



LITHGOW CITY COUNCIL

MINUTES

ORDINARY MEETING OF COUNCIL

HELD ON

21 OCTOBER 2008

**MINUTES OF THE LITHGOW CITY COUNCIL MEETING
HELD AT THE CIVIC CENTRE, LITHGOW ON 21 OCTOBER 2008**

Meeting Commenced 6.00pm

Public Gallery: 19

PRESENT

His Worship the Mayor
Councillor Neville Castle
Councillor Joe McGinnes
Councillor M F Ticehurst
Councillor W McAndrew
Councillor H K Fisher
Councillor C Hunter
Councillor W Marshall
Councillor R Thompson
Councillor G Danaher

APOLOGIES

Nil.

Also in attendance

General Manager, Mr Roger Bailey
Group Manager Regional Services, Mr Andrew Muir
Group Manager Community and Corporate Services, Ms Suzanne Lollback
Internal Services Manager, Mrs Carol Farnsworth
Executive Secretary, Miss Cortney Wood

CONFIRMATION OF MINUTES

Confirmation of the Minutes of the Ordinary Council Meeting held on 19 August 2008 and the Extra Ordinary Meeting of Council held on the 29 September 2008 were taken as read and confirmed.

008-155 RESOLVED

MOVED: Councillors H K Fisher
CARRIED

SECONDED: Councillor W McAndrew

DECLARATION OF INTEREST

His Worship the Mayor called for Declarations of Interest on any matter before the Meeting.

NIL

QUESTIONS FROM THE PUBLIC GALLERY

At 6.00pm members of public gallery were invited to address questions through the Mayor to Councillors and Staff: -
There were nil questions received.

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NOTICES OF MOTION

**ITEM:1 NOTICE OF MOTION - 21/10/08 - COUNCILLOR MF TICEHURST -
 QUESTIONS WITH NOTCE**

NOTICE OF MOTION

MOTION TITLE/TOPIC:

Questions with Notice submitted to Lithgow City Council by Councillor Martin Ticehurst.

Listed by: Councillor Martin Ticehurst

Date: 13 October 2008.

BACKGROUND

1. Could the General Manager provide advice to all Councillors on if and when the Council Connections Community Newsletter will be made available on the Council's website?
2. Could General Manager provide an updated report to all Councillors on Council Resolution 07-459 in respect of a proposed Rock Crushing Plant at Lidsdale?
3. Could the General Manager provide a report to all Councillors on the serious accident that occurred at the Lithgow Swimming Pool in January 2008?
4. Could the General Manager provide a report to all Councillors on the arrangements for the operations of the Canteen at the Lithgow Swimming Pool for the swimming season?
5. Could the General Manager provide advice to all Councillors if the Council is aware of any pending legal action by a former senior Lithgow City Council employee for financial compensation?
6. Could the General Manager provide advice to all Councillors if the Council has received legal notice of a claim for financial recompense for the land now owned by the Lithgow City Council situated under the Meadow Flat Hall?
7. Could the General Manager provide advice to all Councillors if the Council can confirm that following the failure of the Power Sell-off and the recent announcement of the State Mini-Budget, the proposed 2 new Units at Mt Piper will not be included in the Mini-Budget?

RECOMMENDATION

THAT Council provides appropriate written reports or responses to the Questions without Notice.

Signed: _____



O08-156 RESOLVED

THAT

1. Could the General Manager provide advice to all Councillors on if and when the Council Connections Community Newsletter will be made available on the Council's website?
2. Could the General Manager provide an update report to all Councillors on Council Resolution 07-459 in respect of a proposed Rock Crushing Plant at Lidsdale?
3. Could the General Manager provide a report to all Councillors on the serious accident that occurred at the Lithgow Swimming Pool in January 2008?
4. Could the General Manager provide a report to all Councillors on the arrangements for the operations of the Canteen at the Lithgow Swimming Pool for the swimming season?
5. Could the General Manager provide advice to all Councillors if the Council has received legal notice of a claim for financial recompense for the land now owned by the Lithgow City Council situated under Meadow Flat Hall?
6. Could the General Manager provide advice to all Councillors if the Council can confirm that following the failure of the Power Sell-off and the recent announcement of the State Mini-Budget, the proposed 2 new units at Mt Piper will not be included in the Mini-Budget?

MOVED: Councillor M F Ticehurst

SECONDED: Councillor H K Fisher.

CARRIED

GENERAL MANAGERS REPORTS

ITEM:2 GM - 21/10/08 - CHRISTMAS AND NEW YEAR CLOSURE

REFERENCE

Min: 07-488 - Ordinary Council Meeting 19 November 2007

SUMMARY

This report advises Council of the closure of the administration office between Christmas and New Year and the essential service operations that will operate over this time.

COMMENTARY

Lithgow City Council has closed part or all of its business over the Christmas to New Year period in 2005, 2006 and 2007 and will again cease operations over this period from close of business on Wednesday 24 December 2008 and reopen on Monday 5 January 2009.

The Christmas closure for 2008 was discussed at a Consultative Committee Meeting and an Executive Management Team meeting and the following arrangements have been decided on.

- Council administration areas and depots will close for business from close of business on Wednesday 24 December 2008 and will re-open on Monday 5 January 2009.
- Staff will have similar arrangements as previous years for concessional leave. Indoor staff will receive 2 days concessional leave to be utilised during this period, with part time staff receiving the leave on a pro-rata basis consistent with their hours worked over the past year. The remaining 2 days can be taken as RDO/banked RDO, accrued time in lieu or annual leave.
- Outdoor staff will be required to use their RDO's, accrued leave or annual leave to cover the closure period.
- An outdoor "skeleton" crew will be required to work during this period to attend to emergencies.
- A number of staff, supervisors and managers will be required to be on call/available during the period for emergency situations.

Essential service and works staff will remain on duty during the period to ensure all such matters are attended to. An advertising program will commence shortly to advise the community along with advertising advice to many of the Council clients.

Essential Services Operating over Christmas/New Year

- Lithgow Visitor Information Centre
- Ranger
- Eskbank House Museum
- Rural Tip Controller
- Cleaner Driver (emptying street bins)
- Streetsweeper
- Water and Sewerage Treatment Plants
- Cleansing Unit

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

CONCLUSION

This report has advised Council on the office closure during Christmas and New Year in line with many councils, Government Departments and private organisations in New South Wales and Australia.

O08-157 RESOLVED

THAT Council note the report on the Christmas and New Year Closure.

MOVED: Councillor H K Fisher
CARRIED

SECONDED: Councillor W Marshall

**ITEM:3 GM - 21/10/08 - SHREWSBURY AND ATCHAM BOROUGH COUNCIL
- SISTER CITY RELATIONSHIP**

REFERENCE

NIL

SUMMARY

This report outlines correspondence that has been received from Shrewsbury & Atcham Borough Council in England regarding the Sister City Relationship with Lithgow City Council.

COMMENTARY

Correspondence has been received from Shrewsbury and Atcham Borough Council in relation to the ongoing Sister City relationship between their Council and Lithgow City Council.

Council was advised that there has been a major local government reorganisation taking place here in Shropshire and on 31st March 2009 this authority (Shrewsbury and Atcham Borough Council) becomes subsumed by a new Shropshire Council and Shrewsbury And Atcham Borough Council will no longer exist.

As well as a new Shropshire Council, there will be established a brand new Town Council for Shrewsbury which they believe will be the focus of the "sister" relationship with our City. The Town Council will have a population of approximately 70,000 and will have a Town Clerk and a Mayor.

This Town Council will be established on the same time scale as the new unitary authority but being a completely new authority will perhaps take a little longer to establish itself. The new Town Council will be based in The Guildhall in Shrewsbury.

On the basis of the major change, the Council believes that it would be wise for the sister city relationship to be determined when the new Town Council comes into existence and they will ensure that the issue is high on their agendas at the initial meeting. Representatives from Shrewsbury Council will intend to ask them to adopt the decision of this authority made on 19th May 2008 which was:

a) To progress the request for a Sister City relationship with the City of Lithgow (NSW) and suggest the following additional areas for consideration of fields for cooperation and exchange:

- Local education
- Sustainability
- Arts and Culture
- Economic development
- Museums and conservation

b) To progress firmly the objective of a link to be established to Lithgow for participation in a Darwin debate and possible student visit.

With regards to (B) above, the Council has requested Jon King (Darwin Coordinator) to re-establish relationships with Lithgow Council to ensure the participation.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

O08-158 RESOLVED

THAT Lithgow City Council note the information on the new Town Council in Shrewsbury England.

MOVED: Councillor W McAndrew

SECONDED: Councillor H K Fisher.

CARRIED

ITEM:4 GM - 21/10/08 - CODE OF MEETING PRACTICE

REFERENCE

Min 07-493: Council Meeting, 19 November 2007

Min P08-04: Policy and Strategy Committee Meeting, 4 February 2008

Min O08-39: Ordinary Meeting of Council, 21 April 2008

SUMMARY

This report was deferred to the Council meeting from the Policy and Planning Committee meeting of the 7 October 2007 as the adoption of the Code of Meeting Practice is a function delegated to the Ordinary Meeting of the Council.

This report recommends amendments to the Council's Code of Meeting Practice, version 6, as adopted by the Council on 21 April 2008.

COMMENTARY

All policies of Council must be reconsidered within 12 months of a general election. It is proposed that Council's policies will be submitted to the Council for consideration over a staged period of time.

As there are 5 new elected Councillors, the Council's Code of Meeting Practice, version 7, is tabled at the Policy and Strategy Committee meeting for consideration.

The following changes are proposed to create version 7. These changes have been highlighted in the attached Code of Meeting Practice version 7.

Part	Version 6	Version 7
Part 1, 2 Definitions	<i>"Principal committees means the Committees referred to in the Appendices."</i>	Definitions to be placed in alphabetical order. The Definition of <i>"Principal Committees"</i> be amended to include <i>"which have delegated authority under section 377 of the Local Government Act 1993"</i> .
Part 2, 5(ii)	Currently reads: <i>"The Council has, by resolution, set the time, date and place of ordinary meetings of the Council. Ordinary meetings of the Council will commence at 6.00pm on the third Tuesday of each month and be held in the Lithgow City Council Chambers, 180 Mort Street, Lithgow."</i>	Be amended to read <i>"The Council will, by resolution, set the time, date and place of ordinary meetings of the Council. Ordinary meetings of the Council will be held in the Lithgow City Council Chambers, 180 Mort Street, Lithgow unless otherwise resolved by the Council."</i> Note: Removing the day and date from the Code will allow the Council to vary meeting times and date by resolution without the need to amend the Code.
Part 3, 11 (ix) and (x)	<i>"(ix) The Councillor appointed as Mayor and Deputy Mayor from time to time under section 369 [S 369] of the Local Government Act 1993 to preside at Council Meetings is authorised, pursuant to a resolution of the Council passed on 28 October 2004, to exercise the power of expulsion of a Councillor from a Council Meeting for engaging in or have engaged in disorderly conduct at the meeting,</i>	Be amended by deleting <i>"pursuant to a resolution of the Council passed on 28 October 2004"</i> . Note: This resolution cannot be found as there is no evidence that a Council meeting was held on this date.

	<p>such disorderly conduct being in the nature identified in clause 256(1) [LGGR 256(1)] of the Regulation.</p> <p>(x) The Councillor appointed from time to time as Mayor and Deputy Mayor under section 369 [S 369] of the Local Government Act 1993 to preside at Council Meetings is authorised, pursuant to a resolution of the Council passed on 28 October 2004, to exercise the power of expulsion of a member of the public engaging in or have engaged in disorderly conduct at the meeting.”</p>	
<p>Part 3, 15(iii)</p>	<p>Sections (d) and (e) to be added</p>	<p>Be amended to include:</p> <p>“(d) When a division or a motion is demanded, the Chairperson must ensure that the division takes place immediately. The General Manager must ensure that the names of those who vote for the motion and those who vote against it are respectively recorded in the Council’s minutes. [LGGR 251(4)]</p> <p>(e) The Chairperson must call for a division of Councillors in respect of each development planning decision [s375A]. The General Manager must ensure that the names of those who vote for the motion and those who vote against it are respectively recorded in the Council’s minutes. [LGGR 251(4)]”</p> <p>Note: Part (e) responds to new requirements under the Local Government Act, section 375A, for the names of those who vote for and against development planning decision to be recorded in the minutes.</p>

<p>Part 3, 19 (i) (a)</p>	<p>Currently reads:</p> <p><i>“(a) unless a councillor has given notice of the business in writing by noon of the Tuesday immediately preceding the meeting; and”</i></p>	<p>Be amended to delete the word ‘Tuesday’ and be replaced with ‘day one week’.</p> <p>Note: Removing the day from the Code will allow the Council to vary meeting times and date by resolution without the need to amend the Code.</p>
<p>Part 3, 33 (ii)</p>	<p>Currently reads:</p> <p><i>‘The council will determine the system of voting, that is, either “ordinary ballot”, “first past the post” or other system of voting.’</i></p>	<p>Be amended to add the words ‘open voting’.</p> <p>Note: Schedule 7 of the Local Government (General) Regulations 2005 states that “ballot has its normal meaning of secret ballot” and “Open voting means voting by a show of hands or similar means”</p>
<p>Part 3, 34</p>	<p><i>“SHOW OF HANDS – BY ORDINARY BALLOT”</i></p> <p><i>“... shall be by ORDINARY BALLOT”</i></p> <p><i>“(vi) ... using the ordinary ballot method”</i></p>	<p>Be amended to read “SHOW OF HANDS – BY OPEN VOTING METHOD”; and</p> <p>Be amended to read “... shall be by OPEN VOTING METHOD”.</p> <p>Be amended to read “... using the open voting method”.</p> <p>Note: Schedule 7 of the Local Government (General) Regulations 2005 states that “ballot has its normal meaning of secret ballot’ and ‘Open voting means voting by a show of hands or similar means”.</p>
<p>Part 5, 52 (v) and (vi)</p>	<p><i>(iv) “The Councillor appointed from time to time as chairperson and deputy chairperson under clause 267 of the Regulation [LGGR 267] of the Council’s Principal Committees is authorised, pursuant to a resolution of the Council passed on 28 October 2004, to exercise the power of expulsion of a Councillor from a Committee Meeting for engaging in or have</i></p>	<p>Be amended to “for engaging in or having had engaged in”</p> <p>Be amended by deleting “pursuant to a resolution of the Council passed on 28 October 2004”.</p> <p>Note: This resolution cannot be found as there is no evidence that a Council meeting was held on this date.</p>

	<p><i>engaged in disorderly conduct at the meeting, such disorderly conduct being in the nature identified in clause 256 of the Regulation [LGGR 256].</i></p> <p><i>(vi) The Councillor appointed from time to time as chairperson and deputy chairperson under clause 267 of the Regulation [LGGR 267] of the Council's Principal Committees is authorised, pursuant to a resolution of the Council passed on 28 October, 2004, to exercise the power of expulsion of a member of the public engaging in or have engaged in disorderly conduct at the meeting."</i></p>	
Part 9, 75		Be amended by removing <i>"This council may resolve itself into a committee to consider any matter before the council"</i> as it is a repeat of Part 5, 44.
Part 9, 76	Part 9, 76 of version 6	Part 9, 76 of version 6 to become Part 9, 75 of version 7.
Appendix 2	<i>"Meeting date: Third (3rd) Tuesday of the month commencing at 6.00pm."</i>	Be amended to read: <i>"Meeting date: As resolved by the Council."</i>
Appendix 2	<i>"Meeting date: First Tuesday of the month commencing at 6.00pm."</i>	Be amended to read: <i>"Meeting date: As resolved by the Council."</i>
Appendix 3	<i>"Meeting date: First Tuesday of the month commencing at 6.30pm."</i>	Be amended to read: <i>"Meeting date: As resolved by the Council."</i>

A number of other formatting and minor amendments have been made which do not affect the content of the document.

POLICY IMPLICATIONS

It is proposed that the Code of Meeting Practice, version 7, will replace the Code of Meeting Practice, version 6, as adopted by the Council on 21 April 2008.

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

The Local Government Act 1993 states:

Section 360 – “*Conduct of meetings of councils and committees*”

- 1) *The regulations may make provision with respect to the conduct of meetings of councils and committees of councils of which all the members are councillors.*
- 2) *A council may adopt a code of meeting practice that incorporates the regulations made for the purposes of this section and supplements those regulations with provisions that are not inconsistent with them.*
- 3) *A council and a committee of the council of which all the members are councillors must conduct its meetings in accordance with the code of meeting practice adopted by it.”*

Section 362 - “*Adoption of draft code*”

- 2) *If the Council decides to amend its draft code, it may publically exhibit amended draft in accordance with this Division or, if the council is of the opinion that the amendments are not substantial, it may adopt the amended draft code without public exhibition as its code of meeting practice.”*

Note: Should the Council make substantial changes to the Code, the Council would need to allow, under section 361 of the Act “*a period of not less than 42 days after the date on which the draft code is placed on public exhibition during which submissions may be made to the council*”.

It is considered that the above proposed changes to Council’s Code of Meeting Practice are not substantial and thus do not require public exhibition.

RECOMMENDATION

THAT Council adopt the Code of Meeting Practice, version 7.

MOTION

That Council adopt the Code of Meeting Practice, version 7 subject to the following amendments:

1. Part 9,76 - appendix 2 read - :Meeting date: Third Monday of the month commencing at 6.45pm with 15 minutes for recorded public question time.'
2. Part 9,76 - appendix 3 read - :Meeting date: First Monday of the month commencing at 6.45pm with 15 minutes for recorded public question time.'

MOVED: Councillor H K Fisher

SECONDED: Councillor G Danaher.

AMMENDMENT

That Council adopt the Code of Meeting Practice, version 7.

MOVED: Councillor W McAndrew

SECONDED: Councillor JJ McGinnes.

The Mayor put the amendment to a vote and it was carried.

O08-159 RESOLVED

That Council adopt the Code of Meeting Practice, version 7.

MOVED: Councillor W McAndrew

SECONDED: Councillor JJ McGinnes.

CARRIED

ITEM:5 GM - 21/10/08 - CENTRAL WEST GROUP APPRENTICES BOARD

REFERENCE

Min 05-37: Ordinary Meeting 24 January 2005

Min 05-620: Planning, Policy and Development Committee Meeting 12 December 2005

Min 07-355: Ordinary Meeting of Council held on 20th August 2007

Min O08-153: Extra Ordinary Meeting of Council held on 29th September 2008

SUMMARY

This report outlines the need for Council to nominate a member for the Board of the Central West Group Apprentices.

COMMENTARY

As a member of the Central West Group Apprentices, Council is entitled to nominate a person for the position of Director.

At the Ordinary meeting of Council held in 20th August 2007, the Council resolved:

THAT:

1. Councillor Michael J Wilson be the representative for the Directorship of Central West Group Apprentices
2. Council authorise the General Manager, or his delegate, to attend the annual general meeting as the member representative to vote on behalf of the Council at the AGM.

Upon discussions with the Group, it has been advised that Michael Wilson still has a two year term left with the Board and if Council wishes to nominate a new Council representative, this must be done at the Central West Group Apprentices Annual General Meeting which will be held on 29th October 2008.

Council is advised that the Directorship is a paid position.

Council is also asked to nominate a voting delegate for the Annual General Meeting.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

O08-160 RESOLVED

THAT:

1. Council note the report on the Central West Group Apprentices Board.
2. Council authorise the General Manager, or his delegate, to attend the annual general meeting as the member representative to vote on behalf of the Council at the AGM.

MOVED: Councillor H K Fisher

SECONDED: Councillor G Danaher

CARRIED

REGIONAL SERVICES REPORTS

ITEM:6 REG - 21/10/08 - GASWORKS SITE

REPORT FROM: GROUP MANAGER REGIONAL SERVICES - A MUIR

REFERENCE

- 06-143 - Ordinary Council Meeting held on 15/05/06
- 07-06 - Policy and Strategy Committee Meeting held on 5/2/07
- 07-57 - Ordinary Council Meeting held on 19/02/07
- 07-161 - Policy and Strategy Committee Meeting held on 7/5/07
- 07-347 - Policy and Strategy Committee Meeting held on 6/8/07
- 07-429 - Ordinary Council Meeting held on 17-9/07
- P08-23 - Policy and Strategy Committee Meeting held on 03/03/08
- P08-39 - Policy and Strategy Committee Meeting held on 07/04/08
- P08-54 - Policy and Strategy Committee held on 6 May 2008
- P08-99 - Policy and Strategy Committee held on 2 September 2008

SUMMARY

This report details the results of discussions with officers of the Department of Environment and Climate Change (DECC) in relation to the Gasworks Site in Mort Street Lithgow.

COMMENTARY

On 30 September 2008, the General Manager and Group Manager Regional Services travelled to Sydney to meet with officers of DECC to discuss issues that have been recently raised in relation to groundwater monitoring and remediation of the gasworks site. To assist in discussions, one of the principal's of Site Remediation Consultancy, the firm that managed the demolition and remediation work for site also attended. This was particularly helpful in understanding specific aspects of the demolition of the gas holder and the remediation strategy as key staff who worked on the project are no longer employed at Council.

To assist Council in understanding the issues a plan entitled Proposed Subdivision of Land According to Levels of Contamination is attached. This plan shows the various precincts of the site based on the level of known contamination (*it should be noted that this relates to the types of contamination associated with old gas works sites and there is no cause for any wider public concern*). The key to the remediation project was that precincts 1 and 4 would be fully remediated to a level that could accommodate any use permissible in the industrial land use zone. Precincts 2 and 3 could not be economically remediated to the same level but could be available for lighter uses, for example car parking. Precinct 5 is the current works depot and precinct 6 was set aside in the event that contaminated groundwater required collection and treatment. Precinct 1 was subsequently remediated and a validation report was provided. It is believed that each firm which has held an option for the site has been provided all the information regarding site constraints or offered access to all reports that outline the constraints.

As part of ongoing monitoring of the site a groundwater management plan was being prepared. The overall purpose of the plan was to monitor groundwater conditions and particularly verify previous results that the site was not contributing to groundwater contamination off site. As a result of this process DECC became involved and initially expressed concern as to the methodology of groundwater sampling, particularly in relation to the location and depth of groundwater monitoring bores. DECC was then provided with all reports pertaining to the entire site to assist them in their understanding and the meeting of 30 September was held. The meeting was helpful in assisting DECC's understanding of the site but concern was still raised as to the methodology of groundwater sampling for Precinct 1 and maintain the position that additional bores to a greater depth will be required and they also raised concerns as to the methodology used in the Precinct 1 validation report. There is also a preference that further work should be done to properly characterise the remainder of the site (ie. precincts 2, 3 and 4). This would assist in understanding up front what range of uses could occur and what level of site disturbance is acceptable. It appears as though the options open to Council are:

1. With the assistance of DECC in preparing a scope of works, proceed immediately with locating and drilling further monitoring bores for precinct 1; undertake monitoring; prepare reports and management plan; verify validation and have the work audited by an accredited site auditor. Should Council proceed with this option then it would be responsible for all costs with a rough estimate of between \$20,000 and \$50,000.
2. Apply through DECC for a grant from the Environmental Trust under their former gasworks program to undertake the works (basically as per No 1) and also conduct further investigation to properly characterise the remaining precincts. Funding is available up to \$200,000 for this purpose and the next meeting of the trust is March 2009. Up to \$500,000 is then potentially available should any remediation works be proposed.

Whilst there is no doubt that Option 2 is the best option, Council should be aware that it will require DECC support and to this end there is a vital relationship to an Environmental Management Audit of Council's licensed premises and activities which is currently under preparation. DECC require this audit to be completed on Schedule by 1 November 2008 before their support can be offered. The audit is required as a result of previous prosecutions and delays in projects, in particular the Lithgow Sewerage Treatment Plant Upgrade which was first proposed for completion several years ago. The Audit is running on schedule for completion by 1 November 2008.

Note: Council previously agreed to sell this land, however to date there has been no exchange to contracts. Under the circumstances it is recommended the sale not proceed.

POLICY IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

Depending on the option chosen Council could expend an estimated maximum of \$50,000. Should Council agree to seek funding for further investigation then it would be recommended that the proposed sale not proceed.

LEGAL IMPLICATIONS

Whilst the DECC has not 'declared' the site in terms of the Contaminated Lands Management Act it would need to be 'declared' should Council seek future funding for remediation. In relation to the proposed sale of the land, no contract has yet been exchanged.

O08-161 RESOLVED

THAT

1. Council make application to the Environmental Trust for further investigation and validation for Precinct 1 and further investigation and characterisation of Precincts 2, 3 and 4 of the former Gasworks Site in Mort Street Lithgow.
2. Council not proceed with the sale at this time but at the time of sale offer the first option to purchase the land after all investigation works are complete and any further recommended remediation carried out to the proposed purchaser (Ultra Services) at the assessed market value.

MOVED: Councillor H K Fisher
CARRIED

SECONDED: Councillor R Thompson.

ITEM:7 REG - 21/10/08 - DA 035-08 DEMOLITION OF EXISTING SPORTING FACILITIES & CONSTRUCTION OF 24 MEDIUM DENSITY UNITS WITH COMMUNITY TITLE

REPORT BY: ANDREW MUIR GROUP MANAGER REGIONAL SERVICES

REFERENCE

Councils Finance & Services Committee Meeting date 5 August 2008 being minute F08-90, calling in of the development application by Councillor M F Ticehurst.

SUMMARY

To assess and recommend determination of DA 035/08. The recommendation will be for approval subject to conditions.

COMMENTARY

Council is in receipt of Development Application 035-08 from Jonathan Investment Holdings for the demolition of existing sporting facilities including bowling greens and a dilapidated tennis court (previously utilised by the Lithgow RSL Club) and erection 24 medium density units which will additionally involve a community title subdivision. It is considered that the community title subdivision will require further investigation thus can be conditioned (should approval be given) that further information be submitted and approved by Council prior to the release of any community title subdivision.

The development involves the erection of 24 medium density units including 14 two bedroom units and 10 three bedroom units on the land previously approved to erect an 80 unit motel.

The development has been proposed in three stages consisting of Stage 1 being 4 units (fronting Hayley Street), Stage 2 consisting of 4 units (fronting Hayley Street) and stage three containing the residual of the development fronting Hoskins Avenue.

POLICY IMPLICATIONS

The application has been previously called in by Council under the provisions outlined in Council's Policy Register. The Resolution F08-90 minuted in Councils Finance & Services Committee Meeting date 5 August 2008, calls in the application.

FINANCIAL IMPLICATIONS

There are no financial implication perceived as part of this application.

LEGAL IMPLICATIONS

The application must be assessed in accordance with the heads of consideration of Section 79C of the Environmental Planning & Assessment Act 1979. Furthermore, the application requires concurrence from the Sydney Catchment Authority (SCA). Concurrence was given by the SCA subject to conditions. Further the application required the approval of the Mine Subsidence Board who conditionally approved the application. A full assessment is reported in the attached Section 79C assessment report.

CONCLUSIONS

The application has been assessed in accordance with the relevant Acts and the policies that relate to the land. Accordingly the assessment shows that the development can comply with all requirements, thus having an acceptable impact on the surrounding neighbourhood and the Lithgow community in general.

Therefore, the application can be approved subject to conditions.

O08-162 RESOLVED

THAT Development Application 035-08 be approved subject to all conditions outlined in the Section 79C report.

MOVED: Councillor G Danaher
CARRIED

SECONDED: Councillor W Marshall.

**ITEM:8 REG - 21/10/2008 - CONFIDENTIAL REPORT - TENDER 05/08
 SUPPLY OF BITUMEN SEALING SERVICES CONFIDENTIAL**

REPORT FROM: STEPHEN DARLINGTON – OPERATIONS MANAGER

Reason for Confidentiality

In accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2005, in the opinion of the General Manager, the following business is of a kind as referred to in section 10A(2) of the Act, and should be dealt with in a part of the meeting closed to the media and public.

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(d)(i) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following: -

- (d) commercial information of a confidential nature that would if disclosed:
 - (i) prejudice the commercial position of the person who supplied it

SUMMARY

This report provides details of tenders recently called for the supply of bitumen sealing services for the period September 2008 to 30 June 2009.

O08-163 RESOLVED

THAT Council consider this report in closed Council pursuant to Section 10A(2)(d)(i) of the Local Government Act.

MOVED: Councillor M F Ticehurst

SECONDED: Councillor H K Fisher.

CARRIED

**ITEM:9 REG - 21/10/08 - CONFIDENTIAL REPORT - TENDER 04/08 SUPPLY
 OF ROAD BASE CONFIDENTIAL**

REPORT FROM: STEPHEN DARLINGTON – OPERATIONS MANAGER

Reason for Confidentiality

In accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2005, in the opinion of the General Manager, the following business is of a kind as referred to in section 10A(2) of the Act, and should be dealt with in a part of the meeting closed to the media and public.

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(d)(i) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following: -

- (d) commercial information of a confidential nature that would if disclosed:
 - (i) prejudice the commercial position of the person who supplied it

SUMMARY

This report provides details of tenders recently called for the supply of road base for the period September 2008 to 30 June 2009.

O08-164 RESOLVED

THAT Council consider this report in closed Council pursuant to Section 10A(2)(d)(i) of the Local Government Act.

MOVED: Councillor W McAndrew

SECONDED: Councillor H K Fisher.

CARRIED

COMMUNITY AND CORPORATE SERVICES REPORTS

ITEM:10 COMM - 21/10/08 - POLICY REVIEW - SECTION 8. FINANCE AND SECTION 9. GOVERNANCE OF COUNCIL'S POLICY MANUAL

REPORT FROM – GROUP MANAGER COMMUNITY AND CORPORATE – SUZANNE LOLLBACK

REFERENCE

Min 07-501 Ordinary Meeting of Council - 19 November 2007

SUMMARY

The Council as per its Standard Working Procedure has determined that all policies will be reviewed within 12 months of a Council election. It is proposed that Council's policies will be submitted to the Council for consideration over a staged period of time. This report provides a review of policies within Section 8 Finances, and Section 9 Governance, of the Council's Policy Manual.

COMMENTARY

All policies have been reviewed for their content as well as, in some cases, been reformatted for consistency of layout and style.

Where minor changes have occurred such as grammatical corrections and formatting, and where the context of the policy has not changed, it is considered that the changes are not substantial and thus do not require public exhibition.

Where a policy is required to be changed due to a change in legislation or a direction of the Director General of the Department of Local Government, it is considered that the changes do not require public exhibition.

For those policies that have substantial changes, or where the context of a policy has changed, the policy shall be exhibited for 28 days after the date on which the draft policy is placed on public exhibition during which submissions may be made to the Council.

The following existing policies are considered to have minor changes, or changes that are a result of legislative changes, and thus do not require public exhibition.

POLICY NUMBER	COMMENTS
8.1 Debt Recovery	Some rewording required. No change in context. Reformatted.
8.2 Investment Policy	On 15 August 2008 the Revised Ministerial Investment Order was gazetted. This Order replaces the Order dated 15 July 2005. This is in response to the recent Review of NSW Local

	<p>Government Investments (“the Cole Report”) which investigated the impact on councils that invested in structured financial products.</p> <p>The Council is obliged to adopt the changes in the Order and thus the policy has been amended.</p>
8.3 Hardship Policy	Some rewording required. No change in context. Reformatted
8.4 Bonds held for works	Small wording correction. No change in context. Reformatted
8.5 Pension rebates	Small wording correction. No change in context. Reformatted
8.7 Change in category for rating purposes	Small wording correction. No change in context. Reformatted
9.1 Apologies by Council	Small wording correction. No change in context. Reformatted
9.2 Appointment of Mayor to committees	Reformatted
9.3 Business ethics	Small wording correction. No change in context. Reformatted
9.4 Competitive neutrality	Small wording correction with addition of ‘water’ and ‘sewerage’ under <i>Category 1 Business Activities</i> . No change in context. Reformatted
9.5 Council meetings – appointment of chairpersons of Council committees/working groups	Small wording correction. No change in context. Reformatted
9.6 Council meetings – January each year and rescheduling of other Council meetings	Small wording correction. No change in context. Reformatted
9.7 Gifts and benefits – Councillors and staff	<p>Change wording from: <i>“Council officials are required to record gifts and benefits received where it cannot reasonably be refused or returned including token gifts or benefits, ...”</i></p> <p>Wording changed to: <i>“Council officials are required to record gifts and benefits received where it cannot reasonably be refused or returned excluding token gifts or benefits, ...”</i></p> <p>This change reflects the wording in the Council’s Model Code of Conduct, Section 8 Personal Benefit</p> <p>Some other small wording corrections have been made. Reformatted.</p>
9.8 Motions for annual conference of Local Government Association	Reformatted

9.9 Payment of expenses and provision of facilities to Councillors	Small wording correction. No change in context. Reformatted
9.10 Provision of information to and interaction between Councillors and staff	<p>Recent changes to the Local Government Act (Section 328A) now require the general manager to keep a public register of all current donations and expenditure declarations lodged by Councillors with the Election Fund Authority of NSW.</p> <p>New section 375A requires the general manager to record which Councillors vote for and against each planning decision of the Council.</p> <p>Thus two new paragraphs have been inserted into the policy under <i>Access to Council Records by Councillors – Statutory Provisions</i>. This is as advised by the Department of Local Government.</p> <p>Deleted is:</p> <ul style="list-style-type: none"> • <i>returns as to candidates' campaign donations.</i> <p>Included are:</p> <ul style="list-style-type: none"> • <i>the register of current declarations of disclosures of political donations to Councillors kept in accordance with section 328A</i> • <i>the register of Councillor voting on planning matters kept in accordance with section 375A</i>
9.11 Tenders – Canvassing/Lobbying of Councillors and staff	Reformatted
9.12 Records management policy	Small wording correction. No change in context. Reformatted
9.13 Protected disclosures policy	Small wording correction. No change in context. Reformatted
9.14 Occupational health and safety policy	Small wording correction. No change in context. Reformatted

The following existing policy has a change of a substantial nature and thus will be placed on public exhibition for a period of 28 days. Following public exhibition, comments from the public will be reported to the Council, along with a recommendation for adoption of the policy.

POLICY NUMBER	EXISTING POLICY	PROPOSED CHANGES
8.6 Excessive water usage allowance for breakages	Change required to point 1.	To read: <i>"The policy applies to property owners."</i>

	Currently reads: <i>“The policy applies to residential homes only and applicants must use the property as their principle place of residence.”</i>	This proposed change resulted from a report to the Council on 19 August 2008 where the Council approved the adjustment of water accounts for business premises.
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POLICY IMPLICATIONS

As per the above changes

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

Many of the policies respond to the requirements of the Local Government Act 1993, the Local Government (General) Regulations and various other acts.

RECOMMENDATION

THAT the Council:

1. Reaffirm the following Policies with the identified changes:
 - Policy 8.1 Debt recovery
 - Policy 8.3 Hardship Policy
 - Policy 8.4 Bonds held for Works
 - Policy 8.5 Pension rebates
 - Policy 9.1 Apologies – By Council
 - Policy 9.2 Appointment of Mayor by committees
 - Policy 9.3 Business Ethics
 - Policy 9.4 Competitive Neutrality
 - Policy 9.5 Council Meetings – Appointment of Chairpersons of Council Committees/Working Groups
 - Policy 9.6 Council Meetings - January Each Year and Rescheduling of Other Council Meetings
 - Policy 9.8 Motions for Annual Conference of Local Government Association
 - Policy 9.9 Payment of Expenses and Provisions of Facilities to Councillors
 - Policy 9.11 Tenders – Canvassing/Lobbying of Councillors and Staff
 - Policy 9.12 Records Management
 - Policy 9.13 Protected Disclosures Policy
 - Policy 9.14 Occupational Health and Safety

2. Adopt Policy 8.2 *Investment Policy* and noting that changes have been made in line with the Revised Ministerial Investment Order.
3. Adopt Policy 9.7 and noting that changes have been made in line with the Council's *Code of Conduct adopted on 1 July 2008*.
4. Adopt Policy 9.10 *Provision of Information to and Interaction Between Councillors and Staff* and not that changes have been made in line with changes to the Local Government Act 1993.
5. Place Policy 8.6 *Excessive Water Usage Allowance for Breakages* on public exhibition for a period of 28 days and call for public comment through advertisements in the Lithgow Mercury and report back to the Council for final adoption.

O08-165 RESOLVED

THAT

1. Reaffirm the following Policies with the identified changes:

Policy 8.1	Debt recovery
Policy 8.3	Hardship Policy
Policy 8.4	Bonds held for Works
Policy 8.5	Pension rebates
Policy 9.1	Apologies – By Council
Policy 9.2	Appointment of Mayor by committees
Policy 9.3	Business Ethics
Policy 9.4	Competitive Neutrality
Policy 9.5	Council Meetings – Appointment of Chairpersons of Council Committees/Working Groups
Policy 9.6	Council Meetings - January Each Year and Rescheduling of Other Council Meetings
Policy 9.8	Motions for Annual Conference of Local Government Association
Policy 9.11	Tenders – Canvassing/Lobbying of Councillors and Staff
Policy 9.12	Records Management
Policy 9.13	Protected Disclosures Policy
Policy 9.14	Occupational Health and Safety
2. Adopt Policy 9.9 *Payment of Expenses and Provisions of Facilities to Councillors* noting that in relation to Expenses - point 2 - 'Council shall not reimburse travelling expenses for distances of less than 5 km' and also in relation to Facilities - point 7 that the word 'prestige' be removed in relation to the mayoral vehicle.
3. Adopt Policy 8.2 *Investment Policy* and noting that changes have been made in line with the Revised Ministerial Investment Order.

4. Adopt Policy 9.7 and noting that changes have been made in line with the Council's *Code of Conduct adopted on 1 July 2008*.
5. Adopt Policy 9.10 *Provision of Information to and Interaction Between Councillors and Staff* and note that changes have been made in line with changes to the Local Government Act 1993.
6. Place Policy 8.6 *Excessive Water Usage Allowance for Breakages* on public exhibition for a period of 28 days and call for public comment through advertisements in the Lithgow Mercury and report back to the Council for final adoption.

MOVED: Councillor M F Ticehurst
CARRIED

SECONDED: Councillor H K Fisher.

O08-166 MATTER ARISING that:

A report be provided to Councillors regarding Policy 8.1 - *Debt Recovery*, outlining Council's processes and procedures undertake to recover rates.

MOVED: Councillor JJ McGinnes
CARRIED

SECONDED: Councillor H K Fisher.

ITEM:11 COMM - 21/10/08 - COUNCIL INVESTMENTS TO 30 SEPTEMBER 2008

REPORT FROM - INTERNAL SERVICES MANAGER - C FARNSWORTH

REFERENCE

Min O 08-425: Council Meeting 19 August 2008 (July 2008)
Min : Council Meeting 07 October 2008 (Aug 2008)

SUMMARY

To advise Council of investments held for the 2008/09 financial year for the period ending 30 September 2008.

COMMENTARY

The amount invested as at 30 September 2008 when compared to 31 August 2008 has increased by \$1,171,349.39. This increase is due to final incoming payments of the first 2008/09 rate instalment due on 31 August 2008.

INVESTMENT REGISTER 2008/09								
INSTITUTION	INV TYPE	DATE LODGED	DATE DUE	DAYS	INT	VALUE 30.09.08	VALUE 31.08.08	% OF TOTAL
BANKWEST	TD	29.08.08	29.10.08	61	7.60	529,522.90	529,522.90	3.17%
	TD	02.09.08	03.11.08	92	7.60	529,816.65	519,228.93	3.17%
	TD	04.09.08	07.10.08	30	7.42	510,258.65	500,000.00	3.06%
CBA	CMS Nt	20.06.06	20.06.11	1,825	8.71	500,000.00	500,000.00	2.99%
	On Call				7.15	343,572.43	1,438,915.83	2.06%
	Ethical Nt	06.11.06	06.11.11	1,825	9.25	220,000.00	500,000.00	1.32%
	TD	10.09.08	10.10.08	30	7.49	549,312.20	546,031.52	3.29%
	TD Shield	21.11.07	05.06.09	547	16.0	750,000.00	750,000.00	4.49%
CITIBANK	TD	12.08.08	14.11.08	92	7.51	571,850.79	571,850.79	3.42%
	TD	05.09.08	10.10.08	35	7.44	510,125.79	506,828.49	3.05%
LG FINANCIAL	On Call				8.22	280,916.50	278,943.43	1.68%
	TD	06.11.07	06.11.08	365	7.55	306,524.05	306,524.05	1.84%
	TD	04.09.08	04.12.08	90	7.60	1,000,000.00	0	5.99%
	On Call				6.90	7,159.79	7,159.79	0.04%
IMBS	On Call				7.25	28,611.97	28,095.48	0.17%
	TD	06.08.08	08.11.08	92	7.70	1,158,477.11	1,158,477.11	6.94%
	TD	22.08.08	27.10.08	66	7.61	520,402.64	520,402.64	3.12%
	TD	03.09.08	03.10.08	30	7.47	848,883.64	832,104.76	5.08%
MACQUARIE	TD	30.06.08	30.10.08	92	7.90	2,000,000.00	2,000,000.00	11.97%
	TD	21.08.08	21.02.09	180	8.08	2,000,000.00	2,000,000.00	11.97%
ALLIANCE	Managed	28.02.08	28.02.09	365		1,000,000.00	1,000,000.00	5.99%
ST GEORGE	On Call	20.11.08	20.11.08	90	7.70	1,036,855.44	1,036,855.44	6.21%
	TD	02.09.08	02.12.08	90	7.63	1,500,000.00	0	8.98%
			TOTAL			16,702,290.55	15,530,941.16	100.00%

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

POLICY IMPLICATIONS

All Council's investments are held in accordance with Lithgow City Council's Investment Policy.

FINANCIAL IMPLICATIONS

Interest received to 30 September 2008 is \$29,588.86 of an estimated \$788,728.00 for the 2008/09 financial year. Interest is paid on the maturity date of the investment and earnings derived from managed funds are reported quarterly. For end of year reporting purposes accrued interest to 30 June 2008 previously brought to account has been reversed.

For 2007/08 end of year financial reporting purposes the Commonwealth Bank of Australia (CBA), has advised that the structure of the \$500,000 Ethical Note purchased by Council on 06 November 2006, and which will mature on 06 November 2011, is exposed to the current Collateralised Debt Obligations (CDO) market. The effect of this is that the principal value of the note is .44c in the dollar of its original value and Council has a current book value of \$220,000. This entry has been adjusted and reported in the 2007/08 General Purpose Financial Reports and as per Department of Local Government Investment Order of 31 July 2008 it will be held until maturity and adjusted annually as the future economic climate dictates.

The investment when purchased held a Standard & Poor rating of AAA and is spread over 152 investment options all of which are industries required of an ethical note such as telecommunication, cosmetics, food products, health care etc. It contains a default fixed recovery rate of 40%, which is a buffer to soften the impact of falls in the economy.

The fall which has currently been experienced equates to a loss of 3.37% as at 31 July 2008 and will be absorbed in the 40% recovery rate offset.

The nature of this product requires Council to report and adjust the written down value as at 30 June 2008. Interest has been paid on this note each quarter since 20 November 2006 at a rate of 9.25%. Total interest of \$80,000 has been received and the Commonwealth Bank of Australia advises that at this stage quarterly interest payments of approximately \$11,000 are expected to continue.

LEGAL IMPLICATIONS

Investments are held in accordance with the Lithgow City Council's Investment Policy which accords with the requirements of the:

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

RECOMMENDATION

THAT Council's 2008/09 investments for the period ending 30 September 2008 be noted.

O08-167 RESOLVED

THAT

1. Council's 2008/09 investments for the period ending 30 September 2008 be noted.
2. A report be provided to Councillors outlining Council's investments with other comparable Councils.

MOVED: Councillor G Danaher

SECONDED: Councillor W Marshall

CARRIED

ITEM:12 COMM - 21/10/08 - GENERAL PURPOSE FINANCIAL REPORTS

REPORT FROM: INTERNAL SERVICES MANAGER – C FARNSWORTH

REFERENCE

Min 07-258: Extraordinary Meeting 28 June 2007
Min 07-502: Council Meeting 19 November 2007
Min O08-12: Council Meeting 18 February 2008
Min P08-32: Council Meeting 7 April 2008
Min O08-118: Council Meeting 19 August 2008

SUMMARY

To advise of the completion of the 2007/08 General Purpose Financial Reports and seek Council authorisation as required by Chapter 13, Part 3, Division 2 of the Local Government Act 1993 to allow for final audit.

This report will also recommends that Council invite its Auditors, The Morse Group, to present a formal report of the results to the Ordinary meeting of Council on the 18 November 2008.

COMMENTARY

Council's 2007/08 Draft General Purpose Financial Reports are submitted to Council for acceptance as required by Chapter 13, Part 3, Division 2 of the Local Government Act 1993 to allow for final audit.

Principal reports are attached and a complete set of reports will be tabled at the meeting of 21 October 2008.

2007/08 GENERAL PURPOSE FINANCIAL REPORTS - OVERVIEW

Net Operating Result

Council's final draft result for the 2007/008 financial year, including capital income and contributions, is a surplus of \$4,579,000 (2006/07 surplus of \$3,347,000). Total assets held are valued at \$237,265,000 and liabilities at \$18,607,000, resulting in a total equity of \$218,658,000.

Net Operating Result Before Capital Grants & Contributions

The 2007/08 operating result, before abnormal and capital items, is a surplus of \$396,000 (2006/07 surplus of \$162,000)

Capital grants and contributions of \$4,183,000 contributed to the result and are summarised as follows:

➤ Capital grants and contributions in summary:

Lithgow STP Augmentation	\$134,000
Wolgan Rd: Emirates, State & Fed	\$1,650,000
Forests NSW Dark Cnr	\$380,330
Roads to Recovery	\$24,000
Croquet Club	\$16,000
SES Vehicles (2008/09)	70,000
Flood Mitigation	\$312,000
Sec 94 & Planning Agreements	\$591,000
Headwork Contributions	\$578,000

➤ Acquisitions or improvements to assets of \$8,881,000 and a summary of the larger items follows:

Plant	\$2,130,000
Road & Ancillary Works	\$3,632,000
Drainage (Inc Flood Works)	\$595,000
Sewerage Infrastructure	\$1,023,000
Water Infrastructure	\$983,000
Buildings	\$199,000
Other Structures	\$227,000

➤ Sale of plant assets for \$754,000 cash, and write off of the book value of those assets of \$621,000 to produce a nett profit of \$133,000.

➤ Operating revenues increased by \$2,656,000 to \$30,269,000 compared to the 2006/07 result of \$27,613,000 (includes capital grants and contributions of \$4,183,000)

Revenue comparatives:

FINANCIAL YEAR	VALUE
2007/08	\$30,269,000
2006/07	\$27,613,000
2005/06	\$24,871,000
2004/05	\$21,518,000
2003/04	\$23,580,000
2002/03	\$20,390,000
2001/02	\$18,024,000

➤ Operating expenditure increased by \$1,424,000 to \$25,690,000 and compared favourably with the 2006/07 result of \$24,266,000

Expenditure comparatives:

FINANCIAL YEAR	VALUE
2007/08	\$25,690,000
2006/07	\$24,266,000
2005/06	\$23,912,000
2004/05 (Adjusted AIFRS*)	\$24,767,000
2003/04	\$23,668,000
2002/03	\$22,168,000
2001/02	\$21,841,000

* Australian International Financial Reporting Standards

Depreciation

Council's assets have been depreciated by \$4,240,000 for the 2007/08 financial year.

Building and infrastructure assets have depreciated by \$3,070,000 which is favourable in comparison to infrastructure assets improvements of \$5,233,000, equivalent to an asset renewal percentage of 137.23% and disclosed on Note 13.

Investments

Council's investment portfolio decreased in 2007/08 by \$473,000 to \$14,432,000 and generated interest of \$1,137,000. In comparison the 2006/07 investment portfolio was \$14,905,000 with interest of \$778,000.

Investment comparatives:

FINANCIAL YEAR	VALUE
2007/08	\$14,432,000
2006/07	\$14,905,000
2005/06	\$10,091,000
2004/05	\$11,154,000
2003/04	\$10,222,000
2002/03	\$8,714,000
2001/02	\$7,813,000
2000/01	\$6,957,000

For 2007/08 end of year financial reporting purposes the Commonwealth Bank of Australia (CBA), has advised that the structure of a \$500,000 Ethical Note purchased by Council on 06 November 2006, and which will mature on 06 November 2011, is exposed to the current Collateralised Debt Obligations (CDO) market.

The effect of this is that the principal value of the note is .44c in the dollar of its original value and Council has a current book value of \$220,000. This entry has been adjusted and reported in the 2007/08 General Purpose Financial Reports and as per Department of Local Government Investment Order of 31 July 2008 it will be held until maturity and adjusted annually as the future economic climate dictates.

The investment when purchased held a Standard & Poor rating of AAA and is spread over 152 investment options all of which are industries required of an ethical note such as telecommunication, cosmetics, food products, health care etc. It contains a default fixed recovery rate of 40%, which is a buffer to soften the impact of falls in the economy. The fall which has currently been experienced equates to a loss of 3.37% as at 31 July 2008 and will be absorbed in the 40% recovery rate offset.

The nature of this product requires Council to report and adjust the written down value as at 30 June 2008. Interest has been paid on this note each quarter since 20 November 2006 at a rate of 9.25%. Total interest of \$80,000 has been received and the Commonwealth Bank of Australia advises that at this stage quarterly interest payments of approximately \$11,000 are expected to continue.

Loans

Principal amounts outstanding on loans at the end of the year were \$6,386,000 with repayments during the year of \$412,000. As per Council resolution no loans were drawn down in the 2007/08 financial year.

Cash and Reserves

Note 6 of the General Purpose Financial Reports, discloses cash and investments of \$14,929,000 (2006/07 \$15,714,000). It should be noted that a considerable portion of funds are held as restricted assets, both internal and external.

Externally restricted assets total \$9,915,000 and are held for specific purpose grants, unexpended loan funds, section 94 developer contributions, water and wastewater infrastructure reserves and headwork charges.

Reserves are held for water, wastewater and waste, \$3,269,000, \$1,920,000 and \$849,000 respectively, to complete future infrastructure works.

Council has \$3,361,000 restricted for its own previously identified internal purposes such as employees leave entitlements, Council's share of the flood mitigation program, election expenses, land and buildings and works in progress.

The Employees Leave Entitlement Reserve is currently \$1,096,963 and provides for 25% of annual and long service leave entitlements to the majority of employees and full entitlement for those employees 58 years and over.

Council's unrestricted cash is \$1,643,000 (2006/07 \$2,054,000)

Financial Ratios

In summary the ratios reveal:

➤ **Current Ratio:**

Current Assets	<u>\$20,000,000</u>	2.86:1	2006/07	2.88:1
Current Liabilities	\$6,978,000			

The current ratio is the adequacy of working capital and the ability to satisfy obligations in the short term for the consolidated funds and is expressed as a ratio. This means Council has \$2.86 for every \$1.00 of liability.

➤ **Unrestricted Current Ratio:**

Current Assets (Less Ext Rest)	<u>\$9,108,000</u>	3.14:1	2006/07	3.17:1
Current Liabilities	\$2,901,000			

The unrestricted current ratio is the adequacy of working capital and the ability to satisfy obligations in the short term for the unrestricted activities of Council expressed as a percentage. This means Council has \$3.14 for every \$1.00 of liability.

In comparison the group average for the equivalent size NSW Council (Group 4) is \$2.26 to \$1.00.

➤ **Debt Service Ratio:**

Debt Service Cost	<u>\$413,000</u>	1.69%	2006/07	2.79%
Current Liabilities	\$24,393,000			

The debt service ratio excludes capital items, specific purpose grants and contributions. It provides a means to assess the impact of loan principal and interest repayments on the discretionary revenue of Council.

In comparison the group average for the equivalent size NSW Council (Group 4) is 6.15%

➤ **Rate Coverage Ratio:**

Rates & Annual Charges	<u>\$15,735,000</u>	51.98%	2006/07	54.96%
Current Liabilities	\$30,269,000			

The rate coverage ratio is used to assess the degree of dependency upon revenues from rates and annual charges.

In comparison the group average for the equivalent size NSW Council (Group 4) is 41.61%.

➤ **Rates & Annual Charges outstanding percentage:**

Rates & Annual Charges O/S	<u>\$1,235,000</u>	7.18%	2006/07	8.24%
Current Liabilities	\$17,210,000			

The percentage of rates and annual charges outstanding is used to assess the impact of uncollected rates and annual charges on liquidity.

Council persistently pursues outstanding rates and charges by using internal and external processes. The current drop in the percentage from the previous year proves the practice is successfully working.

In comparison the group average for the equivalent size NSW Council (Group 4) is 6.07%.

VALUATION OF ASSETS TO FAIR VALUE

Department of Local Government Circular 06-75 required Council to report on the revaluation of the following classifications of non current assets to 'fair value':

- 2006/07 - Water and Wastewater: Completed
- 2007/08 - Plant and Equipment: Completed
- 2007/08 - Buildings and Operational Land: Completed (Community Land to Fair Value has been deferred at this stage)

The revaluation of assets to fair value in 2007/08 applies to the entire class of plant and equipment, buildings and operational land carried in the asset register. The value comprises the revaluated amount less accumulated depreciation and accumulated impairment costs.

For 2007/08 the revaluation of plant and equipment, operational land and buildings saw the recognition of \$25,665,000 in an Asset Revaluation Reserve.

Fair Value is the best estimate of the price reasonably obtainable in the market at the date of valuation and is defined as "amount for which an asset could be exchanged between willing parties in an arms length transaction" in Accounting Standard, AASB 116. It is the most reasonable price obtainable by the seller as well as being the most satisfactory price to the purchaser. The estimate specifically excludes a price inflated or deflated by special terms or circumstances such as financing, sale and leaseback arrangements, or any concession which may be granted by the seller.

To ensure compliance with Department of Local Government requirements Council contracted the services of two licenced Valuers, one to revalue operational land and the other to revalue buildings. Both completed an onsite inspection at all locations and considered the following criteria:

LAND

Operational land was considered at fair value after identifying all elements that would be taken into account by buyers and sellers in setting the price including but not limited to:

- the land's description, area and / or dimensions,
- planning and other constraints on development, and
- the potential for alternative use

BUILDINGS

Buildings (non-specialised and specialised) consist of separately identifiable components that have different useful lives into depreciable components as follows:

- the roof,
- fire services such as sprinkler systems
- transportation services such as lifts and escalators
- mechanical services such as air conditioning, hot water systems
- floor coverings such as carpets, tiles etc
- the 'structural shell' of the building

IMPACT OF OPERATIONAL LAND & BUILDING ASSETS TO FAIR VALUE

	AT COST 30.06.07	FAIR VALUE 30.06.08	VARIATION 07/08
Operational Land			
Value	4,239,000	5,606,000	1,367,000
Acc Depreciation	0	0	0
TOTAL LAND (Oper)	4,239,000	5,606,000	1,367,000
Buildings			
Value	41,003,000	72,937,000	31,934,000
Acc Depreciation	-25,425,000	-33,061,000	-7,636,000
TOTAL BUILDINGS	15,578,000	39,876,000	24,298,000
TOTAL ASSET INCREASE 2007/08 DUE TO FAIR VALUE			25,665,000

Compliance

The following information should be noted with regard to Council's compliance with the Local Government Act 1993:

- Council's financial reports are prepared and will be audited within 4 months after the end of the reporting year.
- As per Sec 428 (2) (a) the audited financial reports will be included in Council's Annual Report.
- As per Sec 418 as soon as practicable after receipt of the auditors' report, no later than 7 November 2008, public notice will be given of presentation of the final report to Council at a public meeting with the auditor present.

- Council will invite the auditor to attend the Ordinary meeting of the 18 November 2008.
- Copies of Council's audited financial reports together with the auditors report will be available for inspection.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Council's final draft result for the 2007/08 financial year, including Capital Income and Contributions is a surplus of \$4,579,000 (2006/07 surplus of \$3,347,000).

Total assets held are valued at \$237,265,000 and liabilities at \$18,607,000, resulting in a total equity of \$218,658,000.

LEGAL IMPLICATIONS

Nil

O08-168 RESOLVED

THAT:

1. Council note the report on the General Purpose Financial Reports.
2. The accounts be referred for final audit to The Morse Group
3. Council advertise the accounts following receipt of the 2007/08 Audit Certificate.
4. Council state the following on the General Purpose Financial Reports for the year ended 30 June 2008:-

The Council's Annual General Purpose Financial Reports have been drawn up in accordance with:-

- a) The Local Government Act 1993 (as amended) and the Regulations made there under;*
- b) The Australian Accounting Standards and professional pronouncements;*
- c) The Local Government Code of Accounting Practice and Financial Reporting;*
- d) The Local Government Asset Accounting Manual.*

To the best of our knowledge and belief, these reports

- a) Present fairly the Council's financial position and operating result for the year and*
- b) Accord with Council accounting and other records.*

The Mayor, Deputy Mayor, General Manager and Responsible Accounting Officer be authorised attesting to the above and that they are not aware of any matter that would render the reports false or misleading in any way.

5. Council state the following on the Special Purpose Financial Statements for the year ended 30 June 2008:-

The attached Special Purpose Financial Statements have been drawn up in accordance with the Local Government Code of Accounting Practice and Financial Reporting and the

d) NSW Government Policy Statement “Application of National Competition Policy to Local Government”

e) Department of Local Government guidelines “Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality”.

f) The Department of Energy, Utilities and Sustainability “Best Practice Management of Water Supply and Sewerage” guidelines.

To the best of our knowledge and belief, these reports

c) Present fairly the financial position and operating result for each of Council’s declared Business Units for the year, and

d) Accord with Council’s accounting and other records

The Mayor, Deputy Mayor, General Manager and Responsible Accounting Officer be authorised attesting to the above and that they are not aware of any matter that would render the reports false or misleading in any way.

6. Council invite the Auditor to present a formal report of the results to the Ordinary meeting of the Council on the 18 November 2008.

MOVED: Councillor H K Fisher
CARRIED

SECONDED: Councillor W McAndrew.

QUESTIONS WITHOUT NOTICE

QWN - 21/10/08 - COUNCILLOR HK FISHER

1. The Littleton Fire Station has no overtime allocation and if it is short staffed it will be taken off air. Can the Council make representations to the State Member seeking urgent clarification as to the South Littleton Fire Station's availability?

The Mayor declared this to be of great urgency.

O08-169 RESOLVED

THAT Council deem this question to be of an urgent nature and be dealt with.

MOVED: Councillor HK Fisher **SECONDED:** W Marshall
CARRIED

O08-170 RESOLVED

THAT Council make representations to the State Member seeking urgent clarification as to the Littleton Fire Station's availability.

MOVED: Councillor HK Fisher **SECONDED:** W Marshall
CARRIED

QWN - 21/10/2008 - COUNCILLOR R THOMPSON

1. Mr Mayor, due to financing issues, there were no doctors rostered on in the Emergency Department at the Lithgow Hospital on the weekend and the on-call Doctor was a resident of Wallerawang (10 minutes out of town). Can the Council make representations to the State Member seeking urgent clarification of the situation?

The Mayor declared this to be of great urgency.

O08-171 RESOLVED

THAT Council deem this question to be of an urgent nature and be dealt with.

MOVED: Councillor R Thompson **SECONDED:** HK Fisher
CARRIED

O08-172 RESOLVED

THAT Council make representations to the State Member seeking urgent clarification of financing issues and staffing of Doctors at the Lithgow Hospital.

MOVED: Councillor HK Fisher **SECONDED:** W Marshall
CARRIED

2. Mr Mayor, Can a report be provided to Councillors regarding the bridge at Hermitage Flat?

O08-173 RESOLVED

THAT Council deem this question to be of an urgent nature and be dealt with.

MOVED: Councillor R Thompson **SECONDED:** HK Fisher
CARRIED

O08-174 RESOLVED

THAT a report be provided to Councillors regarding the bridge at Hermitage Flat.

MOVED: Councillor R Thompson **SECONDED:** Councillor HK Fisher
CARRIED

QWN - 21/10/08 - COUNCILLOR G DANAHER

1. Mr Mayor, in regards to the Code of Meeting Practice, can the process of *questions without notice* be reviewed?

The Mayor advised that the process for questions without notice cannot be changed as it is a legislative requirement.

2. Mr Mayor, in regards to the Lithgow Swimming Pool, Council has not changed its fees for the 2008/2009 season. Can a report be brought back on what other comparable Council's charge?

The Mayor declared this to be of great urgency.

O08-175 RESOLVED

THAT Council deem this question to be of an urgent nature and be dealt with.

MOVED: Councillor HK Fisher **SECONDED:** Councillor G Danaher
CARRIED

O08-176 RESOLVED

THAT a report be provided to Councillors outlining the Lithgow Swimming Pool's fees and charges for the 2008/2009 season in comparison to other similar facilities in other comparable Council's.

MOVED: Councillor G Danaher **SECONDED:** Councillor HK Fisher
CARRIED

3. Mr Mayor, in regards to the Lithgow Swimming Pool early bird special, which ends on the 31st of October 08, Is it possible to extend this date until to 30th of November 08? Can this then be advertised with the distribution of the rates notices? If that is not possible, can Council advertise this further in the local media?

The Mayor declared this to be of great urgency.

O08-177 RESOLVED

THAT Council deem this question to be of an urgent nature and be dealt with.

MOVED: Councillor HK Fisher **SECONDED:** Councillor
CARRIED

O08-178 RESOLVED

THAT Council extend the date for the early bird specials at the Lithgow Pool from 31 October to 30th of November 2008. This then be advertised further in the local media and if possible with the distribution of the November rates notices.

MOVED: Councillor G Danaher **SECONDED:** Councillor HK Fisher
CARRIED

QWN - 21/10/08 - COUNCILLOR JJ MCGINNES

1. Mr Mayor, Can a report be provided to Councillors regarding what has been budgeted and where the improvements are up to for the Vale Hall.

The Mayor advised that a report can be provided to Councillors regarding what has been budgeted and where the improvements are up to for the Vale Hall.

QWN - 21/10/08 - COUNCILLOR W MARSHALL

1. Mr Mayor, can a report be provided to Councillors outlining the number of vacant shops that are owned by Council in the Main Street?

The Mayor advised that a report can be provided to Councillors outlining the number of vacant shops that are owned by the Council in the Lithgow Main Street.

QWN - 21/10/08 - COUNCILLOR MF TICEHURST

1. Mr Mayor, Can the Council investigate the relocation, suitability and replacement of equipment behind the Vale Hall.

The Mayor declared this to be of great urgency.

O08-179 RESOLVED

THAT Council deem this question to be of an urgent nature and be dealt with.

MOVED: Councillor MF Ticehurst
CARRIED

SECONDED: Councillor HK Fisher

O08-180 RESOLVED

THAT staff investigate the relocation of the playground at the Vale Hall.

MOVED: Councillor MF Ticehurst
CARRIED

SECONDED: Councillor HK Fisher

The Mayor asked for objections from the Public as to the confidential report.

There were nil objections received from the public gallery.

The Mayor advised the Public that Council will now consider the Closed Confidential report. The report is confidential in nature due to:

**ITEM:8 REG - 21/10/2008 - CONFIDENTIAL REPORT - TENDER 05/08
 SUPPLY OF BITUMEN SEALING SERVICES CONFIDENTIAL**

REPORT FROM: STEPHEN DARLINGTON – OPERATIONS MANAGER

Reason for Confidentiality

In accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2005, in the opinion of the General Manager, the following business is of a kind as referred to in section 10A(2) of the Act, and should be dealt with in a part of the meeting closed to the media and public.

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(d)(i) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following: -

- (d) commercial information of a confidential nature that would if disclosed:
 - (i) prejudice the commercial position of the person who supplied it

**ITEM:9 REG - 21/10/08 - CONFIDENTIAL REPORT - TENDER 04/08 SUPPLY
 OF ROAD BASE CONFIDENTIAL**

REPORT FROM: STEPHEN DARLINGTON – OPERATIONS MANAGER

Reason for Confidentiality

In accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2005, in the opinion of the General Manager, the following business is of a kind as referred to in section 10A(2) of the Act, and should be dealt with in a part of the meeting closed to the media and public.

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(d)(i) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following: -

- (d) commercial information of a confidential nature that would if disclosed:
 - (i) prejudice the commercial position of the person who supplied it

The meeting moved into closed council at 6.40pm.

CLOSED REPORTS

ITEM:8 REG - 21/10/2008 - CONFIDENTIAL REPORT - TENDER 05/08
 SUPPLY OF BITUMEN SEALING SERVICES CONFIDENTIAL

REPORT FROM: STEPHEN DARLINGTON – OPERATIONS MANAGER

Reason for Confidentiality

In accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2005, in the opinion of the General Manager, the following business is of a kind as referred to in section 10A(2) of the Act, and should be dealt with in a part of the meeting closed to the media and public.

Set out below is section 10A(2) of the *Local Government Act 1993* in relation to matters which can be dealt with in the closed part of a meeting.

The matters and information are the following:

- (a) personnel matters concerning particular individuals (other than councillors)
- (b) the personal hardship of any resident or ratepayer
- (c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business
- (d) commercial information of a confidential nature that would, if disclosed:
 - (i) prejudice the commercial position of the person who supplied it, or
 - (ii) confer a commercial advantage on a competitor of the council, or
 - (iii) reveal a trade secret
- (e) information that would, if disclosed, prejudice the maintenance of law
- (f) matters affecting the security of the council, councillors, council staff or council property
- (g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the grounds of legal professional privilege
- (h) information concerning the nature and location of a place or an item of Aboriginal significance on community land.

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(e) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(d)(i) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following: -

- (d) commercial information of a confidential nature that would if disclosed:
 - (i) prejudice the commercial position of the person who supplied it

SUMMARY

This report provides details of tenders recently called for the supply of bitumen sealing services for the period September 2008 to 30 June 2009.

O08-181 RESOLVED

THAT

1. Council accept the tender received from Pioneer Road Services Pty Ltd, for the supply of bitumen sealing services for the period September 2008 to 30 June 2009 for the sum of \$794,438.68.
2. Council authorise the Common Seal to be affixed to contract documents as required.

MOVED: Councillor M F Ticehurst

SECONDED: Councillor H K Fisher.

CARRIED

ITEM:9 REG - 21/10/08 - CONFIDENTIAL REPORT - TENDER 04/08 SUPPLY OF ROAD BASE CONFIDENTIAL

REPORT FROM: STEPHEN DARLINGTON – OPERATIONS MANAGER

Reason for Confidentiality

In accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2005, in the opinion of the General Manager, the following business is of a kind as referred to in section 10A(2) of the Act, and should be dealt with in a part of the meeting closed to the media and public.

Set out below is section 10A(2) of the *Local Government Act 1993* in relation to matters which can be dealt with in the closed part of a meeting.

The matters and information are the following:

- (a) personnel matters concerning particular individuals (other than councillors)
- (b) the personal hardship of any resident or ratepayer
- (c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business
- (d) commercial information of a confidential nature that would, if disclosed:
 - (i) prejudice the commercial position of the person who supplied it, or
 - (ii) confer a commercial advantage on a competitor of the council, or
 - (iii) reveal a trade secret
- (e) information that would, if disclosed, prejudice the maintenance of law
- (f) matters affecting the security of the council, councillors, council staff or council property

- (g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the grounds of legal professional privilege
- (h) information concerning the nature and location of a place or an item of Aboriginal significance on community land.

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(d)(i) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following: -

- (d) commercial information of a confidential nature that would if disclosed:
 - (i) prejudice the commercial position of the person who supplied it

SUMMARY

This report provides details of tenders recently called for the supply of road base for the period September 2008 to 30 June 2009.

O08-182 RESOLVED

THAT

1. Council accept tenders received from Hyrock Pty Limited, Hy -Tec Industries Pty Ltd and Oberon Quarries Pty Ltd for the supply of road base (RTA Spec 3051) for the period September 2008 to 30 June 2009 for the sum of \$14.00 / tonne, \$11.00 / tonne and \$7.00 / tonne respectively.
2. The source of supply of road base for various projects will be determined on the proximity of the pit to the project and associated transport costs.
3. Council authorise the common seal to be affixed to contract documents as required.

MOVED: Councillor W McAndrew

SECONDED: Councillor H K Fisher.

CARRIED

The Council

O08-183 RESOLVED to move back into open council at 6.45pm.

MOVED: Councillor H K Fisher

SECONDED: Councillor W McAndrew

CARRIED

The Mayor reopened the meeting to the public and advised them that the following resolutions were made in relation to the confidential reports:

**ITEM:8 REG - 21/10/2008 - CONFIDENTIAL REPORT - TENDER 05/08
SUPPLY OF BITUMEN SEALING SERVICES CONFIDENTIAL**

REPORT FROM: STEPHEN DARLINGTON – OPERATIONS MANAGER

O08-181 RESOLVED

THAT

1. Council accept the tender received from Pioneer Road Services Pty Ltd, for the supply of bitumen sealing services for the period September 2008 to 30 June 2009 for the sum of \$794,438.68.
2. Council authorise the Common Seal to be affixed to contract documents as required.

MOVED: Councillor W McAndrew

SECONDED: Councillor H K Fisher.

CARRIED

**ITEM:9 REG - 21/10/08 - CONFIDENTIAL REPORT - TENDER 04/08 SUPPLY
OF ROAD BASE CONFIDENTIAL**

REPORT FROM: STEPHEN DARLINGTON – OPERATIONS MANAGER

O08-182 RESOLVED

THAT

1. Council accept tenders received from Hyrock Pty Limited, Hy -Tec Industries Pty Ltd and Oberon Quarries Pty Ltd for the supply of road base (RTA Spec 3051) for the period September 2008 to 30 June 2009 for the sum of \$14.00 / tonne, \$11.00 / tonne and \$7.00 / tonne respectively.
2. The source of supply of road base for various projects will be determined on the proximity of the pit to the project and associated transport costs.
3. Council authorise the common seal to be affixed to contract documents as required.

MOVED: Councillor W McAndrew

SECONDED: Councillor H K Fisher.

CARRIED

The meeting closed at 7.03pm.