



10 June 2016

To All Councillors

Notice is hereby given, in accordance with the provisions of the Local Government Act 1993, that the next Ordinary Meeting of Council will be held in the Council Chambers, on Wednesday, 15 June 2016 at 6.30 pm, for the purposes of transacting the undermentioned business.

AGENDA:

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Council's Charter

- To provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively.
- To exercise community leadership.
- To exercise its functions in a manner that is consistent with and actively promotes the principles of multiculturalism.
- To promote and to provide and plan for the needs of children.
- To properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development.
- To have regard to the long term and cumulative effects of its decisions.
- To bear in mind that it is the custodian and trustee of public assets and to effectively plan for, account for and manage the assets for which it is responsible.
- To engage in long-term strategic planning on behalf of the local community.
- To exercise its functions in a manner that is consistent with and promotes social justice principles of equity, access, participation and rights.
- To facilitate the involvement of Councillors, members of the public, users of facilities and services and Council staff in the development, improvement and co-ordination of Local Government.
- To raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grants.
- To keep the local community and State Government (and through it, the wider community) informed about its activities.
- To ensure that, in the exercise of its regulatory functions, its acts consistently and without bias, particularly where an activity of the Council is affected.
- To be a responsible employer.

Council's Values

- | | | |
|-------------|--------------|--------------|
| • Respect | • Innovation | • Teamwork |
| • Integrity | • Fairness | • Commitment |

Our Community's Vision

Cessnock will be a cohesive and welcoming community living in an attractive and sustainable rural environment with a diversity of business and employment opportunities supported by accessible infrastructure and services which effectively meet community need.

Cessnock – thriving, attractive and welcoming.

Our Community's Desired Outcomes

- A connected, safe and creative community.
- A sustainable and prosperous economy.
- A sustainable and healthy environment.
- Accessible infrastructure, facilities and services.
- Civic Leadership and effective governance.



Council Model Code of Conduct

Council adopted its current Code of Conduct on 3 February 2016. This Code provides details of statutory requirements and gives guidance in respect of the way in which pecuniary and conflict of interest issues should be approached.

Generally, the policies refer to the following issues:

1. Councillors are under an obligation at law to disclose any interest they may have in any matter before the Council and to refrain from being involved in any consideration or to vote on any such matter
2. Councillors must disclose any interest in any matter noted in the business paper prior to or at the opening of the meeting
3. The nature of the interest shall be included in the notification
4. Councillors shall immediately and during the meeting disclose any interest in respect of any matter arising during the meeting which is not referred to in the business paper
5. All declarations of interest shall be recorded by the General Manager
6. All disclosures of interest shall as far as is practicable be given in writing
7. Any member having a pecuniary or non-pecuniary significant conflict of interest shall leave the meeting and remain absent while the subject of the interest is being considered by Council
8. The meeting shall not discuss any matter in which a Councillor has a pecuniary or non-pecuniary significant conflict of interest while the Councillor is present at the meeting

**MINUTES OF ORDINARY COUNCIL MEETING OF THE CESSNOCK CITY COUNCIL
HELD IN COUNCIL CHAMBERS ON WEDNESDAY, 1 JUNE 2016, COMMENCING AT
6.30 PM**

PRESENT: His Worship the Mayor, Councillor R Pynsent (in the Chair) and Councillors Gibson, Doherty, Olsen, Ryan, Stapleford, Hawkins, Smith, Campbell and Parsons.

IN ATTENDANCE: General Manager
Director Planning and Environment
Director Corporate and Community Services
Director Works and Infrastructure
Manager Governance and Business Services
Strategic Land Use Planning Manager
Recreation Services Manager
Development Services Team Leader
Strategic Recreation and Community Facilities Planner
Corporate Administration Officer
General Managers Executive Assistant

APOLOGIES:

MOTION **Moved:** Councillor Stapleford
Seconded: Councillor Gibson
1687

RESOLVED that the apologies tendered on behalf of Councillors Troy and Wrightson, for unavoidable absence, be accepted and leave of absence granted.

FOR	AGAINST
Councillor Gibson	
Councillor Doherty	
Councillor Olsen	
Councillor Ryan	
Councillor Stapleford	
Councillor Hawkins	
Councillor Smith	
Councillor Campbell	
Councillor Parsons	
Councillor Pynsent	
Total (10)	Total (0)

CARRIED UNANIMOUSLY

MINUTES:**MOTION****Moved:** Councillor Smith**Seconded:** Councillor Stapleford

1688

RESOLVED that the Minutes of the Ordinary Meeting of Council held on 18 May 2016, as circulated, be taken as read and confirmed as a correct record.

FOR**AGAINST**

Councillor Gibson
Councillor Doherty
Councillor Olsen
Councillor Ryan
Councillor Stapleford
Councillor Hawkins
Councillor Smith
Councillor Campbell
Councillor Parsons
Councillor Pynsent

Total (10)**Total (0)****CARRIED UNANIMOUSLY**

DISCLOSURES OF INTEREST

DISCLOSURES OF INTEREST NO. DI9/2016

SUBJECT: DISCLOSURES OF INTEREST

MOTION **Moved:** Councillor Stapleford **Seconded:** Councillor Smith

1689

RESOLVED

That Councillors now disclose any interests and reasons for declaring such interest in the matters under consideration by Council at this meeting.

WI29/2016 – 2016 Kurri Kurri Community Festival Sponsorship – Councillor Doherty declared a Non Pecuniary Significant Conflict for the reason that he is the President of the Kurri Kurri Business Chamber who are the applicants for the festival. Councillor Doherty advised that he would leave the Chamber and take no part in discussion and voting.

FOR	AGAINST
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Councillor Gibson	
Councillor Doherty	
Councillor Olsen	
Councillor Ryan	
Councillor Stapleford	
Councillor Hawkins	
Councillor Smith	
Councillor Campbell	
Councillor Parsons	
Councillor Pynsent	

Total (10)

Total (0)

CARRIED UNANIMOUSLY

PETITIONS

NIL

MOTIONS OF URGENCY

MOTIONS OF URGENCY NO. MOU9/2016

SUBJECT: MOTIONS OF URGENCY

NIL

PLANNING AND ENVIRONMENT

PLANNING AND ENVIRONMENT NO. PE35/2016

**SUBJECT: SECTION 96(2) APPLICATION PROPOSING TO MODIFY
DEVELOPMENT CONSENT 8/2010/527/1**

CESSNOCK ROAD, NEATH

MOTION **Moved:** Councillor Smith **Seconded:** Councillor Campbell
1690
RESOLVED

That Council determine the Section 96(2) Application (8/2010/527/2) proposing to modify Development Consent 8/2010/527/1 seeking to increase the size; and alter the layout and design of the approved pigeon loft, at Lot 85 DP 755259 Cessnock Road Neath, pursuant to Section 96(2) of the Environmental Planning and Assessment Act 1979, by the granting of consent subject to the conditions contained in this report.

FOR	AGAINST
Councillor Gibson	
Councillor Doherty	
Councillor Olsen	
Councillor Ryan	
Councillor Stapleford	
Councillor Hawkins	
Councillor Smith	
Councillor Campbell	
Councillor Parsons	
Councillor Pynsent	
Total (10)	Total (0)

CARRIED UNANIMOUSLY

PLANNING AND ENVIRONMENT NO. PE36/2016

SUBJECT: PLANNING PROPOSAL - REMOVAL OF MINIMUM LOT SIZE, HEDDON GRETA

MOTION **Moved:** Councillor Smith **Seconded:** Councillor Campbell
1691
RESOLVED

1. That Council request a Gateway determination for the Planning Proposal from the Department of Planning and Environment pursuant to the *Environmental Planning and Assessment Act 1979*.
2. That Council request the use of delegations in respect of the Minister for Planning plan making functions under section 59 of the EPA Act 1979 for the Planning Proposal.
3. That Council consult and exhibit the Planning Proposal in accordance with the Gateway determination.
4. That Council receive a report back on the Planning Proposal if unresolved written objections are received during the consultation with the Community; otherwise forward the Planning Proposal to the Department of Planning and Environment requesting that the plan be made.

FOR

Councillor Gibson
Councillor Doherty
Councillor Olsen
Councillor Stapleford
Councillor Hawkins
Councillor Smith
Councillor Campbell
Councillor Parsons
Councillor Pynsent
Total (9)

AGAINST

Councillor Ryan

Total (1)

CARRIED

CORPORATE AND COMMUNITY

CORPORATE AND COMMUNITY NO. CC30/2016

SUBJECT: MINUTES OF THE ACCESS ADVISORY COMMITTEE MEETING HELD ON 4 MAY 2016

MOTION **Moved:** Councillor Campbell **Seconded:** Councillor Stapleford
1692
RESOLVED

1. That Council adopt the minutes of the meeting of the Access Advisory Committee Meeting held on 4 May 2016.
2. That the General Manager be requested to liaise with Mai-Wel and other interested local disability service providers regarding International Day of Disability and report back to the next Access Advisory Committee Meeting.
3. That Council note that an extraordinary meeting of the Access Advisory Committee was scheduled for Wednesday 25 May 2016 to examine the Draft PAMP and prepare a submission from the Access Advisory Committee.

FOR	AGAINST
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Councillor Gibson	
Councillor Doherty	
Councillor Olsen	
Councillor Ryan	
Councillor Stapleford	
Councillor Hawkins	
Councillor Smith	
Councillor Campbell	
Councillor Parsons	
Councillor Pynsent	

Total (10)

Total (0)

CARRIED UNANIMOUSLY

CORPORATE AND COMMUNITY NO. CC31/2016

**SUBJECT: MINUTES OF THE ABORIGINAL AND TORRES STRAIT ISLANDER
ADVISORY COMMITTEE MEETING OF CESSNOCK CITY COUNCIL
HELD ON 6 MAY 2016**

MOTION **Moved:** Councillor Smith **Seconded:** Councillor Doherty
1693
RESOLVED

**That Council adopt the minutes of the meeting of the Aboriginal and Torres Strait
Islander Advisory Committee held on 6 May 2016.**

FOR	AGAINST
Councillor Gibson	
Councillor Doherty	
Councillor Olsen	
Councillor Ryan	
Councillor Stapleford	
Councillor Hawkins	
Councillor Smith	
Councillor Campbell	
Councillor Parsons	
Councillor Pynsent	
Total (10)	Total (0)

CARRIED UNANIMOUSLY

WORKS AND INFRASTRUCTURE

WORKS AND INFRASTRUCTURE NO. WI29/2016

SUBJECT: 2016 KURRI KURRI COMMUNITY FESTIVAL SPONSORSHIP

Councillor Doherty declared a Non Pecuniary Significant Conflict for the reason that he is the President of the Kurri Kurri Business Chamber who are the applicants for the festival. Councillor Doherty left the Chamber and took no part in discussion and voting.

Councillor Doherty left the meeting, the time being 6.34 pm

MOTION **Moved:** Councillor Campbell **Seconded:** Councillor Smith
1694

RESOLVED

1. That Council supports the 'Kurri Kurri Community Festival' on 22 October 2016 by providing the following in-kind support:
 - Waiving of fees for the use of Rotary Park
 - Waiving of fees for each stall holder;
 - Assistance with waste services and cleaning of toilets.
2. That Council considers the provision of \$3,000 in support funding for the event as part of the 2016/17 Operational Budget process, with funding currently provided in the draft budget.

FOR	AGAINST
Councillor Gibson	
Councillor Olsen	
Councillor Ryan	
Councillor Stapleford	
Councillor Hawkins	
Councillor Smith	
Councillor Campbell	
Councillor Parsons	
Councillor Pynsent	
Total (9)	Total (0)

CARRIED UNANIMOUSLY

Councillor Rod Doherty returned to the meeting, the time being 6.34 pm

WORKS AND INFRASTRUCTURE NO. WI30/2016

SUBJECT: LAWN CEMETERY GATES

MOTION **Moved:** Councillor Smith **Seconded:** Councillor Parsons
1695
RESOLVED

That Council endorses the proposal of the gates at the Gordon Williams Memorial Lawn Cemetery and the Kurri Kurri Cemetery being locked at dusk and opened at dawn each day of the year.

FOR	AGAINST
Councillor Gibson	
Councillor Doherty	
Councillor Olsen	
Councillor Ryan	
Councillor Stapleford	
Councillor Hawkins	
Councillor Smith	
Councillor Campbell	
Councillor Parsons	
Councillor Pynsent	
Total (10)	Total (0)

CARRIED UNANIMOUSLY

WORKS AND INFRASTRUCTURE NO. WI31/2016

SUBJECT: CESSNOCK CYCLING STRATEGY

MOTION **Moved:** Councillor Doherty **Seconded:** Councillor Campbell

1. That Council adopt the draft Cessnock Cycling Strategy as amended.
2. That Council notify persons who made a submission during the draft Cessnock Cycling Strategy exhibition period of Council's decision.
3. That Council makes provision for the implementation of the draft Cessnock Cycling Strategy in consideration of priority and available resources.

AMENDMENT **Moved:** Councillor Ryan **Seconded:** Councillor Olsen

1. That Council rejects this draft Cessnock Cycling Strategy.
2. That the Council seeks a Strategy which will actually improve the cycling opportunities for the people who live in the LGA predominately in the main population centres of Millfield, Ellalong, Paxton, Bellbird, Cessnock, Aberdare, Neath, Kurri Kurri, Mulbring and Heddon Greta.
3. That Council ask the consultants to redraft the Strategy to benefit the residential population of the Cessnock LGA, with a view to providing integrated meaningful cycling routes throughout the LGA which connect the LGA to the Newcastle and Maitland LGA's in particular.

FOR

Councillor Olsen
Councillor Ryan

Total (2)

AGAINST

Councillor Gibson
Councillor Doherty
Councillor Stapleford
Councillor Smith
Councillor Campbell
Councillor Parsons
Councillor Hawkins
Councillor Pynsent

Total (8)

The Amendment was **PUT** and **LOST**.

The Motion was then **PUT** and **CARRIED**.

MOTION **Moved:** Councillor Doherty **Seconded:** Councillor Campbell
1696
RESOLVED

1. That Council adopt the draft Cessnock Cycling Strategy as amended.
2. That Council notify persons who made a submission during the draft Cessnock Cycling Strategy exhibition period of Council's decision.
3. That Council makes provision for the implementation of the draft Cessnock Cycling Strategy in consideration of priority and available resources.

FOR	AGAINST
Councillor Gibson	Councillor Olsen
Councillor Doherty	Councillor Ryan
Councillor Stapleford	
Councillor Hawkins	
Councillor Smith	
Councillor Campbell	
Councillor Parsons	
Councillor Pynsent	
Total (8)	Total (2)

CARRIED

WORKS AND INFRASTRUCTURE NO. WI32/2016

SUBJECT: WORKPLACE CULTURE & SOCIAL CONNECTION

MOTION **Moved:** Councillor Smith **Seconded:** Councillor Campbell
1697
RESOLVED

That Council endorses the high-viz pink work shirt/vest initiative during August – October 2016, in support of breast cancer awareness.

FOR	AGAINST
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Councillor Gibson	
Councillor Doherty	
Councillor Olsen	
Councillor Ryan	
Councillor Stapleford	
Councillor Hawkins	
Councillor Smith	
Councillor Campbell	
Councillor Parsons	
Councillor Pynsent	
Total (10)	Total (0)

CARRIED UNANIMOUSLY

WORKS AND INFRASTRUCTURE NO. WI33/2016

SUBJECT: EVALUATION OF TENDERS FOR BIRRALEE PARK - NEW AMENITIES BUILDING (T1516/05)

MOTION **Moved:** Councillor Smith **Seconded:** Councillor Campbell
1698
RESOLVED

1. That Council accepts the tender from RTC Commercial Pty Ltd in the lump sum amount of \$872,520 (including GST) to replace the amenities building at Birralee Park, Kurri Kurri.
2. That Council allocates additional funds, totaling \$62,900 in the 2015/16 Capital Works Budget to cover the cost of the tender for the Birralee project, with these funds being sourced from Council's Miscellaneous & Property Reserve.

FOR	AGAINST
Councillor Gibson	
Councillor Doherty	
Councillor Olsen	
Councillor Ryan	
Councillor Stapleford	
Councillor Hawkins	
Councillor Smith	
Councillor Campbell	
Councillor Parsons	
Councillor Pynsent	
Total (10)	Total (0)

CARRIED UNANIMOUSLY

ANSWERS TO QUESTIONS FOR NEXT MEETING

ANSWERS TO QUESTIONS FOR NEXT MEETING NO. AQ39/2016

SUBJECT: INVITATION TO FUNCTIONS AND EVENTS

The answer was noted.

ANSWERS TO QUESTIONS FOR NEXT MEETING NO. AQ40/2016

SUBJECT: REQUEST FOR FLYING FOX CORRESPONDENCE

The answer was noted.

QUESTIONS FOR NEXT MEETING

Councillor Catherine Parsons

KURRI KURRI CEMETERY TAP

Councillor Parsons referred to a tap that was previously in the Methodist section of Kurri Kurri Cemetery and asked had it been removed, and if so why, and could it be replaced.

CORRESPONDENCE

CORRESPONDENCE NO. CO1/2016

SUBJECT: **LOCAL GOVERNMENT NSW - CONTRIBUTION TO LEGAL ASSISTANCE FOR BATHURST REGIONAL COUNCIL**

MOTION **Moved:** Councillor Smith **Seconded:** Councillor Campbell

1699

RESOLVED:

That Council contributes \$1,071.76 in legal assistance for Bathurst Regional Council in accordance with the Local Government NSW request for contribution.

FOR	AGAINST
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Councillor Gibson	
Councillor Doherty	
Councillor Olsen	
Councillor Ryan	
Councillor Stapleford	
Councillor Hawkins	
Councillor Smith	
Councillor Campbell	
Councillor Parsons	
Councillor Pynsent	

Total (10)

Total (0)

CARRIED UNANIMOUSLY

COUNCILLORS REPORTS

NIL

The Meeting Was Declared Closed at 6.54.pm

CONFIRMED AND SIGNED at the meeting held on 15 June 2016

.....**CHAIRPERSON**

.....**GENERAL MANAGER**

Disclosures Of Interest

Report No. DI10/2016

Corporate and Community Services



SUBJECT: *DISCLOSURES OF INTEREST*

RESPONSIBLE OFFICER: *Manager Governance and Business Services - Kim Appleby*

RECOMMENDATION

That Councillors now disclose any interests and reasons for declaring such interest in the matters under consideration by Council at this meeting.

SUMMARY

The provisions of Chapter 14 of the Local Government Act, 1993 regulate the way in which Councillors and nominated staff of Council conduct themselves to ensure that there is no conflict between their private interests and their public trust.

The Act prescribes that where a member of Council (or a Committee of Council) has a direct or indirect financial (pecuniary) interest in a matter to be considered at a meeting of the Council (or Committee), that interest must be disclosed as soon as practicable after the start of the meeting and the reasons for declaring such interest.

As members are aware, the provisions of the Local Government Act restrict any member who has declared a pecuniary interest in any matter from participating in the discussions, voting on that matter, and require that member to vacate the Chamber.

Council's Code of Conduct provides that if members have a non-pecuniary conflict of interest, the nature of the conflict must be disclosed. The Code also provides for a number of ways in which a member may manage non pecuniary conflicts of interest.

ENCLOSURES

There are no enclosures for this report.

Motions of Urgency

Report No. MOU10/2016

Corporate and Community Services



SUBJECT: *MOTIONS OF URGENCY*

RESPONSIBLE OFFICER: *Manager Governance and Business Services - Kim Appleby*

RECOMMENDATION

That Councillors now indicate if there are any matters of urgency which they believe should be conducted at this meeting of Council.

SUMMARY

Under Clause 10.5 of Council's Code of Meeting Practice, business may be transacted at a meeting of Council even though due notice of the business has not been given to the Councillors. This can only happen if a motion is passed to have the business transacted at the meeting, the Mayor rules that the business is of great urgency and the business notified in the agenda for the meeting has been disposed of.

Only the mover of such a motion can speak to the motion before it is put.

ENCLOSURES

There are no enclosures for this report.

General Manager's Unit
Report No. GMU6/2016
General Manager's Unit



SUBJECT: *MINUTES OF THE AUDIT COMMITTEE MEETING OF
CESSNOCK CITY COUNCIL HELD ON 3 MAY 2016*

RESPONSIBLE OFFICER: *Internal Auditor - Ian Lyall*

RECOMMENDATION

That the Minutes of the Audit Committee Meeting of 3 May 2016 be adopted as a resolution of the Ordinary Council.

***MINUTES OF AUDIT COMMITTEE MEETING OF CESSNOCK CITY COUNCIL HELD IN
THE ANTE ROOM ON TUESDAY, 3 MAY 2016, COMMENCING AT 9.02 AM***

PRESENT: Mr Jason Masters - Independent Chair
Mayor Bob Pynsent
Mr Neal O'Callaghan – Independent Representative
Dr Felicity Barr – Independent Representative

IN ATTENDANCE: Mr Stephen Glen – General Manager
Mr Robert Maginnity – Director Corporate & Community
Mr Gareth Curtis – Director Planning & Environment
Mr Justin Fitzpatrick- Barr – Director Works & Infrastructure
Ms Darrylen Allan – Human Resources Manager
Mr Geoff Allen – External Auditor – Forsyths Business Services Pty
Ltd (via teleconference)
Mr Ian Lyall – Internal Auditor
Mrs Robyn Keegan – Minute Taker

INVITEES: Mr Paul Grosbernd – Management Accountant
Ms Kelly McGowan – Infrastructure Accountant
Mr John Oliver – Chief Financial Officer
Ms Kim Appleby – Manager Governance & Business Services
Mr Steve Hepple – Manager Information Technology
Ms Samantha Clift – WHS Advisor – Human Resources

APOLOGIES

Apology tendered on behalf of Councillor Campbell.

General Manager's Unit
Report No. GMU6/2016
General Manager's Unit



CONFIRMATION OF MINUTES

MINUTES:

MOTION

Moved: Mr Neal O'Callaghan

Seconded: Dr Felicity Barr

RESOLVED

That the Minutes of the Audit Committee held on 2 February 2016, as circulated, be taken as read and confirmed as a correct record.

CARRIED UNANIMOUSLY

DISCLOSURES OF INTEREST

COMMITTEE DISCLOSURE OF INTEREST NO. ACCDI2/2016

SUBJECT: DISCLOSURES OF INTEREST

NIL

BUSINESS ARISING FROM THE MINUTES

NIL

General Manager's Unit
Report No. GMU6/2016
General Manager's Unit



LISTED MATTERS

LISTED MATTERS - COMMITTEE NO. ACCLM8/2016

SUBJECT: RISK MANAGEMENT POLICY

MOTION **Moved:** Mayor Pynsent **Seconded:** Dr Felicity Barr

RESOLVED

That the Audit Committee endorse the Risk Management Policy subject to the following amendments:

- The objective to include the policy's primary purpose of managing Council's risks through the Framework.
- Delete the words in the objective "*which is tailored and aligns with our Local Government context.*"
- Include under the heading "Responsibilities", including approving the risk management policy and risk appetite statement.
- Amend some grammatical errors.

CARRIED UNANIMOUSLY

General Manager's Unit
Report No. GMU6/2016
General Manager's Unit



LISTED MATTERS - COMMITTEE NO. ACCLM9/2016

SUBJECT: INFORMATION TECHNOLOGY UPDATE

MOTION **Moved:** Mr Jason Masters **Seconded:** Dr Felicity Barr

RESOLVED

That the Audit Committee receives the report and notes the Information Technology update and acknowledge Council's initiatives regarding Cyber Awareness and IT Security.

*Mayor Pynsent left the meeting, the time being 9:21 am.
Mayor Pynsent returned to the meeting, the time being 9:37 am.*

PROCEDURAL MOTION

Moved: Mr Jason Masters **Seconded:** Dr Felicity Barr

RESOLVED

That Report Recommendations be adopted Englobo:

ACCLM10/2016	Quarterly Budget Review Statements – March 2016
ACCLM11/2016	Preparedness Audit for Special Schedule 7 of Annual Report
ACCLM12/2016	Strategic Internal Audit Plan 2016 – 2019 and Annual Internal Audit Plan 2016 – 2017
ACCLM13/2016	Proposed Meeting Schedule 2016/17
ACCLM14/2016	Q4 Internal Audit Report
ACCGB2/2016	Audit Committee Outstanding Items Report

With an amendment to the meeting schedule being deletion of meeting 18 October 2016 and reschedule 1 November 2016 Special Meeting to 25 October 2016

CARRIED UNANIMOUSLY

Mayor Pynsent left the meeting, the time being 9:42 am.

The Audit Committee continued inquorate after Mayor Pynsent left, with general discussion on remaining agenda items.

General Manager's Unit
Report No. GMU6/2016
General Manager's Unit



LISTED MATTERS - COMMITTEE NO. ACCLM10/2016

SUBJECT: QUARTERLY BUDGET REVIEW STATEMENTS - MARCH 2016

MOTION Moved: Mr Jason Masters Seconded: Dr Felicity Barr

RESOLVED

That the Audit Committee receive and endorse the March 2016 Quarterly Budget Review Statements for presentation to Council in accordance with Clause 203 of the Local Government (General) Regulation 2005.

CARRIED UNANIMOUSLY

LISTED MATTERS - COMMITTEE NO. ACCLM11/2016

SUBJECT: PREPAREDNESS AUDIT FOR SPECIAL SCHEDULE 7 OF ANNUAL REPORT

MOTION Moved: Mr Jason Masters Seconded: Dr Felicity Barr

RESOLVED

That the Audit Committee note the report.

CARRIED UNANIMOUSLY

General Manager's Unit
Report No. GMU6/2016
General Manager's Unit



LISTED MATTERS - COMMITTEE NO. ACCLM12/2016

**SUBJECT: STRATEGIC INTERNAL AUDIT PLAN 2016 - 2019 AND ANNUAL
INTERNAL AUDIT PLAN 2016 - 2017**

MOTION **Moved:** Mr Jason Masters **Seconded:** Dr Felicity Barr

RESOLVED

That the Audit Committee recommends to Council that the Strategic Internal Audit Plan 2016 – 2019 and the Annual Internal Audit Plan 2016 – 2017 be endorsed.

CARRIED UNANIMOUSLY

Committee Notes:

The Committee sought information on Assurance Mapping for some listed items in the Strategic Internal Audit Plan 2016-2019.

The Committee suggested some minor wording changes to the Annual Internal Audit Plan 2015/16 and associated Audit Scoping Statements.

LISTED MATTERS - COMMITTEE NO. ACCLM13/2016

SUBJECT: PROPOSED MEETING SCHEDULE 2016/17

MOTION **Moved:** Mr Jason Masters **Seconded:** Dr Felicity Barr

RESOLVED

That the Audit Committee endorse the proposed meeting dates.

Ordinary Meetings:

**2 August 2016
25 October 2016 (Incorporating Special Statements meeting)
31 January 2017
2 May 2017**

CARRIED UNANIMOUSLY

General Manager's Unit
Report No. GMU6/2016
General Manager's Unit



LISTED MATTERS - COMMITTEE NO. ACCLM14/2016

SUBJECT: Q4 INTERNAL AUDIT REPORT

MOTION ***Moved:*** Mr Jason Masters ***Seconded:*** Dr Felicity Barr

RESOLVED

1. That the Audit Committee Note the Q3 Internal Audit Report.
2. That the Audit Committee Note the current status of outstanding management action plans.
3. That the Audit Committee approves the addition of a section 94 forensic audit to the Annual Audit Plan 2015/16.

CARRIED UNANIMOUSLY

CORRESPONDENCE

NIL

GENERAL BUSINESS

GENERAL BUSINESS - COMMITTEE NO. ACCGB2/2016

SUBJECT: AUDIT COMMITTEE OUTSTANDING ITEMS REPORT

MOTION ***Moved:*** Mr Jason Masters ***Seconded:*** Dr Felicity Barr

RESOLVED

That the Committee notes the list of outstanding Audit Committee action items.

CARRIED UNANIMOUSLY

General Manager's Unit
Report No. GMU6/2016
General Manager's Unit



PRESENTATIONS

- Human Resource Manager, Darrylen Allan and WHS Advisor – Human Resources, Samantha Clift on Councils WHS Management System.
- Manager Governance and Business Services – Kim Appleby on proposed amendments to the Local Government Act.

The Meeting Was Declared Closed at 11.45 pm

CONFIRMED AND SIGNED at the meeting held on 2 August 2016.

.....**CHAIRPERSON**

.....**GENERAL MANAGER**

ENCLOSURES

There are no enclosures for this report.

Planning and Environment

Report No. PE37/2016

Planning and Environment



SUBJECT: ***DEVELOPMENT APPLICATION NO 8/2015/368/1
PROPOSING ALTERATIONS TO EXISTING HOTEL AND
BOTTLE SHOP, CONSISTING OF THE DEMOLITION OF THE
EXISTING SLATE ROOF AND REPLACEMENT WITH A NEW
METAL (COLORBOND) ROOF***

122 -126 LANG STREET, KURRI KURRI

RESPONSIBLE OFFICER: ***Team Leader Development Services - Peter Giannopoulos
Development Services Manager - Janine McCarthy***

APPLICATION NUMBER:	8/2015/368/1
PROPOSAL:	Alterations to existing hotel and bottle shop, consisting of demolition of the existing slate roof and construct replacement new metal (colorbond) roof
PROPERTY DESCRIPTION:	Lot 6, Section 20, DP 758590
PROPERTY ADDRESS:	122 -126 Lang Street, Kurri Kurri
ZONE:	B2 Local Centre
OWNER:	Mr R J & Mrs A M Hawkins
APPLICANT:	Mrs A M Hawkins

RECOMMENDATION

1. That Council determine Development Application No. 8/2015/368/1 proposing alterations to existing hotel and bottle shop, consisting of demolition of the existing slate roof and construct replacement new metal (Colorbond) roof at 122 -126 Lang Street Kurri Kurri, pursuant to Section 80 of the Environmental Planning and Assessment Act 1979, by refusing to grant consent for the reasons detailed in this report.
2. That the applicant be advised Council would favorably consider an application that involved replacement of the roofing with a material that better matches the texture of the existing roof, such as terracotta/concrete tiles of a suitable profile.

REASON FOR REPORT

Development Application No 8/2015/368/1 is being referred to Council for the following reasons:

1. The land is owned by a current Councillor and under the provisions of Council's Policy (*'Council as the applicant and/or owner in respect of a Development Application, Section 96 Application, and/or Section 82A Application'*), the application must be assessed by an independent town planning consultant and referred to Council for determination; and
2. The application is recommended for refusal and the refusal is considered to be merits based.

INDEPENDENT PLANNING CONSULTANT

As outlined previously, the land the subject of the application is owned by a current Councillor. Therefore, the following report has been authored by an external independent planning consultant, Gavin Maberly-Smith of *'Coastplan Group'*.

EXECUTIVE SUMMARY

Council is in receipt of Development Application No. 8/2015/368/1 seeking approval for alterations to an existing hotel and bottle shop, consisting of demolition of the existing slate roof and construct replacement new metal (colorbond) roof at 122-126 Lang Street, Kurri Kurri.

The Development Application has been assessed against the Environmental Planning and Assessment Act 1979, Environmental Planning and Assessment Regulations 2000, relevant Environmental Planning Instruments and Council policies. The outcome of this assessment is detailed further in this report.

The Development Application was publicly exhibited and no submissions were received.

The subject site contains a heritage listed building and the proposal involves replacement of the existing slate roof with a sheet metal (colorbond) roofing material. The proposal makes significant alteration to the external fabric of the heritage item and Council's Heritage Advisor has suggested that alternate options should be pursued. The replacement of the roof with the sheet metal (colorbond) material is contrary to the heritage conservation controls contained within Council's Development Control Plan 2011 and consideration of the impact to the heritage item (as required by Cessnock Local Environmental Plan 2011) concludes that the proposal will have a significant detrimental impact to the setting of the heritage item.

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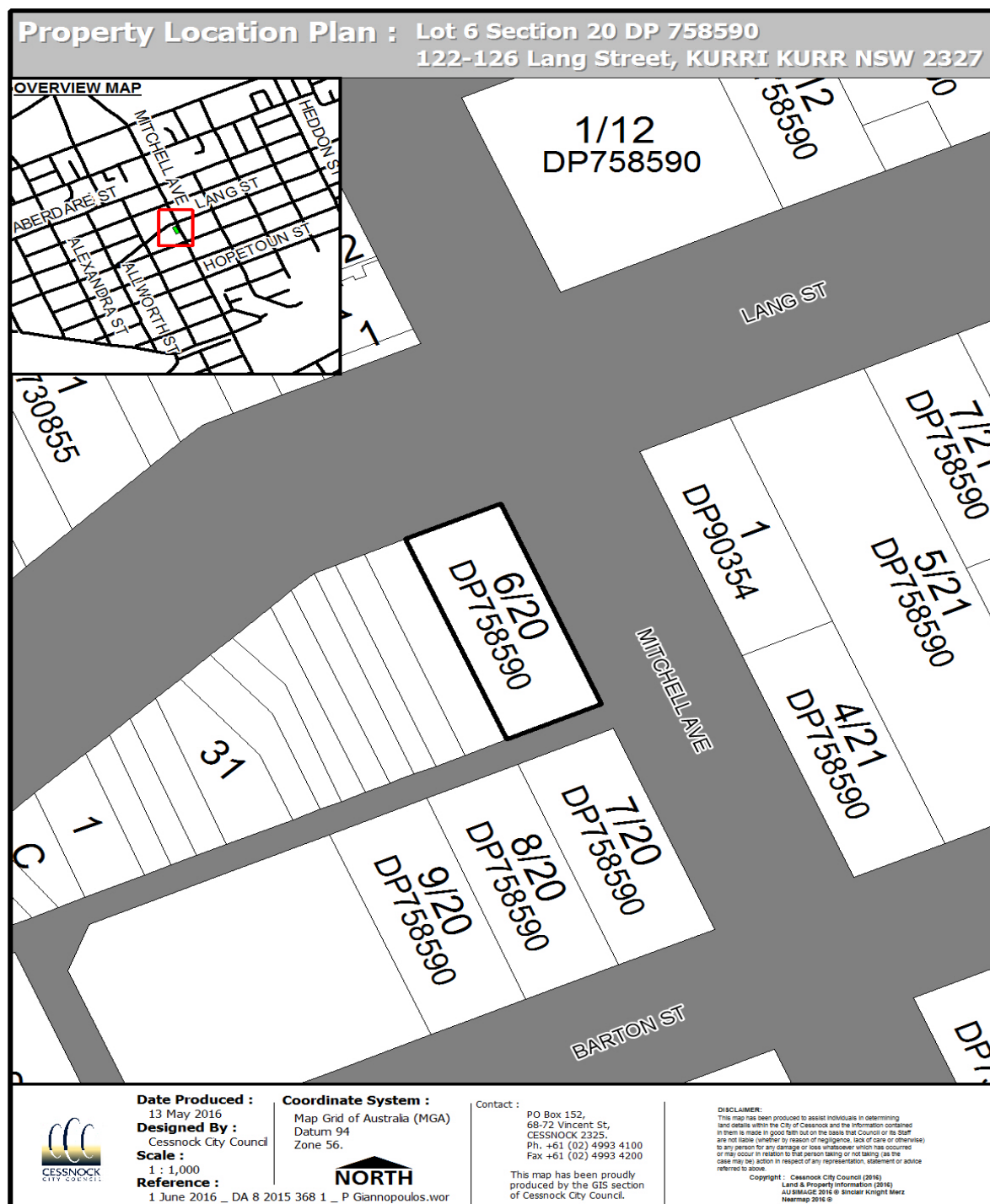
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It should be noted, however, that replacement roofing is necessary to prevent further damage to the building which is being degraded as a result of weather damage which has occurred as a result of the damaged roof. Retention of the damaged roof will result in greater impact to the building and will result in significant damage to the heritage item.

Based on the assessment, it is recommended that the Development Application be refused subject to the reasons for refusal included in this report. The applicant should be advised that Council would be prepared to give favourable consideration to a proposal which involved replacement of the roof with a material that better matches the texture of the existing roof, such as terracotta/concrete tiles of a suitable profile.

LOCATION MAP



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AERIAL



SITE DESCRIPTION AND LOCALITY

The subject site is commonly known as 122-126 Lang Street, Kurri Kurri and is legally described as Lot 6, Section 20, Deposited Plan 758590.

The subject site is located on the southern side of Lang Street at the intersection with Victoria Street. The site has a frontage of approximately 20m to Lang Street, and a frontage of approximately 50m to Victoria Street. The site has an overall site area of approximately 1,000m². Vehicular access to the site is available from the Victoria Street frontage and provides access to the bottle shop and parking area.

The subject site is currently occupied by the 'Chelmsford Hotel and Bottle Shop'.

The surrounding properties are characterised by commercial and community buildings, including shops, funeral directors and scout hall.

Development consents issued in relation to the property include the following:

- Development Approval 8/2010/714 for the purpose of an advertising structure, granted on the 11 February 2011.
- Development Approval 8/2004/789 for the purpose of hotel alterations and extensions granted on the 11 October 2004, consent modified under Section 96 on the 1 March 2006.
- Building Approval 6/1994/1042 for the purpose of replacing timber floor, granted on the 11 February 2011.

HISTORY

Prior to the application being submitted, a number of discussions took place between Council staff and the owner and their representatives. Council staff have consistently provided advice that the replacement of the existing slate roof with a colorbond roof raises concerns in respect to meeting the heritage guidelines and conservation objectives. Below is a summary of recent activity relating to the site:

Date	Action
20 December 2011	Letter sent to Council seeking clarification regarding replacement of existing roof with colorbond roofing material.
23 December 2011	Council correspondence sent to the applicant stating that consent is required to replace roof and confirming previous advice that a colorbond replacement presents heritage concerns and suggesting that an alternative roofing material be considered.
23 February 2012	Meeting between Council and owner to discuss replacement of roof without consent.

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13 April 2012	Council provides advice in writing stating that roof may be repaired without development consent, however consent would be required in order to replace the entire roof with a product other than an equivalent slate.
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The history of the subject Development Application is summarised in the following table:

Date	Action
7 August 2015	Development Application lodged with Council.
13 August 2015	Referrals to Building Surveyor and Heritage Advisor.
17 August 2015	Fourteen (14) day notification period commences.
26 August 2015	Consultant Planner engaged to undertake assessment.
1 September 2015	Heritage Advisor's comments received.
11 September 2015	Building Surveyor's comments received.
24 September 2015	Letter sent to applicant seeking additional information.
5 February 2016	Additional information submitted by applicant consisting of a Structural Engineer's report and a letter justifying the replacement of the roof with a colorbond steel roof
15 February 2016	Additional information sought from applicant following review of information submitted.
23 February 2016	Applicant advises they consider information provided is sufficient and request determination of application.
15 March 2016	Applicant requests meeting with staff to discuss adequacy of information
31 March 2016	Meeting held between applicant's consultants and Council staff/consultant at request of applicant. Applicant requests additional time to lodge further information.
8 April 2016	Additional information provided from applicant in the form of revised Statement of Heritage Impact and Engineers report.
4 May 2016	Heritage Advisor's comments received in relation to revised information.
17 May 2016	Assessment completed.

DETAILS OF THE PROPOSED DEVELOPMENT

Development Application No 8/2015/368/1 seeks approval for alterations to existing Hotel and Bottle Shop, consisting of demolition of the existing slate roof and construct replacement new metal (Colorbond) roof.

The information submitted with the application advises that the damaged slate tiles on the building area required to be replaced as they have been damaged. The application proposes replacement with Colorbond roofing.

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The information submitted shows that the roof has been damaged for a prolonged period of time, which has resulted in damage to the third storey of the building, with water ingress and potential damage also becoming apparent in the second storey of the building. Structural assessment has advised that the deterioration of both floors will continue unless the water ingress from the damaged roof is not resolved.

Limited detail was provided in relation to the proposal other than to advise that the existing tiles will be removed and replaced with slate grey sheet metal (Colorbond) roofing. A specification of associated works was sought including:

- Details of the type of flashings to be used and details of the location;
- Details of the ridge capping and barge capping;
- Details of the verandah roof if it is to be replaced;
- Gutter type and profile to be used; and
- Details of downpipes to be used.

The applicant has now provided some detail of the proposed materials to be utilised, however there is some inconsistency in the advice of the materials and colours to be used. In this regard, the following is noted:

- The revised Statement of Heritage Impact (page 5 and 6) advises that the roof material will be 'Basalt', with Colorbond 'Terrain' used for the ridge capping. The same document, however, advises (page 17) that the roof and ridge capping will be 'slate grey'. The structural assessment submitted also provides comments that the roof/ridge capping material will be 'slate grey' and also advises the colors will be 'Basalt'.
- The Statement of Heritage Impact advises (page 6) that all gutters will be replaced with low front quad gutter, but later states (page 13) that 'it is proposed to replace all guttering with ogee (profile)'.

It is considered likely that these matters could be refined and suitable details provided for these materials and colours. Should Council wish to approve this proposal, a suitable deferred commencement condition could be applied requiring the provision of a schedule of materials and colours to be used for the roof and associated components.

ASSESSMENT

Environmental Planning and Assessment Act 1979 – Section 79C(1)

In determining a Development Application, the consent authority is to take into consideration the following matters as are of relevance in the assessment of the Development Application on the subject property:

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(a)(i) The Provisions of any Environmental Planning Instrument

The Environmental Planning Instruments that relate to the proposed development are:

1. Cessnock Local Environmental Plan 2011

An assessment of the proposed development under the Environmental Planning Instruments is provided below:

1. Cessnock Local Environmental Plan 2011

1.1 Permissibility

The subject site is zoned B2 Local Centre under the provisions of Cessnock Local Environmental Plan (CLEP) 2011. The proposed development involves alterations to an existing *pub* under CLEP 2011, which is defined as follows:

***pub** means licensed premises under the Liquor Act 2007 the principal purpose of which is the retail sale of liquor for consumption on the premises, whether or not the premises include hotel or motel accommodation and whether or not food is sold or entertainment is provided on the premises.*

Development for the purpose of *pub* is a permitted land use in the B2 Local Centre Zone.

1.2 Objectives

The objectives of the B2 Local Centre zone are as follows:

Objectives of zone

- *To provide a range of retail, business, entertainment and community uses that serve the needs of people who live in, work in and visit the local area.*
- *To encourage employment opportunities in accessible locations.*
- *To maximise public transport patronage and encourage walking and cycling.*

The proposal involves alteration to an existing pub and maintains consistency with the objectives for the B2 Local Centre.

1.3 Relevant Clauses

The Development Application was assessed against the following relevant clauses of CLEP 2011:

- Clause 5.10 – Heritage Conservation

Clause 5.10 is the key consideration under the LEP for this proposal as the subject site is listed as a heritage item of local significance in Schedule 5 of the LEP (Item No. I124). The relevant parts of clause 5.10:

5.10 Heritage conservation

(1) Objectives

The objectives of this clause are as follows:

- (a) to conserve the environmental heritage of Cessnock,*
- (b) to conserve the heritage significance of heritage items and heritage conservation areas, including associated fabric, settings and views,*
- (c) to conserve archaeological sites,*
- (d) to conserve Aboriginal objects and Aboriginal places of heritage significance.*

(2) Requirement for consent

Development consent is required for any of the following:

- (a) demolishing or moving any of the following or altering the exterior of any of the following (including, in the case of a building, making changes to its detail, fabric, finish or appearance):*
 - (i) a heritage item,*
 - (ii) an Aboriginal object,*
 - (iii) a building, work, relic or tree within a heritage conservation area,*
- (b) altering a heritage item that is a building by making structural changes to its interior or by making changes to anything inside the item that is specified in Schedule 5 in relation to the item,*
- (c) disturbing or excavating an archaeological site while knowing, or having reasonable cause to suspect, that the disturbance or excavation will or is likely to result in a relic being discovered, exposed, moved, damaged or destroyed,*
- (d) disturbing or excavating an Aboriginal place of heritage significance,*
- (e) erecting a building on land:*
 - (i) on which a heritage item is located or that is within a heritage conservation area, or*
 - (ii) on which an Aboriginal object is located or that is within an Aboriginal place of heritage significance,*
- (f) subdividing land:*
 - (i) on which a heritage item is located or that is within a heritage conservation area, or*
 - (ii) on which an Aboriginal object is located or that is within an Aboriginal place of heritage significance.*

(3) When consent not required

However, development consent under this clause is not required if:

- (a) the applicant has notified the consent authority of the proposed development and the consent authority has advised the applicant in writing before any work is carried out that it is satisfied that the proposed development:*
 - (i) is of a minor nature or is for the maintenance of the heritage item, Aboriginal object, Aboriginal place of heritage significance or archaeological site or a building, work, relic, tree or place within the heritage conservation area, and*
 - (ii) would not adversely affect the heritage significance of the heritage item, Aboriginal object, Aboriginal place, archaeological site or heritage conservation area, or*
- (b) the development is in a cemetery or burial ground and the proposed development:*
 - (i) is the creation of a new grave or monument, or excavation or disturbance of land for the purpose of conserving or repairing monuments or grave markers, and*

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- (ii) *would not cause disturbance to human remains, relics, Aboriginal objects in the form of grave goods, or to an Aboriginal place of heritage significance, or*
- (c) *the development is limited to the removal of a tree or other vegetation that the Council is satisfied is a risk to human life or property, or*
- (d) *the development is exempt development.*

(4) Effect of proposed development on heritage significance

The consent authority must, before granting consent under this clause in respect of a heritage item or heritage conservation area, consider the effect of the proposed development on the heritage significance of the item or area concerned. This subclause applies regardless of whether a heritage management document is prepared under subclause (5) or a heritage conservation management plan is submitted under subclause (6).

(5) Heritage assessment

The consent authority may, before granting consent to any development:

- (a) *on land on which a heritage item is located, or*
 - (b) *on land that is within a heritage conservation area, or*
 - (c) *on land that is within the vicinity of land referred to in paragraph (a) or (b),*
- require a heritage management document to be prepared that assesses the extent to which the carrying out of the proposed development would affect the heritage significance of the heritage item or heritage conservation area concerned.*

(6) Heritage conservation management plans

The consent authority may require, after considering the heritage significance of a heritage item and the extent of change proposed to it, the submission of a heritage conservation management plan before granting consent under this clause.

In this regard, the proposal involves alteration of the exterior of the heritage item and consent is required under subclause (2) (a) of Clause 5.10 of the LEP.

The application included a Statement of Heritage Impact for the proposal which was prepared by Complete Planning Solutions. A revised document was prepared following discussions with Council staff and consultant. This document has been reviewed by Council's Heritage Advisor, along with additional information provided by the applicant. The Heritage Advisor provides the following comments:

1. *A Statement of Significance for the item is contained in the State Heritage Inventory. This inventory is the information provided to the public that describes the significance of buildings that are listed on the LEP. It is the basis for listing of buildings on the LEP. There are inconsistencies between the information in the State Heritage Inventory and the information provide in the SOHI submitted with the DA. The last sentence of the Statement of Significance contained in the SOHI (refer 4.2 p7) should read:*

*A **landmark** building located on a prominent ridge and at the main intersection in the commercial centre of Kurri Kurri.*
2. *This needs to be noted as it is important to recognise this building as being a landmark in Kurri Kurri and approaches to the town. The SOHI submitted with*

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the DA assesses this building as not having aesthetic significance and having only social significance in association with the mining history (refer 6.1).

3. *The SOHI does not attribute aesthetic and architectural significance to this building (refer SOHI 6.1). The State Heritage Inventory records the architect as James Warren Scobie who is a noted architect in the Newcastle, Cessnock and Hunter Valley Region. He designed many hotels and buildings in this region. The building is further described in the State Heritage Inventory as a Federation Filigree Style and hence has been attributed an architectural style. Based on the assessment in the State Heritage Inventory, the subject building has both aesthetic and architectural significance.*

4. *The SOHI states (5.1):*

The site has been assessed as NOT having State Significance. The site is not listed on the State Heritage Register.

The Chelmsford Hotel is listed in the Cessnock LEP 2011 and is therefore listed as an item of local significance and protected at a local level. It should not be assumed that items in the LEP have been assessed as not of State significance. This is only one level of assessment and a nomination of the hotels of the South Maitland coalfields and in particular the grand hotels in Kurri Kurri are likely to result in the listing of these on the State Heritage Register.

5. *The SOHI refers to the prohibitive cost of slate roofing (6.2, p14). It should be noted that successful nomination of the Chelmsford Hotel to the State Heritage Register would make available heritage funding which include amounts of \$10,000 emergency funding and larger amounts for projects of up to \$150,000 every two years. (<http://www.environment.nsw.gov.au/Heritage/funding/index.htm>)*
6. *Previous heritage advice to the owner of the subject building in May 2010 included that quotes should be obtained and advised on two local roofing contractors, so that the options and cost of different cladding could be compared.*
7. *The SOHI (refer 6.2 p14) states that the timber members are not able to hold the weight of a slate roof. If the roof is not adequately framed then this should be assessed by a structural engineer.*

Recommendations

- *The previous advice (1 September 2015) recommended that a Colorbond roof would detract from the assessed significance of the hotel.*
- *The proposal would be supported with the use of slate, eternit or concrete tiles that look similar to slate.*

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- *Colorbond and galvanised steel roof cladding would not be supported as this would detract from the landmark significance of this building and require the removal of terracotta details.*
- *When a decision on the roof material has been made then a specification of the proposed new roof will be required. This is to ensure that the details do not detract from the hotel and that incompatible metals are not used. This should include:*
 - *Lead flashings are to be retained and new flashings replaced with lead.*
 - *Terracotta ridge cappings are to be retained and repaired where required.*
 - *Gutter type and profile should be ogee.*
 - *Downpipes are to be circular diameter.*

Further Recommendations

This is in response to: Structural Engineers Report and Cost Estimate Replacement of Roof Chelmsford Hotel Lot 6 Sec 20 DP 758590 122- 126 Lang Street Kurri Kurri, prepared by Pavey Consulting Services, April 2016.

The following roof cladding options in order of priority:

<i>Priority</i>	<i>Cladding</i>	<i>Reasons for priority of this roof cladding</i>
1	<i>Slate to match existing Terracotta ridge capping to match existing</i>	<i>This retains the landmark and architectural significance of J.W.Scobie's building. The terracotta ridge capping will be retained. Lead flashing will be retained. NOTE: refer to advice on available funding for this option.</i>
2	<i>Monier Tile – Nullarbor Terracotta in colour Slate Grey. Terracotta ridge capping</i>	<i>This will alter the appearance of the building as it differs from slate. This option is proposed as it is less costly than slate. When viewed from a distance this retains the landmark and architectural significance of J.W.Scobie's building. The terracotta ridge capping will be retained. Lead flashing will be retained. (Note: Galvanised material should not be used with terracotta. Galvanised gutters and downpipes will need to be replaced with Colorbond in colour Slate Grey.)</i>
3	<i>Eternit</i>	<i>As advised this has become a difficult material to obtain in Australia and hence it is an unlikely cladding option.</i>

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4	Concrete Tiles	<i>This is unlikely to be supported instead of the Slate or the Monier Terracotta Tile as it is a thicker lapped profile which is not a good match with slate.</i>
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Funding

State Funding, Heritage Activation Grants, has recently being advertised for heritage buildings listed on Local Environmental Plans. The total recladding or repair of this roof including structural repairs would meet the criteria for this funding. A letter sent by Cessnock Council on 3 May 2016 to the building owner advised of this funding. Funding was advertised on 18 April and will close on the 27 June 2016.

The revised Statement of Heritage Impact submitted provides the following justifications for the proposal:

- *The proposed development is consistent with Council's Planning Instruments;*
- *The justifications provided in section 5.3.1 of this Assessment are valid and warrant approval of Council;*
- *Given the current value of the building it is not economically viable to replace with the roof with any other materials other than Colorbond.*
- *The proposed development will not detract from the scale, form, unity and character of the surrounding area;*
- *The proposed development respects the character of surrounding area;*
- *The proposed development will not disturb the historic value or social value of the item;*
- *The proposed development is consistent with the objectives of Cessnock Local Environmental Plan 2011 and the provisions for land within Zone B2 Local Centre Zone;*
- *The proposed development is consistent with the amenity of the immediate area;*
- *The proposed development does not comprise the principals of the Burra Charter in relation to the cultural significance of the conservation area;*
- *The proposed development has attempted to respect Council's heritage policy;*
- *The works will not affect the setting of any nearby heritage items;*
- *The heritage significance of the item relates specifically to the intended use of the building as accommodation for miners and its dominance within the streetscape because of its bulk, scale and form not its aesthetic significance though architectural/design elements.*
- *The proposed development will be sympathetic to the existing fabric of the building. That is the replacement roof will be of similar colour (Basalt) to the existing roof. The proposed development will not create a negative impact on No. 122-226 Lang Street;*
- *The proposed development will not detract from the scale, form, unity and character of the surrounding area;*
- *Other heritage significance building within close proximity of the development have metal sheet (colourbond) roofing;*
- *Refusal of the proposed development will result in further decay of the building; and*

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- *The proposed development does not mimic the design and materials of the building, but respects the character of surrounding area.*

In relation to the justification for the works, there are three (3) key aspects: importance of the external fabric to the heritage item; structural issues in the building; and cost implications. In relation to these matters, the following discussion is provided.

Importance of External Fabric

The Statement of Heritage Impact suggests that the external form of the building is of less importance for the building and that the change of the roof is less important. The Council's Heritage Advisor disagrees with this position and advises that the landmark status of the building and the assignment of an architectural style within the state heritage inventory means that the external fabric is very important to the heritage significance of the building.

Given the building is identified as a landmark building, it would follow that the visual appearance and the external fabric of the building is an important component in the heritage significance of the building. The building is also very prominent in the local landscape and visible from a wide catchment of the Kurri Kurri township. It is therefore difficult to support a position that the external fabric and appearance of the building is of low importance to the heritage significance of the item.

The replacement of the roof with sheet metal would also require the loss of the terracotta ridge cappings which are a significant architectural feature, whereas use of another tile (slate, concrete or Eternit) would allow these to be retained, maintaining a key aesthetic of the building.

The use of Colorbond steel roofing to replace the existing roof is considered the least suitable option by the Council's Heritage Advisor. In regard to the use of this material, it is (along with galvanised roofing replacement) the least suitable for matching the material size and texture and other options identified. This is contrary to the provisions of Council's DCP which requires any replacement materials to match size, shape, colour and texture.

The revised Statement of Heritage Impact notes that there are other heritage listed buildings in the area with Colorbond roofs, including the former post office police station and court house. The relevance of these buildings to this assessment is questionable, given that these buildings all originally had sheet metal roofs and the replacement roof was with roofing having similar size, shape and texture. The other building mentioned (fire station) has a tiled roof (existing and originally).

Structural Issues

The application submitted suggests that the replacement of the slate tiles with sheet metal roofing would be structurally preferable to utilising slate tiles. The applicants were requested to have this aspect analysed by a structural engineer to provide a more robust assessment of this aspect. The original structural engineer's advice provided a comparison of the various roofing options and advised that:

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Some roof rafters and purlins will also need to be replaced however the costs of this have not been included as they will be similar across all roof options being considered.

The revised structural engineer's report advises that additional rafters would be required at 600mm centres for options utilising slate or concrete tiles, as opposed to the existing rafters at 3m centres. It is noted that the estimates of cost have not been based on detailed design and have not considered implications roof structure replacements (other than the 600mm rafters for tile/slate options). As such there may be other costs associated with all options other than those projected (such as additional tie down cost and larger rafter sizes for sheet roof options with a 3m rafter spacing).

The structural issues raised show that there is no structural reason that the replacement roofing needs to be lightweight, and only shows potential cost matters.

The structural report does note structural decay of the building as a result of the damaged roof and advises that continual decay will occur if the roof is not repaired/replaced in a timely manner.

Cost Implications

The structural engineer's report also examines costs for different roofing options, including repair of the existing roof, replacement with slate tiles, replacement with Eternit Tiles, replacement with sheet metal (Colorbond) and replacement with galvanised iron. The analysis shows the following costs for the various options:

- Slate repair - \$430,900
- Replacement Slate Roof - \$634,350
- Replacement Eternit Tiles - \$380,000
- Replacement Colorbond - \$127,400
- Replacement with Galvanised Steel – \$259,075
- Replacement with Concrete Tile (slate finish) - \$246,700

It is noted that the Heritage Advisor's comments also suggest terracotta tiles would be preferable. The cost implications of this option have not been examined, however it may be expected to be more expensive than concrete tiles by a factor of 10-15%.

In addition, it is noted that Councils' Heritage Advisor states that there may be grant funding available for works which preserve heritage values, which may offset cost differences for options which act to preserve more of the heritage value for the item.

Heritage Conclusions

The heritage issues are the determinative factor in relation to this proposal and the consideration of this matter is what is required to determine the application.

It is important to consider that the repair and retention of the heritage building on the site is reliant upon the repair or replacement of the roof. If the damage to the roof is not fixed in a timely manner, the potential impacts of structural damage to the building are far greater on the significance of the heritage item. As such, some degree of balance is required in consideration of appropriate heritage outcomes for the roof repair/replacement.

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Strictly from the point of view of the heritage fabric of the building, repair of the existing slate roof or replacement with a similar slate roof is the most suitable option. The cost implications of this are significant.

In terms of replacement with other options, the order of preference for replacement has been adapted based on meeting desired outcomes from Council's DCP:

1. Slate to match existing, with terracotta ridge capping to match.
2. 'Eternit' tile.
3. Terracotta tile in appropriate colour with terracotta ridge capping.
4. Concrete tile with flat profile in appropriate colour with suitable colour ridge capping.
5. Metal sheet roofing in appropriate colour.

In regard to replacement with slate, this is the most expensive option and may be considered cost prohibitive.

The applicant's structural engineer's investigations advise that this material is difficult to obtain and may not be readily obtained.

Terracotta and concrete tile options for replacement would not be the same as slate but would best match element size, colour and texture of the existing roof for the remaining options. Terracotta tile is thinner than concrete tile options and is the preferred option of the two by Council's heritage advisor. Terracotta would be likely to be somewhat more expensive than concrete tiles.

Metal sheet roofing is the least suitable replacement material in terms of meeting Council's DCP requirements as it is radically different in terms of material size, shape and texture. The cost analysis by the applicant shows this to be the most affordable option. This is the material preferred by the applicant.

Given the material presented and discussion above, the replacement of the roof with terracotta or concrete tiles is considered a feasible option. Whilst this is less suitable from a heritage perspective than replacement with slate, on the balance of issues it is considered a feasible option. Whilst the costs for this option may be greater than sheet metal roofing, it would still appear to be economically feasible.

Given the comments of Council's Heritage Advisor and the discussion above, it is considered that the proposal will impact upon the heritage significance of the building and that the degree of impact is not necessary as there are alternative roofing options which would allow the objectives to be achieved with less impact on the heritage significance. As such, the proposal to replace the roof with a sheet metal roof is not supported.

Council may wish to advise the applicant that favourable consideration could be given to a replacement roof of terracotta or concrete tile of a suitable colour and profile.

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(a)(ii) The Provisions of any Draft Environmental Planning Instrument (that is or has been the subject of public consultation under this Act and that has been notified to the consent authority (unless the Director-General has notified the consent authority that the making of the proposed instrument has been deferred indefinitely or has not been approved).

No Draft Environmental Planning Instruments are relevant to the application.

(a)(iii) The Provisions of any Development Control Plan

2. Cessnock Development Control Plan 2010

The Cessnock Development Control Plan 2010 provides planning controls for the local government area. Chapter 12 of the Development Control Plan (DCP) provides specific development controls for Heritage Conservation and Design. Part 12.4.2 of the DCP provides specific guidelines for repairing and maintaining roofs and states:

- *Roofs may contain a number of different elements including: sheeting or covering chimneys; cappings; roof vents; eaves; pediments; guttering; barge boards; and fascia boards.*
- *Original roof material shall be repaired rather than replaced wherever possible. However, if it is necessary to replace it, materials shall generally match in size, shape, colour and texture.*
- *Original chimneys, original cornices, eaves details, brackets and pediments shall be preserved as an important part of the composition of older buildings.*
- *When repairing or replacing corrugated iron roofing, small details shall be retained or matched to the original. Such details include, cutting of ridge and hip cappings to match the iron flutes which also make the roof more weatherproof.*
- *Traditional stepped flashings, roof vents, gutter moulds, and rainwater heads shall be preserved and restored wherever possible during re-roofing.*
- *Appropriate profiles for new guttering are important, such as ogee, half-round or quad styles.*
- *Round downpipes common until the early 20th century shall be used as appropriate.*
- *The retention of existing slate roofs will generally be required as this roof type is now rare in the area and complete replacement is likely to be very expensive. The repair of slate roofs will often require skilled tradespeople.*

Considering the above information, the following observations are made:

- It is clear that the DCP controls require the retention of slate roofs.
- Should replacement of the slate roof be contemplated, the DCP requires the materials which replace it to best match in size, shape, color and texture the original slate material. In this case, the selection of Colorbond metal roof sheeting is the least suitable replacement material.
- The existing ridge capping is a significant element of the roof and should be retained wherever possible.
- Detail of ridge capping, gutter and downpipes should be better detailed if Council were of an opinion to approve the application as proposed.

The proposed development is inconsistent with the DCP guidelines which relate to heritage conservation.

(a)(iia) The Provision of any Planning Agreement that has been entered into under Section 94F, or any draft Planning Agreement that a developer has offered to enter into under Section 93F

No such agreement has been proposed as part of this application.

(a)(iv) The Regulations

There are no matters prescribed by the Regulations that apply to this development.

(b) The likely impacts of the development, including environmental impacts on both the natural and built environments, and social and economic impacts on the locality

As demonstrated by the above assessment, the proposed development is likely to have a significant impact on the built environment through the significant change to the external fabric of the existing heritage building. The proposal would not result in any other significant environmental impacts in the locality.

(c) The suitability of the site

As demonstrated by the above assessment, the site is a heritage listed building where the heritage values of the site should be retained and the site is not suitable for the replacement roof as proposed.

(d) Any submissions made in accordance with this Act or the Regulations

The Development Application was publicly exhibited between 17 August 2015 and 31 August 2015.

No submissions were received during the exhibition period.

(e) The public interest

The public interest is served through the detailed assessment of this Development Application under the Environmental Planning and Assessment Act, 1979, Environmental Planning and Assessment Regulation 2000, Environmental Planning Instruments and Council Policies.

It is in the public interest to see that the existing roof is repaired/replaced to prevent significant damage to the heritage item. The question of which material should be used if the roof is replaced needs to be based on a balance of heritage values and the feasibility of the works occurring.

SECTION 94 CONTRIBUTIONS

Section 94 Contributions are not payable for the proposal.

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INTERNAL REFERRALS

The Development Application was referred to the following Council officer/s for comment:

Officer	Comment
Building Surveyor	No concerns – conditions recommended.
Heritage Advisor	See comments within body of report.

EXTERNAL REFERRALS

The Development Application was not required to be referred to any external agencies for comment.

CONCLUSION

The Development Application has been assessed in accordance with Section 79C(1) of the Environmental Planning and Assessment Act 1979 and all relevant instruments and policies.

The subject site contains a heritage listed building and the proposal involves replacement of the existing slate roof with a sheet metal (Colorbond) roofing material. The proposal makes significant alteration to the external fabric of the heritage item and Council's Heritage Advisor has suggested that alternate options should be pursued. The replacement of the roof with the sheet metal (Colorbond) material is contrary to the heritage conservation controls contained within Council's Development Control Plan 2011 and consideration of the impact to the heritage item (as required by Cessnock Local Environmental Plan 2011) concludes that the proposal will have a significant detrimental impact to the setting of the heritage item.

Based on the assessment, Development Application No. 8/2015/368/1 is recommended for refusal for the reasons included in this report.

As the applicant needs some guidance as to what Council may consider for replacement roofing, it is recommended that the applicant be advised Council would favourably consider replacement roofing of terracotta or concrete tile in a suitable colour/profile.

ENCLOSURES

1 Extract from Applicant's Submission

REASONS FOR REFUSAL

1. The development is contrary to the provisions of Council's Development Control Plan 2010 *Chapter 12 – Heritage Conservation and Design Guidelines* in that the proposal involves replacement of an existing slate roof on a heritage listed building with a material which is not suitable for the external fabric of the building. (Section 79C(1)(a)(iii) Environmental Planning and Assessment Act 1979).
2. Following consideration of the provisions of clause 5.10 of *Cessnock Local Environmental Plan 2011*, the proposal will have a significant impact on the external fabric and setting of the heritage item identified on the land. Such impact can be avoided through the use of alternate materials. (Section 79C(1)(a)(i) Environmental Planning and Assessment Act 1979).

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SUBJECT: ***BRANXTON SUBREGIONAL LAND USE STRATEGY - POST EXHIBITION***

RESPONSIBLE OFFICER: ***Strategic Land Use Planner - Scott Christie***
Strategic Land Use Planning Manager - Martin Johnson

SUMMARY

The purpose of this report is to and seek Council's endorsement to adopt the draft Branxton Subregional Land Use Strategy following public exhibition and consideration of submissions.

RECOMMENDATION

That Council adopt the Draft Branxton Subregional Land Use Strategy.

Chronology

DATE	BRIEF DETAILS
7 August 2014	Initial Branxton Precinct Working Group Meeting seeking feedback into consultation brief and scope of works.
10 December 2014	Council resolved to accept a Tender from City Plan Strategy and Development Pty Ltd to develop a strategic land use plan for the Branxton sub-region (Branxton Sub-Regional Land Use Strategy).
23 July 2015	Branxton Precinct Working Group workshop to develop the draft Strategy, Structure Plan and Masterplan.
13 August 2015	Council staff workshop to develop the draft Strategy, Structure Plan and Masterplan.
14 October 2015	Councillor briefing and workshop to further develop the draft Strategy, Structure Plan and Masterplan.
12 November 2015	Branxton Precinct Working Group Meeting. City Plan presented Draft Branxton Subregional Land Use Strategy in response to the July 2015 workshop and seek further comment on the Draft.
9 December 2015	Council resolved to exhibit the Draft Branxton Subregional Land Use Strategy.
27 January 2016 to 9 March 2016	Draft Branxton Subregional Land Use Strategy placed on public exhibition.
23 February 2016	Two community drop-in sessions held at Greta and Branxton.
27 April 2016	Councillor briefing on comments received during public exhibition and consequent changes to Draft Branxton Subregional Land Use Strategy.
4 May 2016	Meeting with Branxton Greta Business Chamber to discuss their submission to the public exhibition.

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BACKGROUND

The Draft Branxton Subregional Land Use Strategy was prepared in consultation with Cessnock and Singleton Councillors, Cessnock and Singleton Council staff, representatives of the community and other key stakeholders.

The Draft Branxton Subregional Land Use Strategy has been developed as a strategic planning tool for Cessnock and Singleton Council in addressing cross border issues associated with land use and development. Further, the Strategy is intended to be used by both Councils and the development community in proposing, assessing and determining Planning Proposals and development applications.

The study area for the Draft Branxton Subregional Land Use Strategy straddles the boundary of Cessnock and Singleton Local Government Areas. Centrally located within the study area, and residing wholly within the Cessnock Local Government Area, is the existing urban area and town centre of Branxton / East Branxton. The town centre directly adjoins the Singleton Local Government Area providing community and recreational infrastructure that services the broader community of residents within both Cessnock and Singleton Local Government Areas.

The project is a joint project between Cessnock and Singleton Councils. Funding for consultancy work associated with the Branxton Subregional Land Use Strategy is provided by NSW Department of Planning and Environment via the Planning Reform Fund program.

A community and Government agency representative group, referred to as the “Branxton Precinct Working Group”, was established in the early stages of the project comprising of 5 Government agency representatives and 12 community representatives relevant to the project. The Branxton Precinct Working Group provided valuable input into the development of the Draft Branxton Subregional Land Use Strategy.

REPORT/PROPOSAL

The Branxton Subregional Land Use Strategy was publicly exhibited for a period of six (6) weeks from 27 January 2016 to 9 March 2016 whereby Cessnock and Singleton Councils received a total of twenty-seven (27) written submissions from thirty (30) individuals and organisations (refer **Confidential Enclosure 2**). During this period, 15 Facebook posts were made collectively between Cessnock and Singleton Council (10 by Cessnock and 5 by Singleton) reaching an audience of 9,168 people.

The Draft Branxton Subregional Land Use Strategy has three key components:

1 The Land Use Strategy:

- Identifies the supply and demand for housing and employment development within the Branxton subregion;
- Identifies high level opportunities and constraints for development within the Branxton Subregion; and
- Provides a Strategy for housing and employment development to 2041.

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**2 The Structure Plan:**

- Provides a set of objectives and principles to be used in proposing, assessing and determining Planning Proposals and development applications within the Branxton subregion;
- Reinforces settlement pattern hierarchies identified in the Lower Hunter Regional Strategy; and
- Provides a land release program identifying the supply and release of land over identified periods to 2041.

3 The Branxton Town Centre Masterplan:

- Reinforces the vision for the Branxton Town Centre provided by the Land Use Strategy and Structure Plan;
- Provides fine grained planning and design guidelines for the Branxton Town Centre that will be used in developing a precinct specific Development Control Plan and Public Domain Plan; and
- Identifies costs associated with public domain infrastructure improvements that may be used in the development of a cross border Section 94 Contributions Plan.

Issues and comments raised in submissions (refer **Confidential Enclosure 2**) typically relate to either the Masterplan or the Strategy / Structure Plan component of the Draft Branxton Subregional Land Use Strategy. The following table illustrates the focus of the issues and comments raised:

	Total	Strategy & Structure Plan	Masterplan
No. of submissions	30	19	11
No. change requests	154	77	77
<i>Further information request</i>	36	16	20
<i>Site specific Expression of Interest</i>	25	25	-
<i>Factual / Mapping anomaly</i>	16	13	3
<i>Issue</i>	77	23	54

A summary of the issues raised in submissions and Council's responses to those issues are provided at **Enclosure 1**.

Notably, feedback received from a community drop-in session stated:

"I feel really comfortable with the process that is the ongoing masterplan for Branxton. I feel that Council representatives and community representatives have the town and its people at heart. I will have my say in due course and hope that other people are as confident of the future design of Branxton as I am."

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Amendments to the Draft Branxton Subregional Land Use Strategy consequent to submissions received during its public exhibition have been made and provided as a separate **Enclosure**. A preface provided at the beginning of document explains the changes made, referencing issues 1 to 56 identified in **Enclosure 1** of this report where appropriate.

OPTIONS

Options available to Council include the following:

1. Finalise and adopt the Draft Branxton Subregional Land Use Strategy and amendments as provided. ***This is the preferred option;***
2. Adopt the Draft Branxton Subregional Land Use Strategy as it was placed on public exhibition. *This is not the preferred option;*
3. Not adopt the Draft Branxton Subregional Land Use Strategy. *This is not the preferred option*

CONSULTATION

The Branxton Subregional Land Use Strategy is a joint project between Cessnock City Council and Singleton Council that is funded by the Department of Planning and Environment. Consequently, strong representation of Cessnock City Council, Singleton Council and the Department of Planning and Environment has been provided under the auspice of the projects Project Control Group.

Cessnock City Council posted a total of 3,570 letters to owners and occupiers of land within the Branxton Subregional Land Use Strategy study area. During the six (6) week exhibition period from 27 January 2016 to 9 March 2016, the Branxton Subregional Land Use Strategy webpage on Cessnock City Council's website received 4,259 hits.

Collectively, Cessnock and Singleton Council received the following response to the exhibition via social media:

- 104 Facebook interactions (likes, comments or shares) and 373 clicks on hyperlinks to the Branxton Subregional Land Use Strategy webpage;
- 226 visitors to the interactive mapping where 10 comments were provided generating 20 likes;

During the public exhibition period, two (2) community drop-in sessions were held, one at Greta, the other at Branxton, whereby a total of 20 people attended.

The Branxton Precinct Working Group were consulted on three occasions as follows:

1. 7 August 2014 to seek input into drafting the scope of works for the project;
2. 13 August 2015 to seek their input into drafting the Draft Branxton Subregional Land Use Strategy; and
3. 12 November 2015 to seek their input into where and when would be the best time to hold drop-in-sessions for the community during public exhibition of the Draft Branxton Subregional Land Use Strategy.

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Councillors were briefed on the changes to the Draft Branxton Subregional Land Use Strategy in response to submissions received during public exhibition at a Briefing session on 27 April 2016. Similarly, Singleton Councillors have been briefed on the changes.

The following internal officers were consulted via a workshop held on 13 August 2015:

- Development Services Team;
- Recreation Services Team;
- Economic Development Team;
- Strategic Assets Team;
- Community and Cultural Engagement Team; and
- Strategic Land Use Planning Team.

The following external agencies were consulted:

- Singleton Council (joint project partner);
- NSW Department of Planning and Environment;
- NSW Department of Industry, Resources and Energy;
- NSW Department of Education and Communities;
- Hunter Water Corporation,
- Roads and Maritime Services;
- Hunter Local Land Services; and
- NSW Rural Fire Service.

A web page specific to the Branxton Subregional Land Use Strategy project was created on Cessnock City Council's and Singleton Council's website at the start of the project to provide effective communication with the community by way of updates. These web pages have been updated by the respective Councils as the project has progressed.

STRATEGIC LINKS

a. Delivery Program

The Draft Branxton Subregional Land Use Strategy provides the strategic direction for land use and development within the Branxton subregion, including the road network and open space, recreation and community facilities. Consequently, Council's endorsement of the Strategy, should they resolve to do so, aligns with the following objectives of the Cessnock 2023 Community Strategic Plan:

- 1.1 – Promoting Social Connections;
- 1.2 – Strengthening Community Culture;
- 2.1 – Diversifying Local Business Options;
- 2.2 – Achieving More Sustainable Employment Opportunities;

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- 3.1 – Protecting & Enhancing the Natural Environment & the Rural Character of the Area;
- 3.2 – Better Utilisation of Existing Open Space; and
- 4.2 – Improving the road network.

b. Other Plans

Other strategic documents linked to the Branxton Sub-Regional Land Use Strategy include:

- Cessnock City Wide Settlement Strategy 2010;
- Singleton Land Use Strategy;
- Branxton Urban Design Framework;
- Cessnock City Recreation and Open Space Strategic Plan;
- Cessnock City Council Skate and BMX Facilities Needs Analysis;
- Branxton Town Centre Upgrade Concept Masterplan;
- Miller Park Masterplan;
- Draft Cycling Strategy (Cessnock City Council); and
- Draft Recreation Needs Analysis (Cessnock City Council).

The Cessnock City Wide Settlement Strategy 2010 and the Singleton Land Use Strategy provide the overarching strategic framework from each Council for the Branxton subregion. The Draft Branxton Subregional Land Use Strategy provides further detail specific to the Branxton subregion that is informed by, and builds upon, the Cessnock Settlement Strategy and Singleton Land Use Strategy.

IMPLICATIONS

a. Policy and Procedural Implications

NIL

b. Financial Implications

The original budget for the Branxton Subregional Land Use Strategy comprised of \$154,000 (incl. GST) funding by the Department of Planning and Environment NSW towards consultancy services. The project, now in its final stage, remains and is expected to remain, within this budget.

The project has been directed by the projects Project Control Group with project management and administration of the contract executed by Cessnock City Council. Although no financial contribution was provided by Council, contributions in kind have been provided by staff resources allocated to participate in the projects Project Control Group and administer the contract.

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c. Legislative Implications

Council will be required to consider the Branxton Subregional Land Use Strategy in the assessment of planning proposals in accordance with Part 3 of the *Environmental Planning and Assessment Act 1979*.

d. Risk Implications

The Branxton Subregional Land Use Strategy will be used in managing development growth within the Branxton subregion. Further, the Strategy will be used in developing a cross border Section 94 Contributions Plan with Singleton Council. The risk in Council resolving not to endorse the Strategy includes development growth within the subregion not being managed in an orderly fashion, and the loss of opportunity in developing a cross border Section 94 Contributions Plan that would support public domain improvements in the Branxton Town Centre.

e. Other Implications

NIL

CONCLUSION

It is recommended that Council endorse the Branxton Subregional Land Use Strategy to support future orderly development of the Branxton subregion, and address cross border issues in the area associated with land use and development.

ENCLOSURES

- 1 Summary of Agency and Public Submission
- 2 Submissions received during public exhibition - *This matter is considered to be confidential under Section 10A(2) (j) of the Local Government Act, as it deals with Council Policy.*
- 3 Draft Branxton Subregional Land Use Strategy - Post Exhibition Changes (Provided under Separate Cover)

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SUBJECT: *DEVELOPMENT APPLICATION PERFORMANCE
MONITORING REPORT - MARCH 2016 QUARTER*

RESPONSIBLE OFFICER: *Business Support Manager - Roslyn Ashton*

SUMMARY

The purpose of this report is to provide Council with the March 2016 quarterly report in relation to development assessment performance monitoring data.

RECOMMENDATION

That Council receive the report and note the information.

BACKGROUND

Each year, the NSW Department of Planning and Environment analyses data from each Council in NSW to provide comprehensive information on the operation of the local development assessment system for DAs, Section 96 Applications and complying development.

At its meeting of 20 July 2011, Council resolved:-

"That Council receive quarterly reports on the development processing data which is collected as part of the reporting regime for the Department of Planning.

Such a report will allow Councillors to be updated on average processing times, median processing times etc.

Councillors can receive timely information on the performance of Council's planning function without consuming further of that Department's resources and without inappropriately interfering in individual DA's".

REPORT/PROPOSAL

This report provides Council with monthly data which is collated and will be included in the Department of Planning and Environment Performance Monitoring Data 2015-2016.

2014-2015 Local Development Performance Monitoring Data

March Quarter 2016

During the March quarter the number of development applications and section 96 applications received and the number of applications determined, were slightly lower when compared to the December quarter, however the trend is typical due to the number of applications received and determined during January are much lower. Overall, 182 applications were received and 188 applications were determined. The Median processing time slightly increased, while the Mean (average) processing time decreased during the March 2016 quarter.

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The year to date (YTD) processing time in relation to Development Applications only (excluding S96) the Mean (average) turnaround time at the end of March Quarter was 50.97 days (gross) and YTD median turnaround time of 24 days as reported in the operational quarterly review for March.

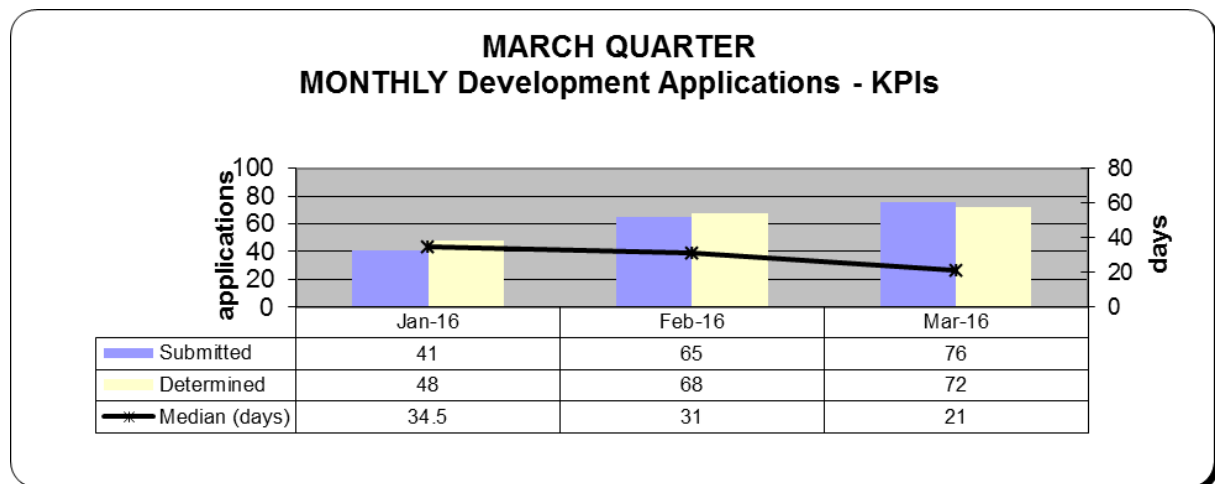


Table 1 (above): Monthly development applications submitted, determined and median processing time, Development Applications and Section 96.

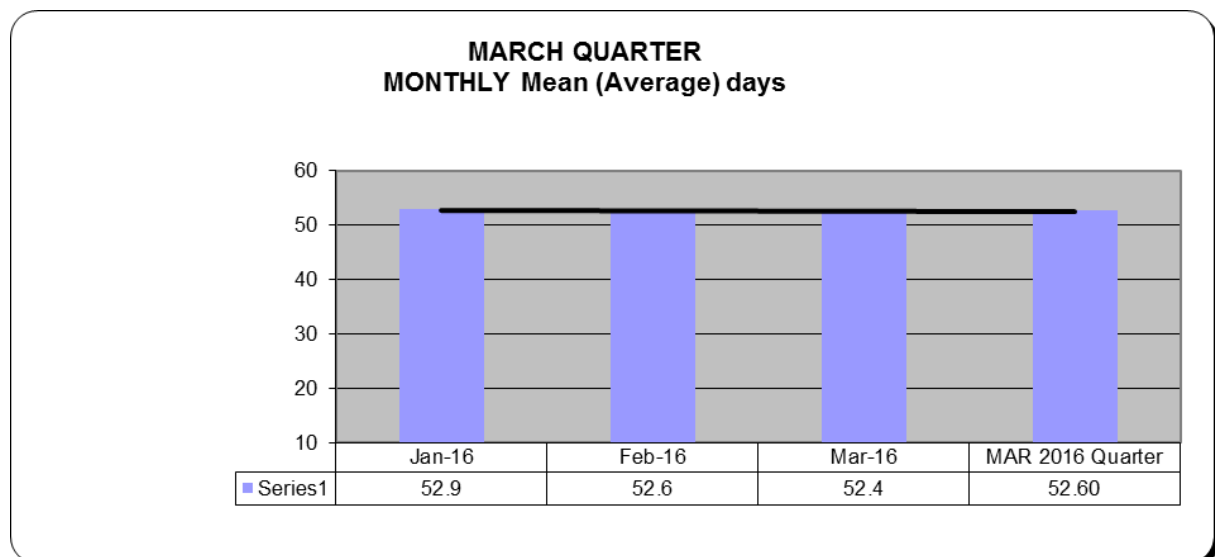


Table 2 (above): Mean development application processing time by month for Development Applications and Section 96.

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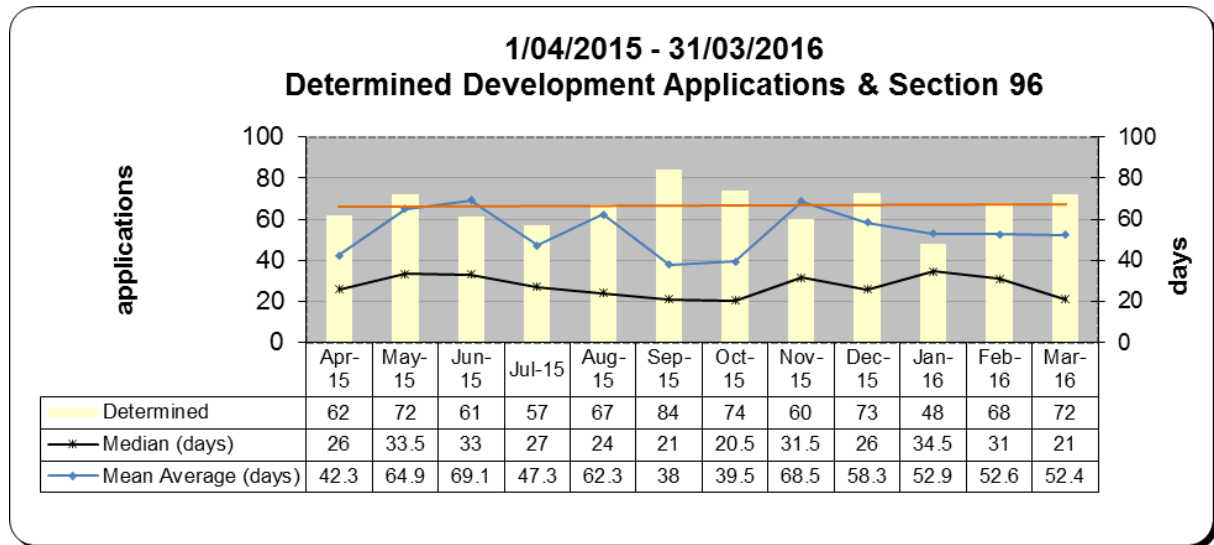


Table 3 (above): 12 month comparison of applications determined & processing times

Determination Type & Body

A total of 94 percent of applications determined were approved and a total of 98 percent of applications determined were by delegated authority.

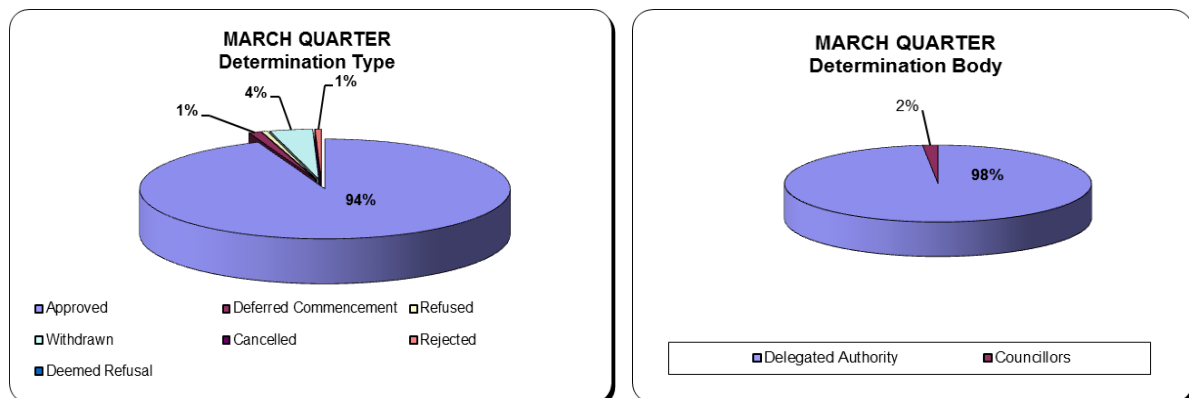


Table 4 (above): Determination Type & Determination Body

Development Value

- Additions and Alterations to Registered Club – Cessnock Leagues Club – Darwin and Keene Streets Cessnock – \$2,573,566
- Five (5) Lot Subdivision and Five (5) Dwellings – Wine Country Drive North Rothbury - \$824,000
- Two (2) Storey Dwelling and Attached Garage – Paperbark Drive Pokolbin - \$858,000
- Crowne Plaza: Alterations and Additions and Swimming Pool – Wine Country Drive and Lovedale Roads Lovedale – \$750,000

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- Demolition of Former Aluminium Smelter, Temporary Use of Ancillary Crushing Plant and Temporary Establishment of Contractor Facilities and Stockpile Area – Hart, Dickson & Bishops Bridge Roads Loxford – \$25,135,052.

Note: Demolition work is not captured in Capital Improved Value definition, so it was defined as local development only and determined by Council staff under delegation. Under normal circumstances development of this value would have been a Joint Regional Planning Panel determination.

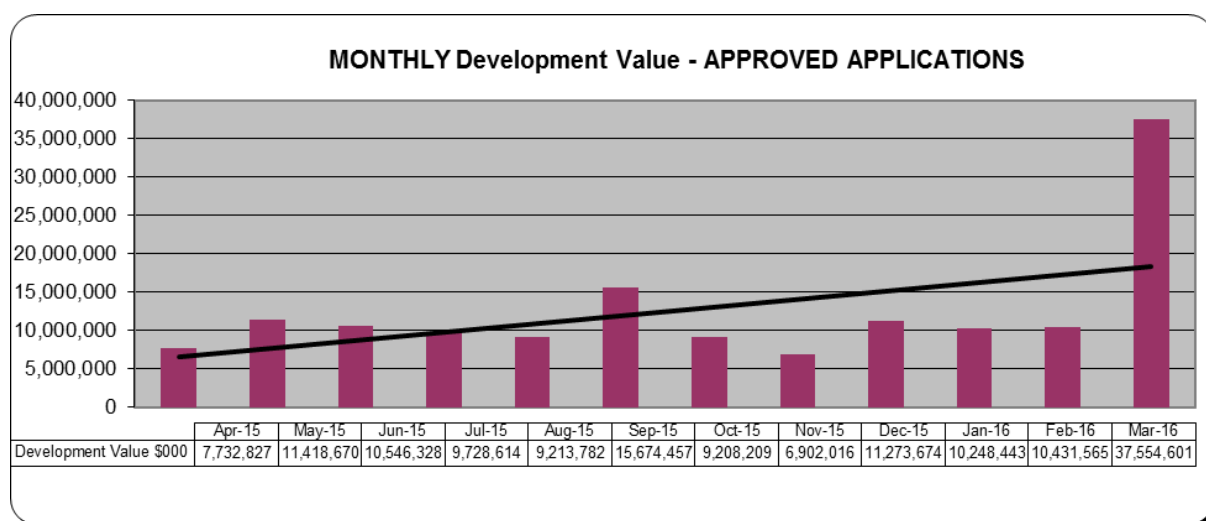


Table 5 (above): Value of all development applications by Month

Development Activity Types

During the March quarter, the most common development activity included, single new dwellings, other residential, and alterations & additions. This development also had the fastest processing times.

KPI Statistics for the period: 1/01/2016 - 31/03/2016

TYPE	Applications Submitted	Applications Determined	Mean Gross Days	Mean Net Days	Median Gross Days	Median Net Days
Alterations & additions	22	22	36.09	33.77	27.00	26.50
Single new dwellings	61	64	30.03	25.13	20.50	16.50
New Second Occupancy	11	13	124.46	67.62	99.00	32.00
New multi-unit <20	1	0	0.00	0.00	0.00	0.00
Other Residential	57	51	27.96	24.86	20.00	20.00
Tourist	2	2	87.50	77.50	87.50	77.50
Commercial/retail/office	10	11	95.45	53.82	90.00	44.00
Infrastructure	1	3	82.33	53.67	73.00	73.00
Industrial	1	0	0.00	0.00	0.00	0.00

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Community Facility	2	1	168.00	7.00	168.00	7.00
Other	13	20	93.00	69.10	67.00	56.00
Subdivision	7	10	111.70	63.70	85.00	74.00

Table 6 (above): Quarterly Development Activity submitted and determined

Development by Location

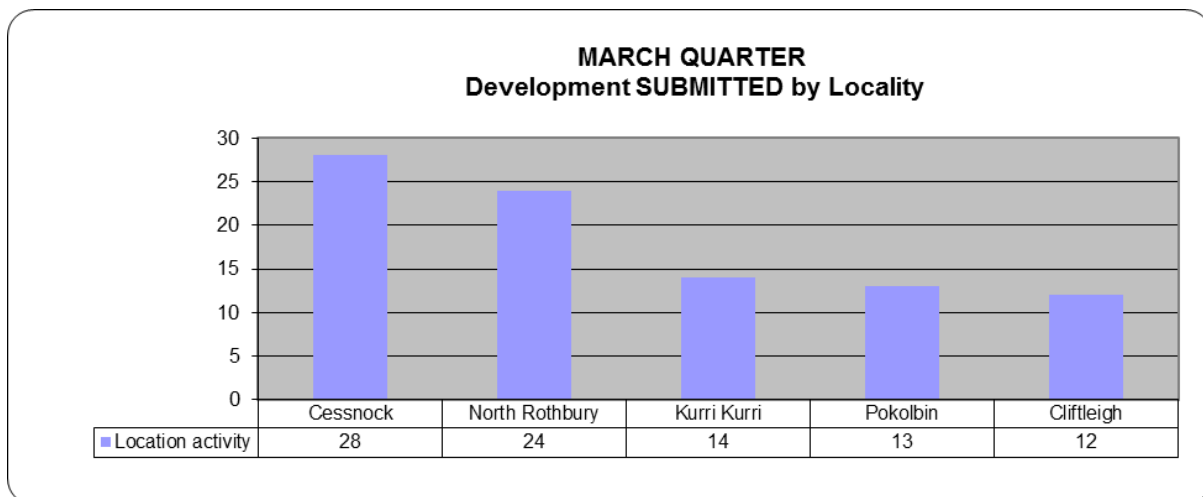


Table 7 (above): Number of development applications by locality. Note that North Rothbury includes "Huntlee" development applications.

Development Applications Processing

The number of applications processed during the March quarter remain consistent.

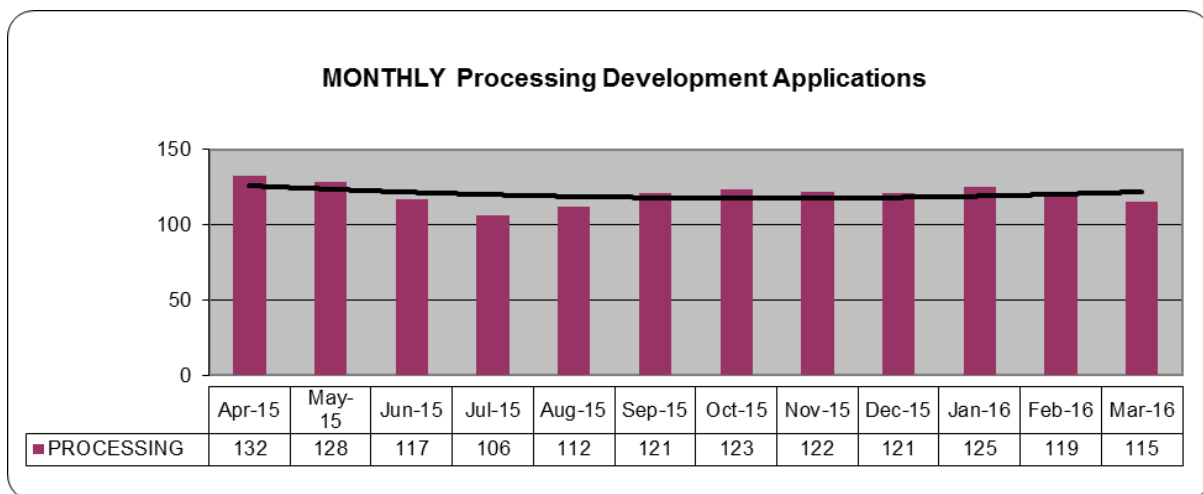


Table 8 (above): Number of development applications being processed at start of month

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	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
> 40 days	68	71	62	60	61	56	57	66	66	60	82	63
>100 days	34	34	34	28	31	24	28	32	29	30	33	33
>300 days	0	3	4	3	2	3	5	7	4	3	5	4

Table 9 (above): Monthly processing times – number of applications processing greater than 40, 100 and 300 days

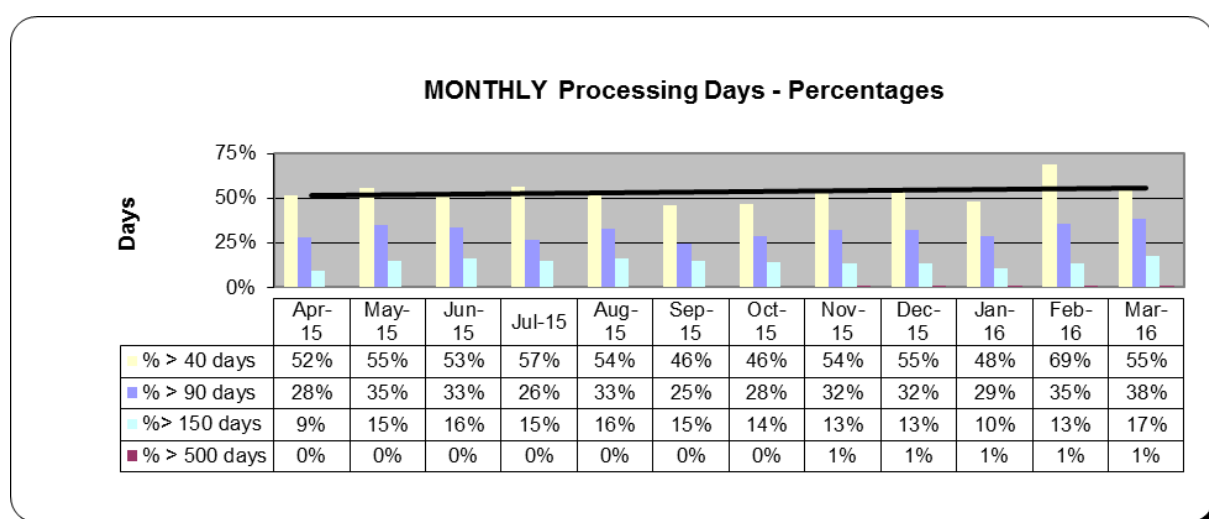


Table 10 (above): Monthly processing times –percentages greater than 40, 90, 150 and 500 Days

Certificates

Construction Certificates, Occupation Certificates and Complying Development during the March quarter Cessnock City Council issued 65 percent of the construction certificates issued in the Cessnock Local Government Area. For the same period Cessnock City Council issued 56 percent of Occupation Certificates issued in the Cessnock LGA.

Council continues to use this data to assist in achieving a greater market share in all services where we compete against Private Certifiers.

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POST OCCUPANCY CERTIFICATES (totals)	Total issued by council	Total issued by private certifiers and lodged with council
Construction certificates	87	47
Occupation Certificates (interim & final):	55	44
Subdivision Certificates	11	0
Strata Certificates	3	0
Complying Development	4	30

Table 11 (above): Quarterly number of certificates issued (Council and Private Certifiers)

Building Certification

Council continues to compete successfully in the building certification market within the LGA. Notwithstanding, implementation of the Swimming Pools legislation and inspection programs (required of the Council by the NSW Government) is having an impact on Council's certification competitiveness. Resources are being directed to ensure legislative compliance regarding swimming pools (so as to ensure this does not hold up the process of property sales) and this will at times impact on the efficiency of the certification area and potentially impact on turnaround times for development applications, constructions certificates and our ability to service clients who have grown accustomed to quicker turnaround times. These impacts will be monitored and updates provided in future development performance reports.

CONSULTATION

NSW Planning – Local Development Performance Monitoring
 Civica – Authority and MasterView Consultants
 Director Planning and Environment
 Health & Building Manager
 Development Services Manager

STRATEGIC LINKS

a. Delivery Program

The report is linked to Objective 3.1.6 Continue to efficiently and effectively process development applications, and respond to planning related enquiries.

b. Other Plans

Nil

IMPLICATIONS

a. Policy and Procedural Implications

Nil

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b. Financial Implications

Nil

c. Legislative Implications

The statistics will continue to be prepared and submitted annually as required by the NSW Department of Planning and Environment.

d. Risk Implications

N/A

e. Other Implications

Nil

CONCLUSION

This report provides for Council's information, outlining an overview of the quarterly performance of Development Assessment for the March 2016 Quarter.

ENCLOSURES

There are no enclosures for this report.

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Planning and Environment



SUBJECT: *SITE INSPECTION PROTOCOL*

RESPONSIBLE OFFICER: *Director Planning and Environment - Gareth Curtis*

SUMMARY

Council currently does not have an adopted protocol for managing site inspections for Applications under consideration by the Council.

Staff have prepared a draft site inspection protocol designed to reduce unnecessary delays and deferral of matters, and provide a streamlined process where inspections are held in advance of Council meetings.

RECOMMENDATION

That Council endorse the 'Site Inspection Protocol, Issue A, dated June 2016'.

BACKGROUND

Council's current practice for carrying out site inspections is based on a resolution of the Council in response to a report (regarding development related matters), recommendation. This results in the Application being deferred to a future meeting of the Council to allow a site inspection to be organised by staff. Following the inspection, the Application is then reported back to the next available meeting of the Council for further consideration.

Issues arising from this practice can include:

- An increase in overall DA processing times. Specifically, when an Application is deferred for a site inspection, it is a minimum of two (2) weeks before the Application can again be considered by Council.
- Timing and uncertainty for applicants. Often, applicants are under pressure to have an Application determined within a certain timeframe, and delays can result in financial problems, for example, delay contractual arrangements with potential buyers or builders etc., resulting in financial loss.

REPORT/PROPOSAL

Council staff have prepared a draft site inspection protocol for the consideration of Council. This may, at a future time, be considered as part of a review of the Code of Meeting Practice, however at this time, the protocol is an incremental step in improving the way in which Council carries out site inspections for development and other related matters.

The protocol addresses the following:

1. Scheduling of site inspections and minimum attendance;
2. Issuing of invitations to attend site inspections;
3. Advising of attendance at site inspections;
4. Cancellation of site inspections;
5. Carrying out of site inspections;

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6. Maintaining records of site inspections.

Key points in relation to the draft protocol, include:

- All Applications (defined under the draft protocol as *'Development Application, Section 96 Application, Section 82A Application'*), listed on the business paper for consideration at a particular Council meeting, will be scheduled for a site inspection between 3.00pm and 5.00pm immediately preceding the Council meeting.
- Invitations to attend site inspections will be sent to all Councillors via a calendar meeting invite (using Council e-mail addresses), from the Director's office, on the Monday immediately preceding the Council meeting.
- All invitees are required to confirm their attendance or non-attendance at the site inspection by responding to the calendar invitation, through either accepting or declining the meeting invite.
- The minimum attendance for a site inspection is six (6) Councillors. Specifically, in order for a site inspection to be held, 6 Councillors must confirm their attendance at the site inspection, and 6 Councillors must subsequently attend the inspection.
- If a minimum of 6 Councillors do not confirm their attendance at the site inspection and subsequently attend, the inspection will not proceed.
- Site inspections will be attended by Councillors, the Director and/or Development Services Manager, relevant assessment officer, and any other specialist officer of Council whose advice is required due to specific issues.
- A record of the site inspection will be maintained by the Development Services Manager, and following completion of the site inspection, the record will be e-mailed to all Councillors and a copy placed on the file.

The draft site inspection protocol is attached as an Enclosure to this report.

OPTIONS

1. Endorse the draft site inspection protocol, as prepared by Council staff.
2. Do not endorse the draft site inspection protocol.
3. Endorse the draft site inspection protocol, as prepared by Council staff, subject to amendments as stipulated by Council.

CONSULTATION

Development Services Manager
General Manager

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STRATEGIC LINKS

a. Delivery Program

This matter progresses the Community's Desired Outcome for "*A Sustainable and Healthy Environment*" in particular Objective 3.1 of the Delivery Program "*Protecting and Enhancing the Natural Environment and Rural Character of the Area*".

This matter also relates to the Community's Desired Outcome for "*Civic Leadership and Effective Governance*".

b. Other Plans

N/A

IMPLICATIONS

a. Policy and Procedural Implications

As outlined above, in future, the scheduling of site inspections in relation to development related matters, may be included in a review of the Code of Meeting Practice.

b. Financial Implications

N/A

c. Legislative Implications

N/A

d. Risk Implications

N/A

e. Other Implications

N/A

CONCLUSION

Council currently does not have an adopted protocol for managing site inspections for Applications under consideration by the Council.

The draft site inspection protocol is designed to reduce unnecessary delays and deferral of matters, and provide a streamlined process where inspections are held in advance of Council meetings and is referred to Council for endorsement.

ENCLOSURES

- 1** Draft Site Inspection Protocol

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SUBJECT: *ADOPTION OF 2016-17 OPERATIONAL PLAN & BUDGET*

RESPONSIBLE OFFICER: *Integrated Planning & Strategic Property Manager - Bronwyn Rumbel*

SUMMARY

Section 405 of the *Local Government Act 1993* requires Council to adopt an Operational Plan prior to 30 June each year.

Council adopted the draft 2016-17 Operational Plan (including the draft budget) for public exhibition on 20 April 2016 (Report PE31/2016). Council received no submissions on the draft Operational Plan.

As a result of an internal review of the draft documents, a number of proposed changes to the draft 2016-17 Operational Plan and draft budget are detailed in this report for Council's consideration and adoption.

RECOMMENDATION

1. That Council adopt the 2016-17 Operational Plan, as exhibited, with the changes outlined in this report, including:

2016-17 Budget

- Increase the budgeted expenditure for Local Road Renewal by \$957,508
- Reduce the budgeted expenditure for Regional Road Construction by \$1,174,200
- Increase the budgeted expenditure for Bridges Construction by \$3,800,000
- Increase the budgeted expenditure for Floodplain Management by \$177,777
- Increase the budgeted expenditure for Drainage Construction by \$740,000
- Reduce the budgeted expenditure for Recreation Facilities Construction by \$360,000
- Increase the budgeted expenditure for Civic Precinct Revitalisation by \$360,000
- Increase the budgeted revenue for capital works grants by \$2,891,820
- Increase the budgeted source of funds for transfers from reserves for capital works by \$352,321
- Increase the budgeted source of funds from loans by \$1,218,944
- Increase the budgeted revenue from contributions by \$38,000
- Increase the budgeted expenditure for slashing by \$60,000
- Increase the budgeted source of funds from transfers from reserves for slashing by \$60,000

- Reduce the budgeted revenue from environmental health income by \$24,000
- Increase the budgeted expenditure for RFS contribution by \$80,000
- Increase the budgeted source of funds from transfers from reserves to balance the 'cash' budget by \$104,000

2016-17 Capital Works Program

- Add 43 projects and remove 5 projects as detailed in table 1 of this report.

Interest on Overdue Rates

Change the maximum rate of interest payable on overdue rates and charges from 8.5 percent to 8.0 percent.

Setting of Levy for Hunter Catchment Contribution

Change the levy for the Hunter Catchment Contribution from 0.0109 to 0.0118 cents in the dollar on the current land value of the land within the Council area for 2016-17.

- 2 That Council set the Fees and Charges for 2016-17 as detailed in the Draft Operational Plan with the changes outlined in this report including:

- Add categories for waiving, discounting or reducing fees
- Remove Section 735A Certificates - \$255
- Add Branxton Playgroup Building Hire for community not-for-profit groups - \$6 per hour; \$22 for up to 4 hours and \$44 for up to 8 hours
- Add Branxton Playgroup Building Hire for professional services - \$11 per hour; \$40 for up to 4 hours and \$80 for up to 8 hours

BACKGROUND

Council has recently exhibited the draft 2016-17 Operational Plan in accordance with the provisions of Section 405 of the Local Government Act 1993 following a resolution of Council on 20 April 2016.

The draft 2016-17 Operational Plan is structured around the community's five desired outcomes from the Community Strategic Plan, *Cessnock 2023*:

- A connected, safe and creative community;
- A sustainable and prosperous economy;
- A sustainable and healthy environment;
- Accessible infrastructure, services and facilities; and
- Civic leadership and effective governance

The draft 2016-17 Operational Plan provides information to the community about Council's ongoing activities and the key initiatives to implement Council's 2013-17 Delivery Program. It also incorporates the 2016-17 budget, Capital Works Program and Revenue Policy. Details of the 2016-17 Fees & Charges are presented in a separate volume.

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The draft Operational Plan was placed on public exhibition between Wednesday, 27 April 2016 and Wednesday, 25 May 2016. Copies of the plan were available for viewing at the Administration Centre in Cessnock and at Council's Libraries in Cessnock and Kurri Kurri. In addition, the draft Operational Plan was promoted on social media and a copy of the document was available on Council's website.

REPORT/PROPOSAL

In accordance with Section 405 of the Local Government Act 1993 Council must adopt an Operational Plan after a draft has been prepared and exhibited. In deciding on the final plan to be adopted Council must take into consideration any submissions that have been made concerning the Draft Operational Plan.

Council received no submissions on the draft 2016-17 Operational Plan.

Operational Plan Overview

The 2016-17 Operational Plan includes a proposed cash expenditure budget of approximately \$88 million. The highlights of the 2016-17 Operational Plan are noted below:

Bridge Replacement

The 2016-17 Operational Plan includes the first stage of (the 50 percent grant funded) bridge renewal program to replace Frame Drive Bridge.

Cessnock Commercial Precinct Revitalisation

The 2016-17 Operational Plan includes the completion of the development strategy for the Cessnock Commercial Precinct Project (including a draft Development Control Plan and a draft Development Contributions Plan) plus CBD wayfinding signage and improved access to Bridges Hill Park.

Operational Plan Changes – Volume 1

The following significant changes to the Draft Operational Plan, as exhibited, are proposed:

Table 1 Proposed Changes to Draft 2016-17 Operational Plan – Volume I

Page	Section	Proposed Change
4	Message from the Mayor	Wording change in final paragraph to reflect that document is no longer a draft.

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Page	Section	Proposed Change
41-44	Budget	<p>Update forecasts to include the following changes:</p> <p>Increase the budgeted expenditure for Local Road Renewal by \$957,508</p> <p>Reduce the budgeted expenditure allocation for Regional Road Construction by \$1,174,200</p> <p>Increase the budgeted expenditure allocation for Bridges Construction by \$3,800,000</p> <p>Increase the budgeted expenditure allocation for Floodplain Management by \$177,777</p> <p>Increase the budgeted expenditure allocation for Drainage Construction by \$740,000</p> <p>Reduce the budgeted expenditure allocation for Recreation Facilities Construction by \$360,000</p> <p>Increase the budgeted expenditure allocation for Civic Precinct Revitalisation by \$360,000</p> <p>Increase the budgeted revenue allocation for capital works grants by \$2,891,820</p> <p>Increase the budgeted source of funds allocation for transfers from reserves for capital works by \$352,321</p> <p>Increase the budgeted source of funds allocation from loans by \$1,218,944</p> <p>Increase the budgeted source of funds allocation from contributions by \$38,000</p> <p>Increase the budgeted expenditure allocation for slashing by \$60,000</p> <p>Increase the budgeted source of funds allocation from transfers from reserves for slashing by \$60,000</p> <p>Reduce the budgeted revenue allocation from environmental health income by \$24,000</p> <p>Increase the budgeted expenditure allocation for RFS contributions by \$80,000</p> <p>Increase the budgeted source of funds allocation from transfers from reserves to balance the "cash" budget by \$104,000</p>

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Page	Section	Proposed Change
46	Capital Works Program	<p>Infrastructure Forward Planning</p> <p>Remove <i>PFI-2017-001 Strategic Infrastructure Planning Studies</i> and replace with the following:</p> <p>Add <i>PFI-2017-011 Road Administration</i></p> <p>Add <i>PFI-2017-012 Masterplan – Mt View Park</i></p> <p>Add <i>PFI-2017-013 Masterplan – Turner Park</i></p> <p>Add <i>PFI-2017-014 Masterplan – Miller Park</i></p> <p>Add <i>PFI-2017-015 Cessnock Skatepark Feasibility Study</i></p> <p>Add <i>PFI-2017-016 Recreation and open space design guidelines</i></p> <p>Add <i>PFI-2017-017 Strategic Investigations</i></p> <p>Remove <i>PFI-2017-002 Strategic Asset Management</i> and replace with the following:</p> <p>Add <i>PFI-2017-021 Buildings Structural Assessment</i></p> <p>Add <i>PFI-2017-022 Carpark asset data collection</i></p> <p>Add <i>PFI-2017-023 Community level of service (asset only)</i></p> <p>Add <i>PFI-2017-024 Level 3 bridge inspections</i></p> <p>Add <i>PFI-2017-025 Buildings asset data collection (stage 1)</i></p> <p>Add <i>PFI-2017-026 Richmond Main reports</i></p> <p>Add <i>PFI-2017-027 Stormwater data collections (remaining 30%)</i></p>
46	Capital Works Program	<p>Local Road Renewal Program:</p> <p>Add <i>RRL-2017-010 Loxford to Cessnock Link (Hart Road, Gingers Lane, Frame Drive and Orange Street) - Investigation (Grant funding dependent)</i></p> <p>Update total budget.</p>
46	Capital Works Program	<p>Local Road Construction Program:</p> <p>Amend description of <i>CRL-2017-001</i> from <i>James Street and Wollombi Road Pedestrian Refuge</i> to <i>James Street and Wollombi Road Cessnock Pedestrian Refuge</i></p> <p>Amend description of <i>CRL-2017-002</i> from <i>Leonard Street and Boomerang Street Pedestrian Refuge</i> to <i>Leonard Street and Boomerang Street Cessnock Pedestrian Refuge</i></p> <p>Amend description of <i>CRL-2017-003</i> from <i>Congewai Street and Quorrobolong Street Pedestrian Refuge</i> to <i>Congewai Street and Quorrobolong Street Aberdare Pedestrian Refuge</i></p> <p>Amend description of <i>CRL-2017-004</i> from <i>Mavis Street and Lindsay Street Traffic Island</i> to <i>Mavis Street and Lindsay Street Cessnock Traffic Island</i></p> <p>Amend description of <i>CRL-2017-005</i> from <i>Gordon Avenue and Quorrobolong Street Pedestrian Refuge</i> to <i>Gordon Avenue and Quorrobolong Street Cessnock Pedestrian Refuge</i></p> <p>Amend description of <i>CRL-2017-006</i> from <i>Gallagher Street Turning Head</i> to <i>Gallagher Street Cessnock Turning Head</i></p> <p>Add <i>CPW-2015-006 Dalwood Rd East Branxton – parking improvements.</i></p>

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Page	Section	Proposed Change
46	Capital Works Program	Regional Road Construction Program: Remove CRR-2017-002 Buchanan Road – Road Safety Audit Works Remove CRR-2017-003 Lovedale Road – Road Safety Audit Works Update total budget.
47	Capital Works Program	Pathways Construction Program Amend description of CPW-2017-003 from Paxton Public School, Anderson Avenue to Paxton Public School, Anderson Street Paxton
47	Capital Works Program	Bridges Construction Program: Amend description of CBS-2017-006 from Replace Paynes Crossing Bridge to Paynes Crossing Bridge Replacement – Investigation and Design (funding dependent) Amend description of CBS-2016-006 from Replace Frame Drive Bridge to Frame Drive Bridge Abermain Replacement Amend description of CBS-2016-006 from Replace Fosters Bridge to Fosters Bridge Mount Vincent Replacement - Investigation & Design Add CBS-2017-017 Sawpit Road Causeway Cedar Creek – Investigation and Design Plus the following changes from Council report WI28/2016 adopted on 18 May 2016: Add CBS-2017-007 Milsons Arm Bridge Laguna – Refurbish/Replacement Add CBS-2017-005 Anvil Creek Bridge Greta - Investigation & Design (Stage 1) Add CBS-2017-008 Gillies Bridge Rothbury - Investigation & Design (Stage 1) Add CBS-2017-009 Dixon Street Bridge Cessnock - Refurbish Add CBS-2017-010 McFarlane Street Bridge Cessnock - Refurbish Add CBS-2017-011 Stockyard Creek Bridge Paynes Crossing - Refurbish Add CBS-2017-012 Neath Road Neath – Culvert Replacement Add CBS-2017-013 Watagan Creek #1 Bridge Laguna – Investigation and Design Refurbishment Add CBS-2017-014 Colliery Street Aberdare – Replacement Investigation and Design Add CBS-2017-015 Galloway Street Kurri Kurri – Culvert Replacement Add CBS-2017-016 Burgesses Bridge Congewai - Refurbishment Update total budget.

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Page	Section	Proposed Change
47	Capital Works Program	<p>Floodplain Management Program:</p> <p>Add PMF-2017-003 Cessnock City Flood Risk Management Plan Priority Recommendations – South Cessnock Investigation (Grant funding dependent)</p> <p>Add PMF-2017-005 Cessnock City Flood Risk Management Plan Priority Recommendations – Voluntary House Raising Scheme (Grant funding dependent)</p> <p>Add PMF-2017-004 Swamp Creek Flood Risk Management Plan Priority Recommendations – Abermain and Weston Investigation</p> <p>Add PMF-2017-006 Swamp Creek Flood Risk Management Plan Priority Recommendations – Voluntary House Raising Scheme (Grant funding dependent)</p> <p>Add PMF-2017-002 Wollombi Flood Risk Management Plan Priority Recommendations – Wollombi Flood Warning System Investigation</p> <p>Add PMF-2017-007 Greta/Anvil Creek Flood Study (Grant funding dependent)</p> <p>Update total budget.</p>
47	Capital Works Program	<p>Drainage Construction Program:</p> <p>Amend description of CDR-2017-002 from <i>Whitburn Estate Stage 2</i> to <i>Whitburn Estate Greta - Trunk Drainage (Stage 2)</i></p> <p>Amend description of CDR-2017-003 from <i>Thomas Street North Rothbury – Trunk Drainage Project</i> to <i>Thomas Street North Rothbury - Drainage</i></p> <p>Amend description of CDR-2017-004 from <i>Ridley Street Abermain</i> to <i>Ridley Street Abermain – Investigation and Design Drainage</i></p> <p>Amend description of CDR-2017-005 from <i>Oliver Street South Cessnock – Trunk Drainage Investigation</i> to <i>Oliver Street South Cessnock – Investigation (Stage 1)</i></p> <p>Amend description of CDR-2017-006 from <i>Railway Street Branxton - Trunk Drainage Investigation</i> to <i>Railway Street Branxton – Investigation and Design (Stage 1)</i></p> <p>Add CDR-2016-008 <i>Buchanan Road Buchanan - Culvert</i></p> <p>Add CDR-2016-006 <i>Hillview Road East Branxton - Culvert</i></p> <p>Add CDR-2017-008 <i>Wine Country Drive Nulkaba – Kerb & Gutter</i></p> <p>Add CDR-2016-003 <i>Cooper Street Heddton Greta – Investigation (Stage 1)</i></p> <p>Add CDR-2016-004 <i>Anvil Street Greta – Investigation (Stage 1)</i></p> <p>Add CDR-2016-005 <i>Heddton Street Kurri Kurri – Investigation (Stage 1)</i></p>
48	Capital Works Program	<p>Recreation Facilities Construction Program:</p> <p>Remove CFR-2017-006 <i>Bridges Hill Park (Cessnock) – Cessnock Civic Precinct Revitalisation Project (Stage 1)</i></p>

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Page	Section	Proposed Change
48	Capital Works Program	Cessnock Civic Precinct Revitalisation Program: Add RCC-2017-001 Bridges Hill Park – Playground Upgrade Add RCC-2017-002 Pathway renewal and access improvements from CBD to Bridges Hill Add RCC-2017-003 CBD Wayfinding signage
49	Capital Works Program	Update Total Programs and Total Capital Works Budget figures
51	Revenue Policy	Interest on Overdue Rates Change the maximum rate of interest payable on overdue rates and charges (in line with advice from the Office of Local Government) from 8.5% to 8.0%.

Typical Residential Ratepayer

The impact of the proposed rates and annual charges on a typical residential rate payer is estimated to be an increase of \$55.94 per annum or 3.45 percent.

The typical residential rate payer calculations are based on a residential property with a 2015-16 land value of \$129,900 and a 2016-17 land value of \$141,500 (following the recent revaluation) receiving a domestic waste management service and paying the stormwater management levy.

Table 2 provides a breakdown of the increase in rates and annual charges for 2016-17.

Table 2: Typical Residential Ratepayer 2016-17 (provided by the Finance Section)

<i>Increase in Rates and Annual Charges for Typical Residential Ratepayer</i>				
	<i>2015-16 (\$)</i>	<i>2016-17 (\$)</i>	<i>Increase in \$</i>	<i>Increase as a %</i>
Land Value	129,900.00	141,500.00	N/A	N/A
General Rates	1,073.11	1,095.79	22.68	2.1%
Domestic Waste Management Charge	508.00	540.00	32.00	6.3%
Stormwater Management Levy	25.00	25.00	0	0%
Hunter Catchment Contribution*	14.16	16.70	2.54	17.9%
Total	1,620.27	1,677.49	57.22	3.5%

Since the exhibition of the draft Operational Plan, the Minister has approved the rate of the Hunter Catchment Contribution for 2016-17 as 0.0118 cents in the dollar.

Fees & Charges Changes – Volume II

There have been some minor wording and formatting changes, in addition to following proposed changes to the Draft Fees & Charges, as exhibited:

Table 3: Proposed Changes to Draft 2016-17 Operational Plan – Volume II

Page	Section	Proposed Change
10	Fees & Charges	Insert the information from Section D on page 56 of Volume I detailing the categories of fees and charges and information on the goods and services tax.
10	Waiving, Discounting or Reducing Fees	<p>Insert the following section on Waiving, Discounting or Reducing Fees:</p> <p>Section 610E of the Local Government Act 1993 allows Council to waive payment of, or reduce, a fee in a particular case if it is satisfied that the case falls within a category of hardship or any other category that Council has determined.</p> <p>Council has determined the following categories:</p> <p>Hardship – where there is evidence that the payment of the fee or charge will impose unreasonable financial hardship on the applicant given their particular circumstances.</p> <p>Charity – where the applicant is a registered charity and the fee is for a service that will enable the provision of charitable services to the community of the Cessnock local government area.</p> <p>Not For Profit – where the applicant is an organisation that holds “not for profit” status and the fee is for a service that will enable the achievement of their objectives and betterment for the community of the Cessnock local government area and where the payment of standard fees or charges would cause financial hardship.</p> <p>Commercial – where the Council, or its contractor, operates a service and reduction of the fee is required to compete in the market.</p> <p>Non-Provision of Service - where the Council is unable to provide a service or venue that has been previously agreed upon and an appropriate discount, fee waiver or substitution is required as compensation.</p> <p>Filming related activities - applicable fees and charges may be waived or reduced for productions undertaken in the local government area where the production’s purpose relates to charitable, educational or community-based, non-commercial activities or where the production’s primary purpose is to highlight the local government area as a tourist destination.</p> <p>The following principles will be considered when applying any reduction or waiver of a fee or charge:</p> <ul style="list-style-type: none"> • Compliance with statutory requirements • Fairness and consistency • Integrity • Equity • Transparency • Commercial imperatives <p>The Council will directly, or through delegated authority, assess and make determinations on requests for reduction or waiver of fees in accordance with these principles.</p> <p>Council may also endorse a reduction or waiver of fees and charges to organisations as part of Council’s grants and sponsorships arrangements.</p>

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Page	Section	Proposed Change
28	PCA Inspection Fees	Amend formatting of notes. Remove from the Name of the fee the following words " <i>for all classes of buildings</i> ".
30	Existing Building Fire Safety Inspection Fee	Delete the explanatory wording under the heading.
33	Section 149(2) Planning Certificate	Move the Section 149(2) Certificate Fee to the Strategic Land Use Planning section on page 38.
34	Section 735A Certificates as to Notices	Remove the fee for \$255 and retain the fee for \$75.
36	Applications For Alteration To Cessnock Local Environmental Plan (Planning Proposals)	Amend the Note to: <i>Council will refund any unexpended monies to the proponent or carry them over to the next phase where applicable. All costs and payments will be balanced at the finalisation of a project, with any surplus funds refunded and any deficit of funds required to be paid to Council. This applies to all planning proposal categories.</i>
71	Branxton Playgroup Building	Add: Community Not-for-Profit Groups: \$6 per hour; \$22 for up to 4 hours and \$44 for up to 8 hours Professional Services: \$11 per hour; \$40 for up to 4 hours; and \$80 for up to 8 hours
71	Cessnock Youth Centre Outreach Service (CYCOS)	Amend description to " <i>Hire fee per hour per room</i> "

Budget Result

The following changes are proposed to the budget included in the draft 2016-17 Operational Plan:

Operational

- Increase the budgeted expenditure for slashing by \$60,000 (offset by a transfer from a specific reserve).

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- Due to double-counting in the draft budget, reduce the budgeted revenue from environmental health income by \$24,000 (offset by a transfer from general reserves).
- Increase the budgeted expenditure for RFS contribution by \$80,000 (offset by a transfer from general reserves).

Capital

- As detailed in Council report WI28/2016 adopted on 18 May 2016, change the following budgeted expenditures in the Capital Works Program:
 - Increase Local Road Renewal by \$957,508
 - Reduce Regional Road Construction by \$1,174,200
 - Increase Bridges Construction by \$3,800,000
- As a result of additional grant funds being allocated, increase the budgeted expenditure allocation for Floodplain Management by \$177,777
- Increase the budgeted expenditure allocation for Drainage Construction by \$740,000
- Reallocate the Civic Precinct Revitalisation projects from the Recreation Facilities Construction Program to a separate program.
- Adjust the sources of funding for the capital works program as follows:
 - Increase grants by \$2,891,820
 - Increase transfers from reserves by \$352,321
 - Increase loans by \$1,218,944
 - Increase contributions by \$38,000

These changes have no impact on the balanced “cash” result for 2016-17 as reserve funding has been used to offset the underlying deficit.

The forecast operating loss (excluding capital grants and contributions) has been impacted (\$2.188m compared with \$3.834m in the draft). In addition, the Operating Performance Ratio has changed to 0.019 for 2016-17 and a three-year average of 0.008 (compared to the *Fit for the Future* benchmark of >0).

OPTIONS

Option 1 – Adopt the draft 2016-17 Operational Plan with the recommended changes.

Option 2 – Adopt the draft 2016-17 Operational Plan with additional changes.

CONSULTATION

The draft 2016-17 Operational Plan was placed on public exhibition in accordance with legislative requirements.

The public exhibition was advertised in the local press, a media release was issued and the exhibition was promoted via social media.

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Council received no submissions on the draft 2016-17 Operational Plan.

STRATEGIC LINKS

Delivery Program

The draft 2016-17 Operational Plan details the activities to be undertaken by Council during 2016-17 to implement the 2013-17 Delivery Program.

The Operational Plan is a key part of the organisation's governance framework – in line with the community's desired outcome of: "*Civic Leadership and Effective Governance.*"

IMPLICATIONS

a. Policy and Procedural Implications

N/A

b. Financial Implications

The draft Operational Plan includes Council's budgetary allocations for 2016-17.

c. Legislative Implications

Section 405 of the *Local Government Act 1993* requires the Operational Plan to be adopted prior to 30 June.

d. Risk Implications

N/A.

e. Other Implications

N/A

CONCLUSION

It is recommended that Council adopt the draft 2016-17 Operational Plan with the proposed changes outlined in this report.

ENCLOSURES

There are no enclosures for this report.

Corporate and Community

Report No. CC32/2016

Corporate and Community Services



SUBJECT: *AUTHORISATION OF EXPENDITURE 2016-17*

RESPONSIBLE OFFICER: *Management Accountant - Paul Grosbernd
Chief Financial Officer - John Oliver*

SUMMARY

Clause 211 of the Local Government (General) Regulation 2005 requires Council to authorise expenditure for 2016-17 once the draft Operational Plan has been adopted.

RECOMMENDATION

That Council approve the expenditure for the year commencing 1 July 2016 as detailed in the 2016-17 budget and that funds be voted to meet expenditure in accordance with Clause 211 of the Local Government (General) Regulation 2005.

BACKGROUND

The Operational Plan for the period 1 July 2016 to 30 June 2017 incorporates the budget for 2016-17. The Local Government (General) Regulation 2005 requires Council to vote the funds necessary to meet expenditures included in the budget.

REPORT/PROPOSAL

Council has considered for adoption the draft 2016-17 Operational Plan. Council is required to vote the money necessary to meet the expenditure included in the budget for 2016-17 in accordance with Clause 211 which states:

(1) A Council, or a person purporting to act on behalf of a Council, must not incur a liability for the expenditure of money unless the Council at the annual meeting held in accordance with subclause (2) or at a later ordinary meeting:

- (a) has approved the expenditure, and
- (b) has voted the money necessary to meet the expenditure.

(2) A Council must each year hold a meeting for the purpose of approving expenditure and voting money.

(3) All such approvals and votes lapse at the end of a Council's financial year. However, this subclause does not apply to approvals and votes relating to:

- (a) work carried out or started, or contracted to be carried out, for the Council, or
- (b) any service provided, or contracted to be provided, for the Council, or
- (c) goods or materials provided, or contracted to be provided, for the Council, or
- (d) facilities provided or started, or contracted to be provided, for the Council,

before the end of the year concerned, or to the payment of remuneration to members of the Council's staff.

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Corporate and Community Services



OPTIONS

Nil

CONSULTATION

Councillors and staff were consulted in the preparation of the draft 2016-17 Operational Plan (inclusive of the Budget) which was placed on public exhibition during April and May 2016.

STRATEGIC LINKS

a. Delivery Program

The Operational Plan 2016-17 provides the required funding allocations to meet the outcome detailed within the Delivery program.

b. Other Plans

N/A

IMPLICATIONS

a. Policy and Procedural Implications

N/A

b. Financial Implications

The Operational Plan includes the Council's budgetary allocations for the 2016-17 year.

c. Legislative Implications

Clause 211 of the Local Government (General) Regulation 2005 requires Council to vote the funds necessary to meet the expenditure included in the estimates for 2016-17.

d. Risk Implications

N/A

e. Other Implications

N/A

CONCLUSION

Clause 211 of the Local Government (General) Regulation 2005 requires Council to vote the funds necessary to meet the expenditure contained within the estimates.

ENCLOSURES

There are no enclosures for this report.

Corporate and Community

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Corporate and Community Services

**SUBJECT: MAKING THE RATE 2016-17****RESPONSIBLE OFFICER: Chief Financial Officer - John Oliver****SUMMARY**

The Operational Plan for 2016-17 incorporated the rates and charges proposed to be levied for the year commencing 1 July 2016. Council is statutorily required to separately make the rate following the adoption of the Operational Plan.

RECOMMENDATION

That Council make the following rates and charges for the year commencing 1 July 2016 to 30 June 2017:

1. Ordinary Rates

The following Ordinary Rates be now made for the year commencing 1 July 2016.

Category	Sub Category	Ad-valorem Amount Cents in \$	Base Amount \$	Base % of Total Rate
Residential		0.470522	430.00	39.10%
Residential	Rural	0.438990	430.00	23.37%
Farmland		0.373775	430.00	17.24%
Farmland	Mixed Use	0.911748	535.00	7.72%
Farmland	Low Intensity	0.429104	430.00	32.55%
Farmland	Business Rural	0.911748	535.00	9.40%
Business		1.860313	535.00	15.35%
Mining		4.371628	1,500.00	0.86%

2. Waste Charges

Council do hereby prescribe and order under Section 496 of the Local Government Act 1993 for rateable land categorised for rating purposes as residential or farmland and situated within the area in which a Domestic Waste Management Service is able to be provided, that the following waste charges be now made for the year commencing 1 July 2016.

Domestic Waste Management Service Charge

Domestic Waste Management Availability Charge ¹	\$65.00
Domestic Waste Management Service Charge ²	\$540.00
Additional Domestic Waste Management Service Charge ³	\$540.00
Additional Domestic Waste Management Service Charge – Recycling	\$54.00

1. Charge applies to vacant rateable land situated within the area in which a Domestic Waste Management Service is able to be provided
2. Each premise is entitled to one approved mobile waste bin mixed waste service per week and one fortnightly collection of recyclable material for each Domestic Waste Management Service Charge.
3. Each premise is entitled to one approved mobile waste bin mixed waste service per week

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for each Additional Domestic Waste Management Service Charge.

Council do hereby prescribe and order under Section 501 of the Local Government Act 1993, for land not categorised for rating purposes as residential or farmland and situated within the area in which a Waste Management Service is able to be provided, that the following waste charges be now made for the year commencing 1 July 2016.

Waste Management Service Charge

Waste Management Service Charge (GST inclusive) ¹	\$727.00
Additional Waste Management Service Charge (GST inclusive) ²	\$727.00
Additional Waste Management Service Charge - Recycling	\$54.00

1. Each premise is entitled to one approved mobile waste bin mixed waste service per week and one fortnightly collection of recyclable material for each Waste Management Service Charge.
2. Each premise is entitled to one approved mobile waste bin mixed waste service per week for each Additional Waste Management Service Charge.

3. Stormwater Management Services Charges

Council do hereby prescribe and order under Section 496A of the Local Government Act 1993, for land situated within the designated stormwater area, that the following stormwater charges be now made for the year commencing 1 July 2016.

Stormwater Management Service Charge

Stormwater Management Service Charge - Residential	\$25.00
Stormwater Management Service Charge - Residential Strata	\$12.50
Stormwater Management Service Charge - Business	\$25.00 per 350m ² (or part thereof) to a maximum of \$500

4. Interest on Overdue rates and Charges

Council do hereby determine and order, in accordance with Section 566 of the Local Government Act 1993, that if rates and charges are unpaid at the due date, the amount shall be increased by a sum calculated at eight per cent (8 percent) per annum, simple interest, calculated daily for the year commencing 1 July 2016.

5. Hunter Local Land Services

Council in accordance with Clauses 36 and 40, Part 4, of the Local Land Services Regulation 2014, prescribes that the rate for the year commencing 1 July 2016 shall be the rate gazetted by the Minister for the Hunter Catchment Contribution for the period 1 July 2016 to 30 June 2017 inclusive being 0.0118c per \$ of rateable land value.

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BACKGROUND

The Operational Plan for the period 1 July 2016 to 30 June 2017 incorporates the revenue policies for rates and charges proposed to be levied for 2016-17. Council is required to separately make the rates and charges for the financial year commencing 1 July 2016 in accordance with Sections 535, 537 & 538 of the Local Government Act 1993.

REPORT/PROPOSAL

Council's Operational Plan for 2016-17, inclusive of the budget and revenue statements with respect to each Ordinary and Special Rates and Charges proposed to be levied, was resolved to be placed on public exhibition by Council at its Ordinary Meeting of 20 April 2016 (report PE28/2016). Council's Operational Plan 2016-17 is being considered for adoption at this meeting of Council.

In accordance with Sections 535, 537 & 538 of the Local Government Act 1993, Council is required to make the rates and charges for the financial year commencing 1 July 2016.

Extracts of the relevant sections of the Act are reproduced below for Council's information.

Section 535 Rate or charge to be made by resolution

A rate or charge is made by resolution of the Council.

Section 537 Form of resolution specifying base amounts of rates

In the resolution that specifies a base amount of a rate, or the base amount of a rate for a category or sub-category of an ordinary rate, the Council must state:

(a) the amount in dollars of the base amount, and

(b) the percentage, in conformity with section 500, of the total amount payable by the levying of the rate, or the rate for the category or sub-category concerned of the ordinary rate, that the levying of the base amount will produce.

Section 538 Form of resolution for special rate

(1) In the resolution that makes a special rate, the Council must state whether the special rate is to be levied on all rateable land in the Council's area or on only a part of that land.

(2) If the special rate is to be levied on only a part of that land, the Council must specify in the resolution the part on which it is to be levied.

OPTIONS

Provided that no changes have been made by Council with respect to each Ordinary and Special Rates and Charges proposed to be levied as advertised within the Revenue Statement of the Operational Plan, council will need to make the rate as detailed in the recommendation to this report.

If Council resolves to alter any of the advertised Ordinary and Special rates and Charges, then the appropriate change to the rate/charge will need to be made prior to making the rate.

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CONSULTATION

Consultation has taken place with Councillors and Council Managers in preparing the draft Operational Plan, incorporating the proposed rates and charges to be levied. The Operational Plan inclusive of the Revenue Statement was publicly advertised for 28 days.

STRATEGIC LINKS

a. Delivery Program

The Rates and Charges are incorporated within the Operational Plan and provide the majority of the funding for the operations of Council for the following year.

b. Other Plans

Nil

IMPLICATIONS

a. Policy and Procedural Implications

N/A

b. Financial Implications

The Operational Plan includes budgetary allocations for 2016-17 and the levying of rates and charges provides a significant portion of the required funds for Council's operations.

c. Legislative Implications

The making of the rates and charges for the year commencing 1 July 2016 satisfies legislative obligations under Sections 535, 537 & 538 of the Local Government Act 1993.

d. Risk Implications

If Council does not make the rates and charges as required under the Local Government Act 1993, Council may be exposing itself to the possibility of a legal challenge on the validity of any rates and charges levied in 2016-17.

e. Other Implications

Nil

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CONCLUSION

The making of the rates and charges for the year commencing 1 July 2016 satisfies legislative obligations under Sections 535, 537 & 538 of the Local Government Act 1993 and ensures Council's rates levied in 2016-17 are legally raised.

ENCLOSURES

There are no enclosures for this report.

Corporate and Community

Report No. CC34/2016

Corporate and Community Services



SUBJECT: ***DOUBTFUL DEBT WRITE-OFFS***

RESPONSIBLE OFFICER: ***Acting Operations Accountant - Kelly McGowan***
Chief Financial Officer - John Oliver

SUMMARY

The purpose of this report is to seek a Council resolution for the write-off of debts in accordance with Clause 213 of the Local Government (General) Regulation 2005, as the amounts are outside of the General Manager's delegated authority.

RECOMMENDATION

That Council consider the amounts of \$162,010.61 for Cutty Sark Holdings Pty Ltd, \$9,997.90 for HEZ Pty Ltd and \$72,484.50 for NSW Rural Fire Service to be bad and written off in accordance with Clause 213(5)(a) of the Local Government (General) Regulation 2005 as the debts are not legally recoverable.

BACKGROUND

Consistent with normal operating procedures and in line with accounting requirements, there is a need for amounts raised within the sundry and rates debtor systems to be reviewed to identify those accounts considered either uncollectible or not financially viable to be collected and for such to be classified as a bad or doubtful debt.

As rates are charges levied against the land these are not generally considered to be bad or doubtful debts as they are able to be recovered either when a property is sold or ultimately through action under Section 713 of the Local Government Act 1993 (sale of land for unpaid rates). However, charges raised through the sundry debtor system are normally applicable to individuals and are more likely to be a bad or doubtful debt.

Clause 213 of the Local Government (General) Regulation 2005 provides the mechanism for a debt to be written off and is reproduced below for Councils' information.

Clause 213 Restrictions on writing off debts to a Council

- (1) This clause does not apply to amounts owed to a Council for rates or other charges for which the Act, or any other regulation in force under the Act, makes specific provision for writing off those amounts in specified circumstances.
- (2) A Council must from time to time, by resolution, fix an amount above which debts to the council may be written off only by resolution of the Council.
- (3) A debt of or below that amount can be written off either by resolution of the Council or by order in writing of the Council's General Manager. In the absence of a resolution under subclause (2), the Council's debts can be written off only by resolution of the Council.

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- (4) A resolution or order writing off a debt to a Council must:
- (a) specify the name of the person whose debt is being written off, and
 - (b) identify the account concerned, and
 - (c) specify the amount of the debt,
- or must refer to a record kept by the Council in which those particulars are recorded.
- (5) A debt can be written off under this clause only:
- (a) if the debt is not lawfully recoverable, or
 - (b) as a result of a decision of a court, or
 - (c) if the Council or the General Manager believes on reasonable grounds that an attempt to recover the debt would not be cost effective.
- (6) The fact that a debt is written off under this clause does not prevent the Council concerned from taking legal proceedings to recover the debt.

REPORT/PROPOSAL

A review of the sundry debtors system and Council general ledger balance sheet accounts has identified a number of accounts where recovery of the debt has not been possible to achieve and it is recommended that the debts be written off in accordance with Clause 213 of the Local Government (General) Regulation 2005.

All debtor accounts have had follow up actions from Council's finance staff, and some of the debts referred to in this report have also had some type of legal recovery action commenced which has not resulted in collection of the debt.

It is proposed to charge the write-offs to the doubtful debt provision, where such a provision has previously been allowed for within Councils accounts.

Debts proposed to be written off in accordance with Regulation 213 (5) (a) as the debt is not lawfully recoverable:

- Cutty Sark Holdings Pty Ltd – Debtor 6477.96 - \$162,010.61

This amount is for licence fees for an airport hangar for the period January 2012 – September 2015. The licensee ceased paying these fees from January 2012 and Councillors were briefed on this matter in April 2015.

In September 2015 the licensee, Cutty Sark Holdings Pty Ltd, was de-registered by the Australian Securities & Investments Commission (ASIC). At the time of de-registration there was no registered office, no directors and the only shareholder was a deregistered company.

ASIC (as the party responsible for the deregistered company's assets and affairs) confirmed that it had no objection to Council terminating the agreement and taking possession of the premises.

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As this debt has previously been provided for as doubtful, the write-off will not impact the current year's result.

- HEZ Pty Ltd – Debtor 6565.95 - \$9,997.90

The debt is for the legal costs associated with the compulsory acquisition of land that was required for road purposes from crown land. The costs were incurred during 2009/10 and 2010/11. To date, Council has been unable to recover the outstanding amounts, the company has been placed in liquidation and the land to which the costs relates has been sold. A component of the debt for the value of \$3,495.25 is now not enforceable in a court of law as the invoice is more than six (6) years old, under s14 of the Limitation Act 1969.

The compulsory acquisition is ongoing with the current owner and Council will attempt to recover all costs by agreement prior to the finalisation of the acquisition.

This debt was provided for as doubtful in 2014/15.

- NSW Rural Fire Service (RFS) – Debtor n/a - \$72,484.50

The debt was incurred in relation to the (then) plans to relocate the RFS Zone Headquarters to the RFS building on the Western side of the Cessnock Aerodrome. The debt originated in 2005 and is now not enforceable in a court of law as the invoice is more than six (6) years old, under s14 of the Limitation Act 1969. No formal written agreement was made to ensure that cost recovery was allowable prior to the RFS relocating to Maitland.

The debt was provided for as doubtful in 2013/14.

OPTIONS

Council could continue carrying the debts within its accounts, however it is unlikely that the amounts will be paid or in some cases recoverable for the reasons outlined in the report.

CONSULTATION

Finance Staff
Integrated Planning & Strategic Property Manager
Manager governance & Business Services

STRATEGIC LINKS

a. Delivery Program

This report aligns with the community's desired outcome of *Civic Leadership and Effective Governance* and, in particular, the strategic direction that Council's processes are consistent and transparent.

b. Other Plans

Nil

IMPLICATIONS

a. Policy and Procedural Implications

There is no policy or procedural implications relevant to this report. The amount for write-off exceeds the level of delegation to the General Manager, so a Council resolution is required to process the proposed write-offs.

b. Financial Implications

The debts have previously been recognised in Council's accounts as income and a doubtful debt has also been provided for. The write-off will be charged to this provision, with no impact on Council's current operating budget.

c. Legislative Implications

Clause 213 of the Local Government (General) Regulation 2005 provides the mechanism for a debt to be written off.

d. Risk Implications

Nil

e. Other Implications

Nil

CONCLUSION

The debts proposed to be written off in accordance with the provisions of Clause 213 of the Local Government (General) Regulation 2005. They have very little chance of being recovered or are not legally recoverable. Any further action would involve further expense being incurred which is also unlikely to be recovered.

A review of bad and doubtful debts is in accordance with the normal accounting practices.

The fact that a debt is written off under this clause does not prevent Council from taking legal proceedings to recover the debt.

ENCLOSURES

There are no enclosures for this report.

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Corporate and Community Services



SUBJECT: *INVESTMENT REPORT - MAY 2016*
RESPONSIBLE OFFICER: *Management Accountant - Paul Grosbernd*
Chief Financial Officer - John Oliver

SUMMARY

Section 625 of the Local Government Act 1993, Clause 212 of the Local Government (General) Regulation 2005 and Council's Investment Policy require a monthly report to Council detailing all money invested.

RECOMMENDATION

That Council receive the report and note the information.

BACKGROUND

The Local Government Act 1993, the Local Government (General) Regulation 2005 and Council's Investment Policy require a monthly report to Council detailing all money invested.

REPORT

Statement by the Responsible Accounting Officer

I, Robert Maginnity, as Responsible Accounting Officer, hereby certify that this report is produced in accordance with Clause 212 of the Local Government (General) Regulation 2005 and that all investments have been made in accordance with the Local Government Act 1993, Local Government (General) Regulation 2005 and Council's Investment Policy.

General Investment Commentary

Following assessment of projected cash flow requirements, surplus funds are invested in accordance with Council's Investment Policy.

The Reserve Bank of Australia (RBA) official cash rate as at 31 May 2016 was 1.75 percent. Scheduled RBA Board meetings are held on the first Tuesday of each month (excluding January) at which the official cash rate is one of the matters considered. The June 2016 meeting held on 7 June retained the official cash rate at 1.75 percent.

Actual investment revenues to the end of May 2016 exceeded budget with Council's investment return consistently higher than the adopted benchmark in the Investment Policy with an actual level of return of 13.2 percent more than budget.

Councils' investment balances include \$3.6m received from the Roads and Maritime Services in June 2015 relating to the reclassification of roads following the opening of the Hunter Expressway, higher than anticipated Section 94 and Voluntary Planning Agreement funds being received and the later than expected landfill extension capital works expenditure.

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These have contributed to higher investment balances and higher than anticipated interest return.

Investment Portfolio Information

Total cash and investments held by Council as at 31 May 2016 are:

Invest No	Financial Institution Investment Held With	Invest Type	Interest Coupon Term	Maturity / Next Coupon Date	Current Coupon Rate	Par Value \$'000
	Commonwealth Bank	Cash			1.40%	7,933
	Commonwealth Bank	At Call			1.35%	691
1243	AMP Bank	At Call			2.30%	500
1233m	Suncorp Bank	TD	188	14-Sep-16	3.10%	700
1236l	Maitland Mutual BS	TD	183	2-Jun-16	2.75%	600
1255l	ANZ Bank	TD	152	20-Jul-16	2.95%	800
1256i	National Australia Bank	TD	153	05-Oct-16	3.01%	900
1258k	ANZ Bank	TD	182	11-Aug-16	2.95%	700
1260g	National Australia Bank	TD	186	11-Oct-16	3.10%	1,000
1262k	Newcastle Permanent BS	TD	91	2-Jun-16	3.00%	600
1263g	Westpac Bank	TD	91	23-Aug-16	2.50%	600
1264h	IMB Bank	TD	182	17-Aug-16	2.90%	600
1266h	Westpac Bank	TD	91	10-Aug-16	2.75%	700
1269e	Maitland Mutual BS	TD	183	21-Sep-16	3.10%	900
1270i	Bendigo & Adelaide Bank	FRN	91	15-Aug-16	3.26%	500
1272f	ANZ Bank	TD	183	7-Jun-16	3.00%	900
1273e	Members Equity Bank	TD	182	27-Jul-16	3.05%	600
1276i	Newcastle Permanent BS	TD	91	9-Jun-16	3.00%	800
1277i	Greater Building Society	FRN	92	24-Aug-16	3.30%	500
1281d	National Australia Bank	TD	167	3-Aug-16	3.03%	700
1282c	Maitland Mutual BS	TD	196	19-Oct-16	3.10%	700
1284d	National Australia Bank	TD	197	5-Oct-16	3.10%	800
1285c	National Australia Bank	TD	189	15-Jun-16	2.97%	600
1286c	IMB Bank	TD	188	2-Jun-16	2.80%	900
1287f	IMB Bank	VRD	94	15-Aug-16	2.74%	700
1288c	Members Equity Bank	TD	182	17-Aug-16	2.95%	800
1289c	Suncorp Bank	TD	181	24-Nov-16	2.95%	800
1290e	Newcastle Permanent BS	VRD	91	6-Jun-16	3.11%	700
1292b	Suncorp Bank	TD	182	11-Aug-16	3.07%	700
1293b	Maitland Mutual BS	TD	211	13-Jul-16	2.95%	800
1294b	Commonwealth Bank	TD	91	2-Jun-16	2.95%	800
1295d	Newcastle Permanent BS	TD	91	21-Jun-16	3.00%	900
1297b	Members Equity Bank	TD	189	8-Sep-16	2.95%	900
1298c	Newcastle Permanent BS	VRD	91	4-Jul-16	3.08%	800
1300b	Members Equity Bank	TD	183	8-Sep-16	2.95%	800
1301a	Maitland Mutual BS	TD	196	28-Sep-16	3.10%	800
1302a	Suncorp Bank	TD	182	24-Aug-16	3.05%	900
1303a	IMB Bank	TD	181	25-Aug-16	2.90%	700
1304a	AMP Bank	TD	181	22-Aug-16	3.00%	800
1305a	Commonwealth Bank	TD	184	3-Aug-16	2.92%	900

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Invest No	Financial Institution Investment Held With	Invest Type	Interest Coupon Term	Maturity / Next Coupon Date	Current Coupon Rate	Par Value \$'000
1306a	Suncorp Bank	TD	183	15-Sep-16	2.95%	900
1307b	Bankwest	TD	153	11-Oct-16	2.80%	800
1308b	Bankwest	TD	91	17-Aug-16	2.80%	900
1311	Bankwest	TD	183	21-Jun-16	3.00%	600
TOTAL						40,224

The following table provides information on the level of funds held and the percentage invested with financial institutions in the investment portfolio:

Financial Institution	Amount \$'000	% of Portfolio
Commonwealth Bank of Australia	10,324	25.67%
National Australia Bank	4,000	9.94%
Suncorp Bank	4,000	9.94%
Bankwest	2,300	5.72%
Newcastle Permanent Building Society	3,800	9.45%
Maitland Mutual Building Society	3,800	9.45%
IMB Bank	2,900	7.21%
Members Equity Bank	3,100	7.71%
ANZ Bank	2,400	5.97%
Westpac Bank	1,300	3.23%
AMP Bank	1,300	3.23%
Bendigo & Adelaide Bank	500	1.24%
Greater Building Society	500	1.24%
TOTAL	40,224	100.00%

The following table provides information on investment types including a risk assessment and the amount and percentage invested compared to the total investment portfolio:

Investment Type	Risk Assessment		Amount \$'000	% of Portfolio
	Capital	Interest		
Term Deposits	Low	Low	27,900	69.36%
Cash/At Call Deposits	Low	Low	9,124	22.68%
Variable Rate Deposit	Low	Low	2,200	5.47%
Floating Rate Notes	Low	Low	1,000	2.49%
TOTAL			40,224	100.00%

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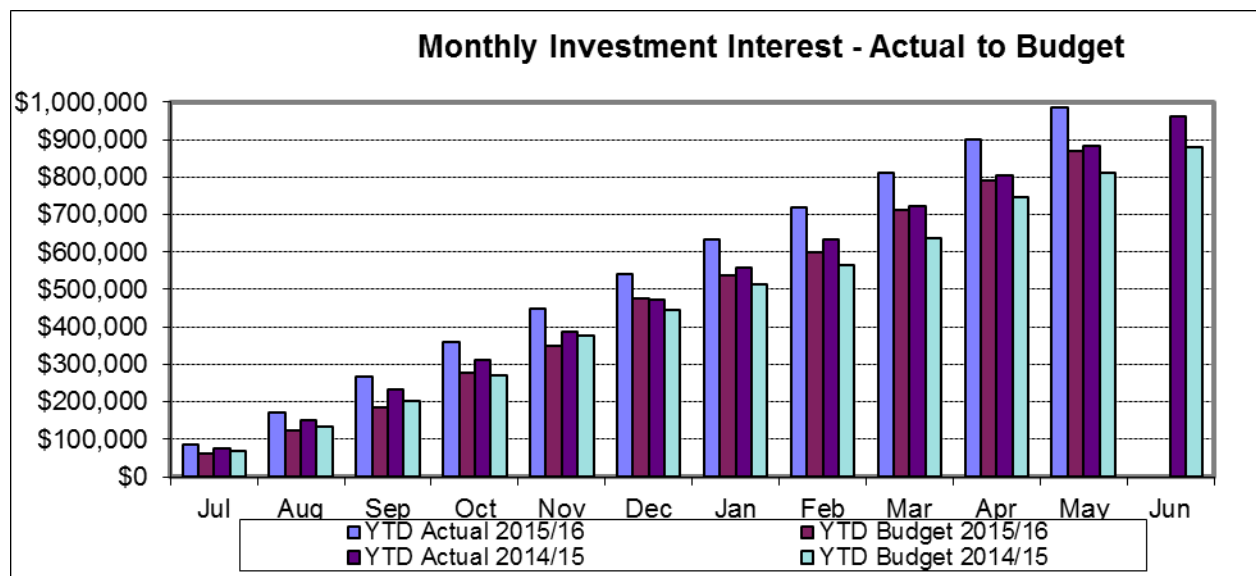
The following table provides information on interest rates and earnings this year compared to last year as well as a comparison of investment balances from this year to last year:

Performance Measures	This Year	Last Year
Portfolio Average Interest Rate (year to date)	2.77%	3.25%
BBSW Average Interest Rate (year to date) *	2.21%	2.52%
Actual Investment Interest Earned (year to date)	\$985,616	\$884,000
Budget Investment Interest (year to date)	\$870,826	\$812,500
Original Budget Investment Interest (Annual)	\$650,000	\$810,000
Revised Budget Investment Interest (Annual)	\$950,000	\$880,000

Investment Balances (Par Value)	This Year	Last Year
Opening Balance as at 1 July	\$37,253,000	\$30,576,000
Month End Current Balance	\$40,224,000	\$33,502,000

- BBSW 90 day Bank Bill Reference Rate (performance measure as per Council's Investment Policy)

The following graph compares actual interest earned to budget for this year and last year.



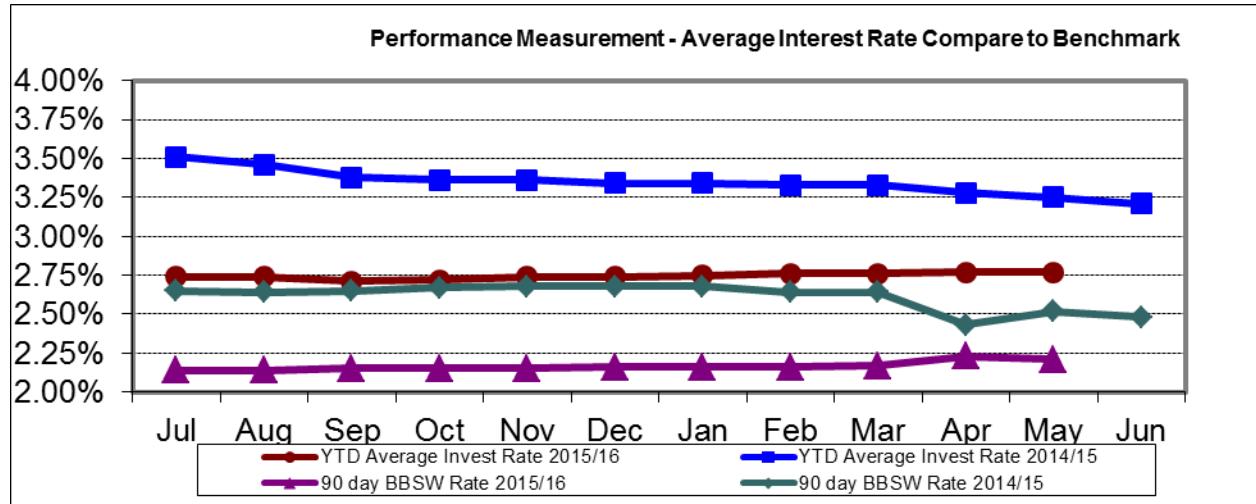
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The following graph compares current year portfolio performance to prior year performance.

**OPTIONS**

N/A

CONSULTATION

Financial Accountant

STRATEGIC LINKS**a. Delivery Program**

Investment returns are an integral part of funding sources for future services and community expectations within the Delivery Program and Operational Plan.

b. Other Plans

N/A

IMPLICATIONS**a. Policy and Procedural Implications**

Investments are held in accordance with Council's Investment Policy which accords with the Ministerial Investment Order.

b. Financial Implications

Investment returns are included in Council's Delivery Program and Operational Plan. Amendments are effected through the Quarterly Budget Review process. Investment portfolio performance is detailed within the report with comparisons to prior year and budget.

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A portion of the portfolio and its associated investment income is restricted as it relates to funds held from Developer Contributions, Domestic Waste Management and Property Investment Reserve and is not available for operational projects.

c. Legislative Implications

This report meets Council's statutory obligations under the Local Government (General) Regulation 2005 and the Local Government Act 1993.

d. Risk Implications

Investment risks are detailed within this report.

e. Other Implications

There are no environmental, community, consultative or other implications to this report.

CONCLUSION

The report details investments held and meets statutory and policy reporting obligations.

ENCLOSURES

There are no enclosures for this report.

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Corporate and Community Services



SUBJECT: *TENDER T1516-10 PROVISION OF MULTI-FUNCTION DEVICES AND ASSOCIATED MANAGEMENT SOFTWARE*

RESPONSIBLE OFFICER: *Technology Systems Manager - Steven Hepple*

SUMMARY

Evaluation and selection of tender for Tender No. T1516 – 10 Provision of Multi-Function Devices (MFD's) and associated management software.

RECOMMENDATION

That Council accept the tender from Colourworks Australia Pty Ltd in the amount of \$63,520.35 (GST inclusive) for the supply of the multi-function devices and an estimated schedule of rates amount of \$132,550.00 (GST inclusive) over five years.

BACKGROUND

Council has six photocopiers used in its operations. These copiers are approaching the end of their useful life and need to be replaced. A tender has been conducted to cover replacing these devices. The existing supplier for the devices is Complete Business Technologies.

REPORT

The Request for Tender (RFT) documents were prepared by Council Officers, and reviewed by the Tender Audit Panel (TAP) before tenders were called. The form of contract selected was HROC Terms of Engagement for Consultants.

Invitation

Tenders were invited on 15 March 2016 on Council's e-tender portal, Tenderlink and advertised in the following publications:

Publication:	Day:	Date:
Sydney Morning Herald	Tuesday	15 March 2016

Addenda

No addenda were issued.

Closure

Tenders closed 2pm Tuesday 26 April 2016.

Evaluation of Tenders

Tender Evaluation Team: In accordance with Council's Procurement Procedure, a Tender Evaluation Team (TET) was formed with the following members:

- IT Manager, Corporate and Community Services
- Executive Assistant, Works and Infrastructure
- Corporate Administration Officer, Corporate and Community Services

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- Business Support Officer, Planning and Environment

Evaluation Process: The evaluation was conducted according to the following process:

- Assessment of receipt
- Assessment of conformance
- Shortlisting
- Detailed weighted evaluation
- Due diligence checks on preferred tenderers
- Determine evaluation result
- Independent review of the tender selection process

The evaluation criteria and their weightings were documented in the Contract Initiation and Development Plan, which were reviewed by the IT Manager prior to tenders being invited.

1. Assessment of Receipt

Tenders were received and assessed against the first threshold criteria:

Threshold Criteria:	
Criterion 1	Submission on time

The following tenders were received:

No.	Tenderer:	Business Address:	Criterion 1:
1	Colourworks Australia Pty Ltd	Wickham	On time
2	Complete Business Technologies Pty Ltd	Mayfield West	On time
3	Gerard Maher Pty Limited Trading as Ricoh Business Centre Newcastle	Hamilton	On time
4	Kyocera Document Solutions Australia Pty Ltd	North Ryde	On time
5	Toshiba (Australia) Pty Limited	North Ryde	On time
6	Viatek NSW Pty Ltd	Maryville	On time

2. Assessment of Conformance

The tenders received on time were then assessed for conformance with the remaining threshold criteria:

Threshold Criteria:	
Criterion 2	Conformance with RFT Documents
Criterion 3	Financial capacity

All tenders were assessed as conforming except for Tender 3 from Gerard Maher Pty Limited (Trading as Ricoh Business Centre Newcastle) which did not conform to Criterion 2 as the returnable schedules were not complete as required by the RFT.

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The remaining five tenders were progress to the next stage of evaluation.

3. Shortlisting

Shortlisting was not considered necessary and all five remaining tenders were progressed to the weighted evaluation stage.

4. Weighted Evaluation

Tenders were evaluated using the following weighted evaluation criteria:

Weighted Criteria:	
Criterion 4	Tender Pricing
Criterion 5	MFD Functionality
Criterion 6	MFD Ease of Use
Criterion 7	MFD's Integrate with TRIM and Exchange
Criterion 8	Local Support and Service
Criterion 9	Software suits Council Infrastructure
Criterion 10	Software Easy to Use

To assess tenders against the evaluation criteria, the TET used information obtained from the tender documents. A Weighted Evaluation Matrix, containing full details of the pricing and weighted evaluation is provided as confidential **Enclosure 1**.

With the highest score, Tender 1 from Colourworks Australia Pty Ltd was identified as the preferred tender and progressed to the due diligence stage of evaluation.

5. Due Diligence

Reference checks were conducted with two long term customers of the preferred Tenderer, with favourable responses.

With usage costs payable in arrears, the financial risk is low and an independent financial assessment was not considered necessary.

6. Evaluation Result

Following the evaluation process, the TET recommended acceptance of Tender 1 from Colourworks Australia Pty Ltd. The tenderer met all requirements of the RFT.

7. Independent Review

The evaluation process and recommendations were reviewed by the TAP and determined to be in accordance with Council's Procurement Policy, Procurement Procedure and relevant legislation.

TIME FRAME

The contract period is five years and due to the condition of the existing machines the contract should be rewarded as soon as possible.

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LOCAL CONTENT

Local preference scoring was not applied, however the preferred tenderer's Head Office is located in Newcastle and is likely to employ locally and use local goods and services.

OPTIONS

Option 1: Council accept the tender from Colourworks Pty Ltd Pty Ltd, in the lump sum amount of \$63,520.35 including GST and an estimated schedule of rates amount of \$122,550.35. This is the preferred option.

Option 2: Council accept a lower scoring tender. This option is not recommended as it will not provide best value for money to Council.

CONSULTATION

The following officers were consulted in preparation of the report during the tender process:

- Tender Audit Panel (TAP)
- Chief Financial Officer
- Council's Management Advisory Team

STRATEGIC LINKS

a. Delivery Program

Acceptance of the tender will contribute to achieving Objective 5.3: Making Council More Responsive to the Community:

- Objective 5.3.2: Implement systems and strategies to improve productivity across the organisation.

b. Other

NIL

STATUTORY IMPLICATIONS

a. Policy and Procedural Implications

The tender process has been carried out in accordance with:

- Council's Procurement Policy
- Council's Procurement Procedure
- Tendering Guidelines for NSW Local Government 2009
- NSW Government – Code of Practice for Procurement 2005

b. Financial Implications

Council's recurrent operational budget will cover the contract sum including the running costs of the solution. The contract will see multi-function devices purchased outright and be cost neutral based on current print volumes.

The rollout of more colour printers raises the potential for an increase in colour print volumes and a subsequent increase in print cost. The print management software can be used to monitor colour volumes.

c. Legislative Implications

The tender process has followed the legislative provisions referenced in Council's Procurement Policy and CCC Procurement Procedure which are as follows:

- Local Government Act 1993
- Local Government (General) Regulation 2005

In particular, reference is made to Part 7, Division 4, Clause 178 of the Local Government (General) Regulation 2005 (Acceptance of tenders):

1. After considering the tenders submitted for a proposed contract, the Council must either:
 - (a) accept the tender that, having regard to all the circumstances, appears to it to be the most advantageous, or
 - (b) decline to accept any of the tenders.
2. A Council must ensure that every contract it enters into as a result of a tender accepted by the Council is with the successful tenderer and in accordance with the tender (modified by any variation under clause 176). However, if the successful tender was made by the Council (as provided for in section 55 (2A) of the Act), the Council is not required to enter into any contract in order to carry out the requirements of the proposed contract.
3. A Council that decides not to accept any of the tenders for a proposed contract or receives no tenders for the proposed contract must, by resolution, do one of the following:
 - (a) postpone or cancel the proposal for the contract,
 - (b) invite, in accordance with clause 167, 168 or 169, fresh tenders based on the same or different details,
 - (c) invite, in accordance with clause 168, fresh applications from persons interested in tendering for the proposed contract,
 - (d) invite, in accordance with clause 169, fresh applications from persons interested in tendering for contracts of the same kind as the proposed contract,
 - (e) enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender,
 - (f) carry out the requirements of the proposed contract itself.
4. If a Council resolves to enter into negotiations as referred to in sub clause (3) (e), the resolution must state the following:

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- (a) the Council's reasons for declining to invite fresh tenders or applications as referred to in sub clause (3) (b)–(d),
- (b) the Council's reasons for determining to enter into negotiations with the person or persons referred to in sub clause (3) (e).

Note: Where “tender” referred to above may be substituted with ‘quote’ if required.

d. Risk Implications

To minimise Council's exposure to business risks, the following information has been assessed with the tender submission:

- Work Health & Safety Management
- Environmental Management

The authenticity of the contractor's certificates of currency for the following insurance policies will be verified:

- Workers Compensation
- Public Liability (\$20M or greater)
- Comprehensive Motor Vehicle

Risks identified in relation to safety are mitigated by the preferred tenderers adherence to a Work Health and Safety Management Systems.

Should the contract not be awarded, the current hardware will continue to provide service in the short term, however Council is exposed to an extreme risk in regards to the reliability of the devices. This risk exposure would affect the entire organisation.

e. Other Implications

NIL

CONCLUSION

The offer from Colourworks Australia Pty Ltd in the lump sum and schedule of rates amount of \$196,070.35 including GST be accepted for Tender T1516-10 Provision of Multi-Function Devices and Associated Management Software, as the offer provides the best value for money.

ENCLOSURES

- 1** T1516-10 Provision of MFDs and Associated Management Software Evaluation Matrix - Summary - *This matter is considered to be confidential under Section 10A(2) (di) of the Local Government Act, as it deals with commercial information of a confidential nature that would, if disclosed (i) prejudice the commercial position of the person who supplied it.*

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SUBJECT: *2031: A VISION FOR THE FUTURE, COMMUNITY INFRASTRUCTURE STRATEGIC PLAN*

RESPONSIBLE OFFICER: *Acting Community & Cultural Engagement Manager - Natalie Drage*

SUMMARY

At its meeting of 6 April 2016 Council resolved to place the draft *2031: A Vision for the Future, Community Infrastructure Strategic Plan* (the Plan) on public exhibition for 28 days. The public exhibition period for the draft Plan concluded on the 11 May 2016. With no public submissions received, Council is asked to consider the adoption of the Plan subject to minor amendments as detailed in this report.

RECOMMENDATION

That Council adopt the 2031: A Vision for the Future, Community Infrastructure Strategic Plan with the amendments listed in this report.

BACKGROUND

The Plan's vision is to have strategically located, accessible, sustainable facilities that are multi-purpose in design and which are places to connect communities and promote community wellbeing and engagement. On the 6 April 2016 Council considered the draft Plan and resolved (inter-alia) to place the Plan on public exhibition for 28 days.

The public exhibition process has now concluded with no submissions received. Council is asked to consider the adoption of the Plan, with minor amendments as detailed in this report.

REPORT/PROPOSAL

Council holds a large community facilities property portfolio to support the effective delivery of a broad range of services. At the time of developing the Plan, Council owned or was the Reserve Trust Manager for over forty community facilities (these facilities are listed in Section 10 of the Plan) including fifteen community halls, two neighbourhood centres (both located in multi-purpose buildings), one youth centre, eleven early childhood facilities, two buildings utilised solely by aged and disability services, two libraries (one co-located with a neighbourhood/community centre), one art gallery space, a performing arts centre, two cultural centres and one indoor recreation facility. It is important to note that although Council may be the owner or Reserve Trust Manager of these facilities, it does not necessarily mean that it is also the operator.

Community facilities in the context of the Plan are defined as indoor spaces used to engage people in social, welfare, cultural, arts or healthy lifestyle related activities and programs. In accordance with this definition, the Plan considers the following types of community facilities:-

- community halls
- multi-purpose community centres

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- youth centres
- early childhood facilities, including preschool, child care and play group spaces
- indoor recreation facilities
- spaces for seniors and disability programs
- public art gallery spaces
- performing arts centre
- civic centres
- libraries
- cultural centres
- museums
- residential aged care services *
- general practitioner medical services *

**Note: Although Council does not own such facilities, they are considered in this Plan given they are essential for the health and wellbeing of the community.*

The Plan has 23 action strategies and each in some way reflect the Plan's vision. Note: key action strategies were highlighted in the report to Council of the 6 April 2016.

Amendments to the Plan

There were no submissions received during the public exhibition period. However amendments are recommended within the Plan to better identify a location or to address an administration error. The required amendments are:-

The draft Plan advised:-	Amendment Required	Pages Impacted
1. Lot 1, DP 758590	Lot 1, Sec 19 , DP 758590 <u>Explanation:</u> The phrase ' Sec 19 ' has been inserted to better identify the property location. The site is the Kurri Kurri Library and Kurri Kurri Community Centre. The amendment does not alter the intent or interpretation of the statements.	The amendment occurs on pages 10, 41, 42, 72, 84, 89, 102.
2. Former Greta Council Chambers	Former Greta Courthouse <u>Explanation:</u> The property was incorrectly referenced as the Former Greta Council Chambers in the Appendix section only. It should have been listed as Former Greta Courthouse. The property address details remain correct.	The amendment occurs in Section 10, Appendix, page 114

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OPTIONS

Option One

- Adopt the 2031: A Vision for the Future, Community Infrastructure Strategic Plan, with the minor amendments detailed in the report.

This is the preferred option as it provides Council with a strategic framework for future community facilities.

Option Two

- Not adopt the 2031: A Vision for the Future, Community Infrastructure Strategic Plan.

Council may resolve to not adopt the 2031: A Vision for the Future, Community Infrastructure Strategic Plan. However, the risk to Council would be the loss of a strategic framework for community facilities.

CONSULTATION

Notification regarding the public exhibition period was published in the Cessnock Advertiser, Our Own News (Wollombi), Branxton Greta Vineyards News and Cessnock City Council website. A copy of the plan was made available at the Cessnock Library, Kurri Kurri Library, Council Administration Building and Wollombi General Store. Where possible, service providers were also advised of the Plan's exhibition.

STRATEGIC LINKS

a. Delivery Program

This report has links to item 1.2.2 of the 2013-2017 Delivery Program 'Planning for Our People, Our Place, Our Future':-

- 'Develop a strategic plan for social welfare and community facility needs across the local government area'.

b. Other Plans

Cessnock City Council Plans that were referenced in the development of this Plan include:-

- Cessnock CBD Masterplan (2012)
- Aquatic Needs Analysis (2014)
- Cessnock City Library Review, Report and Strategy 2014-2024
- Early Childhood Care and Pre School Services: An Analysis of Current and Future Services within the Cessnock Local Government Area (2014)
- The Provision of Residential Aged Care Services and Care Packages within the Cessnock Local Government Area (2014)
- Cessnock Local Government Area Economic Development Strategy (2014)
- Asset Management Strategy 2011 – 2020

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- Draft Asset Management Plan (Buildings)
- General Community Use (Community Facilities) Plan of Management
- Draft Engineering Guidelines for Construction (2013)
- Recreation and Open Space Strategic Plan (2009)
- City Wide Settlement Strategy (2010)

IMPLICATIONS

a. Policy and Procedural Implications

N/A

b. Financial Implications

The construction costs of new and/or expanded facilities as listed in the Plan are approximately \$21,000,000 (see section 5.2 of the enclosed Plan for cost breakdowns per facility type). In addition fit out costs are estimated to be \$12,500,000.

Some of the required funds have already been secured via Voluntary Planning Agreements or Section 94 Agreements (as per section 6.4.1 of the enclosed Plan). In terms of land acquisition costs, under this Plan, Council owned land is considered along with land negotiated as part of new residential land development.

The above financial implications could be less if the private sector continue to develop early childhood services independent of Council.

c. Legislative Implications

N/A

d. Risk Implications

In moving towards a more contemporary model for the delivery of community infrastructure that is multi-purpose in design, as opposed to single purpose built facilities, community infrastructure decisions need to be based on planning area hubs. If Council does not consider community facilities from a planning area hub perspective but continues to consider needs from a small locality perspective, there is a risk of constructing further small single purpose built facilities. Community facilities that have a single function risk being used by a limited population group resulting in the facility becoming underutilised and potentially not viable to operate. Section 1.7 of the Plan identifies the geography of the suggested planning area hubs.

e. Other Implications

N/A

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CONCLUSION

Community facilities are an important asset for the people who live, work and visit the Cessnock local government area. The Plan provides clear direction for how it can service both current and future population needs and provides a long term strategic framework for community facilities up until 2031.

ENCLOSURES

There are no enclosures for this report

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Report No. CC38/2016

Corporate and Community Services



SUBJECT: *MINUTES OF THE EXTRAORDINARY ACCESS ADVISORY COMMITTEE MEETING HELD ON 25 MAY 2016*

RESPONSIBLE OFFICER: *Community and Cultural Engagement Officer - Jo Miller
Acting Community & Cultural Engagement Manager -
Natalie Drage*

RECOMMENDATION

1. That Council adopt the minutes of the extraordinary meeting of the Access Advisory Committee Meeting held on 25 May 2016.
2. That Council note the matters raised by the Access Advisory Committee in its submission on the Draft Cessnock City Council Pedestrian Access and Mobility Plan (PAMP).

An extra-ordinary meeting of the Cessnock City Council Access Advisory Committee was held on 25 May 2016 to examine the Draft Pedestrian Access and Mobility Plan (PAMP) and reports as follows

***MINUTES OF THE ACCESS ADVISORY COMMITTEE MEETING OF
CESSNOCK CITY COUNCIL HELD ON 25 MAY 2016,
COMMENCING AT 3.00PM***

PRESENT: The Mayor Councillor Bob Pynsent
Ms Cherie Pauling (Ability Links – St Vincent de Paul)
Mr Richard Gibson (Community Representative)
Ms Dianne Scanlon (Community Representative)
Mr Stephen Day (Community Representative)

IN ATTENDANCE: Ms Natalie Drage (Acting Community and Cultural Engagement Manager)
Ms Jo Miller (Community and Cultural Engagement Officer)
Mr Stephen Long (Strategic Asset Planning Manager) (3.35pm – 4.05)

DISCLOSURE OF INTEREST

LISTED MATTERS

06-2016 Draft Pedestrian Access and Mobility Plan (PAMP)

The public exhibition period for the PAMP commenced on the 11 May and concludes 8 June 2016. The Committee considered the PAMP and raised access issues that they had experienced and/or were aware of and formulated the following submission.

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Location	Matter Raised
Laneway 2386 – located near North Avenue, Keene Street and Darwin Street (Cessnock)	The laneway is only partially sealed. The unsealed section is near the recent development, Cessnock Central shopping complex. The unsealed section is muddy and uneven, making passage difficult for people in a wheelchair or with mobility difficulties.
Keene Street (Cessnock)	There is no pedestrian crossing between the Woolworths shopping complex and the Central Cessnock shopping complex. The Committee commented that the intersection has become increasingly busy in terms of traffic volume, making the road more difficult to cross.
Charlton Street (Cessnock)	The Committee commented that crossing the road at Charlton Street felt unsafe, due to speeding traffic and the location of the pedestrian dish being near to the intersection.
Vincent Street, Keene Street, North Avenue, Charlton Street, Darwin Street (Cessnock)	The locality needs to be considered as a precinct with connectivity in place that enables people to access all of these areas.
Lang Street (Kurri Kurri), Charlton Street (Cessnock)	Parked cars encroach on walking pathways which result in the width of the pathway becoming compromised. This prohibits people in a wheelchair from accessing these pathways. Examples include Charlton Street, Cessnock and Lang Street, Kurri Kurri adjacent to Rotary Park.
Corner of King Street and Cooper Street (Cessnock)	The pathway was noted as being uneven and of a rough surface. This creates a hazard for people using the pathway in a wheelchair or with mobility difficulties.
Pedestrian crossings located in Vincent Street between Cooper Street and Edward Street (Cessnock)	Visibility for cars to see pedestrians on the crossing is poor. It was felt pedestrians had to be on the crossing before drivers could see the person using the pedestrian facility. There was a suggestion that some of the landscaping impeded the view of pedestrians from the road.
Carpark located at 11 & 13 Cumberland Street (Lot 16 and Lot 17 Sec A DP 4080, (Cessnock)	The carpark has uneven, unsealed surfaces, creating trip hazards. There is a laneway that connects this carpark to Vincent Street, however the steepness of the carpark and its condition creates accessibility issues.
The ramp that connects Laneway Lot 1, DP 340072 to Cessnock Leagues Club carpark. Note: Laneway Lot 1, DP 340072 connects Keene Street with Wollombi Road.	The ramp is too steep and does not seem to comply with required standards.

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Mayor Pynsent left the meeting the time being 3:35pm.

CORRESPONDENCE

Nil

GENERAL BUSINESS

07-2016 MLAK Key

The Acting Community and Cultural Engagement Manager reported that there has been an amendment to the existing Cessnock City Council Application for Master Locksmiths Association Key (MLAK). The eligibility criteria has expanded to include the presentation of a current Roads and Maritime Service mobility parking scheme permit as confirmation of the applicant's health status.

NEXT MEETING DATE

The next meeting will be held on Wednesday 6 July 2016 at 4.00pm.

The Meeting was declared closed at 4.30pm.

ENCLOSURES

There are no enclosures for this report.

Corporate and Community

Report No. CC39/2016

Corporate and Community Services



SUBJECT: *MAYORAL & COUNCILLOR FEES 2016-17*

RESPONSIBLE OFFICER: *Manager Governance and Business Services - Kim Appleby*

SUMMARY

Following the Local Government Remuneration Tribunal determinations, Council is required to set the level of fees to be paid to the Mayor, Deputy Mayor (if applicable) and Councillors for 2016-17.

RECOMMENDATION

1. That Council set the annual Mayoral Fee for 2016-17 at \$41,090 in accordance with the provisions of Section 249 of the Local Government Act 1993.
2. That Council set the annual Councillor Fee for 2016-17 at \$18,840 in accordance with the provisions of Section 248 of the Local Government Act 1993.
3. That Council set an allowance for 2016-17 of \$800 to be paid to the Deputy Mayor, with the Mayoral fee adjusted accordingly.

BACKGROUND

Pursuant to Sections 239 and 241 of the Local Government Act 1993, the Local Government Remuneration Tribunal has made its determination for categories of Councils and the maximum and minimum levels for Mayor and Councillor fees for 2016-17.

Council is required to set the fees to be paid to the Mayor and Councillors and to determine if a separate fee or allowance is to be paid to the Deputy Mayor. If Council does not make an election to set the fees then the minimum determinations of the Local Government Remuneration Tribunal will apply.

REPORT/PROPOSAL

The Local Government Remuneration Tribunal has handed down its determinations pursuant to Sections 239 (categorisation of Councils and Mayoral offices) and 241 (determination of fees) of the Local Government Act 1993.

The Tribunal has determined that an increase of 2.5 percent to all Councillors and Mayors fees in New South Wales is appropriate for 2016-17, effective from 1 July 2016. Each year the Tribunal sets a minimum and a maximum fee for the Mayor and Councillors within each Local Government category. It is a matter for each Council to fix the fees payable to the Mayor and Councillors within these ranges.

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The table below shows the descriptive titles for Councils and the determinations of the Local Government Remuneration Tribunal for annual fees for 2016-17.

Category	Councillor Annual Fee		Mayor Fee *	
	Minimum	Maximum	Minimum	Maximum
Principal City	\$25,670	\$37,640	\$157,030	\$206,620
Major City	\$17,110	\$28,240	\$36,360	\$82,270
Metropolitan Major	\$17,110	\$28,240	\$36,360	\$82,270
Metropolitan Centre	\$12,830	\$23,950	\$27,260	\$63,640
Metropolitan	\$8,540	\$18,840	\$18,180	\$41,090
Regional Rural	\$8,540	\$18,840	\$18,180	\$41,090
Rural	\$8,540	\$11,290	\$9,080	\$24,630

* This fee must be paid in addition to the fee paid to the Mayor as a Councillor (Sec 249(2) of the Act).

Cessnock City Council is classified as a regional rural Council. The table below shows the minimum and maximum fees applicable for the year commencing 1 July 2016, the current 2015-16 fees and the fees included in the 2016-17 draft budget. Council has previously determined a Deputy Mayoral allowance of \$800.

	Fees as set by Council for 2015-16	Fees as determined by tribunal for 2016-17		Draft Budget 2016-17
		Minimum	Maximum	
Mayor	\$40,090	\$18,180	\$41,090	\$41,100
Councillor	\$18,380	\$8,540	\$18,840	\$18,850

* The fees set by Council for the 2015/16 year were the maximum amounts as determined by the tribunal for that year.

Council is required to fix by resolution the annual fees to be paid to the Mayor and Councillors pursuant to Sections 248 and 249 of Local Government Act. Should Council not determine or fix an annual fee, then in accordance with Sections 248 (4) and 249 (4) the minimum remuneration levels as determined by the Tribunal will apply.

The fees fixed by Council must be in the range determined and it is mandatory for the fees to be paid to the Mayor and Councillors. However, where the payment of an annual fee adversely affects a Councillors entitlement to a pension, benefit or allowance, the Council may agree to the non-payment or reduction of the annual fee.

Council may pay the Deputy Mayor a fee determined by Council for such time as the Deputy Mayor acts in the office of the Mayor. The amount of such fees so paid must be deducted from the Mayor's annual fee.

The draft 2016-17 budget was based on an estimated 2.56 percent increase in fees, with a Mayoral Allowance of \$41,100 and total Councillor Fees of \$245,050 (being \$18,850 per Councillor) being included in the draft document exhibited.

As Council is at the upper end of its category in terms of size, it is recommended that the fees continue to be set at the maximum amount allowable under the Local Government Remuneration Tribunal determination.

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OPTIONS

1. Fix a fee structure anywhere between the new minimum and maximum levels as determined by the Local Government Remuneration Tribunal.
2. Reduce the fees paid to the minimum determinations of the Local Government Remuneration Tribunal (Mayor \$18,180 and Councillor \$8,540).
3. Retain the current fee structure (Mayor \$40,090 and Councillor \$18,380).
4. Fix the fees at the maximum determination of the Local Government Remuneration Tribunal (Mayor \$41,090 and Councillor \$18,840).
5. Retain the fee for the Deputy Mayor at \$800 or set the fee at a higher or lower level, with the amount of such fee to be deducted from the Mayors annual fee.

CONSULTATION

Nil

STRATEGIC LINKS

a. Delivery Program

Councillors are elected to provide strategic leadership for the community. This report is linked to Item 5 - "Civic leadership and effective government" of the Community's Desired Outcome as adopted in the Community Strategic Plan.

b. Other Plans

N/A

IMPLICATIONS

a. Policy and Procedural Implications

N/A

b. Financial Implications

The maximum Local Government Remuneration Tribunal fee recommendations are covered by allocations in the draft budget for 2016-17.

c. Legislative Implications

Councils are required under Sections 248 and 249 of Local Government Act 1993 to fix the annual fees to be paid to the Mayor and Councillors. Should Council not determine or fix an annual fee, then in accordance with Sections 248 (4) and 249 (4) the minimum remuneration levels as determined by the Local Government Remuneration Tribunal will apply.

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Categorisation of Councils and Mayoral Offices are covered under Section 239 of the Local Government Act 1993.

Section 241 requires the Local Government Remuneration Tribunal to determine each year the minimum and maximum fees for Councillors and Mayors in each of the categories determined under Section 239.

d. Risk Implications

N/A

e. Other Implications

N/A

CONCLUSION

No obligation exists for Council to accept the increase determined by the Local Government Remuneration Tribunal, provided that the Councillor and Mayoral Fees are set within the prescribed ranges.

Council is required to set the fees to be paid to the Mayor and Councillors and to determine if a separate fee or allowance is to be paid to the Deputy Mayor. If Council does not make an election to set the fees then the minimum determinations of the Local Government Remuneration Tribunal will apply.

ENCLOSURES

There are no enclosures for this report.

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Report No. CC40/2016

Corporate and Community Services



SUBJECT: *RESOLUTIONS TRACKING REPORT*

RESPONSIBLE OFFICER: *Manager Governance and Business Services - Kim Appleby*

SUMMARY

The enclosure contains pending actions from previous meetings as well as completed actions for the month of May 2016

RECOMMENDATION

That Council receive the report and note the information.

ENCLOSURES

- 1 Completed Actions - May 2016
- 2 Outstanding Actions

SUBJECT: ***TENDER EVALUATION REPORT FOR CONTRACT 137/1354
COLLECTION OF ORGANICS FOR CESSNOCK, MAITLAND
AND SINGLETON COUNCILS***

RESPONSIBLE OFFICER: ***Sustainability Projects Officer - Patricia Donnelly
Environmental & Waste Services Manager - Michael
Alexander***

SUMMARY

The purpose of this report is to provide information on the evaluation process undertaken for tenders received for Regional Contract 137/1354 Collection of Organics for Cessnock, Maitland and Singleton Councils and for Council to endorse the recommendations.

RECOMMENDATION

That Council, subject to the adoption of complementary resolutions by Maitland City Council at its meeting on 14 June 2016 and by Singleton Council at its meeting on 20 June 2016:

1. Accept the tender from Solo Resource Recovery for Specification Part A of Contract 137/1354 for the Collection of Organics for Cessnock, Maitland and Singleton Councils commencing on 6 March 2017 for a period of fourteen years involving a fortnightly garden organics collection service for the first seven contract years followed by a weekly food and garden organics collection service for the remaining seven contract years (Service Option 3). The estimated cost to Council for the contract term is \$12,500,000 (excl GST and CPI);
2. Accept the tender from Bettergrow Pty Ltd for Specification Part B of Contract 137/1354 for the Collection of Organics for Cessnock, Maitland and Singleton Councils commencing on 6 March 2017 for period of seven years (Service Option 1) involving the collection of garden organics from the Councils' Waste Management Centres. The estimated cost to Council for the contract term is \$791,000 (ex GST and CPI).

BACKGROUND

In October 2014, discussions commenced between Cessnock, Maitland and Singleton Councils (the Councils) with the view of implementing a regional contract for the collection and processing of organics.

A regional contract was considered to be the only financially sustainable option for the three Councils to deliver a kerbside organics collection and processing service to their communities.

Works and Infrastructure

Report No. WI34/2016

Works and Infrastructure



The objectives of implementing an organics collection and processing service to the community is to:

- Increase Council's resource recovery rate by capturing the 30 percent of garden organics within the general waste bin. The inclusion of food waste would increase the diversion rate by a further 23 percent;
- Reduce waste to landfill and therefore conserve valuable landfill space and extend the life of the existing landfill;
- Reduce Council's waste levy liability to the NSW Environment Protection Authority;
- Satisfy the community's expectation, given neighbouring Councils of Lake Macquarie and Newcastle currently provide kerbside organics collection services. Residents of Cessnock, Maitland & Singleton have developed an appetite for a similar service;
- Reduce the generation of greenhouse gases in landfill.

In December 2015, the Councils awarded the contract for the processing of organics to Australian Native Landscapes Pty Ltd (ANL) and resolved to invite tenders for the collection of organics. ANL are currently in the process of establishing an organics transfer facility in Styles Street, Weston. All organics collected by the organics collection contractor will be transported to this organics transfer facility. ANL will remove any contamination from the organics received before transporting the organics to their processing facility at Tea Gardens for shredding, composting and marketing.

REPORT/PROPOSAL

Structure of Tender:

The Tender was structured in two parts:

- a) Specification Part A outlined the requirements for the kerbside collection of organics;
- b) Specification Part B outlined the requirements for the collection of garden organics from the Waste Management Centres.

Tenderers were permitted to submit a Tender for:

- a) Kerbside Collection Service (Specification Part A); or
- b) Waste Management Centre Collection Service (Specification Part B); or
- c) Kerbside Collection Service and Waste Management Centre Collection Service (Specification Part A and Specification Part B).

Contract Details:

Specification Part A required the following:

- Supply and distribution of new 240 litre Mobile Garbage Bins (MGB) to all eligible premises in the Councils' Local Government Areas (LGAs);
- Provision of a fortnightly kerbside collection service of garden organics;
- Transitioning to a weekly kerbside collection service of food and garden organics (to replace the fortnightly kerbside collection service of garden organics) specified in the adopted service option;
- Delivery of all organics collected to the organics transfer facility;

Works and Infrastructure

Report No. WI34/2016

Works and Infrastructure



- Development and delivery of community education programs;
- Provision of all collection trucks and labour to perform the collection service.

Specification Part B required the following:

- Collection of garden organics and wood waste delivered to the Councils' Waste Management Centres as a minimum on one occasion per month;
- Transport of all organics collected to the ANL organics transfer facility;
- Provision of plant and equipment to load the garden organics and wood waste onto the Contractor's collection vehicle.

Contract Term and Service Options:

Specification Part A provided for the following four service options:

Table 1: Part A Service Options

Service Option	Contract Term	Description of service
1	7 Years	<ul style="list-style-type: none"> • provision of fortnightly kerbside collection of garden organics for the contract term
2	7 Years	<ul style="list-style-type: none"> • provision of fortnightly kerbside collection of garden organics for the first three (3) contract years • provision of weekly kerbside collection of garden and food organics from the fourth contract year until the contract expiry date
3	14 Years	<ul style="list-style-type: none"> • provision of fortnightly kerbside collection of garden organics for the first seven (7) contract years • provision of weekly kerbside collection of garden and food organics from the eighth contract year until the contract expiry date
4	14 Years	<ul style="list-style-type: none"> • provision of fortnightly kerbside collection of garden organics for the first three (3) contract years • provision of weekly kerbside collection of garden and food organics from the fourth contract year until the contract expiry date

Tenderers that intended to submit a tender for Specification Part A were required to submit prices for each of the service options listed in Table 1 above.

Specification Part B provided for the following two contract terms:

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Works and InfrastructureTable 2: Part B Service Options

Service Option	Contract Term	Description of service
1	7 Years	<ul style="list-style-type: none"> collection of Garden Organics and Wood Waste from Council's Waste Management Centres and transport to the ANL organics transfer facility
2	14 Years	<ul style="list-style-type: none"> collection of Garden Organics and Wood Waste from Council's Waste Management Centres and transport to the ANL organics transfer facility

Tenderers that intended to submit a tender for Specification Part B were required to submit prices for each of the service options listed in Table 2 above.

Schedule of Rates Contract:

This regional contract is a Schedule of Rates contract which means that the contractor will receive monthly payments based on the eligible number of services and the tendered rate per service rather than a lump sum payment. As such the monthly payment to the contractor will increase overtime due to population growth and the Rise and Fall calculation.

Probity:

Given the size and value of this regional contract and the involvement of three Councils, it was considered pertinent to engage a probity adviser to oversee the tender process including the tender evaluation. The probity adviser not only ensures that the probity principles of transparency, accountability, confidentiality, managing conflict of interest and obtaining value for money are upheld at all times, but that the perception of undue process and contravention of probity principles can be eliminated. Adams Consulting and Training (ACT) was engaged to provide the probity services.

Legal Review:

The completed tender documentation including the Request for Tender, Tender Schedules and Annexures were reviewed by Harris Wheeler Lawyers prior to being released to ensure the interests of Council and the community are adequately protected and contractual risks are manageable.

Tender Evaluation Plan and Probity Plan:

A Tender Evaluation Plan and a Probity Plan were developed and approved on behalf of the three Councils by the General Manager of Maitland City Council prior to inviting tenders. The Tender Evaluation Plan identified the Tender Evaluation Panel (TEP) members, listed the evaluation criteria and their weightings and outlined how the tender evaluation would be conducted.

The Probity Plan outlined how the tender process should be conducted to ensure the principles of transparency, accountability, confidentiality and obtaining value for money are upheld.

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Lodgement of Tenders:

Tenderers were required to lodge the non-price information and price related information of the tenders in separate sealed envelopes (hardcopy tenders) or separate electronic tender boxes (electronic lodgment via Tenderlink).

Tender Process:

Tenders were invited by way of public invitation. Advertisements were placed in the Sydney Morning Herald on 1 March and 8 March 2016 and in the Newcastle Herald on 5 March 2016. Tenders were also advertised on Council's Tenderlink website. The advertised closing date was 19 April 2016. A request for an extension of time was received from one tenderer to allow for lost time at Easter. After due consideration of the impact arising from any extension, the closing date was changed to 26 April 2016. The change was notified on the electronic tender site and attendees at the pre-tender meeting were also advised of this one week extension.

A non-compulsory pre-tender meeting was held in the Maitland Room of Maitland's Town Hall on 15 March 2016 to allow tenderers to become familiar with the contract requirements and to ask questions in relation to the tender.

The following information and addenda were issued to all prospective tenderers during the invitation period:

1. Advice 1 that closing date will be extended (issued 9 March 2016)
2. Q&A 14.3.16: Clarification on bin sizes and provision of kitchen caddies and bags (issued 15 March 2016)
3. Powerpoint presentation of the pre-tender meeting (issued 15 March 2016)
4. Addendum 1: Reduction in the value of the bank guarantee required (issued 16 March 2016)
5. Q&A 17.3.16: Clarification regarding the cost of disposing contamination (issued 21 March 2016)
6. Minutes of the pre-tender meeting (issued 21 March 2016)
7. Q&A 23.3.16: Information regarding breakdown of urban/rural services and provision of services in rural areas (issued 23 March 2016)
8. Q&A 1.4.16: Information regarding Rise and Fall (issued 1 April 2016)
9. Addendum 2: Correction of error in the Rise & Fall formula for fuel and oil (issued 1 April 2016)
10. Q&A 29.3.16: Clarification regarding the use of grant funding for the procurement of bins (issued 4 April 2016)
11. Addendum 3: Re-issue of Tender Schedule – Tender Price to provide for prices for two contract term options for Specification Part B (issued 6 April 2016)
12. Q&A 13.4.16: Clarification regarding the education budget (issued 15 April 2016)
13. Q&A 18.4.16: Clarification and information regarding contamination management and costs, value of bank guarantee and quantities of organics (issued 21 April 2016)

Tenders closed at 2.00 pm on 26 April 2016.

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Works and Infrastructure**Receipt and Opening of Tenders:*****Attendance at Tender Opening***

The following table shows the names and roles of the personnel in attendance during the tender opening.

Table 3: Tender Opening committee

Name	Role	Organisation
Ashley Brewster	Information Services Officer	Maitland City Council
Kelsie Wilson	Information Services Officer	Maitland City Council
David Simm	Representing Chair of the Tender Evaluation Panel	Maitland City Council
Elfi Blackburn	Project Manager	Maitland City Council

No member of the public attended the tender opening.

Tender Opening and Receipt

The Tender Box, located in Maitland City Council's Administration Building, was opened at approximately 2.03 pm on 26 April 2016 in the presence of the staff listed in Table 2. The tender box contained no tenders for Contract 137/1354. At approximately 1.40 pm on 26 April 2016, a hardcopy tender was delivered by courier, but as it was too large to be placed into the tender box and was secured elsewhere on the site.

At approximately 2.10pm, the electronic Tender Box was opened in the presence of the staff listed in Table 3. It contained five tenders.

The price related information provided by all tenderers was placed in an envelope unopened, sealed and stored in Council's safe located within Information Services. All soft copies of the price related information were deleted.

The following tenders were received and are listed in alphabetical order:

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Table 4: Tenders received

Tender No	Tender	Lodgement Method	Specification	Status
1	Australian Native Landscapes Pty Ltd (ANL)	Electronic - Tenderlink	Part B	Submitted on time
2	Bettergrow Pty Ltd (Bettergrow)	Electronic - Tenderlink	Part B	Submitted on time
2A	Bettergrow Pty Ltd (Alternative Tender, non-conforming)	Electronic - Tenderlink	Part B	Submitted on time
3A	Cleanaway Pty Ltd (Cleanaway)	Electronic - Tenderlink	Part A	Submitted on time
3B	Cleanaway Pty Ltd (Cleanaway)	Electronic - Tenderlink	Part B	Submitted on time
4	Remondis Australia Pty Ltd (Remondis)	Electronic - Tenderlink	Part A	Submitted on time
5A	Solo Resource Recovery (Solo)	Hardcopy - Courier Electronic - Tenderlink	Part A	Submitted on time
5B	Solo Resource Recovery (Solo)	Hardcopy - Courier Electronic - Tenderlink	Part B	Submitted on time

A tender opening report outlining how the tender opening was conducted and how the tenders were stored to protect their confidentiality was prepared and forwarded to the Probity Adviser.

Evaluation of Tenders:

Tenders were evaluated by a TEP consisting of staff from Cessnock, Maitland and Singleton Councils and the Probity Adviser as an observer.

The TEP met on 10 May, 12 May and 17 May 2016 to assess the tenders in accordance with the requirements of the Tender Evaluation Plan. The TEP members were provided with copies of the tenders (non-price information only) prior to the first meeting. The TEP consisted of the following panel members:

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Works and InfrastructureTable 5: Tender Evaluation Panel

Panel Member	Council/Role
Michael Alexander (Chair)	Cessnock City Council
Patricia Donnelly	Cessnock City Council
Lisa Smith	Singleton Council
Roger Hancock	Singleton Council
David Simm	Maitland City Council
Elfi Blackburn (Project Manager)	Maitland City Council
Daemoni Bishop	Probity Adviser

Assessment Criteria

The following threshold and weighted assessment criteria were used to evaluate the tenders for Specifications Part A and Part B:

Threshold Criteria:

1. Conformity of Tender
2. Adequacy of Financial Capacity
3. Ability to manage Work Health and Safety (WHS)

Weighted Criteria:

1. Technical & Operational Capability
2. Experience, Capacity and Past Performance
3. Quality Plan
4. Project Plan
5. Environmental Performance
6. Price

The evaluation criteria and their weightings were documented in the Tender Evaluation Plan which was approved by the General Manager of Maitland City Council prior to tenders being invited.

To assess tenders against the evaluation criteria, the TEP used information obtained from the tender documents and clarifications sought from tenderers.

Works and Infrastructure**Report No. WI34/2016****Works and Infrastructure*****Tender Assessment Process***

The evaluation was conducted according to the following process:

- Assessment of receipt of tenders
- Assessment of conformance of tenders
- Assessment of financial capacity
- Assessment of ability to manage WHS
- Detailed evaluation and scoring of tenders for weighted non-price criteria
- Opening and assessment of price information
- Ranking based on all weighted criteria
- Risk assessment for preferred tenderer
- Due diligence checks on preferred tenderer

Assessment of Receipt

All tenders were received on time and were therefore progressed to an assessment of conformance.

Timeframe:***Specification Part A***

The following time frames are anticipated for the implementation of the kerbside organics collection service

Table 15: Timeframes for Specification Part A

Actions	Time frame
Award organics collection contract	June 2016
Pre-start community education	September 2016 – March 2017
Distribution of organics bins	January – February 2017
Commencement of kerbside organics collection service	6 March 2017

Specification Part B

The following time frames are anticipated for the implementation of the collection of organics from the Waste Management Centres

Works and Infrastructure**Report No. WI34/2016****Works and Infrastructure**Table 16: Timeframes for Specification Part B

Actions	Time frame
Award organics collection contract	June 2016
Commencement of Waste Management Centre collection service	6 March 2017

OPTIONS***Specification Part A***Option 1: Postpone or cancel the proposal for the contract

This option is considered inappropriate for the following reasons:

- Diverting garden organics will reduce the amount of domestic waste landfilled by an estimated 30 percent. Including food organics would increase diversion by a further 23 percent;
- The waste levy is currently \$133.10 per tonne which will further increase in 2016/17. The cost of collecting and processing organics is expected to be lower than the current levy and hence cost savings can be realised for the communities of Cessnock, Maitland and Singleton;
- The NSW Waste and Resource Recovery (WARR) Strategy provides for a diversion rate of 70 percent for domestic waste. Council is currently diverting only 22 percent of its domestic waste. Without the diversion of organics, Council will not be able to reach this target and as such may jeopardise future funding opportunities for waste related projects;
- Council's adopted Waste Management Strategy 2014-2019 identifies the organic fraction as the major target area to reduce waste to landfill and meet diversion targets; and,
- Council awarded the organics processing contract to ANL in December 2015 and will be in default of this contract if the collection service does not go ahead.

Option 2: Adopt the proposed collection contract

This option is recommended as it will allow Council to proceed with the introduction of a kerbside organics waste collection service in March 2017.

Specification Part BOption 1: Postpone or cancel the proposal for the contract

This option is considered inappropriate as Council awarded the organics processing contract to ANL in December 2015 and will be in default of this contract if the collection service does not go ahead.

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Option 2: Adopt the proposed collection contract

This option is recommended as it will allow Council to ensure that self-haul organics are transferred off-site for processing that will also achieve a saving in the waste levy.

CONSULTATION

- Community consultation was undertaken during the preparation of the Cessnock Waste Management Strategy 2014-2019 through a series of workshops and feedback options.
- Council has received previous reports and presentations relating to the Waste Management Strategy and the priority actions.
- Discussion has taken place with the neighbouring Councils of Maitland and Singleton.
- The NSW EPA, who has also awarded grant funding supporting the service introduction.

STRATEGIC LINKS

a. Delivery Program

Council's 2013-17 Operational Plan – Objective 3.3 Better Waste Management and Recycling

b. Other Plans

- NSW State Government Waste Avoidance and Resource Recovery Strategy 2013–2021
- Regional Waste Avoidance and Resource Recovery Strategy 2014–2021
- Cessnock Waste Management Strategy 2014-2019

IMPLICATIONS

a. Policy and Procedural Implications

This matter has no specific policy implications for Council.

b. Financial Implications

Specification Part A

This matter has no direct financial impact upon Council's adopted budget or forward estimates. The predicted impact on the Domestic Waste Management Charge (DWMC) is shown in the confidential enclosure to this report. Ongoing costs of the organics will form part of the normal service and be reflected in the DWMC.

The calculation in the table 17 (in confidential enclosure) to determine the impact on the DWMC does not include the tonnage of organics received at the WMC from direct haulage. It is anticipated, that the quantities of organics received at the WMC will decrease with the

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introduction of the organics collection service and as such it is not expected to impact on the current budget for this waste stream. As the organics received at the WMC will be removed from the site fortnightly, it is estimated that the full amount of the levy paid upon receipt can be rebated when the organics are being transported off site and therefore decrease Council's levy liability. Currently, much of the levy rebate opportunity is lost due to moisture, decomposition and very small volumes leaving the site due to the quality of the material.

Specification Part B

The contract also provides for the collection of organics from Council's Waste Management Centre. These organics are self-hauled to the Waste Management Centre and receive a reduced gate rate. Timely removal from the site will also achieve greater reduction in the levy cost as there will be less moisture loss from the material.

c. Legislative Implications

The tender process has followed the legislative provisions referenced in Council's Procurement Policy and Procurement Procedure which are as follows:

- Local Government Act 1993
- Local Government (General) Regulation 2005

d. Risk Implications

When letting a contract various risks exist that may result in the final contract cost exceeding the initial contract sum. These risks vary depending upon the type of work being undertaken.

Some risks are passed on to the contractor, with the cost of those risks reflected in the tendered price. Other risks are best managed by Council rather than the contractor, as they would inflate the tender price whether the risk eventuated or not. For this reason Council retains and is required to manage some risks. These are minimised by Council's contract administration processes.

Contract risks include generic risks (generally found in most contracting situations) and risks specific to this contract leading to contract variations. The major risks and the mitigation measures for this contract include:

- Contractor experiences financial difficulties or goes into liquidation, leading to additional project delays and costs. Mitigated through financial and referee checks before contract award, timely progress payments and bank guarantees;
- Service commencement date is delayed resulting in damage to Council's reputation. Mitigated through close supervision and prompt directions where required. The main risk that could delay the contract commencement date is that collection trucks are not available on time. This risk is considered low as the company has ready access to spare trucks in the event of delays. In addition, Solo is manufacturing its own compaction bodies and as such is only relying on the procurement of prime mover which requires a much shorter lead time than procuring truck and body;
- Liability for injury and/or damage to people, property and the environment. Mitigated through on-going validation of contractor's insurances, safety and environmental management systems, together with close supervision including site audits;

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- The price of materials or labour may increase significantly which will impact the Contractors price to Council for the service. The contract allows for the rise and fall in the price of materials and labour to be passed on to Council.

e. Other Implications

If Council does not continue to explore options with regard to the collection and disposal of organics it will continue to consume valuable landfill space, incur expensive waste levy costs and generate additional greenhouse gases.

CONCLUSION

From the tenders received (table 4), Tender No 5A from Solo for Specification A is the highest scoring tender and meets all of Council's requirements for this contract. On balance, this tender represents the best value for money for Council. It is recommended that the tender be accepted for a contract term of 14 years with the fortnightly collection of garden organics for the first seven contract years followed by the weekly collection of food and garden organics for the remaining seven contract years, subject to the acceptance of Solo as the provider by Maitland and Singleton Councils.

From the tenders received (table 4), Tender No 2 from Bettergrow for Specification Part B for the collection of organics from the Councils' Waste Management Centres represents best value for money for Council. It is recommended that the tender be accepted for a contract term of seven years, subject to the acceptance of Bettergrow as the provider by Maitland and Singleton Councils.

ENCLOSURES

- 1** Enclosure to Tender Evaluation Report Collection of Organics - *This matter is considered to be confidential under Section 10A(2) (di) of the Local Government Act, as it deals with commercial information of a confidential nature that would, if disclosed (i) prejudice the commercial position of the person who supplied it.*

SUBJECT: *CONVENT HILL, BRIDGES HILL PARK AND EAST END OVAL MASTERPLAN*

RESPONSIBLE OFFICER: *Acting Recreation Services Manager - Paul Burton*

SUMMARY

The purpose of this report is to seek Council's endorsement to adopt the draft Convent Hill, Bridges Hill Park and East End Oval Masterplan (the Masterplan). A copy of the Masterplan is provided in **Enclosure 1**.

RECOMMENDATION

1. That Council adopt the draft Convent Hill, Bridges Hill Park and East End Oval Masterplan as amended.
2. That Council notify persons who made a submission during the draft Convent Hill, Bridges Hill Park and East End Oval Masterplan exhibition period of Council's decision.
3. That Council makes provision for the implementation of the draft Convent Hill, Bridges Hill Park and East End Oval Masterplan in consideration of priority and available resources.

BACKGROUND

At its meeting of 17 February 2016 Council resolved:

1. That Council place the draft Convent Hill, Bridges Hill and East End Oval Masterplan on public exhibition for a period of twenty eight (28) days and invite public submissions.
2. That a report on the outcomes of the exhibition be provided to Council prior to adopting the final Masterplan.

In response to this resolution, the draft Masterplan was placed on public exhibition from 22 February to 25 March 2016 and nine submissions were received. This report provides a summary of submissions received and Council's response to these submissions.

REPORT/PROPOSAL

The Masterplan includes three separate areas within the site located on Victoria and Yango Streets, Cessnock. Convent Hill and Bridges Hill are primarily utilised for passive and informal recreation. These uses include a playground, skatepark, concrete pathways and kick about areas. East End Oval is a local sporting facility and provides for soccer and cricket.

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The subject Masterplan aims to:

- Provide a clear vision on the future amenity and character of each site.
- Provide guidance on the type, form and phasing of improvements and development within each site.
- Integrate with Council's Strategic Planning framework.
- Plan for development that can occur in a realistic and achievable manner.
- Assist in illustrating the vision for each site.

The works outlined within the Masterplan can be considered in future operation plans and delivery programs. The adoption of the Masterplan is also an important support document when applying for grant funding as it provides a clear strategic frame work for future developments at the site/s.

Enclosure 1 includes the amended draft Masterplan with notable amendments highlighted in red.

Enclosure 2 provides a summary of the submissions received during public exhibition and Council's responses to these submissions.

OPTIONS

The following options have been identified for Council's consideration:

1. Adopt the draft Convent Hill, Bridges Hill Park and East End Oval Masterplan as amended. This is the preferred option.
2. Refuse to adopt the draft Convent Hill, Bridges Hill Park and East End Oval Masterplan. This option is not recommended as the draft Masterplan provides an important strategic framework that will be used to inform and guide the future development of Convent Hill, Bridges Hill Park and East End Oval.

CONSULTATION

Internal

The following internal stakeholders were consulted in the preparation of this report:

- Aboriginal and Torres Strait Islander Advisory Committee (6 May 2016 Meeting)
- Recreation Services Manager
- Recreation and Community Facilities Planner
- Strategic Assets Planning Manager

External

The community was invited to comment on the draft Strategy during public exhibition from 22 February to 25 March 2016. Nine (9) submissions were received.

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Other external stakeholders that were consulted in the preparation of this report included:

- Black Creek Aboriginal Corporation
- Cessnock Fire Station
- Mindaribba Local Aboriginal Land Council
- Moir Landscape Architects (consultant)
- St Vincent de Paul – Ability Links

STRATEGIC LINKS

a. Delivery Program

The Masterplan is consistent with Objective 3.2 of the Delivery Program 'Better utilisation of existing open space' and deliverable 3.2.4 'Continue to implement the adopted Masterplans for Council's recreation and community facilities'.

b. Other Plans

Other Council plans relevant to the Masterplan include:

- Recreation and Open Space Strategic Plan (2009)
- Cessnock CBD Masterplan (2012)
- Draft Recreation Needs Analysis (2016)
- Cessnock Cycling Strategy (2016)

IMPLICATIONS

a. Policy and Procedural Implications

NIL

b. Financial Implications

Implementation of the Masterplan will have implications on Council's long term financial plan and each element of the Masterplan will have to compete against other projects within the four year delivery program and subsequent annual operational plans.

The cost estimates for each element of the Masterplan are included for indicative purposes and are subject to change based on a range of factors that will be identified during more detailed planning and design phases. This would typically occur at the time the specific project is to be considered for prioritisation within a capital works budget.

Should the Masterplan be adopted, Council will be in an excellent position when applying for grant funds as it will be able to demonstrate links to an adopted strategy that has had a high level of community involvement which is often one of the key criteria to be met when applying for funds.

c. Legislative Implications

NIL

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d. Risk Implications

NIL

e. Other Implications

Participation in physical activity creates a wide range of benefits for individuals and the communities they live in. When people are physically active they are healthier, happier and more socially inclusive. By providing opportunities for social interaction, sport and recreation can help enhance community identity and promote community integration. Individuals learn and share community values and attitudes and can gain a better understanding of other groups in society. Participation can also have a deterrent effect on anti-social behaviour including vandalism and petty crime. Economic benefits are gained from direct employment including construction and ongoing maintenance as well as indirect benefits through sales from sport and recreation goods and services.

There is an increasing demand for recreational pursuits in parks, open spaces and natural environments in both urban and non-urban areas. More effective planning practices will enable resources and facilities to be better utilised in a manner that is sustainable and equitable, improving the quality of life of individuals and the community in which they live.

CONCLUSION

The Masterplan provides a local scale planning framework for the future development of land and facilities at Bridges Hill Park, Convent Hill and East End Oval, Cessnock. The Masterplan will enable Council to produce desirable outcomes in the provision of community infrastructure.

ENCLOSURES

- 1** Draft Convent Hill Bridges Hill Park and East End Oval Masterplan
- 2** Draft Masterplan Public Submission Responses

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SUBJECT: ***CESSNOCK AQUATIC CENTRE FEASIBILITY & DESIGN REPORT***

RESPONSIBLE OFFICER: ***Acting Recreation Services Manager - Paul Burton***

SUMMARY

The purpose of this report is to seek Council's endorsement to publicly exhibit the second revision of the draft Cessnock Aquatic Centre Feasibility and Design Report incorporating business modelling and concept development of aquatic facility Option 2 (medium embellishment) and Option 3 (high embellishment).

RECOMMENDATION

- 1. That Council place the draft Cessnock Aquatic Centre Feasibility and Design Report on exhibition for a minimum of 28 days.**
- 2. That a report on the outcomes of the exhibition be provided to Council prior to adopting the final Cessnock Aquatic Centre Feasibility and Design Report.**

BACKGROUND

At its meeting of 6 April 2016, Council was presented with the recommendations of the first revision of the Cessnock Aquatic Centre Feasibility and Design Report being a site and facility option assessment. After considering the recommendations of the report, Council resolved:

- 1. That Council endorses the draft Cessnock Aquatic Centre Feasibility and Design Report;*
- 2. That Council endorses Turner Park on Aberdare Road, Cessnock as the preferred Aquatic Centre site;*
- 3. That Council endorses Options 2 and 3 as described in the SGL report, being medium and high embellishment, as the preferred facility configurations to progress to Business Model, Concept Development and Final Feasibility and Design;*
- 4. That Council receives a further report seeking Council's resolution to place the Final Feasibility and Design of Options 2 and 3 as described in the SGL report, medium and high embellishment facility configurations on public exhibition.*

REPORT/PROPOSAL

In response to Council's resolution of 6 April 2016, SGL Consulting Group further developed Option 2 and Option 3 to business model and preliminary design. The component list for Option 2 and Option 3 is summarised below in Table 1 and the 10 year business model and performance comparison is summarised below in Table 2. A third option 'Status Quo' has been included to compare the performance of Option 2 and Option 3 to the existing Cessnock Pool.

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Table 1 – Component list for Option 2 and Option 3

Option 2 (Medium Embellishment)	Option 3 (High Embellishment)
Indoor 25m 10 lane pool	Indoor 25m 8 lane pool
Outdoor 51m 8 lane pool	Indoor 51m 10 lane pool
Leisure pool	Leisure pool
Learn to Swim pool	Learn to Swim pool
Warm water program pool	Warm water program pool
Spa and Sauna	Spa and Sauna
Water slides	Water Slides
Outdoor water play	Outdoor water play
Car park (234 spaces)	Car park (234 spaces)
-	Crèche
Building Footprint – 19,473m ²	Building Footprint - 20,269m ²

Table 2 – 10 year business model for Option 2, Option 3 and the existing Cessnock Pool

10 Year Facility Option Operational Models	Projected Visitations 10 Years	Projected Profit/(Loss) 10 Years	Projected Facilities Capital Construction Cost	Average Operating Profit/(Loss) Per Visit
Option 2: Medium Embellishment	4,956,853	(\$3,121,710)	\$39,880,645	(\$0.63/visit)
Option 3: High Embellishment	5,327,287	(\$2,869,341)	\$48,061,810	(\$0.53/visit)
Status Quo: Cessnock Pool	453,963	(\$4,566,871)	\$9,000,000	(\$10.06/visit)

The business model in Table 2 indicates that:

- Option 3 potentially attracts the highest visits at 5.327M, which is 371,000 more visits than option 2;
- This on average equates to 37,100 more visits a year for Option 3;
- Option 3 has the lowest operating deficit at \$2.869M, which is \$252,000 less than Option 2;
- This on average equates to \$25,200 lower operating deficit a year for Option 3.
- Option 2 has a significantly lower capital cost at \$39.881M compared to Option 3 at \$48.062M. (This is an extra capital cost of \$8.181M for Option 3).
- Whilst Status Quo (renewing the existing facility) incurs the lowest capital cost, it generates the highest average operating cost and attracts 9 percent of visitors of Option 2 and 8 percent of visitors of Option 3.

Potential internal and external funding sources were considered for each option. Sources considered included asset sales, reserve funding, special rate variation (SRV) to repay capital loans, State funding and Federal funding. Table 3 provides a summary of the capital funding required over 15 years for each Option.

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**Table 3** – Indicative capital funding required over 15 years

Income Source	Option 2	Option 3	Status Quo
Internal Funds (Land Sale and Reserves)	\$930,000	\$930,000	\$200,000
Development Contributions	\$1,005,000	\$1,005,000	Nil.
Loan Repayments	\$27,779,940	\$40,206,660	\$13,366,692
Total Internal Funding	\$29,714,940	\$42,141,660	\$13,566,692
Total External Funding (Grant)	\$20,000,000	\$20,000,000	\$0
Total Funding	\$49,714,940	\$62,141,660	\$13,566,692

Table 3 shows that Option 3 would require an additional \$12.4M of internal funding to construct when compared to Option 2. Status Quo has the lowest capital cost, however 100 per cent would have to be funded through internal funding sources as opposed to 68 per cent for Option 3 or 60 per cent for Option 2. Option 2 and 3 would require funding through a SRV ranging from 5.5 per cent for Option 2 to 8 per cent for Option 3. For comparative purposes a SRV of 2.6 percent would be required to retain the status quo.

To better understand the financial implications for Council should \$20M external funding be secured, Table 4 provides a summary of the projected annual service cost which includes renewal expenses and operating deficits of each Option up to Year 15. Renewal costs for each Option were calculated on a rate of 2 percent of capital cost per annum. This equates to an annual renewal cost of \$798,000 for Option 2 and \$962,000 for Option 3.

Table 4 – Annualised 'service cost' to Year 15*

Expense	Option 2	Option 3	Status Quo
Capital loan repayments	\$1,918,996	\$2,747,444	\$891,113
Renewal	\$798,000	\$962,000	\$180,000
Operational deficit	\$251,311	\$224,378	\$474,151
Depreciation**	N/A	N/A	N/A
Annual Expenditure	\$2,968,307	\$3,933,822	\$1,545,264
Total Expenditure(15Years)	\$44,524,605	\$59,007,330	\$23,178,960

* The figures used in this table have been rounded and therefore may vary slightly from those within the enclosed draft Report.

** Depreciation does not apply when determining the cashflow as it is an expense that is not realised until the sale of the asset. It should be noted however that Option 3 would incur higher depreciation rates than Option 2 and this would further increase the relative expense of Option 3 compared to Option 2.

The annualised expense comparison in Table 3 indicates:

- Option 2 and Option 3 would cost approximately \$21M and \$35.5M more than Status Quo over 15 years;
- Council would be required to budget an additional \$1M per annum, or \$14.5M over 15 years, to construct and operate Option 3 compared to Option 2; and
- Whilst not evident in the Table, both Option 2 and Option 3 are improving in performance (declining operational loss) while Status Quo is deteriorating (rising operational loss - refer to Section 5.7 of Enclosure 1).

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In order to compare the relative value of each option over 15 years, Table 5 compares total 'service costs' to the asset value and the number of visitors generated by each option.

Table 5 – Comparison of relative value over 15 years

Option	Capital Cost	Total Service Costs	Total Cost to Capital Difference	Cost Capital to Ratio	Approximate Attendance
Status Quo	\$9,000,000	\$23,482,740	(\$14,482,740)	2.6	0.7 million
Option 2	\$39,880,645	\$44,524,605	(\$4,643,960)	1.1	7.54 million
Option 3	\$48,061,810	\$59,007,330	(\$10,945,520)	1.2	8.12 million

This demonstrates that overall Option 2 provides the best overall value. Whilst the Status Quo has the lowest total cost to Council (\$23M), the difference between this and the capital cost is \$14.5M and is over 2.5 times higher than the value of the asset upgrade. Option 2 compares more favourably with the difference between the total 15 year 'service cost' and the asset value (capital cost) being \$4.6M with a ratio of 1.1. By comparison, the total 'service cost' of Option 3 is \$10.9M higher than the asset value with a ratio of 1.2 and serves only 8 per cent more visitors than Option 2.

It is evident from the information above that Option 2 presents the best value to Council. To determine if Option 2 is ultimately feasible, a funding model was prepared and detailed in Section 5.8.1 in Enclosure 1. In summary, Option 2 would result in annual operation efficiencies when compared to the existing Cessnock Pool (Status Quo). This would fund the operational deficit and part of the renewal costs of Option 2, leaving part of the renewal cost unfunded. Asset Management modelling suggests however, that costs incurred for renewals are 'postponed' due to assets being new (and therefore reliable) and manufacturer warranties are in place. If figures are then projected beyond Year 15, ongoing operational savings and funding from the SRV can be redirected to the renewal budget (asset reserve) to make up the shortfall in renewal funding and allow for the ongoing asset renewal allocation.

Funding modelling demonstrates that by Year 21, the shortfall in renewal funding will be balanced, leaving the service cost of the facility fully funded. The ongoing operation of the facility beyond Year 21 would only require \$800,000 per annum for renewals and the balance of the SRV funding and operating efficiencies could then be reallocated to other budgets.

OPTIONS

The following options are provided for Council's consideration:

1. That Council places the draft Cessnock Aquatic Centre Feasibility and Design Report on public exhibition and receives a further report for consideration prior to adoption. This option is recommended as the draft Report provides a detailed analysis of options for the proposed Cessnock Aquatic Centre and will ensure the community is informed on the details of the proposal prior to adoption.
2. That Council does not place the Cessnock Aquatic Centre Feasibility and Design Report on exhibition.

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CONSULTATION

The following internal stakeholders were consulted in the preparation of this report:

- Executive Leadership Team
- Council Officers from Works & Infrastructure, Planning & Environment and Corporate & Community Services Directorates.

The following external stakeholders were consulted in the preparation of this report:

- Cessnock Athletics
- Hunter Valley Football Association
- Peden's Cricket Club
- SGL Consulting Group (consultant)

STRATEGIC LINKS

a. Delivery Program

The Cessnock Aquatic Centre Feasibility and Design Report is consistent with the following Objectives of Council's Revised 2013-17 Delivery Program:

- Objective 1.2: Strengthening community culture.
- Objective 3.2: Better utilisation of existing open space.

b. Other Plans

The proposed Feasibility and Design Report is linked to the following Council plans:

- Recreation and Open Space Strategic Plan (2009);
- Turner Park Plan of Management (2010);
- Aquatic Needs Analysis (2014);
- Draft Recreation Needs Analysis (2016).

IMPLICATIONS

a. Policy and Procedural Implications

NIL

b. Financial Implications

The requirement to publicly exhibit the Cessnock Aquatic Centre Feasibility and Design Report will have minimal financial implications for Council. The service cost for advertising in various media is not anticipated to be significant and would be accommodated within current budget allocations.

c. Legislative Implications

NIL

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d. Risk Implications

Public exhibition is an important process in engaging the community. Public exhibition provides an opportunity for the community to become familiar with the proposal and have an opportunity to provide comment prior to adoption. The extent and relevance of comments vary, however often comments are made that result in the amendment of the document to better meet its objectives and needs of the community. Should the draft report not be publicly exhibited, Council risks adopting a report that is not developed to its full potential or well received by the community.

e. Other Implications

NIL

CONCLUSION

The draft Cessnock Aquatic Centre Feasibility and Design Report provides a detailed analysis of aquatic facility Option 2 (medium embellishment) and Option 3 (high embellishment).

Publicly exhibiting the document will ensure the community has adequate opportunity to consider the implications of each of the options prior to submitting to Council for adoption of a preferred facility Option.

ENCLOSURES

- 1 Draft Cessnock Aquatic Centre Feasibility & Design Report - Under Seperate Cover
- 2 Draft Cessnock Aquatic Centre Preliminary Designs - Under Seperate Cover

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SUBJECT: ***EVALUATION OF TENDERS FOR THE REPLACEMENT OF
FRAME DRIVE BRIDGE, ABERMAIN - T1516/11***

RESPONSIBLE OFFICER: ***Design Engineer - John Latter
Design Delivery Manager - Katrina Kerr***

SUMMARY

Evaluation and selection of tender for Tender No. T1516/11 – Frame Drive Bridge Replacement, Abermain.

RECOMMENDATION

That Council accept the tender from Waeger Constructions Pty Ltd in the lump sum amount of \$889,350 (including GST) to replace Frame Drive Bridge, Abermain.

BACKGROUND

Frame Drive Bridge spans Deep Creek, Abermain. The existing bridge is a two span single lane timber bridge with a concrete deck.

With additional traffic volumes after the opening of the Hunter Expressway, the existing timber bridge showed significant deterioration and a 5 tonne load limit was implemented. Additional structural damage was caused during the April 2015 storm event that forced the closure of the bridge.

REPORT

Request for Tender

The Request for Tender (RFT) documents were prepared by Council officers, and reviewed by the Tender Audit Panel (TAP) before tenders were called. The form of contract selected was AS 4902-2000 General conditions of contract for design and construct. The RFT called for a lump sum tender to complete the concept design provided and construct a two way reinforced concrete bridge.

Invitation

Tenders were invited on Tuesday 26 April 2016 on Council's e-tender portal, Tenderlink and advertised in the following publications:

Publication:	Day:	Date:
Sydney Morning Herald	Tuesday	26 April 2016
Newcastle Herald	Saturday	30 April 2016

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Works and Infrastructure**Addenda**

The following addenda were issued via the Tenderlink website to all prospective tenderers during the invitation period:

No.	Date:	Description:
1	4 May 2016	Pre-tender Meeting Minutes
2	11 May 2016	Pre-tender Meeting Answers
3	11 May 2016	Power Relocation Design

Closure

Tenders closed 2pm Tuesday 17 May 2016.

Evaluation of Tenders

Tender Evaluation Team: In accordance with Council's Procurement Procedure, a Tender Evaluation Team (TET) was formed with the following members:

- Design Engineer, Design Delivery
- Projects Engineer, Design Delivery
- Infrastructure Accountant, Financial Services

Evaluation Process: The evaluation was conducted according to the following process:

1. Assessment of receipt
2. Assessment of conformance
3. Shortlisting
4. Detailed weighted evaluation
5. Due diligence checks on preferred tenderers
6. Determine evaluation result
7. Independent review of the tender selection process

The evaluation criteria and their weightings were documented in the Contract Initiation and Development Plan and Tender Evaluation Plan, which were reviewed by the Design Delivery Manager prior to tenders being invited.

1. Assessment of Receipt

Tenders were received and assessed against the first threshold criteria:

Threshold Criteria:	
Criterion 1	Submission on time

The following tenders were received:

Tender:	Tenderer:	Business Address:	Criterion 1:
1	Civilbuild Pty Ltd	Redhead	On time
2	Tallis Civil Pty Ltd	Pendle Hill	On time
3	Waeger Construction Pty Ltd	Rutherford	On time

All three tenders were received on time and met threshold Criterion 1.

2. Assessment of Conformance

The tenders were then assessed for conformance with the remaining threshold criteria:

Threshold Criteria:	
Criterion 2	Conformance with RFT Documents
Criterion 3	Capacity to manage the works (safety, environment and quality)
Criterion 4	Financial capacity

Tenders 1, 2 and 3 were considered conforming in threshold Criteria 2 and 3. With the financial capacity of tenderers found to be in contention to be confirmed at the Due Diligence stage of evaluation, all three tenders were progressed to the next stage of evaluation.

3. Shortlisting

With three competitive tenders received, shortlisting was not considered necessary, and all tenders were progressed to the next stage of evaluation.

4. Weighted Evaluation

Tenders were evaluated using the following weighted evaluation criteria:

Weighted Criteria:	
Criterion 5	Lump sum tender amount
Criterion 6	Design and construction methodology
Criterion 7	Contract program
Criterion 8	Experience, past performance, management and staff resources
Criterion 9	Safety, environmental, and quality management performance

To assess tenders against the evaluation criteria, the TET used information obtained from the tender documents. A Weighted Evaluation Matrix, containing full details of the pricing and weighted evaluation is provided as confidential **Enclosure 1**.

Tender 3, with a competitive price, and positive referee checks regarding program and performance scored the highest on all other weighted evaluation criteria.

With the highest score, Tender 3 from Waeger Construction Pty Ltd was identified as the preferred tender.

5. Due Diligence

Referees, provided by the preferred tenderer, were contacted for comment on past performance. Performance on other past and current work for Council was also considered.

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In addition, the RMS Bridge Prequalification Scheme was referenced to confirm the tenderers ability to manage construction works of this scale and value.

Kingsway Financial Assessments Pty Ltd was engaged to independently assess the preferred tenderers' capacity to complete the work. The assessment confirmed a satisfactory financial capacity to complete the work and conformance with threshold Criterion 3.

6. Evaluation Result

Following steps 1 to 5 of the evaluation process, the TET recommended acceptance of Tender 3 from Waeger Construction Pty Ltd. The tenderer met the requirements of the RFT.

7. Independent Review

The evaluation process and recommendations were reviewed by the TAP and determined to be in accordance with Council's Procurement Policy, Council's Procurement Procedure and relevant legislation.

TIME FRAME

The contract period is 22 calendar weeks from the date of acceptance of the tender. This allows for design followed by off site precasting, site preparation and installation. In addition, a contingency period of 4 weeks has been allowed to cater for latent site conditions which may be encountered and any inclement weather.

To prepare the site for the construction of the new bridge, enabling works, including relocation of public utilities is scheduled for August 2016, weather permitting.

In order to reopen the thoroughfare to the community, the tender should be awarded as soon as possible.

LOCAL CONTENT

Local preference scoring was not applied to this tender, however it was noted that the preferred tenderer, Wager Construction Pty Ltd is based in Rutherford, and is likely to use local services and suppliers.

OPTIONS

Option 1: Accept the tender from Wager Construction Pty Ltd in the lump sum amount of **\$889,350** (including GST). This is the recommended option.

Option 2: Council decline to accept any of the offers. This option is not recommended as the current closure of Frame Drive is affecting residents and road users. Award of this contract is also required to complete work on the adopted 2015-2016 Capital Works Program.

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CONSULTATION

The following officers were consulted in preparation of the report during the tender process:

- TAP
- Strategic Asset Manager

Consultation with local residents regarding the construction has commenced with the mail out of a Community Newsletter to provide information, which will be regularly updated throughout the course of the works.

For road users generally, Council's website provides information and access to the Community Newsletter, and Council's Facebook Page offers opportunity for feedback.

STRATEGIC LINKS

a. Delivery Program

Acceptance of the tender will contribute to achieving the following objectives of the 2013-2017 Revised Delivery Program:

- Objective 4.2: Improving the Road Network,
 - Objective 4.2.3: Deliver prioritised capital works programs in line with adopted asset management plans.

b. Other Plans

Acceptance of the tender will facilitate completion of works listed in Council's 2015-2016 Operational Plan:

- Capital Works Program, Bridges Construction Program.

STATUTORY IMPLICATIONS

a. Policy and Procedural Implications

The tender process has been carried out in accordance with:

- Council's Procurement Policy
- Council's Procurement Procedure
- Tendering Guidelines for NSW Local Government 2009
- NSW Government – Code of Practice for Procurement 2005

b. Financial Implications

As part of the Capital Works Program for 2015/16, funding in the amount of \$100,000 was allocated for the investigation and design for the bridge replacement.

Additional 50/50 Grant funding for construction of the bridge and the relocation of a number of utility services was sought through the Australian Government's Bridges Renewal Program. At its meeting of the 17 February 2016, Council resolved to accept \$2M from the

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Program and fund its contribution to the project via a combination of loan borrowing, restricted assets and existing program budgets. The contract and a contingency will be covered from within the Bridges Construction Program.

c. Legislative Implications

The tender process has followed the legislative provisions referenced in Council's Procurement Policy and Procurement Procedure which are as follows:

- Local Government Act 1993
- Local Government (General) Regulation 2005

In particular, reference is made to Part 7, Division 4, Clause 178 of the Local Government (General) Regulation 2005 (Acceptance of tenders):

1. *After considering the tenders submitted for a proposed contract, the Council must either:*
 - (a) *accept the tender that, having regard to all the circumstances, appears to it to be the most advantageous, or*
 - (b) *decline to accept any of the tenders.*
2. *A Council must ensure that every contract it enters into as a result of a tender accepted by the Council is with the successful tenderer and in accordance with the tender (modified by any variation under clause 176). However, if the successful tender was made by the Council (as provided for in section 55 (2A) of the Act), the Council is not required to enter into any contract in order to carry out the requirements of the proposed contract.*
3. *A Council that decides not to accept any of the tenders for a proposed contract or receives no tenders for the proposed contract must, by resolution, do one of the following:*
 - (a) *postpone or cancel the proposal for the contract,*
 - (b) *invite, in accordance with clause 167, 168 or 169, fresh tenders based on the same or different details,*
 - (c) *invite, in accordance with clause 168, fresh applications from persons interested in tendering for the proposed contract,*
 - (d) *invite, in accordance with clause 169, fresh applications from persons interested in tendering for contracts of the same kind as the proposed contract,*
 - (e) *enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender,*
 - (f) *carry out the requirements of the proposed contract itself.*
4. *If a Council resolves to enter into negotiations as referred to in sub clause (3) (e), the resolution must state the following:*
 - (a) *the Council's reasons for declining to invite fresh tenders or applications as*

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referred to in sub clause (3) (b)–(d),

(b) the Council's reasons for determining to enter into negotiations with the person or persons referred to in sub clause (3) (e).

Note: Where “tender” referred to above may be substituted with ‘quote’ if required.

d. Risk Implications

To minimise Council's exposure to business risks, the RFT required:

- Adequate levels of insurances
- Satisfactory financial capacity

The authenticity of the Contractor's certificates of currency for the following insurance policies will be verified:

- Workers Compensation
- Public Liability (\$20M or greater)
- Comprehensive Motor Vehicle
- Professional Indemnity

Risks identified in relation to safety, environment and quality are mitigated by the RFT requirement for adherence to the following system standards:

- AS/NZS 4801:2001 - Occupational health and safety management systems
- AS/NZS ISO 14001:2004 - Environment management systems
- AS/NZS ISO 31000:2009 - Risk management, and
- AS/NZS ISO 9001:2016 - Quality management systems

Regarding safety, the RFT requires the Contractor to prepare and implement a site specific Safety Management Plan including:

- Traffic Control Plans. Traffic issues will be managed through the construction period in accordance with these plans.
- Requirements for on-site workers to have current general construction induction cards (white card) and licenses/tickets and inducted to the site.
- Safe Work Method Statements, which are kept on site and the subject of tool box talks.

e. Other Implications

Replacement of Frame Drive Bridge will allow the reopening of Frame Drive. To cater for the anticipated traffic including heavy vehicles, design for further road work between Lismore Street and Gingers Lane is in progress with staged construction anticipated to follow. The design process will include a Road Safety Audit of the route.

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Liaison with Roads and Maritime Services regarding the status of Frame Drive and access to Cessnock from the Hunter Expressway is ongoing.

CONCLUSION

The tender from Waeger Construction Pty Ltd in the lump sum amount of \$889,350 (including GST) offers the best value for money for the replacement of Frame Drive Bridge. The contract and contingency are fully funded from the available project budget.

ENCLOSURES

- 1** Weighted Evaluation Matrix - T1516/11 - *This matter is considered to be confidential under Section 10A(2) (di) of the Local Government Act, as it deals with commercial information of a confidential nature that would, if disclosed (i) prejudice the commercial position of the person who supplied it.*

SUBJECT: *ADOPTION OF ASSET MANAGEMENT PLANS*

RESPONSIBLE OFFICER: *Strategic Asset Planning Manager - Stephen Long*

SUMMARY

At its meeting of 20 April 2016 (Report WI19/2016) Council resolved to place five draft Asset Management Plans (AMP's) on public exhibition as part of Council's Integrated Planning and Reporting (IP&R) framework Council

The purpose of this report is to update Council on the submissions received and seek adoption of five draft Asset Management Plans, as exhibited, with the changes outlined in this report.

RECOMMENDATION

That Council adopt the following five draft Asset Management Plans, as exhibited, with the changes outlined in this report:

- **Draft Road and Road Infrastructure Network Asset Management Plan**
- **Draft Bridge and Major Culverts Asset Management Plan**
- **Draft Stormwater Network Asset Management Plan**
- **Draft Buildings Asset Management Plan**
- **Draft Open Space and Other Structures Asset Management Plan**

BACKGROUND

As part of the IP&R framework Section 403 of the Local Government Act 1993 requires Council to have a Resourcing Strategy that includes AMP's, to implement the strategies identified in the Community Strategic Plan.

Asset management planning is a comprehensive process to ensure that the delivery of services from infrastructure is provided in a financially sustainable manner.

An AMP provides detailed information about infrastructure assets including the actions required to provide an agreed level of service in the most cost effective manner. AMP's define the services to be provided, how the services are provided and what funds are required to provide the services.

Effective asset management assists Council to make informed asset investment decisions that effectively balance costs, risks, opportunities and the level of service provided to the community.

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REPORT/PROPOSAL

The draft AMP's were placed on public exhibition in conjunction with the 2016/17 Operational Plan from Wednesday, 27 April 2016 to Wednesday, 25 May 2016. Copies of the plans were available for viewing at the Administration Centre in Cessnock and at Council's Libraries in Cessnock and Kurri Kurri. In addition, the documents were available on Council's website.

Adoption of the draft plans would be a significant step towards Council achieving improved asset management and prioritised capital work programs in line with Council Long Term Financial Planning.

Submissions

Council received two submissions on the five draft Asset Management Plans. The submissions related specifically to the Open Space and Other Structure AMP.

Both submissions were provided by Internal Council sections and focused on the condition profile of the airport runway and taxiways and the 4 Year Program located in Appendix B.

A summary of the matters raised in the submissions is included in Table 1 below.

Table 1: Issues Raised in Submissions on Draft Asset Management Plans

Matter	Comment
"It is suggested that the condition profile for the runway and taxiways be shown as condition 2 to better reflect the true condition of these assets".	<ul style="list-style-type: none"> - Noted - The AMP notes that 2009 condition data is utilised in the preparation of the AMP and that the asset class is being revalued in 2015/16. The next iteration of the AMP (June 2017) will include the updated condition data.
The Open Space and Other Structures 4 Year Program provided in Appendix B is not a current program.	<ul style="list-style-type: none"> - Noted. - The Open Space and Other Structures program contained in the adopted 2016/17 Operational Plan will be used to update the Open Space and Other Structures AMP.

Asset Management Plan Changes

Along with minor typographical amendments the following minor changes for two Draft AMP's, as exhibited, are proposed in Table 2:

Table 2 Proposed Changes to Draft Asset Management Plans

Page	AMP	Proposed Change
26	Bridge and Major Culvert Asset Management Plan	Wording change to frequency of Level 1 inspections from 4-6 weeks to 6-8 weeks.

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Page	AMP	Proposed Change
62	Bridge and Major Culvert Asset Management Plan	Update Appendix B Draft 10 year Capital Renewal, Replacement, and Upgrade Works Program in line with Council Report WI28/2016 (18 May 2016).
56	Open Space and Other Structures Asset Management Plan	The Open Space and Other Structures program contained in the adopted 2016/17 Operational Plan will be used to update the Open Space and Other Structures AMP.

OPTIONS

Option 1 – Adopt the five draft Asset Management Plans with the recommended changes. This is the preferred option.

Option 2 – Adopt the five draft Asset Management Plans with additional changes to be determined by Council.

CONSULTATION

The Strategic Asset Planning Section obtained information from operational units across the organisation to assist in the compilation of the draft AMP's.

The draft AMP's were placed on public exhibition for a 28 day period in association with the Draft 2016/17 Operational Plan.

The public exhibition was advertised in the local press and on Council's website.

Council received two (2) submissions on the five draft Asset Management Plans.

STRATEGIC LINKS**a. Community Strategic Plan**

The draft AMP's are a key part of Council's IP&R framework and will assist in achieving the community's desired outcome of: *Accessible Infrastructure, Services and Facilities* and the community's objectives of: *4.2 Improving the Road Network* and support *A Sustainable & Healthy Environment*, *3.2 Better Utilisation of Existing Open Space*.

Delivery Program

The draft AMP's will facilitate the implementation of the following deliverables in the 2013-17 Delivery Program.

- 4.2.1 Improve the corporate asset management system; and*
- 4.2.3 Deliver prioritised capital works programs in line with adopted asset management plans.*

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IMPLICATIONS

b. Policy and Procedural Implications

The AMP's will introduce renewal criteria to assist in assessing the priority of asset renewal works.

The preparation and adoption of AMP's is consistent with Council's policy number F22.1 - 'Cessnock City Council Asset Management Policy', adopted August 2015.

c. Financial Implications

Council's Long Term Financial Plan (LTFP) was adopted prior to the most recent data capture for roads, bridges and stormwater assets and the new data has been used in the preparation of the Draft Bridge and Major Culvert AMP, Draft Stormwater Network AMP and the Draft Road and Road Infrastructure Network AMP.

While all draft AMP's do not have direct financial implications, they do highlight the potential deteriorating position of the asset network due to funding shortfalls in the adopted LTFP.

d. Legislative Implications

Section 403 of the Local Government Act 1993 requires Council to have a long-term strategy (called its "Resourcing Strategy") for the provision of the resources required to implement the strategies established by the community strategic plan that the council is responsible for.

The Resourcing Strategy includes asset management planning (along with long-term financial planning and workforce management planning).

e. Risk Implications

The current level of funding for asset maintenance and renewal is expected, over time, to cause an increase in the number of assets in poor or very poor condition (condition 4 and 5), leading to increase in potential asset failures.

f. Other Implications

N/A

CONCLUSION

Adoption of the draft plans will be a significant step towards Council achieving improved asset management and prioritised capital works programs.

It is recommended that Council adopt the five draft Asset Management Plans with the proposed changes outlined in this report.

ENCLOSURES

There are no enclosures for this report.

Answers To Questions For Next Meeting

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SUBJECT: *KURRI KURRI CEMETERY TAP REPLACEMENT*

RESPONSIBLE OFFICER: *Acting Recreation Services Manager - Paul Burton*

Q36/2016 - Kurri Kurri Cemetery Tap Replacement

Asked by Councillor Parsons at the Ordinary Meeting of Council held on 1 June 2016:

"Has the tap in the Methodist Section at Kurri Kurri Cemetery been removed, and if so why, and could it be replaced?"

The tap in the Methodist Section at Kurri Kurri Cemetery was removed due to vandalism.

A replacement tap is scheduled to be installed by Friday 17 June 2016.

ENCLOSURES

There are no enclosures for this report