may be nominated without notice for election as Mayor. The nomination is to be made in writing by two (2) or more councillors (one of whom may be the nominee).

The nomination is not valid unless the nominee has indicated consent to the nomination in writing.

The nomination is to be delivered or sent to the Returning Officer, who shall announce the names of the nominees at the Council meeting at which the election is to be held.

Election

If only one councillor is nominated for the position of Mayor, that councillor is elected. If more than one councillor is nominated Council must determine if voting is to be by preferential ballot, by ordinary ballot (both secret ballots) or by Open Voting (voting by a show of hands or similar means). The elections of Mayor and Deputy Mayor are the only times Council can choose to vote by way of secret ballot. In **all** other matters open voting must be used. The election is to be held at the Council meeting at which the Council resolves on the method of voting.

Ordinary Ballot

1. If the election proceeds by ordinary ballot, the Returning Officer is to decide the manner in which votes are to be marked on the ballot papers.
2. a. If there are only 2 candidates, the candidate with the higher number of votes is elected.
b. If there are only 2 candidates and they are tied, the one elected is to be chosen by lot.

3. a. If there are 3 or more candidates, the one with the lowest number of votes is to be excluded.
- b. If 3 or more candidates then remain, a further vote is to be taken of those candidates and the one with the lowest number of votes from that further vote is to be excluded.
- c. If, after that, 3 or more candidates still remain, the procedure set out in subclause 3(b) is to be repeated until only 2 candidates remain.
- d. A further vote is to be taken of the 2 remaining candidates.
- e. Clause 2 of the above then applies to the determination of the election as if the 2 remaining candidates had been the only candidates.
- f. If at any stage during a count under subclause 3(a) or 3(b), 2 or more candidates are tied on the lowest number of votes, the one excluded is to be chosen by lot.

Open Voting

Follows the same procedures as for ordinary ballot excepting it is by a show of hands or similar means.

Preferential Ballot

1. This part applies if the election proceeds by preferential ballot.
2. The ballot papers are to contain the names of all the candidates. The councillors are to mark their votes by placing the numbers “1”, “2” and so on against the various names so as to indicate the order of their preference for all the candidates.

Count for Preferential Ballot

1. If a candidate has an absolute majority of first preference votes, that candidate is elected.
2. If not, the candidate with the lowest number of first preference votes is excluded and the votes on the un-exhausted ballot papers counted to him or her are transferred to the candidates with second preferences on those ballot papers.
3. A candidate who then has an absolute majority of votes is elected, but, if no candidate then has an absolute majority of votes, the process of excluding the candidate who has the lowest number of votes and counting each of his or her un-exhausted ballot papers to the candidates remaining in the election next in order of the voter’s preference is repeated until one candidate has received an absolute majority of votes. The latter is elected.
4. In the clause “absolute majority” in relation to votes means a number which is more than one-half of the number of formal un-exhausted ballot papers.

Preferential Voting - Tied Candidates

1. If, on any count of votes, there are 2 candidates in, or remaining in, the election and the numbers of votes cast for the 2 candidates are equal the candidate whose name is first chosen by lot is taken to have received an absolute majority of votes and is therefore taken to be elected.
2. If, on any count of votes, there are 3 or more candidates in, or remaining in, the election and the numbers of votes cast for 2 or more candidates

are equal and those candidates are the ones with the lowest number of votes on the count of the votes the candidate whose name is first chosen by lot is taken to have the lowest number of votes and is therefore excluded.

General

To choose a candidate by lot, the names of the candidates who have equal numbers of votes are written on similar slips of paper by the Returning Officer, the slips are folded by the Returning Officer so as to prevent the names being seen, the slips are mixed and one is drawn at random by the Returning Officer and the candidate whose name is on the drawn slip is **chosen**.

Notes:

- (i) Nomination forms for the position of Mayor and Deputy Mayor are enclosed with this meeting agenda. These may be completed and returned to the Returning Officer at any time before the Ordinary Council Meeting scheduled for Monday 9th September 2013 **OR** at this Ordinary Meeting up to the time that the Returning Officer announces that nominations are closed;
- (ii) Elections at Lithgow City have been conducted under the Open Voting system in recent years;
- (iii) “Open Voting” means voting by a show of hands or similar means;
- (iv) “Ballot” has its normal meaning of secret ballot; and
- (v) “Ordinary Ballot” means indicating the name, or if applicable the placing of the number 1 only against the name, of your preferred candidate.

Nomination forms for the position of Mayor are coloured **BLUE** and are enclosed with the business paper and will also be available at the Ordinary Meeting of Council.

The returning officer will call for the final lodgement of nominations at the meeting. After the final call for nominations the Returning Officer will announce the names of the nominee(s). If necessary, an election will then be conducted as per the decision made on the previous report.

Section 290 (1)(b) of the Local Government Act requires Council to hold the election for the position of Mayor by the Councillors during the month of September. By virtue of this report and the recommendation is contained therein, Council will have satisfied its requirements under the Local Government Act.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Nomination Forms (blue)

RECOMMENDATION

THAT Council:

1. Proceeds with the election of the Mayor; and
2. Determines whether the vote is to proceed by ordinary ballot, preferential ballot or by open voting.

ITEM-2 GM - 09/09/13 - NOMINATION FOR THE ELECTION OF THE DEPUTY MAYOR FOR 2013-14

SUMMARY

Council may, each year, elect a Deputy Mayor. This report provides the procedure for the election of the Deputy Mayor for the coming 12 month period.

COMMENTARY

Councillors **may** elect one from their number to be the Deputy Mayor. The person may be elected for the Mayoral term or a shorter one (s.231).

The Deputy Mayor's role is to exercise any function and delegation of the Mayor:-

- i) At the request of the Mayor; or
- ii) If the Mayor is prevented by illness, absence or otherwise from exercising the function; or
- iii) If there is a casual vacancy in the Office of Mayor.

This Council in the past has elected a Deputy Mayor for a term of 12 months, i.e. September to September.

The procedure for the election of Deputy Mayor is the same as the procedure for the election of Mayor.

Additional fees, if any, for holding the position of Deputy Mayor are to be **deducted** from payments to the Mayor. **No fees** are presently paid by Lithgow City Council for the holder of the position of Deputy Mayor.

Nominations forms for the position of Deputy Mayor are coloured **GREEN** and are enclosed with the business paper and will also be available at the Extra-Ordinary Meeting of Council.

The Returning Officer will call for final lodgement of nominations at this meeting. After the final call for nominations, the Returning Officer will announce the names of nominee(s). If necessary an election will then be conducted.

Section 231 of the Local Government Act 1993 provides that the Councillors may elect a person from among their number to be the Deputy Mayor. The term may be for the Mayoral term or a shorter term. It has been common practice at Lithgow City Council for the position of Deputy Mayor to be exactly the same length of time as the position of Mayor as determined in Section 231 (2) of the Local Government Act 1993.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Nomination Forms - Green

RECOMMENDATION

THAT Council:

1. Notes the report on the appointment of and procedure for the election of a Deputy Mayor;
2. Resolves that a Deputy Mayor is to be elected from its number for the Mayoral term;
3. Holds an election for the position of Deputy Mayor on the same basis as for the Mayoral position; and
4. Determines the fee that is to be paid to the Deputy Mayor, if any.

ITEM-3 GM - 09/09/13 - LOCAL INFRASTRUCTURE RENEWAL SCHEME (LIRS)

REPORT BY - R BAILEY - GENERAL MANAGER

REFERENCE

Min No 12-402: Ordinary Meeting of Council held on 5 November 2012

SUMMARY

Council has been advised that it has been successful with its applications under the NSW State Government's Local Infrastructure Renewal Scheme (LIRS). Council is now required to formally accept the funding offer(s) and if warranted consider a variation to the funding.

COMMENTARY

In 2012 Council resolved to make application for funding under the Local Infrastructure Renewal Scheme (LIRS). The resolution of Council at the time was:

12- 402 RESOLVED

THAT Council make application under the Local Infrastructure Renewal Scheme for:

1. Clarence Colliery Water Transfer Scheme (Priority 1).
2. Stage 2 of the Lithgow Aquatic Centre project for the sum of \$2.6M (Priority 2).

Note: Councillor Ticehurst requested that his name be recorded AGAINST the motion.

Council was successful with its applications for both projects. The application for the Clarence project was for \$3M and the Aquatic Centre for \$2.6M.

The LIRS funding comes from the NSW Government where in its 2011-2012 budget provided a total of \$70 million over five years for the implementation of the local infrastructure backlog policy. The LIRS is to provide an interest subsidy to fund council infrastructure backlog.

Council made application in Round two of the scheme for the above projects. The program is designed to provide an interest subsidy to assist those councils with legitimate infrastructure backlogs to cover the cost of borrowing. The subsidy aims to provide an incentive to councils to make greater use of debt funding to accelerate investment in infrastructure backlogs and augment funding options already available to councils.

Under the current round of the scheme a 3% interest subsidy (down from 4%) is being provided on loans taken out for these projects. Council was permitted to submit an application for a maximum of two separate projects. In assessing the applications the

Assessment Panel was to take into consideration the council's capacity to service debt on the projects.

At the time of applying for the funding Council was still yet to call for tenders for the Clarence Transfer Scheme. Council will recall that prior to going to tender its consultants had given Council advice on an upper and lower expenditure level for both projects. Fortunately both tenders for the Clarence Transfer came in at the lower expenditure levels and as a result Council now no longer needs the assistance for the Clarence Transfer. There may be an opportunity for Council to seek a variation for this funding and have it transferred to the Lithgow Aquatic Centre thus allowing for the completion of the indoor aquatic centre and refurbishment of the existing outdoor pool.

Through the Council's Section 94A Plan and Building Reserve Council has the capacity to repay the loans to be taken out.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Letters from the Division of Local Government via Paul Toole

RECOMMENDATION

THAT Council:

1. Formally accept the offer(s) under the Local Infrastructure Renewal Scheme;
2. Make application for the loan subsidy for the Clarence Transfer Water Scheme to be transferred for use at the Lithgow Aquatic Centre;
3. Authorise the General Manager to negotiate and accept any variations to the funding agreement(s); and
4. Affix the Council Seal to the agreement(s) if required.

ITEM-4 GM - 09/09/13 - COUNCIL COMMITTEES AND EXTERNAL BODIES

SUMMARY

The purpose of this report is for Council to consider the appointment of councillors to s355 committees of Council and delegates to external (Non Principle) Committees, organisations and other working groups.

COMMENTARY

Currently the following Councillors represent Council on s355 Committees and External Committees and Organisations.

<i>Committees</i>	<i>2012/13 Representative</i>
Environmental Advisory	Councillor Ticehurst Councillor Hunter
Operations (Works)	Councillor Pilbeam Councillor Hunter Councillor Higlett General Manager
Traffic Advisory Local (TALC)	Councillor Pilbeam Councillor Ticehurst (Alternate)
Sports Advisory	Councillor Inzitari Councillor Thompson
Indoor Aquatic Centre	Councillor Thompson Councillor Higlett
Internal Audit	Councillor Pilbeam Councillor Higlett (Alternate)
Lithgow Tourism Advisory	Councillor Higlett Councillor Statham
Lithgow Flash Gift	Councillor Thompson Councillor McAndrew
Economic Development Advisory	Councillor Higlett Councillor Inzitari
Community Development	Councillor Statham Councillor McGinnes
Youth Advisory	Councillor Inzitari Councillor Higlett
Lithgow Crime Prevention	Councillor Inzitari Councillor McAndrew
Disability Access	Councillor McGinnes Councillor Statham
Blue Mountains Crossing	Councillor Hunter Councillor Statham
Crystal Theatre	Councillor Hunter Councillor Statham

Union Theatre	Councillor McGinnes Councillor Hunter
Meadow Flat Hall	Councillor Hunter Councillor Statham
Revitalisation Committee	Councillor Statham Councillor Higlett Councillor Inzitari Councillor Pilbeam Councillor Ticehurst (Alternate) Councillor Hunter General Manager

External Committees and Organisations	2012/13 Representative
Arts Out West Committee	Councillor Statham
Bells Line of Road Group	Councillor Statham General Manager (Alternate)
Blue Mountains Tourism Limited	Councillor Statham Councillor Higlett (Alternate)
Bush Fire Management	Councillor Hunter Councillor Statham
Lithgow Information & Neighbourhood Centre Inc (LINC)	Councillor Thompson Councillor Statham (Alternate)
Upper Macquarie County Council	Councillor Hunter Councillor Thompson
Lithgow Aged Care Inc	Councillor Thompson Councillor Higlett (Alternate)
Centroc	Mayor General Manager
Pine Dale Coal Mine Community Committee	Councillor Hunter
Cullen Valley Coal Mine Community Committee	Councillor Inzitari
Invincible Coal Mine Community Committee	Councillor Statham
Clarence Coal Mine Community Committee	Councillor Pilbeam
Angus Place Coal Mine Community Committee	Councillor Statham
Association of Mining Related Councils	Councillor Statham Councillor McAndrew Councillor Thompson (Alternate)
Lithgow Correctional Centre Committee	Councillor Ticehurst
Airly coal Mine Committee	Councillor Hunter
Newnes Sand and Kaolin Project Community Consultative Committee	Councillor Hunter
Inglenook Exploration Community Liaison Committee	Councillor Thompson
Hawkesbury Nepean Local Government Group	General Manager

Sydney Catchment Authority Local Government Advisory Group	General Manager
Eskbank Rail Heritage Centre Committee	Councillor F Inzitari Councillor C Hunter (Alternate)
Wolgan Valley Wilderness Railway Committee	Councillor C Hunter Councillor F Inzitari (Alternate)

POLICY IMPLICATIONS

- Policy 4.1 Community Representatives – Appointment to Committees or Working Groups
- Policy 9.2 Appointment of Mayor to Committees
- Policy 9.5 Council Meetings – Appointment of Chairpersons of Council Committees and Working Groups
- Code of Meeting Practice

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

Local Government Act 1993

Local Government (General) Regulations 2005

RECOMMENDATION

THAT Council reconfirms the councillor appointments made to the s355 Committees of Council and External Committees and Organisations.

**ITEM-5 GM - 09/09/13 - 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. Council previously considered this issue and requested that further information be obtained.

COMMENTARY

Previously Council was advised that 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. 247 parcels were recategorised.

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 then 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. This matter will serve as a test case for councils across NSW and therefore Mid Western Regional Council requested assistance from other councils impacted by coal mining.

Under 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 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.

At the time of this issue being considered by Lithgow City Council two of the appeals had been considered and had been withdrawn with costs awarded by the Land and Environment Court. Further cases have now been heard with decisions against Council.

Whilst the Council has lost the initial round in relation to this issue it likely has quite a period of time yet to go before there is a final outcome. Of the original number of 247 recategorisations a number remain categorised as mining with a majority either returning to their original categorisations or being recategorised to something other than mining. Council is now in the process of appealing these decisions.

The concern of Council previously was that as the Mid Western Regional Council had already lost the case that potentially Lithgow City Council was possibly giving to a 'lost cause'. Whilst it may be so that the initial case is lost it is still the situation that the issue is one that likely has an effect on local government generally in NSW, and most particularly one that may have a big effect on Lithgow City Council. As such it is important that all councils show solidarity when it comes to these issues and it may be a situation that at some stage in the future that Lithgow City Council is involved in a case that has potential to affect local government generally and looks to seek the support of other councils in the state when it comes to the legal costs.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

A request for a contribution of \$3,446.16 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

Nil

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.

ENVIRONMENT AND DEVELOPMENT REPORTS

ITEM-6 ENVIRO - 09/09/13 - WASTE SERVICES TENDER - OPTIONAL COMPONENTS

REPORT FROM: A MUIR – GROUP MANAGER ENVIRONMENT & DEVELOPMENT

REFERENCE

Min No 12-187: Ordinary Meeting of Council held on 4 June 2012
Min No 13-201: Ordinary Meeting of Council held on 17 June 2013

SUMMARY

To advise Council of the optional components where prices were sought in the Waste Services Tender and recommend action accordingly.

COMMENTARY

Council will recall that the Tender for kerbside waste and recycling services also included a number of separable options for Council's consideration. 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 only and would have only been applicable if Council had accepted the Greenwaste/Organics component of the kerbside service.

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 an 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.

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.

Storm and Disaster Cleanup/Waste Collection Service

The tender provides that Council may require the Contractor to provide a storm and disaster cleanup service. Once again this would be a service provided on an as needs basis and will not preclude the use of Councils day labour.

Discussion of optional services

Cleanup Services

Council currently provides two bulky waste and four organics cleanup collection services per annum. This is currently carried out by day labour. In 2012/2013 the cost of providing these services was \$31,267 (excluding GST). This was based on an average number of 140 collections for bulky waste and 40 collections for green waste. In applying the same per service cost quoted by JR Richards, the service could be provided for \$25,960 (excluding GST). It will be recommended that due to this saving that the price provided by JR Richards be accepted. This will not impact on day labour staff levels as this is one of many tasks and the staff resources can be utilised elsewhere.

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. In 2012/2013 the cost of providing these services was \$197,405. Providing an accurate comparison with the rates tendered by JR Richards proved to be difficult. For example, as the service that would be provided by Richards would replace all 55 litre and 120 litre bins with 240 litre bins it would be likely that the number of services would reduce, however this is not possible to quantify at this stage. Also the cost of new bins, lockable stands and bin enclosures need to be factored in. Based on an assumption of a 25% reduction in services due to larger bins a calculation of the cost of providing the service by JR Richards indicated a potential annual saving of \$15,000 if the service was provided at the tendered rates. However, there are other issues that need to be considered. As the service is currently provided by day labour, there would be ramifications for the existing staff. Discussions have been held with effected staff and the United Services Union have been advised.

Also as Council is planning a program of improvements to the Lithgow Main Street CBD area, the timing may not be right to commence the new service now, particularly as new bin enclosures would be required. However, the potential savings can't be ignored. JR Richards have been requested to consider the commencement of the service at the tendered rates at a later date when Council would be better situated. They have confirmed that they would be willing to agree to this although the timing would need to be negotiated. On this basis it will be recommended that the litter bin collection service rates be accepted and the General Manager be authorised to negotiate on the commencement date.

Dead Animal Collection Service

The tender sought prices for the provision of a dead animal collection service. This would be a service provided on an as needs basis and would not preclude the use of Council day labour. JR Richards have provided prices in the attached pricing schedule. It would only be envisaged that this service would be required if for any reason day labour

resources were unavailable. On this basis it will be recommended that the tendered price be accepted.

Special Events

The tender sought prices for the provision of garbage and recycling services to special events, such as Ironfest and Lithgow Show. JR Richards have provided prices in the attached pricing schedule. The provision of a special events service will ensure that a consistent service is available for special events which will also include recycling. In such situations it would be anticipated that Council would arrange the service with the Contractor and costs be recovered from the event organisers or deducted from any sponsorship that Council provides for the event. Prices are included in the attached pricing schedule and acceptance of these prices will be recommended.

Servicing 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. The attached comparison indicates that the tendered prices provided by JR Richards would provide a saving of \$25,000 per annum when compared to the current contractor. A recycling service for each transfer station will also be provided with associated costs, but the overall price is still attractive. Also it has been clarified with JR Richards that acceptance of the rates for future transfer stations would not lock Council into the service should, for example, Council alter its strategic direction and not proceed with one or more transfer stations. It will be recommended that the tendered rates be accepted.

Storm and Disaster Cleanup/Waste Collection Service

Whilst a tendered rate is not required, the contract would provide that should the service be provided that Council “give due consideration to any claim by the Contractor that use of its vehicles for the Storm & Disaster Clean-Up Waste Collection Service has caused financial disadvantage to the Contractor, and if the Contractor is able to demonstrate financial disadvantage to the Council’s reasonable satisfaction, then the Council may, at its sole discretion, make good all or any part of the financial loss suffered by the Contractor.”

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

NIL

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. Pricing schedules and comparative calculations

RECOMMENDATION

THAT:

1. Council accept the tendered rates provided by JR Richards in their tender submission, subsequent clarifications and as outlined in the attached pricing Schedules in respect of the optional components for Cleanup Services; Dead Animal Collection; Special Events; and Servicing Transfer Stations. Such to commence on 4 November 2013.
2. Council accept the tendered rates provided by JR Richards in their tender submission, subsequent clarifications and as outlined in the attached pricing Schedules in respect of the optional component for litter bin collection services. The General Manager be authorised to negotiate a commencement date for this service.
3. Council accept the option for inclusion in the contract of the contractor providing a Storm and Disaster Cleanup service.
4. The affixing of the common seal be authorised for contract documentation.
5. The General Manager be authorised to execute all necessary contract documentation.

**ITEM-7 ENVIRO - 09/09/13 - NEW ROAD NAMING - 067-10DA - BOWEN
 VISTA SUBDIVISION**

**REPORT BY: A MUIR - GROUP MANAGER ENVIRONMENT &
DEVELOPMENT**

SUMMARY

To advise Council of road naming proposal for a new road off Surveyors Way in the Bowen Vista subdivision, at Lot 24 DP1173435.

COMMENTARY

Council has received a submission on the naming of an internal road within the approved subdivision 067/10DA Bowen Vista. The applicant has requested that Council name this road '**Bowen Chase**' which is a reference to an early explorer (hence the name Bowenfels), with Chase referring to a roadway leading down into a valley.

POLICY IMPLICATIONS

This road will be named in accordance with Council's Road Naming Policy.

FINANCIAL IMPLICATIONS

Council will incur some minor advertising costs in accordance with its Road Naming Policy, although the costs of the signs will be borne by the applicant.

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Plan showing the subdivision.

RECOMMENDATION

THAT in accordance with Council's Policy for the naming of roads, Council advertises 'Bowen Chase' in the Lithgow Mercury and notify authorities calling for submissions to be made for the statutory period of twenty-eight (28) days. If no submissions are made, then Council shall proceed to notification of the proposed road naming and advise the Emergency Services and Government Gazette of this road name.

**ITEM-8 ENVIRO - 09/09/13 - PROPOSED STORMWATER DRAINAGE
EASEMENT - 43 CASTLEREAGH HWY CULLEN BULLEN**

REPORT BY: A MUIR GROUP MANAGER ENVIRONMENT AND DEVELOPMENT

REFERENCE

Min No 12-257: Ordinary Meeting of Council held on 23 July 2013

SUMMARY

To seek Council's approval to proceed with the compulsory acquisition of an easement for stormwater at 43 Castlereagh Highway, Cullen Bullen.

COMMENTARY

Council will be aware of this matter involving the proposed acquisition of an easement for an existing stormwater pipe that traverses a property at 43 Castlereagh Highway, Cullen Bullen. In 2012 Council was approached by the owner of the subject property in relation to the stormwater pipe which did not have the benefit of a formal easement. Council sought legal advice on the matter which indicated that whilst it was not necessary to take out an easement it would be in Council's interest. The advice also indicated that as the pipe consists of underground drainage works that it is exempt from paying compensation under the Land Acquisition (Just Terms Compensation) Act 1991. However, it was advisable to firstly endeavour to negotiate the acquisition by agreement with the owner. Should agreement not be successful then Council could proceed to acquire the land via compulsory acquisition process.

The Council's formal resolution was:

THAT:

1. Council acquire an easement for the drainage of stormwater through underground pipes over Lot 2 DP 302240, Castlereagh Highway, Cullen Bullen.
2. At first instance, Council propose to the owner of the land that acquisition of the easement be through negotiation and agreement and the General Manager be delegated authority to hold such negotiations and to offer such compensation most beneficial to Council.
3. Should negotiations with the property owner be unsuccessful, that Council move to acquire the easement through the compulsory acquisition process.

An offer of \$2,000 was made to the owner of the property. This offer has been rejected and the owner of the property has not sought to negotiate by way of a reasonable counter offer. Consequently, it will now be necessary to proceed with the compulsory acquisition.

POLICY IMPLICATIONS

No specific Policies are applicable.

FINANCIAL IMPLICATIONS

There have already been costs associated with survey works. Legal costs and registration of costs would be expected.

LEGAL IMPLICATIONS

Council's solicitor has advised that various provisions of the Local Government Act 1993 and Land Acquisition (Just Terms Compensation) Act apply in this instance.

ATTACHMENTS

NIL

RECOMMENDATION

THAT:

1. Council compulsorily acquire an easement for a stormwater drain (excluding rights of access to the surface for construction, maintenance and repair), over the existing line of underground pipes on property Lot 2 DP 302240, Castlereagh Highway, Cullen Bullen standing in the name of John Fuller.
2. Council authorise affixing of the common seal to any relevant documentation.
3. The General Manager be authorised to execute any documentation.

ITEM-9 ENVIRO - 09/09/13 - DA188-13 - SHADE SHELTER LITHGOW POOL

REPORT BY: A MUIR - GROUP MANAGER ENVIRONMENT AND DEVELOPMENT

SUMMARY

To advise Council of the submission of Development Application (DA188/13) and Construction Certificate (CC156/13) by Lithgow City Council for a shade shelter at Lithgow Swimming Pool on Lot 1 DP1123449 George Coates Avenue Lithgow. Approval will be recommended subject to conditions.

COMMENTARY

A development application and construction certificate has been lodged for a shade shelter at Lithgow Swimming Pool. The new facility is required to provide shelter for patrons of the pool and is to be constructed on the concrete area adjacent to the existing shade sail for the hydroplay area.

The proposed structure will comply with the requirements of the Building Code for this type of structure.

POLICY IMPLICATIONS

Council's *Policy 7.6 – Development Applications on Council owned land* requires Development Applications on Council land to be referred to the elected Council for consideration and determination and that no aspect of the development is dealt with under delegated authority. Given Council's trusteeship of this land the proposal is reported to Council for determination.

FINANCIAL IMPLICATIONS

All costs associated with the proposal will be met by Council however no development contributions are payable.

LEGAL IMPLICATIONS

In determining a development application, a consent authority is also required to take into consideration the matters of relevance under Section 79C of the Environmental Planning and Assessment Act 1979.

OTHER MATTERS

No other specific matters arise.

ATTACHMENTS

1. Assessment report under Section 79C of the Environmental Planning and Assessment Act 1979.

RECOMMENDATION

THAT:

1. Council approve DA188/13 in accordance with the conditions outlined in the attached Section 79C report.
2. A division be called in accordance with the provisions of Section 375(3) of the Local Government Act 1993.

OPERATION REPORTS

**ITEM-10 OPER - 09/09/13 - PROPOSED ACQUISITION FROM THE CROWN -
HW5 - UPGRADE OF GREAT WESTERN HIGHWAY BETWEEN
MOUNT VICTORIA & LITHGOW - ROADS & MARITIME SERVICES**

REPORT BY: I STEWART – GROUP MANAGER OPERATIONS

REFERENCE

NIL

SUMMARY

To advise Council of correspondence received from Roads & Maritime Services in relation to Proposed Acquisition from the Crown - HW5 - Upgrade of Great Western Highway between Mount Victoria & Lithgow - Roads & Maritime Services.

COMMENTARY

Correspondence was received from Roads & Maritime Services on 9 August 2013 in relation to Proposed Acquisition from the Crown - HW5 - Upgrade of Great Western Highway between Mount Victoria & Lithgow - Roads & Maritime Services.

As Councillors will now be aware, Roads & Maritime Services (RMS) has a proposal to upgrade the Great Western Highway between Mount Victoria and Lithgow. In July 2012, State and Federal Ministers agreed to a revised investment package for the route. The revised works program involves the construction of safety works in the Hartley Valley that impact on the parking area of Hartley Cemetery. This will not affect access to the cemetery or impede parking adjacent to the cemetery.

To accommodate the works it is necessary for the RMS to acquire part Lot 7016 DP 1057029 and part Lot 7018 DP 1057029, the management of which is devolved to Lithgow City Council.

RMS is now seeking concurrence from Council to the acquisition under the provisions of the Land Acquisition Act 1991 of the land with compensation to be determined by the Valuer General.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Sketch showing land to be acquired

RECOMMENDATION

THAT Council indicate its concurrence to the acquisition of part Lot 7016 DP 1057029 and part Lot 7018 DP 1057029.

**ITEM-11 OPER - 09/09/13 - NOTIFICATION - FUNDING APPLICATION
UNSUCCESSFUL - PORTLAND SEWERAGE TREATMENT PLANT
PROJECT**

REPORT BY: I STEWART – GROUP MANAGER OPERATIONS

REFERENCE

NIL

SUMMARY

To advise Councillors of correspondence received from the Minister for Primary Industries in relation to the Country Towns Water Supply and Sewerage Program.

COMMENTARY

The Portland wastewater treatment plant is a trickling filter plant which is in reasonable condition, but as with many other plants of this type it is limited in its ability to remove nitrogen, BOD and meet disinfection targets. This is particularly applicable to plants in colder areas such as Portland. Whilst the current licence reflects the current treatment capacity of the plant it is likely that that a higher standard of treatment will be required in the future.

Council previously commissioned an Options Study for the Portland Sewerage Scheme and a report was prepared by NSW Public Works which identified practical options for the short and long term upgrading of the Portland wastewater treatment plant. This report will be the subject of a future information session for councillors. In order to reduce the long term financial implications of the proposed upgrade, financial assistance has been sought from the NSW State Government.

Correspondence has been received from Katrina Hodgkinson MP, Minister for Primary Industries dated 19 August 2013 in relation to Council's correspondence seeking financial assistance from the Country Towns Water Supply and Sewerage Program for the Portland Sewage Treatment Plant project, advising "that the Country Towns Water Supply and Sewerage (CTWS&S) Program is fully committed to nominated projects, meaning that it is not possible to add new projects such as the Portland Sewage Treatment Plant. If additional funding becomes available, then the current unfunded projects in the CTWS&S Program, including Portland Sewage Treatment Plant, will be reassessed and Council will be contacted accordingly."

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

This project is currently listed in the 20 year capital works programme; any financial assistance that can be obtained will ease the burden on Council's endeavours to furnish this project.

LEGAL IMPLICATIONS
NIL

ATTACHMENTS

NIL

RECOMMENDATION

THAT Council note the information on the notification of the unsuccessful funding application for the Portland Sewerage Treatment Plant Project.

COMMUNITY AND STRATEGY REPORTS

ITEM-12 **COMM - 09/09/13 - EXHIBITION OF DRAFT PLAN OF MANAGEMENT FOR MAIYINGU MARRAGU**

REPORT BY: A SHELTON – ACTING GROUP MANAGER COMMUNITY AND STRATEGY

REFERENCE

Min No 13-46: Ordinary Meeting of Council held on 25 February 2013

SUMMARY

The report seeks Council's endorsement to publicly exhibit the Draft Plan of Management for Maiyingu Marragu, formerly known as Blackfellows Hands Reserve.

COMMENTARY

The study area, lots 7001/DP 1055079 and 7006 // DP 1055080 with a total area of 481.3 hectares, is Crown Land (listed under the Crown Lands Act 1989 (CL Act), and is under the care, control and management of Lithgow City Council.

The draft plan was prepared by Eco Logical Australia. It was funded by a grant to the Mingaan Wiradjuri Aboriginal Corporation by the Hawkesbury-Nepean Catchment Management Authority through the Small Aboriginal Grants Indigenous Community Engagement Program.

Maiyingu Marragu was an important meeting and educational place and holds special meaning for Wiradjuri people. The site is also highly valued by the wider Aboriginal community, including Gandangara, Dharug and Dharkinjung people. It became a named Aboriginal place in 2008, signifying its cultural importance.

The site holds special meaning to Wiradjuri people because of their continuing cultural connection. Culturally significant rock shelters and stencil-art provide a physical and spiritual link to ancestors and a place where traditional culture can be sustained. The area is used by the Aboriginal community as a 'bush school room' where young people can hear stories from Elders and learn to collect and use bush food and natural medicine.

The objectives of the plan are:

- to assess the ecological values and conservation significance of the study site
- to assess threats and impacts to the ecological and cultural values of the study site
- to make recommendations to address these threats and impacts

- to map and assess the vegetation within the study site
- to provide and prioritise management recommendations for the site.

The main issues for management across the site were off-track usage by 4WD vehicles, trail and mountain bikes. There were very infrequent weed incursions, with only two sites flagged for immediate treatment where some *Rubus fruticosus* (Blackberry) has begun to take hold. Other management issues of concern included large wheel ruts causing erosion on marked tracks.

Management strategies and actions of the plan focus on the management of vegetation and associated habitats and cultural values within the study site over the next 5 years. A detailed table of proposed actions, desired outcomes and a priority rating of each action is provided. The proposed actions are informed by the results of the assessment and best practice management.

POLICY IMPLICATIONS

Crown Lands Act 1989

The study area is Crown Land (listed under the Crown Lands Act 1989), and is under the care, control and management of Lithgow City Council, under this Act.

National Parks and Wildlife Act 1974

The study area is also a declared Aboriginal Place under section 84, National Parks and Wildlife Act 1974. Administration of this Act is effected by the NSW Office of Environment and Heritage.

Threatened Species Conservation Act 1995

The NSW Threatened Species Conservation Act 1995 (TSC Act) aims to protect and encourage the recovery of threatened species, populations and ecological communities listed under the Act. This management plan identifies species, populations and ecological communities that are listed under this Act that were either recorded or are likely to utilise the site throughout the year.

Noxious Weeds Act 1993

The Noxious Weeds Act 1993 (NW Act) defines the roles of government, councils, private landholders and public authorities in the management of noxious weeds. The Act sets up categorisation and control actions for the various noxious weeds, according to their potential to cause harm to our local environment.

FINANCIAL IMPLICATIONS

Adoption of the plan will enable Mingaan Wiradjuri Corporation to apply for grant funding specific to the Aboriginal community.

ATTACHMENTS

1. Draft Plan of Management for Maiyingu Marragu

RECOMMENDATION

THAT Council:

1. Approve the attached Draft Plan of Management for Maiyingu Marragu for a public exhibition period of 28 days.
2. Note that the outcomes of the public exhibition period, will be the subject of a further report to Council.

FINANCE REPORTS

ITEM-13 **FINAN - 09/09/13 - INTERNAL AUDIT SERVICES 1 JULY 2013 TO 30 JUNE 2016**

REPORT FROM: C FARNSWORTH - FINANCE MANAGER

REFERENCE

Min No 09-253: Ordinary Meeting held on 22 June 2009
Min No 10-102: Ordinary Meeting held on 22 March 2010

SUMMARY

This report provides advice on acceptance of Centroc tender for internal audit function for Council to Grant Thornton Australia Ltd from 1 July 2013 to 30 June 2016

COMMENTARY

Council may recall the development of a regional internal audit initiative to collectively procure internal audit services through Central NSW Councils (Centroc). This was undertaken to meet with the direction provided by the NSW Department of Local Government for Councils to develop an internal audit function.

After a tender process undertaken by Centroc, Council agreed to take part in regional Request for Tender where Centroc managed the process.

Over past years the Department of Local Government has been encouraging councils to establish Internal Audit Committees.

PROCESS OF INTERNAL AUDIT SERVICES:

One of the aims of Centroc is to develop programming to reduce costs to Councils. Consequently, CENTROC issued a Tender where information was sought on:

- companies who were prepared to provide internal audit services in the region
- the benefit of undertaking internal audit services across a number of Councils

The Centroc Internal Audit Request for Tender (RFT) was managed by the Centroc Compliance and Cost Savings Program and a panel was appointed to oversee the process.

As part of their response, Grant Thornton Australia Ltd is to provide advice to Centroc regarding further programming through a regional approach to internal audit where cost savings and other efficiencies are demonstrable. For example, common solutions to problems identified by internal audit can be dealt with on a regional basis.

The Department has stated that there is growing acceptance of the importance of internal audit and risk management in local government. The Promoting Better Practice Program has highlighted that while progress is being made, there is still opportunity for improvement. Effective internal audit and risk management processes should become part of the 'business as usual' operations of councils.

The Internal Audit Guidelines propose oversight of council systems and processes through an audit committee. The combination of an effective audit committee and internal audit function provide a formal means by which councillors can obtain assurance that risk management and internal controls are working effectively.

BACKGROUND ON INTERNAL AUDIT:

- **What is Internal Audit?**

Internal Audit examines the way an organisation does business and provides advice accordingly. As an audit function it needs to be separate from the rest of the organisation either through being a separate function within Council or brought in as a service from outside Council, similarly to the external auditors who sign off on our annual accounts each year.

In the first instance, an internal audit committee and internal auditor are appointed. The Department of Local Government provides guidelines for how this is to occur and this is outlined further into the report.

An Internal Audit Plan is then developed. Processes within Council are then examined and advice is provided back through the internal audit committee to Council. Examples of processes are fleet management, procurement processes, the use of contractors and debt recovery.

The internal audit can help with identifying fraud, ensure compliance and outline ways to do things more cheaply and efficiently. The Council must then put into place the processes to ensure the improvements suggested. The internal audit function can then review how the improved processes are tracking.

- **Why Should Council engage in Internal Audit?**

Firstly, internal audit helps protect the organisation from fraud, ensure compliance and identify ways to do things more cheaply and efficiently.

Secondly, a consequence of the Department of Local Government periodic reviews of councils is a list of expectations for organisational improvement. The inclusion of internal audit appears as a consistent feature in recommendations to councils and follow-up by the Department of Local Government has been the circular on internal audit that is paraphrased below.

Meeting the recommendation of the Department of Local Government (DLG) for Internal Audit functions to be incorporated into Council business

Two key recommendations of the DLG circular are:

1. the inclusion by Councils of an internal audit function which can be either purchased as a staff member or bought in as consultancies, some councils around the State are employing staff across a number of councils
2. the implementation of an internal audit committee whose membership includes one to two elected representatives, independent community members and attendance by the General Manager or nominee in observer status

APPOINTING AN INTERNAL AUDITOR:

The Department of Local Government provides the following advice regarding the appointment of a full time or part time internal auditor:

2.4.1. Appointment of Full-Time or Part-Time Internal Auditor

Ideally the internal auditor should be an independent position reporting directly to the Audit Committee and administratively to the General Manager, with no other operational or management responsibilities. The role and duties and a sample position description are described in more detail in the appendices.

Depending upon the size and complexity of the organisation, councils may consider appointing an internal auditor or internal audit team. The appointment could be full-time or part-time personnel and may be staffed by more than one auditor if the size of the council demands.

Position descriptions should be set for internal audit staff and should identify required qualifications and competencies, including:

- *Proficiency in applying internal audit standards, procedures and techniques*
- *Proficiency in accounting principles and techniques*
- *An understanding of management principles required recognising and evaluating the significance of deviations from good business practices*
- *An appreciation of fundamental concepts in areas such as accounting, economics, commercial law, taxation, finance, quantitative methods and IT*
- *Effective interpersonal skills*
- *Skills in oral and written communication*
- *Ability to identify key issues in any area under review*
- *Ability to influence senior management as and when required.*

2.4.2 Outsourced or co-sourced function

Providing that independence requirements are adhered to, councils can contract their internal audit function to private sector accounting firms or internal audit service providers. If this is the preferred option, then councils need to ensure that the service provided is for a professional internal audit service and not an extension of the financial assurance based external audit.

Councils should note that outsourcing or co-sourcing the internal audit function does not abrogate the council's responsibility to oversee and manage the internal audit function.

In monitoring the performance of the internal audit services provided by accounting firms, councils need to ensure that an appropriately qualified auditor is conducting the internal audit. To ensure an effective and comprehensive internal audit program, contracted internal auditors should have authority to independently set an ongoing audit program, which is not constrained by a narrow scope of audit coverage pre-determined by management.

A co-sourced function is one where a staff internal auditor supplements audit services with an outsourced internal audit service provider. An outsourced internal audit function is one where the service provider assumes all the responsibilities of the internal audit function.

Several options are set out below:

- *Private sector accounting firms – most large accounting firms have specialist internal audit divisions, which provide a good service. Internal audit is a specialised skill and hence councils are advised to only use firms who have a specialised internal audit division.*
- *Boutique firms – a number of boutique firms exist that specialise in internal audit services.*
- *Internal audit contractors – there a range of experienced internal audit contractors available for this sort of work.*
- *NSW GTE - IAB Services is a State Government agency that provides internal audit services to the public sector.*
- *Each of these options will have their advantages and can be appropriate for different circumstances. The advantages of using external providers include: flexibility; access to a wide range of expertise; ability to access the service as and when required. Disadvantages include loss of corporate knowledge and possible increased costs.*

2.4.3 Regional or Inter-Council Sharing of Internal Audit Resources

Councils are also encouraged to consider resourcing their internal audit function via collaborative arrangements with other councils or through a regional organisation of councils (ROC).

A ROC or some other body (such as a strategic council alliance) could agree to jointly employ or contract an appropriately qualified internal auditor. This may have benefits in terms of cross-council benchmarking, reduction in travel costs and access to a bigger resource pool than would be available to a single council.

Each council should nevertheless establish its own independent audit committee and the internal auditor would need to report separately to each council, maintaining confidentiality. A funding model could be established that shares the costs on a user-pays basis between participating councils, with internal audit costs based on an agreed cost sharing basis.

Under this model, the appointed internal auditor would prepare an audit plan for each council, based on individual council requirements. There will be some

common systems and shared knowledge and tools, such as audit planning, risk assessment, audit programs and procedures.

A small team of internal auditors directed by a suitably qualified and experienced auditor could be appropriate for serving several smaller councils in adjacent local government areas. This model should result in lower audit costs compared to councils employing separate internal auditors or consultants at various management levels.

Risk assessments and annual audit plans need to be designed with input from senior management of each of the participating councils. The internal audit team will need to retain a high degree of independence from management in the planning and conduct of audits. The reporting framework will need to ensure the independence of the audits and confidentiality of findings. The internal auditor should report directly to the General Manager and the Audit Committee of each council.

As can be seen from this advice, there are options for Council to consider regarding internal audit services and the Department of Local Government recognises that through CENTROC providing the architecture for the initiative that “*This may have benefits in terms of cross-council benchmarking, reduction in travel costs and access to a bigger resource pool than would be available to a single council.*”

THE INTERNAL AUDIT COMMITTEE:

The DLG is looking for internal audit committees that are independent from the operational side of Council.

In the past and to assist Lithgow Council was part of the Central Tablelands Alliance (consisting of Mid Western Regional, Oberon and Lithgow Councils) where a view has been expressed that one Internal Audit Committee be appointed between the three councils with each council providing one representative. This would increase the expertise and capacity of the independent members and provide information sharing possibilities for the committee.

Mid Western Council has indicated that it no longer wishes to form part of the Central Tableland Alliance.

The Internal Audit Committee for Lithgow City Council and Oberon Council consists of:

- A councillor from Lithgow City Council (previously nominated a Mayor Maree Statham and Cllr Peter Pilbeam as the alternate representative)
- A Councillor from Oberon Council
- An independent representative elected following advertising of the position

4.4.2. Functions

Clear roles and responsibilities should be given to an audit committee, and documented in the audit committee charter (see Appendix 2 for a model charter). The broad responsibilities for best practice include the following:

- *Risk management*
- *The control framework*
- *External accountability (including the council's annual audited financial reports)*
- *Legislative compliance*
- *Internal audit*
- *External audit*
- *Approving the internal audit charter that will guide the activities of an internal audit group*
- *Having input into and approving an internal audit's long-term strategic plan and annual audit plan*
- *Having input into the appointment and remuneration of the internal auditor*
- *Making enquiries of management and the internal audit to determine if there are scope or budgetary limitations that impede an internal auditor's ability to function properly*
- *Approving the scope of an external assessment or equivalent internal assessment of internal audit to be undertaken every 5 years.*

An audit committee, as a crucial component of corporate governance, is fundamental to assisting the General Manager and council with their oversight function to:

- *Ensure all key controls are operating effectively*
- *Ensure all key controls are appropriate for achieving corporate goals and objectives*
- *Meet their statutory and fiduciary duties*
- *Provide a forum for discussing problems and issues that may affect the operations of the internal audit group and acting as a forum for discussion*
- *Provide a forum for discussion to identify areas worthy of examination by an internal audit group*
- *Review the implementation of the annual audit plan and implementation of audit recommendations.*

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

Council has allowed funds in the Operational Plan and Delivery to undertake the Internal Audit process which will include resourcing impacts on staff time to provide support material and advice to the internal audit function.

LEGAL IMPLICATIONS

Compliance with the expectations of the Department of Local Government Internal Audit requirements

RECOMMENDATION

THAT Council:

1. Acknowledge the acceptance of the CENTROC tender from Grant Thornton Australia Ltd for Council's internal audit services from 1 July 2013 to 30 June 2016
2. Acknowledge the Internal Audit committee consisting of Lithgow and Oberon Councils with the following representatives:
 - A Councillor from Lithgow City Council (plus an alternate)
 - A Councillor from Oberon Council
 - An independent representative appointed following advertising of the position.
3. Advertise for an independent representative on the Lithgow-Oberon Internal Audit Committee.

ITEM-14 FINAN - 09/09/13 - COUNCIL INVESTMENTS HELD TO 31 AUGUST 2013

REPORT FROM: C FARNSWORTH - FINANCE MANAGER

REFERENCE

Min 13-302: Ordinary Meeting of Council held on 19 August 2013 - Investments to 31 July 2013

SUMMARY

To advise Council of investments held as at 31 August 2013 in the 2013/14 financial year.

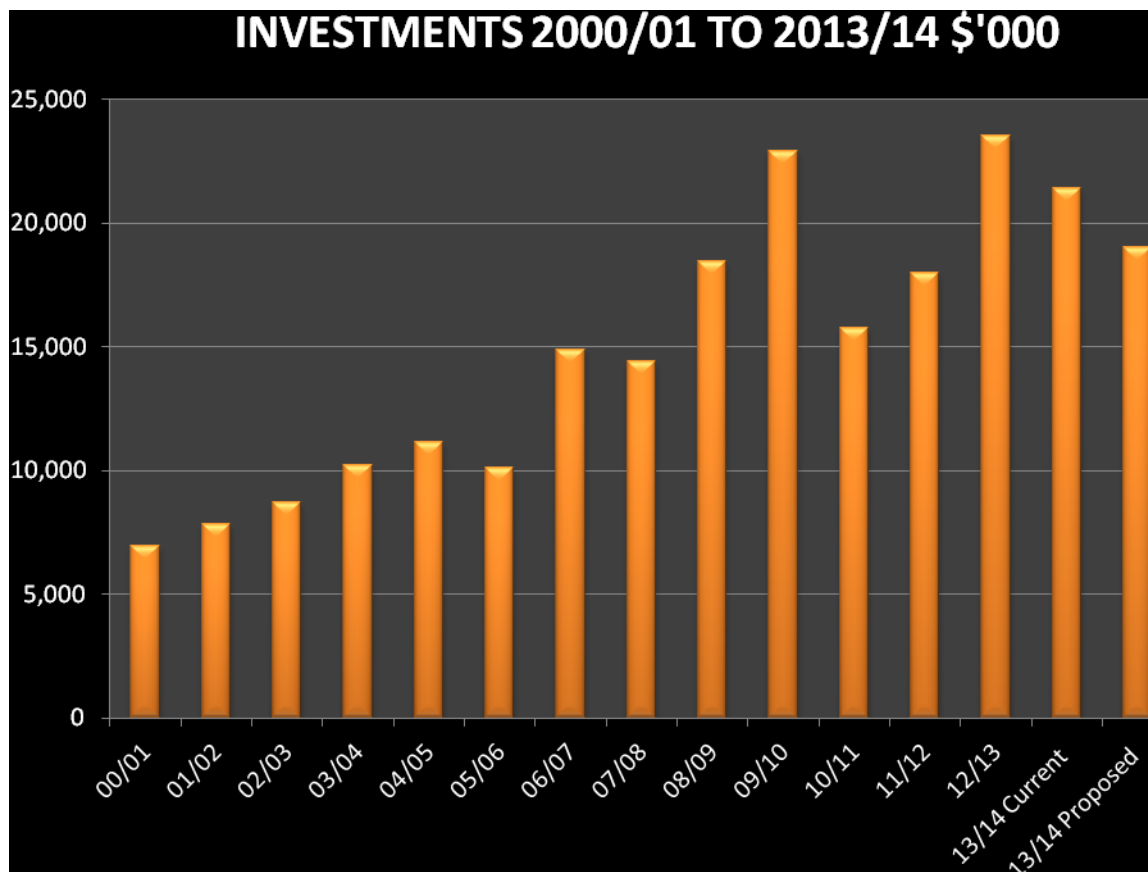
COMMENTARY

Council's total investment portfolio, as at 31 August 2013 when compared to 31 July 2013, has increased by \$795,141.55 from \$20,634,584.69 to \$21,429,726.24.

INVESTMENT REGISTER 2013/14								
INSTITUTION	INV TYPE	DATE LODGED	DATE DUE	DAYS	INT	VALUE 31.07.13	VALUE 31.08.13	% OF TOTAL
ANZ	TD	11.06.13	09.09.13	90	3.51	875,622.02	875,622.02	4.09%
	TD	11.06.13	09.09.13	90	3.85	521,659.92	521,659.92	2.44%
	TD	26.06.13	25.09.13	90	3.57	522,766.87	522,766.87	2.44%
	TD	03.07.13	03.10.13	92	3.46	1,034,081.14	1,034,081.14	4.83%
CBA	On Call				2.45	1,387,180.42	2,141,243.24	10.00%
	TD	11.06.13	09.09.13	90	3.76	505,017.81	505,017.81	2.36%
	TD	12.08.13	12.09.13	30	3.33	500,000.00	501,528.77	2.34%
	TD	24.07.13	24.09.13	60	3.50	1,013,107.74	1,013,107.74	4.73%
IMBS	TD	24.06.13	25.09.13	93	3.90	1,017,086.36	1,017,086.36	4.75%
	TD	24.06.13	25.09.13	93	3.90	508,543.18	508,543.18	2.37%
	TD	29.08.13	27.11.13	90	3.60	505,116.44	510,153.77	2.38%
NAB	TD	30.08.13	30.11.13	90	3.80	1,171,902.78	1,183,576.86	5.47%
	TD	24.07.13	24.10.13	90	4.02	1,067,052.86	1,078,077.13	5.03%
	TD	08.06.13	08.12.13	180	4.06	523,823.94	523,823.94	2.45%
WESTPAC	TD	09.04.13	09.10.13	182	4.26	606,949.68	606,949.68	2.83%
	TD	28.06.13	01.10.13	92	3.80	1,240,206.32	1,240,206.32	5.79%
	TD	09.04.13	09.10.13	182	4.26	266,358.25	266,358.25	1.24%
	TD	17.06.13	17.09.13	90	3.80	1,047,632.37	1,047,632.37	4.89%
	TD	03.06.13	03.10.13	90	3.89	517,431.70	517,431.70	2.42%
ST GEORGE	TD	19.04.13	19.10.13	182	4.05	899,885.97	899,885.97	4.20%
	TD	15.07.13	15.10.13	92	3.54	541,723.98	541,723.95	2.53%
	TD	13.08.13	12.11.13	90	3.39	536,608.95	541,681.45	2.53%
	TD	26.08.13	26.11.13	90	3.21	534,323.84	539,346.48	2.52%
	TD	27.06.13	25.09.13	89	3.68	513,722.94	513,722.94	2.40%
	TD	12.06.13	12.09.13	92	3.68	500,000.00	500,000.00	2.33%
	TD	07.06.13	09.09.13	94	3.53	505,302.74	505,302.74	2.36%
SUNCORP	TD	07.06.13	05.09.13	90	4.05	1,235,060.48	1,235,060.48	5.77%
	TD	22.08.13	25.11.13	91	3.70	536,415.99	538,135.16	2.51%
			TOTAL			20,634,584.69	21,429,726.24	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 August 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 31 August 2013 is \$75,027.59 with a reversal of \$73,854.44 pending for accrued interest brought to account as at 30 June 2013.

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 \$21,429,726.24 for the period ending 31 August 2013 be noted.

COMMITTEE REPORTS

ITEM-15 OPER - 09/09/13 - AQUATIC CENTRE COMMITTEE MEETING MINUTES - 22 AUGUST 2013

REPORT BY - L KEARNEY – ASSETS AND PROJECT ENGINEER

REFERENCE

Min No 13-303: Ordinary Meeting of Council held on 19 August 2013

SUMMARY

This report details the Minutes of the Aquatic Centre Committee Meeting held on 22 August 2013.

COMMENTARY

At the Aquatic Centre Committee meeting held on 22 August 2013, there were a number of items discussed by the Committee including:

1. Expressions of Interest 07/13 – Provision of Kiosk and Administrative Services
2. Proposed Shade Sails
3. Advertising of Daily Water Temperatures
4. LIRS Funding

In Item 4 the Committee noted that the Lithgow region had not received a satisfactory amount of funding from the Federal Government in comparison to other areas within the Calare electorate, and have recommended that the Mayor strongly lobby for any possible Federal Government funding that may be available to secure the completion of all stages of the redevelopment of the Lithgow Aquatic Centre.

Reported in the minutes were expressions of interest recently closing for the management of the kiosk and the administration area with only one expression of interest received, that being from Uniting Care Lithgow.

The proposal submitted by Uniting Care Lithgow identified the operation of the kiosk to be at no cost to Council, however the provision of administrative services would require a subsidy payment from Council of \$38,599. This is in addition to the fact that Uniting Care use the kitchen/café facilities at no charge by Council and further that the consumption of gas and electricity for last season was also provided free of charge by Council.

In considering the expression of interest, it is considered that the proposal submitted by Uniting Care is not advantageous to Council financially. It is therefore to be recommended that instead of accepting the recommendation of the Aquatic Centre Committee that the General Manager be authorised to negotiate the leasing of the Kiosk,

inclusive of administration of patron entry. Should an acceptable outcome not be found then Council shall manage these services.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Minutes from the Aquatic Centre Committee meeting of 22 August 2013.

RECOMMENDATION

THAT Council:

1. Notes the minutes of the Aquatic Centre Committee held on the 22 August 2013; and
2. Continues to strongly lobby for any possible Federal Government funding that may be available to secure the completion of all stages of the redevelopment of the Lithgow Aquatic Centre.
3. Authorise the General Manager to negotiate with Uniting Care Lithgow for the lease of the Kiosk, inclusive of administration of patron entry. Should a satisfactory outcome not be found then Council shall operate these services.

**ITEM-16 COMM - 09/09/13 - DISABILITY ACCESS COMMITTEE MINUTES - 20
 AUGUST 2013**

REPORT BY: M JONES - COMMUNITY DEVELOPMENT OFFICER

REFERENCE

Min-13-185: Ordinary Meeting of Council held on 27 May 2013
Min-13-275: Ordinary Meeting of Council held on 29 July 2013

SUMMARY

This report details the minutes of the Disability Access Committee meeting held on 20 August 2013.

COMMENTARY

At the Disability Access Committee meeting held on 20 August 2013 various items were discussed by the committee. Matters of interest include:

- Access and lighting issues at the Lithgow Valley Plaza.
- Disability Access at the entrance to the Civic Ballroom.
- Discussion about the Main Street improvements.

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 Disability Access Committee meeting 20 August 2013.

RECOMMENDATION

THAT Council notes the minutes of the Disability Access Committee meeting held 20 August 2013.

**ITEM-17 OPER - 09/09/13 - SPORTS ADVISORY COMMITTEE MEETING
MINUTES - 27 AUGUST 2013**

REPORT BY - L KEARNEY – ASSETS AND PROJECT ENGINEER

REFERENCE

Min No 13-304: Ordinary Meeting of Council held on 19 August 2013

SUMMARY

This report details the Minutes of the Sports Advisory Committee Meeting held on 27 August 2013.

COMMENTARY

At the Sports Advisory Committee held on 27 August 2013, there were numerous items discussed by the Committee including:

1. 2013 LJ Hooker Reg Cowden Memorial Sports Star of the Year Awards
2. Booking Requests
3. Presentation by NSW Department of Sport and Recreation
4. Terms of Reference Review

Item 8 was outside the Committee's delegations and require Council to formally approve the recommendation, being:

THAT the Sports Advisory Committee Terms of Reference be amended to state that the Committee minutes must be endorsed by two (2) Committee members, not three (3).

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Minutes from the Sports Advisory Committee meeting of 27 August 2013.

RECOMMENDATION

THAT:

1. Council note the minutes of the Sports Advisory Committee held on the 27 August 2013; and
2. The Sports Advisory Committee Terms of Reference be amended to state that the Committee minutes must be endorsed by two (2) Committee members, not three (3).

**ITEM-18 OPER - 09/09/13 - OPERATIONS (WORKS) COMMITTEE MEETING
MINUTES - 14 AUGUST 2013**

REPORT BY: I STEWART – GROUP MANAGER OPERATIONS

REFERENCE

Details of the Minutes of the Operations (Works) Committee Meeting held on Wednesday, 14 August 2013 for Council adoption.

COMMENTARY

At the Operations (Works) Committee Meeting held on Wednesday, 14 August 2013 there were a number of items discussed by the Committee, with all items being actioned under the Committee's delegated authority.

Items discussed included:

- Wolgan Valley Road Project Update
- South Littleton/South Bowenfels Update
- Major Projects Review
- Resources for Regions

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Minutes of the Operations (Works) Committee Meeting held on Wednesday, 14 August 2013.
2. Wolgan Road Construction Project Program
3. Capital Works Program – Operations Project Program

RECOMMENDATION

THAT Council note the minutes of the Operations (Works) Committee meeting held on Wednesday, 14 August 2013.

**ITEM-19 COMM - 09/09/13 - LITHGOW FLASH GIFT COMMITTEE MINUTES -
8 AUGUST 13**

REPORT BY - R PARK – EVENTS COORDINATOR

REFERENCE

Min No 13-70: Ordinary Meeting of Council held on 25 February 2013
Min No 13-71: Ordinary Meeting of Council held on 25 February 2013
Min No 13-139: Ordinary Meeting of Council held on 15 April 2013

SUMMARY

This report details the Minutes of the Lithgow Flash Gift Committee Meeting held on 8 August 2013

COMMENTARY

At the Lithgow Flash Gift Committee held on 08 August 2013, there were numerous items discussed by the Committee;

1. Sponsorship Update
2. Report from NSW Athletics League
3. Lithgow Little Athletics Clinic

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Minutes from the Lithgow Flash Gift Committee meeting of 08 August 2013

RECOMMENDATION

THAT Council notes the minutes of the Lithgow Flash Gift Committee held on 8 August 2013.

**ITEM-20 COMM - 09/09/13 - LITHGOW FLASH GIFT COMMITTEE MINUTES -
22 AUGUST 2013**

REPORT BY - R PARK – EVENTS COORDINATOR

REFERENCE

Min No 13-70: Ordinary Meeting of Council held on 25 February 2013
Min No 13-71: Ordinary Meeting of Council held on 25 February 2013
Min No 13-139: Ordinary Meeting of Council held on 15 April 2013

SUMMARY

This report details the Minutes of the Lithgow Flash Gift Committee Meeting held on 22 August 2013

COMMENTARY

At the Lithgow Flash Gift Committee held on 22 August 2013, there were numerous items discussed by the Committee;

1. Budget Report
2. Report from NSW Athletics League
3. Lithgow Little A's

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Minutes from the Lithgow Flash Gift Committee meeting of 22 August 2013

RECOMMENDATION

THAT Council notes the minutes of the Lithgow Flash Gift Committee held on the 22 August 2013

**ITEM-21 COMM - 09/09/13 - TOURISM ADVISORY COMMITTEE - MINUTES 13
AUGUST 2013**

REPORT BY - K BARROW – TOURISM MANAGER

REFERENCE

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
Min No 13-215: Ordinary Meeting of Council held on 17 June 2013
Min No 13-277: Ordinary Meeting of Council held on 02 July 2013

SUMMARY

This report details the Minutes of the Tourism Advisory Committee Meeting held on 13 August 2013

COMMENTARY

At the Tourism Advisory Committee held on 13 August 2013, there were numerous items discussed by the Committee;

1. Lithgow Visitors Guide and Lithgow App
2. Privatisation report
3. BMLot Tourism Awards
4. Billboard at Capertee

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Minutes from the Tourism Advisory Committee meeting of 13 August 2013

RECOMMENDATION

THAT Council notes the minutes of the Tourism Advisory Committee held on the 13 August 2013

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.*