

# ORDINARY COUNCIL MEETING



Council Chambers, 4th Floor Ray Walsh House, 437 Peel Street

**6:30PM WEDNESDAY 27 April 2011**

## Order Of Business

- 1 APOLOGIES**
- 2 COMMUNITY CONSULTATION**
- 3 MINUTES OF PREVIOUS ORDINARY MEETING – 13 APRIL 2011 TO BE CONFIRMED (Enclosed)**
- 4 DISCLOSURE OF INTEREST**

- Pecuniary Interest
- Non Pecuniary Conflict of Interest
- Political Donations



Minutes Ordinary  
Council 13 April 2011.

## **5 MAYORAL MINUTE**

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Paul Bennett  
General Manager

## Council

Meeting Date: 2<sup>nd</sup> and 4<sup>th</sup> Tuesday of the month commencing at 6.30 p.m.

Matters determined by Ordinary meetings will include all those non-delegable functions identified in Section 377 of the Local Government Act as follows:

- *the appointment of a general manager*
- *the making of a rate*
- *a determination under section 549 as to the levying of a rate*
- *the making of a charge*
- *the fixing of a fee*
- *the borrowing of money*
- *the voting of money for expenditure on its works, services or operations*
- *the compulsory acquisition, purchase, sale, exchange or surrender of any land or other property (but not including the sale of items of plant or equipment)*
- *the acceptance of tenders which are required under this Act to be invited by the council*
- *the adoption of a management plan under section 406*
- *the adoption of a financial statement included in an annual financial report*
- *a decision to classify or reclassify public land under Division 1 of Part 2 of Chapter 6*
- *the fixing of an amount or rate for the carrying out by the council of work on private land*
- *the decision to carry out work on private land for an amount that is less than the amount or rate fixed by the council for the carrying out of any such work*
- *the review of a determination made by the council, and not by a delegate of the council, of an application for approval or an application that may be reviewed under section 82A of the [Environmental Planning and Assessment Act 1979](#)*
- *the power of the council to authorise the use of reasonable force for the purpose of gaining entry to premises under section 194*
- *a decision under section 356 to contribute money or otherwise grant financial assistance to persons*
- *the making of an application, or the giving of a notice, to the Governor or Minister*
- *this power of delegation*
- *any function under this or any other Act that is expressly required to be exercised by resolution of the council."*

Other matters and functions determined by Ordinary Council Meetings will include:

- *Notices of Motion*
- *Notices of Motion of Rescission*
- *Council Elections, Polls, Constitutional Referendums and Public Hearings/Inquiries*
- *Ministerial Committees and Inquiries*
- *Mayor and Councillors Annual Fees*
- *Payment of Expenses and Provision of Facilities to Mayor and Councillors*
- *Local Government Remuneration Tribunal*
- *Local Government Boundaries*
- *NSW Ombudsman*
- *Administrative Decisions Tribunal*
- *Delegation of Functions by the Minister*
- *Delegation of Functions to General Manager and Principal Committees*
- *Organisation Structure*
- *Code of Conduct*
- *Code of Meeting Practice*
- *Honesty and Disclosure of Interests*
- *Access to Information*
- *Protection of Privacy*
- *Enforcement Functions (statutory breaches/prosecutions/recovery of rates)*
- *Dispute Resolution*
- *Council Land and Property Development*
- *Annual Financial Reports, Auditors Reports, Annual Reports and Statement of the Environment Reports*
- *Performance of the General Manager*
- *Equal Employment Opportunity*
- *Powers of Entry*
- *Liability and Insurance*
- *Membership of Organisations*

**Membership:** All Councillors.  
**Quorum:** 5 members  
**Chairperson:** The Mayor  
**Deputy Chairperson:** The Deputy Mayor

## Community Consultation Policy

The first thirty (30) minutes of Open Council Meetings is available for members of the Public to address the Council Meeting or submit questions either verbally or in writing, on matters INCLUDED in the Business Paper for the Meeting.

Members of the public will be permitted a maximum of three (3) minutes to address the Council Meeting. An extension of time may be granted if deemed necessary.

Members of the public seeking to represent or speak on behalf of a third party must satisfy the Council or Committee Meeting that he or she has the authority to represent or speak on behalf of the third party.

Members of the public wishing to address the Council meetings are requested to contact Council either by telephone 67675 444 prior to 12 noon the day of the Meeting or in person and register their intention to address the Council Meeting.

Members of the public will not be permitted to raise matters or provide information which involve:

- Personnel matters concerning particular individuals (other than Councillors);
- Personal hardship of any resident or ratepayer;
- Information that would, if disclosed confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business;
- Commercial information of a confidential nature that would, if disclosed:
  - - prejudice the commercial position of the person who supplied it, or
  - - confer a commercial advantage on a competitor of the Council; or
  - - reveal a trade secret;
- information that would, if disclosed prejudice the maintenance of law
- matters affecting the security of the Council, Councillors, Council staff or Council property;
- advice concerning litigation or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege;
- on balance, be contrary to the public interest.
- Members of the public will not be permitted to use Community Consultation to abuse, vilify, insult, threaten, intimidate or harass Councillors, Council staff or other members of the public. Conduct of this nature will be deemed to be an act of disorder and the person engaging in such behaviour will be ruled out of the order and may be expelled.

### ***Disclosure of Political Donations or Gifts***

If you have made a relevant planning application to Council which is listed for determination on the Council Business Paper you must disclose any political donation or gift made to any councillor or employee of the Council within the period commencing 2 years before the application is made and ending when the application is determined (Section 147(4) Environmental Planning and Assessment Act 1979).

If you have made a relevant public submission to Council in relation to a relevant planning application which is listed for determination on the Council Business Paper you must disclose any political donation or gifts made to any councillor or employee of the Council by you as the person making the submission or any associate within the period commencing 2 years before the submission is made and ending when the application is determined (Section 147(5) Environmental Planning and Assessment Act 1979).

## OPEN COUNCIL REPORTS

### 6 ENVIRONMENT & PLANNING

Nil

### 7 INFRASTRUCTURE AND SERVICES

#### 7.1 TAMWORTH REGIONAL LOCAL TRAFFIC COMMITTEE MEETING – APRIL 2011- FILE NO SF1387

DIRECTORATE: REGIONAL SERVICES

AUTHOR: Murray Russell, Manager Civil Construction and Engineering Services.

ENCLOSURE ENCLOSED

#### RECOMMENDATION

*That in relation to the report from the Tamworth Regional Local Traffic Committee – April 2011 meeting held on 13 April 2011, Council endorse the following recommendations of the Tamworth Regional Local Traffic Committee as follows:*

- 8/2011            *Endorse Plan No. 18240 of Jack Smyth Drive and the Indoor Sports Centre carpark in Tamworth (refer ENCLOSURE 1);*
- 9/2011            *That with regard to the proposed “No Parking Emergency Vehicles Excepted” signage on the southern side of White Street, immediately adjacent to the existing disabled parking zone west of Peel Street, in Tamworth:*
- (i) the kerbside parking restrictions in White Street adjacent to the Fire & Rescue Zone Office remain as they are; and*
  - (ii) Council advise the Fire & Rescue Zone office that alternate nearby off-street locations should be investigated.*
- 10/2011           *That with regard to the proposed parking restrictions plan for the Tamworth Base Referral Hospital in Tamworth, Council note that:*
- (i) the Local Traffic Committee (LTC) will undertake a further site inspection in light of the lack of some information on the plan provided by Hospital management and ensure that the proposal conforms to the RTA policy document “Restricted Parking”;*
  - (ii) the matter will be deferred to a future meeting of the LTC for further discussion and recommendation when the additional information required is provided by Hospital management; and*

*(iii) Council will be requesting the consultant undertaking the Regional Transport Study to include the Tamworth Base Referral Hospital in its traffic study.*

**11/2011** *That with regard to the proposed relocation of the existing southbound CountryLink bus stop on the eastern side of Manilla Street between Market and Strafford Streets:*

- (i) the existing zone be removed and the parking default back to parallel unrestricted parking;*
- (ii) the zone be relocated to the northern side of Court Street immediately west of Manilla Street adjacent to Rotary Park for a distance of approximately 15 metres; and*
- (iii) the bus zone times of 9.45am to 10.15am daily remain unchanged.*

**12/2011** *That with regard to the proposed amendment to the existing parking restrictions from parallel to 60° rear to kerb in Upper Street between White and Fitzroy Streets in Tamworth, no further action be taken.*

**13/2011** *That with regard to the amendment to the existing Taxi Zone in Kable Avenue in front of West Diggers Club in Tamworth:*

- (i) the taxi zone remain as is; and*
- (ii) a Loading Zone of approximately 10 metres long restricted between the hours of 8.00am to midnight be installed on the western side of Kable Avenue immediately south of the existing Taxi Zone in front of West Diggers Club.*

**14/2011** *That with regard to the proposed installation of a sealed carpark on the south-eastern side of Jewry Street north-east of Ebsworth Street in Tamworth (refer ENCLOSURE 2), Council note that the Local Traffic Committee has requested the installation of a designated right hand turn bay in Jewry St for north bound vehicles so they have provision for a filtered right hand turn into the carpark. Also that this matter will be placed before the May 2011 Committee meeting for further review in light of the aforementioned request.*

**15/2011** *That with regard to the proposed amendment to the existing bus zone in Edward Street adjacent to Barraba Central School in Barraba, the existing bus zone be reduced in size from the western end by 41 metres and replaced with No Parking 8.00am to 9.30am and 2.30pm to 4.00pm school days.*

**16/2011** *That with regard to the matters raised in relation to pedestrian facilities on Manilla Road (MR 63), Tribe and Marius Streets in Tamworth, Council note that the Local Traffic Committee will investigate this matter further following:*

- (i) an update from the RTA on proposed improvements to the pedestrian facilities on Manilla Rd between Tribe and Marius Streets; and*

- (ii) completion of the Regional Transport Study, which will highlight the two intersections for re-modelling.*

17/2011

*That with regard to the report proposing a taxi rank in Piper Street North Tamworth adjacent to the Northgate Shopping Centre:*

- (i) a taxi zone be imposed for a distance of 15 metres on the southern side of Piper Street 6 metres west of the Northgate Coles Supermarket driveway;*
- (ii) a bus zone restricted between the hours of 7.00am and 7.00pm Monday to Friday and 7.00am to 2.00pm Saturdays be imposed for a distance of 15 metres on the southern side of Piper Street immediately west of the taxi zone; and*
- (iii) Council consider the relocation of the existing bus shelter to between the two zones should the need arise.*

18/2011

*That with regard to the proposed regulatory facilities in the Gipps Street carpark adjacent to the amenities building:*

- (i) a section of No Parking be installed at the southern end of the carpark;*
- (ii) a disabled parking bay be installed on the eastern side of the carpark immediately adjacent to the proposed No Parking zone; and*
- (iii) No Stopping be imposed from the northern end of the first parking bays inside the carpark extending around into Gipps Street for 10 metres to the east and west.*

19/2011

*That with regard to regulatory facilities adjacent to Calrossy School in Brisbane and Raglan Streets in Tamworth:*

- (i) All Traffic Left signage be installed on the exit of the school in Brisbane Street preventing any filtered right hand turns at any time from the school grounds;*
- (ii) the existing restricted 35 metre bus zone on the western side of Raglan Street immediately north of Brisbane Street be relocated north of its existing location;*
- (iii) the aforementioned bus zone be replaced with a restricted No Parking Zone – 8.00am-9.30am and 2.30pm-4.00pm School Days;*
- (iv) a raised concrete pedestrian refuge be installed in the north-western leg of Raglan Street at the Brisbane Street intersection to improve pedestrian amenity for off-campus students access to school accommodation; and*
- (v) Council write to the RTA requesting available funding for the installation of the pedestrian refuge in the 2011/12 year.*

20/2011

*That with regard to the Event Approval for the Blue Liners Tamworth Motorcycle Club to be held in May 2011 the event be approved subject to written Police approval.*

## SUMMARY

The purpose of this report is to advise Council of recommendations made by the Tamworth Regional Local Traffic Committee, (TRLTC) at the meeting held on Wednesday 13 April 2011.

## COMMENTARY

Thirteen (13) items were discussed at the meeting and it is proposed that Council adopt the recommendations.

- 8/2011** This recommendation deals with the proposed traffic management, including regulatory signage and pavement markings on Jack Smyth Drive and the Tamworth Sports Dome and Hockey grounds carpark in Tamworth.
- 9/2011** Council received a letter from management of the local Fire & Rescue Zone Office requesting the installation of three (3) specific parking bays for the Fire & Rescue Zone response vehicles adjacent to their office in White Street in Tamworth. Kerbside parking in this area is considered a premium and there may be alternate off-street locations available nearby. It is recommended that the Fire & Rescue Zone office contact the owners of the adjacent nearby carparks and discuss the availability of possible car parks for zone office response vehicles.
- 10/2011** Council received a letter from Tamworth Base Hospital management requesting approval of regulatory facilities in the grounds of the Hospital in Dean Street in Tamworth. The matter is to be deferred to a further Local Traffic Committee meeting pending receipt of an entire plan of the proposed facilities. The Local Traffic Committee also asked that the traffic movements in and around the Hospital grounds be included in the brief for the Regional Transport Study which currently being prepared.
- 11/2011** This recommendation deals with the proposed relocation of the southbound Manilla CountryLink bus stop from Manilla Street to Court Street in Manilla, immediately adjacent to the northbound stop. The Manilla Community Development Committee made the request during 2010, Council pursued the matter with CountryLink and they have agreed to the proposal.
- 12/2011** Council received a letter from an Upper Street resident requesting an amendment to the existing kerbside parking restrictions in Upper Street between White and Fitzroy Streets in Tamworth. It is alleged that parking is difficult to obtain due to overflow parking from a block of units located mid block. Anecdotal evidence does not support this allegation.
- 13/2011** Council received a request from management of the Wests Diggers Club in Kable Avenue requesting the existing Taxi Zone be changed to No Parking in front of the Diggers Club in Kable Avenue in Tamworth. Club staff and delivery vehicles are being infringed for parking in the taxi zone. It is recommended that the Taxi zone remain as is and a restricted Loading Zone be imposed immediately adjacent to the taxi zone. This will result in a loss of four (4) parking bays and will accommodate small trucks, small buses and regular passenger vehicles to pick up and/or set down.
- 14/2011** This recommendation deals with the proposed construction of an off-street carpark to accommodate 82 vehicles as part of the Riverside Sporting precinct in Jewry Street in Tamworth. Jewry Street carries approximately 12,000 vehicle per day and an off-street carpark would assist in relocating some parked vehicles off the wide grassed shoulders.

The Local Traffic Committee has requested that a designated right hand turn bay be installed in the centre of Jewry Street, to permit right hand turn movements into the off-street carpark.

**15/2011** This recommendation deals with the proposed reduction in size of the existing restricted school bus zone in Edward Street in Barraba to allow easier vehicular access for parents to one of the main school gates to pick up or set down children.

**16/2011** Council has received a request from the developer of the Peel Health facility in Marius Street in Tamworth for the installation of pedestrian facilities on Manilla Road (MR 63) directly behind the Health facility. Manilla Road is a State Road under the care and control of the RTA. The RTA have agreed to consider short term options for pedestrians at this location and provide an update for the Local Traffic Committee. It is also expected that Council's Regional Transport study will highlight the need for the intersections adjacent to this location to be upgraded. The Local Traffic Committee and RTA will also consider the impact of these proposed upgrades when the study is complete.

**17/2011** Council has received a request from the Tamworth Radio Cabs Cooperative for the installation of a taxi rank in Piper Street adjacent to the recently refurbished Northgate Coles Supermarket in Tamworth. This area of North Tamworth has a significant number of aged persons and as a result of the supermarket upgrade taxi patronage to and from the area has increased. The improved taxi and bus services in Piper Street will assist the patrons in this area greatly.

**18/2011** This recommendation deals with the proposed installation of No Parking and disabled parking facilities at the southern end of the Gipps Street carpark. This will assist with vehicle turning and disabled parking adjacent to the new amenities and administration block at the end of the carpark.

**19/2011** As a result of an incident in Brisbane St where a school child was struck by a vehicle Council received a request for a marked pedestrian crossing to be installed in front of the school. Council's Traffic Officer discussed this matter with the parent of the child and the Principal of the Calrossy School and advised that the pedestrian crossing did not meet the RTA warrant. The Local Traffic Committee considered other measures that could assist to improve pedestrian and vehicle access and egress to and from the school grounds.

**20/2011** This recommendation deals with Event Approval for May 2011.

**(a) Policy Implications**

Nil.

**(b) Financial Implications**

Item 8/2011 Funding will be sought from the construction budget associated with Jack Smyth Drive and the Sports Dome carpark during the 2010/11 financial year.

Item 11/2011 Estimated expenditure of \$200. Funding is available through the RTA Regional Roads/Local Traffic Facilities allocation in the 2011/2012 financial year.

- Item 13/2011 Estimated expenditure of \$300. Funding is available through the RTA Regional Roads/Local Traffic Facilities allocation in the 2011/2012 financial year
- Item 15/2011 Estimated expenditure of \$300. Funding is available through the RTA Regional Roads/Local Traffic Facilities allocation in the 2011/2012 financial year.
- Item 17/2011 Estimated expenditure of \$600. Funding is available through the RTA Regional Roads/Local Traffic Facilities allocation in the 2011/2012 budget.
- Item 18/2011 Estimated expenditure of \$1,600. Funding is available through the RTA Regional Roads/Local Traffic Facilities allocation in the 2011/2012 budget.
- Item 19/2011 Estimated expenditure of \$1,000. Funding is available through the RTA Regional Roads/Local Traffic Facilities allocation in the 2011/2012 budget.

**(c) Legal Implications**

Nil.

**(d) Community Consultation**

Nil.

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## **8 GOVERNANCE, STRATEGY AND FINANCE**

### **8.1 PROPOSAL FROM TELSTRA TO LEASE AN AREA OF THE VICTORIA PARK RESERVOIR SITE FOR A TELECOMMUNICATIONS TOWER - FILE NO LF104 AND SF715**

**DIRECTORATE:** CORPORATE & GOVERNANCE

**AUTHOR:** Sylvia Elliott, Commercial Property Officer

#### ***RECOMMENDATION***

*That in relation to the report, Proposal from Telstra to Lease an area of the Victoria Park Reservoir site for a telecommunications tower, Council:*

- (i) agree to lease a portion of land to Telstra on terms detailed in the report for the purposes of the construction and operation of a communications facility subject to the conditions of Development Consent 089/2011 being satisfied; and*
- (ii) resolve that the Seal of Council be affixed to the lease documents between Telstra and Council for the Victoria Park Reservoir site.*

#### **SUMMARY**

This report seeks Council's consent to enter into a lease agreement with Telstra over a portion of land at Council's Victoria Park Reservoir site for the construction and operation of a telecommunications tower and its associated facilities.

## COMMENTARY

Council at its meeting 24 August 2010 authorised the General Manager to (i) provide consent as owner to the Development Application for the proposed Telstra facility at Victoria Park and (ii) subject to development approval, negotiate a formal lease agreement over the subject land.

Development Application No. DA089/2011 for a Communications Facility at the Victoria Park Reservoir was determined by the granting of conditional consent at the Ordinary Council meeting on 9 November 2010. The planning assessment prepared by the Environment and Planning Directorate considered matters including location, visual amenity, technological hazards and impact on infrastructure.

Two (2) submissions were received in response to the public exhibition period of the development application raising concern about the potential health risks, appearance of the development and requesting an alternative site be considered. The matters raised in these submissions were addressed as negligible in respect to acceptable exposure levels and visual impact; and four alternative sites had been assessed and deemed unsuitable before the current one was considered.

Negotiations on the lease over the land have been conducted subject to the conditions of consent being satisfied. The proposed terms of the lease for Council's consideration are set out below:

<b>LESSEE:</b>	Telstra Corporation Limited
<b>LEASE TERM:</b>	Twenty (20) years
<b>LEASE DOCUMENTS:</b>	Four (4) x Five (5) years
<b>LEASE FEE:</b>	\$12,500.00 plus GST
<b>RENT REVIEW:</b>	Annual CPI adjustment

The proposed terms of the lease agreement are considered reasonable. It is therefore recommended that Council agree to enter into a lease agreement with Telstra over the portion of land at Victoria Park Reservoir as detailed in this report.

### (a) Policy Implications

Nil.

### (b) Financial Implications

All costs associated with the Lease preparation and registration will be at the expense of Telstra Corporation Limited.

### (c) Legal Implications

The Seal of Council will be required to be affixed to the Lease documents.

The Local Government (General) Regulation, section 400(4), requires that the Seal of Council must not be affixed to a document unless the document relates to the business of the Council and the Council has resolved by specific resolution referring to the document that the Seal be so affixed..

### (d) Community Consultation

Nil.

## 8.2 COUNCIL INVESTMENTS MARCH 2011 - FILE NO SF4917

**DIRECTORATE:** CORPORATE AND GOVERNANCE

**AUTHOR:** Mark Crompton, Finance & Information Technology Manager

### *RECOMMENDATION*

*That the report on Council's Investments for the month of March 2011 be received and noted.*

### **SUMMARY**

The amount invested at 31 March 2011 when compared to 28 February 2011 has decreased by \$718,973.44.

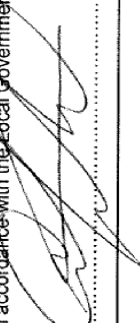
The most significant outgoings were:

Company	Amount	Description
Allianz Australia	\$218,491.25	2009/2010 Workers Comp final premium adjustment
Country Energy	\$360,402.14	Electricity Charges
National Australia Bank	\$351,258.49	Loan Repayment
Australian Taxation Office	\$243,717.00	PAYG
United Group Water and Energy Pty Ltd	\$658,370.16	Payment Part A Tamworth Sewage
Cleanaway	\$248,792.94	Waste Contract Payment
Emergency Management NSW	\$237,154.09	Fire and Rescue contribution – Fourth Quarter
Tamarang Engineering	\$103,137.62	Fabrication and installation of access ladders/platforms
LGSS Pool A	\$178,352.42	Employee Superannuation
HKM Sales Pty Ltd	\$120,734.00	Tamworth Mitsubishi motor vehicle purchases (3)
Australian Taxation Office	\$239,016.00	PAYG Tax
LGSS Pool A	\$170,231.04	Employer Superannuation
Hines Construction Pty Ltd	\$950,811.00	Tamworth Indoor Sports Centre Building Variations

**TAMWORTH REGIONAL COUNCIL INVESTMENT REGISTER 31/03/2011**

Financial Institution	IFRS Classification	Investment Type	Date Invested	Due Date	No of Days	Interest Rate	NAB Cheque A/C Interest Rate	Market Value at 28/02/2011	Market Value at 31/03/2011	% of Amount Invested
Bankwest	Held to Maturity	TD	21/09/2010	22/03/2011	182	6.00%	4.35%	5,000,000.00		0.00%
NAB	Held to Maturity	TD	24/11/2010	24/03/2011	120	5.98%	4.60%	6,000,000.00		0.00%
NAB	Held to Maturity	TD	6/10/2010	4/04/2011	180	6.00%	4.35%	3,000,000.00	3,000,000.00	2.98%
Bankwest	Held to Maturity	TD	19/10/2010	19/04/2011	182	5.91%	4.35%	3,000,000.00	3,000,000.00	2.98%
Bankwest	Held to Maturity	TD	20/10/2010	19/04/2011	181	5.96%	4.35%	7,000,000.00	7,000,000.00	6.95%
Westpac	Held to Maturity	TD	3/11/2010	3/05/2011	181	5.89%	4.35%	10,000,000.00	10,000,000.00	9.92%
St George	Held to Maturity	TD	16/11/2010	17/05/2011	182	6.15%	4.60%	3,000,000.00	3,000,000.00	2.98%
Westpac	Held to Maturity	TD	16/11/2010	17/05/2011	182	6.15%	4.60%	2,000,000.00	2,000,000.00	1.98%
NAB	Held to Maturity	TD	15/12/2010	15/06/2011	182	6.22%	4.60%	5,000,000.00	5,000,000.00	4.96%
St George	Held to Maturity	TD	21/12/2010	21/06/2011	182	6.12%	4.60%	3,000,000.00	3,000,000.00	2.98%
Bankwest	Held to Maturity	TD	16/03/2011	14/07/2011	120	5.85%	4.60%	2,000,000.00	2,000,000.00	1.98%
St George	Held to Maturity	TD	20/01/2011	19/07/2011	180	6.01%	4.60%	5,000,000.00	5,000,000.00	4.96%
Westpac	Held to Maturity	TD	25/01/2011	26/07/2011	182	6.08%	4.75%	10,200,000.00	10,200,000.00	10.12%
NAB	Held to Maturity	TD	25/01/2011	26/07/2011	182	6.30%	4.75%	20,000,000.00	20,000,000.00	19.84%
Bankwest	Held to Maturity	TD	2/02/2011	2/08/2011	181	6.03%	4.75%	7,000,000.00	7,000,000.00	6.95%
NAB	Held to Maturity	TD	24/03/2011	24/08/2011	153	5.98%	4.60%	4,000,000.00	4,000,000.00	3.97%
Bankwest	Held to Maturity	TD	22/03/2011	22/09/2011	184	5.98%	4.60%	5,000,000.00	5,000,000.00	4.96%
FIG-Deutsche Bank Guarantee Basis Note-T	Held to Maturity	FRN	29/02/2008	30/11/2014	2,466	90d BBSW+100		500,000.00	500,000.00	0.50%
FIG-Deutsche Bank Guarantee Basis Note-N	Held to Maturity	FRN	23/02/2008	23/11/2012	1,735	90d BBSW+100		500,000.00	500,000.00	0.50%
FIG-ANZ-Fixed Senior Bank Bond	Held to Maturity	Bank Bond	22/08/2008	22/04/2013	1,704	7.60%		4,000,000.00	4,000,000.00	3.97%
NAB-Professional Fund	Held to Maturity	On Call	15/11/2007					7,310,202.89	6,591,229.45	6.54%
<b>TOTAL</b>								<b>\$ 101,510,202.89</b>	<b>\$ 100,791,229.45</b>	<b>100.00%</b>

I, Mark L Crompton, Tamworth Regional Council Finance Manager (Responsible Accounting Officer) certify as required under Section 16 (1) (b) of the Local Government (Financial Management) Regulations 1999, that Council's investments have been made in accordance with the Local Government Act 1993, Regulations and Tamworth Regional Council Investment Policy.

Signed: 

## COMMENTARY

Council's Banker, National Australia Bank has provided the Bank's Monthly Business Survey & Economic Outlook for April 2011.



**April 2011**

### Key Themes

The impact of the natural disasters is starting to show up in local data. Our NAB Business Survey recorded a slump in Queensland activity in December, January and February and softer activity over this period for the rest of the country. However, confidence in the outlook has surged in Queensland and nationally is now pretty good. Medium term prospects for the Australian economy are very positive, with business now expecting to spend a massive amount on investment in the coming year, nothing short of an investment boom, led by mining of course. That said, domestically oriented sectors especially housing, remain very weak. Retailing looks to be picking up a little but has been terribly soft over the last couple of quarters.

The Reserve Bank released a fairly innocuous statement after its early April Board meeting, indicating little had changed in its outlook over March. We see the RBA as comfortably on hold out until the second half of the year. We have rate hikes (25 basis points) pencilled in for August and November, but timing is data dependent.

Offshore, China indicators out of over the past month have been somewhat mixed but, on balance, we still expect its economy to grow by 9% in 2011. Inflation has become a persistent issue and the Peoples' Bank of China continues to tighten policy, the latest on 5 April with a 25bps hike in lending rates (to 6.3%) and deposit rates (to 3.25%). In the US, the debate about when the Federal Reserve will start to tighten policy has hotted up, with several voting members of the Fed's monetary policy committee arguing publicly against completing the full instalment of the second round of quantitative easing (QE2). Our analysis suggests there are grounds for an early tightening in policy but we do not expect any interest rate action from the Fed before the last quarter of 2010.

Rising inflation is not just an issue for China and Asia. In Europe, rising commodity and food prices have been worrying the European Central Bank. The March CPI 'flash' estimate showed Eurozone inflation running at an annual 2.6%, up from 2.4% the previous month. The ECB President indicated after its March meeting that he did not want recent increases in the CPI to give rise to broad-based inflationary pressures over the medium term. He also gave strong signals that a rate rise was imminent, which is widely expected to happen at the 7 April meeting.

Japan's earthquake, tsunami and subsequent nuclear accident have been top of mind for many people since the quake struck on 11 March. At this stage, it appears there will be some short term negative impact on Australian exports but the medium term effect will be to add to commodity demand, during the rebuilding and reconstruction phase.

Some equity markets went into panic mode on news of the nuclear disaster and Japan's stock market remained some 8% down at the end of March. However, US and Aussie stocks finished the month about flat and the signs have been positive early in April.

The Australian dollar has hit fresh all-time, post-float highs, as markets bounced off their nuclear crisis lows and risk assets became flavour of the month again. The high so far has been 1.0451 on Thursday 7 April. 'Fair value' has been hovering around 1.0000. We expect fair value to rise to 1.0500 around mid-year so the currency still has some upside before it peaks, probably around June/July.

However, most of the good news is already priced in so we are sceptical of steep rises in the currency from here.

## **Australia**

### **Economy hit by natural disasters**

The NAB Business survey for February gave us some hard evidence about the impact of the floods in Queensland, cyclone Yasi and other natural disasters around the country. There is no doubt that Queensland suffered a big drop on output and there were knock-on effects across the rest of the economy, added to by the flooding in NSW and Victoria plus the bushfires in Perth.

Our measure of Business Conditions for February showed Queensland at -17, meaning a net balance of -17% of firms reported a deterioration in actual conditions in their firms in the month. Conditions in Queensland in January, at the height of the flooding, were terrible, at -26, after -10 in December (also flood effected), down from +2 in November – Queensland was soft even before the floods and cyclone.

For the rest of the country, excluding Queensland, Conditions were +1, up from -2 in January, down from 9 in December, a solid result above the long run average of 6.

Business Confidence, a measure of the outlook from the firms in the survey for the period ahead, showed another strong reading in Feb in Queensland, the index number +10, after recording +24 in January.

For the Australia ex-Queensland, Confidence in Feb was 11, a strong rise on the outcome for Jan of 3 (long run average 7).

Mining was the key industry to suffer in the wake of the floods. Mining Business Conditions nose-dived in the aftermath. However, Mining rebounded in the February survey, as the water was being pumped out and production resuming. Mining's index number for Feb was 21, below the high recorded in September (57) but still very strong. However, other non-rural industries remain subdued on average.

### **Medium term outlook strong**

Although Australia's economy took a hit in the March quarter from the natural disasters – we expect 0% GDP in Q1 – the medium term outlook for Australia remains very positive.

The key driver of our forecasts, which see GDP rising to over 4% by early 2012, is business investment which, in turn, is being driven by mining and related sectors. Mining investment is expected to rise by 98% in 2011-12, according to latest official Capex Survey, leading a 38% increase in overall business investment in the coming year. These are extraordinary figures.

The boom in business investment ahead will leave little room for strong growth in other parts of the economy – the truth is Australia cannot have an investment boom at the same time as a consumption boom. Thankfully, so far at least, the household savings ratio is holding up, which is proving to be difficult for retailers but, if it persists, will help to keep the economy from overheating ahead.

The risk of overheating will intensify if the labour market starts to tighten quickly, although the unemployment rate has been steady around 5% for the past three months and has only dropped by around 0.4 percentage points over the past year.

We expect unemployment to gradually fall ahead, to around 4½% by early 2012.

### **Housing market still short of supply**

One issue which continues to get a lot of coverage in the media is housing affordability. Yes it is true that Australia's housing prices are expensive by international stands. In March 2010 the IMF published a paper which showed that Australia is the second highest housing market in the OECD bloc on affordability, measured in terms of the house price to income ratio (the highest was NZ). Subsequent work at the IMF puts Australian prices at 5-10% overvalued.

In our view, the key reason why Australian housing has become so 'unaffordable' is because we are not building enough dwellings to house our growing population. The latest quarterly Dwelling Commencements data shows that the number of starts is actually falling, meaning that the structural imbalance in the market – demand outstripping supply – is getting worse.

### **RBA to hike again later this year**

The RBA left rates on hold at 4.75% in early April and the tone of the statement was pretty comfortable. Rates are likely to remain on hold until the second half of 2011.

### **Interest Rate Strategy**

- **The RBA is settled but global rates are moving.**
- **The ECB will hike this week.**
- **While the Fed tightening is a ways off, now is the time to prepare for it.**
- **Normalisation of global interest rates to begin.**
- **Get your strategies set accordingly.**

### **Outlook**

Even with a twist of the head and a squint of the eyes it's hard to conclude anything other than that the domestic economy remains soft, mostly under the weight of higher interest rates and soft asset prices (mostly housing).

Recent February retail sales and private sector credit data did bounce a bit, but this mainly offsets prior weakness and with annual credit growth just 3.4%, still well below nominal GDP near 9%, the overall economy continues to de-leverage. In housing, prices remain subdued and physical activity quite weak, with dwelling permit numbers plunging again in February, in line with their historically good correlation with higher mortgage rate.

Tellingly permits have only been lower twice in the past decade, once during the GFC and once post the GST introduction in the early 2000's. The RBA cut rates aggressively during both of those episodes but don't count on a repeat performance. Reason being the softer domestic economy is needed to make room for the ongoing commodity and investment boom in the resource sector, which is not showing any signs of letting up.

This mix of a softish household/housing sector and a booming resource sector left the RBA comfortably on hold again this week. Moreover, they are likely to remain on hold until either a) the households cautiousness eases and they begin to swing the bat again or b) we see a sudden drop in the unemployment rate below its current 5% level. On this basis, and our near term view for the economy, we still expect additional RBA rate hikes are likely to come in late 2011 or even 2012 than anytime soon.

Swap yields have pushed a little higher in recent weeks, mostly a consequence of rising global bond yields, but fairer to say that Australian yields are generally struggling to rise in an environment of soft domestic economic data.

Cash rate futures are still pricing a small chance of a highly improbable RBA cut in the quarters ahead and just 5bps of RBA tightening by year-end. This pricing is too slim when set against Australia's broader economic back-drop and we think markets are under-pricing medium term inflation risks in Australia.

Because of this sanguine market pricing for the RBA, the 3-year swap rate is now near 5.30%, still in the lower half of my value range of 5.25-5.60%. It might go below 5.25% in the week ahead if local economic data remains soft, but this would be an ideal time and level for borrowers to lock in their fixed rate funding.

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**(a) Policy Implications**

All of Council's investments are held in accordance with the 'Tamworth Regional Council Investment Policy' except for direct investments which exceed the maximum percentage allowable with one financial institution as per the table below. This variation is in accordance with Section 4(e) of Council's Investment Policy.

For the Month of March 2011									
Investment	Rating	\$Amount invested as at 31/03/2011	% of Total Investments	Maximum Percentage per Institution or credit rating classification	% Excess Investment per Institution	\$ value of investments with less than 12 months to maturity	\$ value of Investments maturing in one to five years		
ANZ	A1+ Short	4,000,000.00	3.97%	30.00%	0.00%	0.00	4,000,000.00		
Bankwest	A1+ Short	24,000,000.00	23.81%	30.00%	0.00%	24,000,000.00			
CBA	A1+ Short	0.00	0.00%	30.00%	0.00%		0.00		
NAB	A1+ Short	38,591,229.45	38.29%	30.00%	8.29%	38,591,229.45			
St George	A1+ Short	11,000,000.00	10.91%	30.00%	0.00%	11,000,000.00			
Westpac	A1+ Short	22,200,000.00	22.03%	30.00%	0.00%	22,200,000.00			
<b>Sub Total A1+ Short to AAA Long</b>		<b>\$ 99,791,229.45</b>	<b>99.01%</b>	<b>100.00%</b>		<b>\$ 95,791,229.45</b>	<b>\$ 4,000,000.00</b>		
Citibank P/L	A1 Short	0.00	0.00%	10.00%	0.00%	0.00			
LGFS	A1 Short	0.00	0.00%	10.00%	0.00%	0.00			
FIG-Deutsche Bank Guarantee Basis Note-	AA Long	1,000,000.00	0.99%	10.00%	0.00%		1,000,000.00		
<b>Sub Total A1 Short to AA Long</b>		<b>\$ 1,000,000.00</b>	<b>0.99%</b>	<b>100.00%</b>		<b>\$ -</b>	<b>\$ 1,000,000.00</b>		
	A2 Short	0.00	0.00%	5.00%	0.00%	0.00			
<b>Sub Total A2 Short to A Long</b>		<b>\$ -</b>	<b>0.00%</b>	<b>20.00%</b>		<b>\$ -</b>	<b>\$ -</b>		
	AA to CCC Long	0.00	0.00%	0.00%	0.00%		0.00		
<b>Sub Total AA to CCC Long</b>		<b>\$ -</b>	<b>0.00%</b>	<b>0.00%</b>		<b>\$ -</b>	<b>\$ -</b>		
<b>Total of all Investments</b>		<b>\$ 100,791,229.45</b>	<b>100.00%</b>			<b>\$ 95,791,229.45</b>	<b>\$ 5,000,000.00</b>		
						95.00%	5.00%	As a % of total investments	
						100.00%	40.00%	Maximum Permissible	

<sup>1</sup> The General Manager or his delegated representative is authorised to approve variations to Council's investment policy if the investment is to Council's advantage or due to revised legislation.

**(b) Financial Implications**

The total budget for investment income in 2010/2011 (excluding Developer Contribution investment income) is \$4,549,000.00.

Investment income to Date	\$2,979,277.24
Accrued Interest to Date	\$1,319,458.36
Total Investment Income to Date	\$4,298,735.60
This represents	94% of budget.

**(c) Legal Implications**

All of Council's investments are held in accordance with the 'Tamworth Regional Council Investment Policy' which accords with the requirements of the:

- Local Government Act 1993 – Section 625;
- Local Government Act 1993 – Order (of Minister) dated 16 November 2000;
- The Trustee Amendment (Discretionary Investments) Act 1997 – Sections 14A(2), 14C(1) & 2;
- Local Government (General) Regulation 2005 – Clauses 212 & 215; and
- Local Government Code of Accounting Practice & Financial Reporting - Update No. 15 dated June 2007.

**(d) Community Consultation**

Nil.

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**8.3 DRAFT THREE YEAR MANAGEMENT PLAN AND BUDGET 2011 – 2014 – FILE No SF5104**

**DIRECTORATE: OFFICE OF THE GENERAL MANAGER**

**AUTHOR: Mr Paul Bennett, General Manager**

**ENCLOSURE ENCLOSED**

***RECOMMENDATION***

***That in relation to the Draft Management Plan and Budget for 2011 – 2014, Council:***

- (i) adopt the Draft Management Plan for public exhibition for a period of 28 days commencing 29 April 2011 until 5pm 26 May 2011; and***
- (ii) conduct public forums in relation to the Draft Management Plan prior to the close of the public exhibition period as described within the 2011 – 2014 Draft Management Plan.***

## SUMMARY

The purpose of this report is to present the Tamworth Regional Council Draft Management Plan and Budget for the years 2011/2012, 2012/2013 and 2013/2014 together with Council's Revenue Policy for the year 2011/2012, see **ENCLOSURE**. The Draft Management Plan also sets out the Council's proposed strategies and operational programs for the next three years.

## COMMENTARY

Under the Local Government Act 1993 (LGA), Council is required to annually prepare and publish a three-year Management Plan.

The Draft Management Plan states Council's Charter as a statutory body, and clearly indicates:-

- The principal activities and key directions that Council proposes to undertake and how they will be financed;
- A statement of the goals for each of the principal activities;
- A statement of how Council checks progress and monitors performance;
- Capital works planned to be carried out;
- Services and goods to be provided;
- The asset replacement programs to be implemented;
- The human resource activities to be undertaken;
- Those activities that protect environmentally sensitive areas and promote ecological sustainability principles;
- Those programs planned to implement Council's equal employment opportunity management plan; and
- Those programs planned to implement Council's social plans.

The three year Draft Management Plan that has been prepared is complemented by a financial strategy, commonly known as "the budget", which both establishes the fiscal parameters within which Council is able to operate and demonstrates how Council has allocated financial resources in accordance with its various plans.

Integral to the current financial strategy is Council's planned revenue policies for the next twelve (12) months. Detailed within the Draft Management Plan is:-

- A statement containing a detailed estimate of Council's income and expenditure;
- A statement with respect to the types of rates, charges and fees to be levied;
- A statement of the Council's pricing policy with respect to the goods and services that are provided; and
- A statement of proposed borrowings.

Council has established the following financial objectives and strategies to ensure its continuing sustainability to:

- Maintain service levels where possible and fund other recurrent obligations such as loan repayments, plant replacement and employee leave entitlements;
- Pursue strategic management objectives identified in the Management Plan;
- Preserve the investment of the community in the many assets to which Council is custodian; and
- Protect itself against financial setbacks and where possible unknown contingencies.

## **KEY BUDGET OUTCOMES**

The 2011/2012 budget has provided funding for new community and organisational objectives and includes a considerable capital works program of \$35 million. The following is a summary of the key budget outcomes:-

### **Tamworth Wastewater 100% Reuse Scheme**

Whilst some construction works are still required in 2011/2012 to finalise the Tamworth Sewerage System augmentation project, the scheme now moves into a period of twelve months commissioning and operation. Works completed to date include a major upgrade of the Westdale Wastewater Treatment Plant (WWTP) and the establishment of a farm for the reuse of effluent. Raw sewage previously treated at Swan Street is now being pumped to the new Westdale Plant.

### **Barraba to Split Rock Pipeline**

In 2010/2011, the Federal Government, the NSW Government and Council each provided up to \$150,000 to complete a feasibility study into the proposed pipeline. This Feasibility Study is scheduled for completion in May 2011. During the 2011 election campaign, the present State Government committed funds towards the pipeline project. These funds, together with funds already committed by Council, means that Council is now awaiting the Federal Government to commit funding to the project in order for the detailed design and construction of the pipeline to commence.

### **Chaffey Dam Upgrade**

In February 2011, the Federal and State Governments announced funding for the augmentation of Chaffey Dam. This funding together with funding provided by the Peel Valley Irrigators and Tamworth Regional Council will see the dam's storage capacity increase from the present 62 Gigalitres to 100 Gigalitres. The enlarged dam will ensure the viability of the existing irrigation industry in the Peel Valley and improve the security and reliability of water for Tamworth City.

In March 2011, the State Government completed Stage 1 of the Chaffey Dam Safety Upgrade. Stage 1 and Stage 2 of the safety upgrade are necessary components of the augmentation of the dam. The funding announcement will see Stage 2 of the safety upgrade and the raising of the dam wall to increase the storage capacity completed, with construction scheduled to commence in 2012. Council has included a \$2,482,000 contribution to this project in the 2011/2012 budget.

### **Tamworth Regional Airport Security Upgrade**

The Tamworth Regional Airport Passenger Terminal Building will undergo significant modifications in accordance with the new security requirements of the Federal Government, under their Strengthening Aviation Security Initiative - Regional and Domestic Aviation program.

The modifications to the terminal building are anticipated to cost \$3million and will include a new departures lounge and upgrades to the arrivals and airline check-in areas. The Federal Government will contribute \$650,000 towards the purchase of the necessary equipment.

## **Aquatic Centre**

The establishment of an indoor aquatic centre remains a high priority for the region. During 2010/2011, Council consulted with representatives from Tamworth and District Aquatic Centre (TADAC) and developed draft concept plans for the new centre. This concept will be developed into a detailed proposal throughout 2011/2012, along with a comprehensive business plan and funding strategies for consideration in conjunction with the 2012/2013 Community Strategic Plan and Budget.

## **Regional and Local Community Infrastructure Program – Round 3**

Council is currently undertaking twenty one projects throughout the region, at a value of \$544,000 funded by Round 3 of the Australian Government's Regional and Local Community Infrastructure Program. The Round 3 program, to be completed by 31 December 2011, will provide continuing stimulus to the local economy as well as providing important community infrastructure.

## **Roads Program**

### **State Roads**

State Roads Routine Maintenance - \$812,000 (RTA Funded)

MR63 Widening – Greenhatches Creek - \$2,100,000 (RTA Funded)

Oxley Highway Rehabilitation – Ridge Street to Bass Street - \$300,000 (RTA Funded)

### **Regional Roads**

Regional Roads Routine Maintenance - \$1,164,177 (RTA Funded)

RR130 REPAIR Program Works - \$394,829 (RTA Funded)

Regional Roads Specific Works - \$360,000 (RTA Funded)

### **Local Roads**

Local Roads Recurrent Maintenance - \$10,536,024

Gravel Resheeting Program - \$682,739

Local Roads Resealing Program - \$763,939

Various Stormwater Drainage Levy Works - \$1,657,936

Various Section 94 Developer Contribution Funded Capital Works - \$772,914

## **RATES**

### **General Rates**

Ordinary Rate income is to be increased by 2.8%, which represents the maximum permissible amount as approved by the Minister for Local Government for the year 2011/2012.

### **Water and Sewer Charges**

#### **Water Supply**

#### **Service Availability Charge**

Council, in the 2010/2013 Management Plan indicated all Service Availability Charges would increase by approximately 9.0% per annum over the next three years. The increase of 9.0% for 2011/2012 represents the 2<sup>nd</sup> of these 9.0% increases. These increases are necessary to meet required capital works that include Council's contribution to the Barraba Split Rock Dam Pipeline and the Chaffey Dam Upgrade.

### **Consumption Charge**

Council will make a charge under Section 502 of the Act for the rating year 2011/2012 for the consumption of water under a Three Tier Tariff System for all consumers except Food Processors. The charge per kilolitre is billed quarterly based on a per annum consumption except for Food Processors' tariffs which are both based and billed on individual accounts.

New South Wales Office of Water (NOW) guidelines in relation to consumption charges have been fully applied to all residential properties for 2011/2012. In relation to residential and non-residential properties (except for food processors) Council proposes to increase the 1st tier by 9.0% for 2011/2012 and a further 9% per annum for 2012/2013.

For 2011/2012, Council will again impose a single tariff for Food Processors equal to the 2010/2011 tier 3 tariff indexed by 9.00%.

### **Sewerage Services**

The residential Sewer Service Charge for 2011/2012 is \$716.00. This represents an increase of 3.0% over the 2010/2011 charge of \$695.00. This increase is necessary to fund future capital works and meet inflationary cost increases.

Non-residential Sewer Service Charges are calculated by multiplying an availability charge per connection (based upon water meter size) plus a sewer usage charge by a sewer discharge factor (as determined by NOW). Where this charge is less than \$716.00, a minimum Non-residential Sewer Service Charge of \$716.00 will apply (sewer availability \$462.00 plus minimum \$254.00 sewer usage charge). Otherwise, the calculated charge will apply.

In accordance with NOW guidelines the non-residential charge is being implemented over a five year period. 2011/2012 is the fifth and final year of this period.

### **Trade Waste Charges**

For the purposes of charging, trade waste dischargers are separated into the following three categories:-

Charging category (1) - for dischargers requiring nil or minimal pre-treatment;

Charging category (2) - for dischargers with prescribed pre-treatment; and

Charging category (3) - for large dischargers and industrial waste dischargers.

In addition, to ensure the percentage of income raised from residential properties compared to non-residential properties, including trade waste remains the same, whenever residential sewer charges are increased trade waste fees and charges will be increased by the same percentage as that applied to residential charges. Any percentage increase will apply over and above any increase due to the phase in of trade waste charges.

#### **Charging Category 1**

This category will be charged an annual trade waste fee of \$132.00.

### **Charging Category 2**

Dischargers in this category will be charged an annual trade waste fee of \$132.00 and also a trade waste usage charge. The trade waste usage charge is being phased in over a period of five years. 2011/2012 is the fifth and final year of this phase in period. The trade waste usage charge will be \$1.63/ Kilolitre of trade waste discharged in 2011/2012.

### **Charging Category 3**

Dischargers in this category shall pay a higher annual trade waste fee of \$584.00 as recommended by NOW to recover the costs of additional inspections. These dischargers shall also be charged excess mass charges for pollutants discharged to sewer above domestic sewerage strength. All excess mass charges adopted by Council have been recommended by NOW.

All discharge categories can be charged non-compliance charges for failing to install and maintain adequate pre-treatment. All fees and charges adopted by Council for non-compliance charges have been recommended by NOW.

### **Waste Management Charges**

In 2011/2012, Council will increase income from Waste Management Charges by 3.0%. The increase in Waste Management Charges is considered the minimum necessary to maintain current levels of service.

### **THREE YEAR SCENARIO**

The projected current cash results for the next three years are:-

Year	Projected Current Cash Results (\$)		
	General Fund	Water Fund	Sewerage Fund
2011/2012	\$62,081 Surplus	\$220,724 Surplus	\$212,833 Surplus
2012/2013	\$109,248 Deficit	\$267,090 Surplus	\$389,041 Surplus
2013/2014	\$110,475 Surplus	\$492,751 Surplus	\$346,385 Surplus

Every care has been taken to ensure all known variables have been allowed for in Council's forward projections.

The projected accumulated current cash positions for the next three years are:-

Year	Accumulated Current Cash Position (\$)		
	General Fund	Water Fund	Sewerage Fund
2011/2012	\$7,710,603	\$4,782,921	\$5,008,880
2012/2013	\$7,601,355	\$5,050,011	\$5,397,921
2013/2014	\$7,711,830	\$5,542,762	\$5,744,306

## DEBT SERVICE RATIO

The 2011/2014 Draft Management Plan provides for the following funding from new loan borrowings:-

Year	Loan Funding (\$)		
	General Fund	Water Fund	Sewerage Fund
2011/2012	\$1,500,000	\$0	\$0
2012/2013	\$500,000	\$0	\$0
2013/2014	\$0	\$5,237,000	\$0

Council's ability to service loan repayments is represented by its Debt Service Ratio. The Debt Service Ratio shows in percentage terms the amount of operating revenue required to service debt. Council's Debt Service Ratio as a result of the above loan funding is as follows:-

Year	Debt Service Ratio (%)		
	General Fund	Water Fund	Sewerage Fund
2011/2012	5.96%	7.11%	30.37%
2012/2013	5.80%	6.54%	28.88%
2013/2014	5.41%	6.32%	27.56%

The industry standard in relation to the General Fund Debt Service Ratio for a Council such as Tamworth Regional Council is that the ratio should not exceed 15%. The above figures clearly show Tamworth Regional Council is well below this standard.

There is no industry standard in relation to trading funds such as Water and Sewerage. They are single purpose funds that fund long term infrastructure works from debt to spread the cost of works across all beneficiaries of such infrastructure. However, it must be noted that the ratios for the Sewerage Fund are particularly high due to the funding of an extensive capital works program which includes the Tamworth Wastewater 100% Reuse Scheme. The debt-service figure for the Sewerage Fund although high, is considered to be satisfactory and will not affect the sustainability of the fund.

## FINANCIAL SUSTAINABILITY

The key objective of the Draft Management Plan is financial sustainability in the shorter term, with Council over the period of this Draft Management Plan, committing to establishing a high level long-term Asset Management Plan and Financial Plan covering ten years. This will then enable Council to adopt capital programs and asset management plans, sustainable organisational structures and annual budgets within a prudent longer term financial framework. This longer term economic modelling is critical and will form a central component of the Tamworth Regional Council Community Strategic Plan that is required by the recently introduced Integrated Planning and Reporting legislation .

Tamworth Regional Council's approach to improved financial sustainability includes improving our efficiency and effectiveness. Through a variety of cost-cutting measures and prudent management, Council has produced a balanced three year budget for the 2011/2014 Draft Management Plan. The budget caters for what Council "can do" in keeping with the overall aim of fiscal responsibility. However, the constraints on Council's ability to raise general fund income and continued lack of access to increased recurrent government funding combined with inflationary pressures on the costs of labour, plant and materials are so significant that they are inevitably leading to:-

- A widening gap between the amount of funding needed and the amount of funding actually spent on the maintenance and renewal of assets; and
- The need for Council in the near future to apply for a Special Rates variation in order to adequately maintain its stewardship role over community assets.

The latest comparative reporting on Local Government authorities indicates that the Tamworth Regional Council rates are at a level that is 14.4% below the category average for residential rates, 27.3% below the category average for business rates and 3.8% below the category average for farmland rates. Increasing the Tamworth Regional Council rates to a level in line with the respective category averages would yield an additional \$3,759,000 per annum in revenue which would significantly decrease the funding gap for the maintenance and renewal of assets.

During the course of this Draft Management Plan, Council and the community will need to strongly consider a rating increase over and above that determined each year by the Minister for Local Government. Council's operating budgets have been pruned to absorb reduced funding levels to the extent that any further reductions in ensuing years will result in a significant impact on services delivered to the community.

While additional income in the form of rate increases will be necessary in coming years this can only be considered following extensive consultation with the community to determine the mix of acceptable service and rating levels.

## **ORGANISATIONAL DEVELOPMENT**

Tamworth Regional Council has embarked on a cultural change journey that is driven by the new corporate vision of being "Committed to our people in delivering excellence to our Community". This vision is supported by the five core values of teamwork, equity, safety and health, customer orientation, and accountability and will be delivered through the identification and demonstration of specific behaviours in the workplace. Performance management has become a focal point for measuring not only outputs but also the desired behaviours identified for each of the core values.

Our new approach is that we should focus not only on how much we do but also how we go about doing it. A leadership education program has also been launched in partnership with the University of New England with the aim of improving the quality of leadership across all areas and levels of the organisation. Council will always welcome any feedback on the quality of its service delivery as this helps us in measuring our success against our vision and values. It also provides a means of constantly aiming to improve our work practices and delivering excellence.

## **CONCLUSION**

By the cessation of the term for this Draft Management Plan all New South Wales councils will have moved to the new Integrated Planning and Reporting framework and produced a Community Strategic Plan. This will mark a new era for local government and set the scene for councils and their communities to have important discussions about funding priorities, service levels and about preserving local identity into the future.

Together with the community, Council will have our initial Community Strategic Plan in place to commence by 1 July 2012. This will be a dynamic document that will include linked Asset Management Plans, Financial Plans and Workforce Plans defined by service levels established through extensive community consultation.

The input of our community is absolutely paramount to this process and our combined efforts will no doubt produce a Community Strategic Plan that ensures a vibrant and successful region into the future.

**(a) Policy Implications**

Nil.

**(b) Financial Implications**

Refer to Enclosed 2011/2014 Draft Management Plan and Budget

**(c) Legal Implications**

Council is required under the transitional provisions of Section 402 of the *Local Government Act 1993* to prepare a Draft Management Plan for the ensuing 3 years, place such plan on public exhibition for 28 days and then formally adopt a Management Plan prior to 30 June year.

**(d) Community Consultation**

Refer to enclosed 2011/2014 Draft Management Plan and Budget.

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## **8.4 COMMUNITY DEVELOPMENT COMMITTEES - MINUTES - FILE NO SF2788 & SF1907**

**DIRECTORATE:**

**CORPORATE AND GOVERNANCE**

**AUTHOR:**

**Jodie Archer, Section 355 Coordinator**

**TABLED DOCUMENTS**



CDC Minutes

### ***RECOMMENDATION***

***(i) That Council receive and note the minutes of the following Community Development Committee meetings:***

<b><i>Committee</i></b>	<b><i>Date</i></b>
<b><i>Hanging Rock Community Development Committee</i></b>	<b><i>12 March 2011</i></b>
<b><i>Bendemeer Community Development Committee</i></b>	<b><i>15 March 2011;</i></b>

***(ii) That Council adopt the recommendation of the Hanging Rock Community Development Committee at it meeting held 12 March 2011 and accept the resignation of Vera Parfoot as the Treasurer of the committee; and***

- (iii) That Council adopt the recommendation of the Hanging Rock Community Development Committee at its meeting held 12 March 2011 and appoint Christine Webster as Treasurer of the committee.*

## SUMMARY

The purpose of this report is to table the minutes of the meetings of the Community Development Committees and consider the items for adoption, as recommended by the Committees.

## COMMENTARY

- (i) The minutes of the following Community Development Committee meetings are tabled for Council's information. These Committees are:

<u>Committee</u>	<u>Date</u>
Hanging Rock Community Development Committee	12 March 2011
Bendemeer Community Development Committee	15 March 2011; and

- (ii) The minutes of the Hanging Rock Community Development Committee's meeting held 12 March 2011 recommended the following:

### Resignation of Treasurer

That Council accept the resignation of Vera Parfoot as Treasurer of the Hanging Rock Community Development Committee; and

### Appointment of Treasurer

That Council appoint Christine Webster as Treasurer of the Hanging Rock Community Development Committee.

### **(a) Policy Implications**

It is a policy decision of Council to maintain Community Development Committees and practices having regard to Council's community governance structure and Section 355 of the Local Government Act.

### **(b) Financial Implications**

Community Development Committees are maintained under the Citizen Services Division.

### **(c) Legal Implications**

Section 355 of the Local Government Act 1993 enables the Council to appoint a committee to exercise a function on its behalf by way of a Committee of Council. This is used in conjunction with Section 377 of the Act to formally delegate functions to the appointed committee.

### **(d) Community Consultation**

Community Consultation is not required.

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## 8.5 SECTION 355 COMMITTEES - MINUTES - FILE NO SF2256

**DIRECTORATE:** CORPORATE AND GOVERNANCE  
**AUTHOR:** Jodie Archer, Section 355 Coordinator

### TABLED DOCUMENTS



S355 Minutes

### RECOMMENDATION

*That the minutes of the following Section 355 Committees listed below be received and noted:*

<u>Committee</u>	<u>Date</u>
<i>Tamworth Sister City Committee</i>	<i>20 November 2010</i>
<i>Tamworth Regional Tidy Towns Committee</i>	<i>21 March 2011</i>
<i>Manilla Showground Committee</i>	<i>22 March 2011</i>

### SUMMARY

The purpose of this report is to table the minutes of the Section 355 Committee meetings that were provided to Council during April 2011.

### COMMENTARY

The minutes of the following Section 355 Committee meetings are tabled for Council's information. These committees are:

<u>Committee</u>	<u>Date</u>
Tamworth Sister City Committee	20 November 2010
Tamworth Regional Tidy Towns Committee	21 March 2011
Manilla Showground Committee	22 March 2011.

#### (a) Policy Implications

Nil.

#### (b) Financial Implications

Nil.

#### (c) Legal Implications

Functions of Council are exercised by these Committees in accordance with the delegation under Section 377 of the Local Government Act.

#### (d) Community Consultation

Community Consultation is not required.

## **9 REPORTS FROM DELEGATES**

Nil.

## **10 QUESTIONS AND MATTERS OF CONCERN**

## **11 REPORTS TO BE CONSIDERED IN CLOSED COUNCIL**

### **RECOMMENDATION**

*That the confidential reports as listed be considered in a meeting closed to the public in accordance with Section 10A(2) of the Local Government Act 1993.*

### **11.1 E012/2011 – TRADE WASTE TREATMENT MAINTENANCE TRACKING SYSTEM -FILE No E012/2011**

**DIRECTORATE:** WATER ENTERPRISES

**AUTHOR:** Daniel Coe – Water Engineer

*The Council will determine this matter in part of the meeting closed to the public pursuant to Section 10A(2)(c, d) of the Local Government Act 1993 on the grounds that the matter and information is information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business, and/or is commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.*

#### **SUMMARY**

The purpose of this report is to recommend acceptance of a tender for the rehabilitation of sewer mains in Tamworth and Manilla by Pipe Bursting.

### **11.2 PIRATES RUGBY CLUB – REQUEST FOR REDUCTION OR WAIVING OF WATER CONSUMPTION CHARGES - FILE No LF1677**

**DIRECTORATE:** Water Enterprises

**AUTHOR:** Director, Water Enterprises – Bruce Logan

*The Council will determine this matter in part of the meeting closed to the public pursuant to Section 10A(2)(c) of the Local Government Act 1993 on the grounds that the matter and information is information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.*

#### **SUMMARY**

At the Council meeting of 22 March 2011 Councillor Tickle asked for a report in relation to a request from the Pirates Rugby Club for Council to consider reducing or waiving water consumption charges associated with the use of Ken Chillingworth Oval, Tamworth.

### **11.3 TENDER T049/2011 SUPPLY AND DELIVERY OF FOUR WATER TANKERS - FILE NO T049/2011**

**DIRECTORATE: REGIONAL SERVICES**

**AUTHOR: George Shearman, Manager Plant and Fleet Services**

*The Council will determine this matter in part of the meeting closed to the public pursuant to Section 10A(2)(d) of the Local Government Act 1993 on the grounds that the matter and information is commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it.*

#### **SUMMARY**

The purpose of this report is to seek approval for the purchase of four water tankers.

### **11.4 EFFLUENT REUSE FARM PROGRESS - FILE NO SF4595**

**DIRECTORATE: WATER ENTERPRISES**

**AUTHOR: Nigel Thompson Manager Augmentation**

#### ***RECOMMENDATION***

*That Council determine this matter in part of the meeting closed to the public pursuant to Section 10A(2) (c) of the Local Government Act 1993 on the grounds that the matter and information is information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.*

#### **SUMMARY**

The purpose of the report is to update Council on progress with the establishment of the Effluent Reuse Farm.

A further report on this subject is included for determination in Closed Council which deals with confidential matters and information which is recommended for determination by Council in a meeting closed to the public.

#### **COMMENTARY**

Part B of the Tamworth Sewerage Augmentation Scheme, which comprises the establishment of the Effluent Reuse Farm is being undertaken by Realm Agribusiness Pty Ltd. Progress on Part B to date includes:

- installation of irrigation pumps, pipework, pivot irrigators is complete;
- construction of stormwater diversion and control works are complete;
- boundary fencing and tree buffer planting of the farm is complete;
- installation of the electrical transformer at irrigation pump station is complete with connection of power due in mid April and awaiting supply of metering by the Service Provider;
- relocation of the Site Office and amenities will occur following availability of electrical power for wet testing and commissioning of the irrigation pumps;
- dryland farming activities are ongoing with the majority of pivot areas under crop.

Effluent is flowing to the Farm Dam with sufficient volume to permit commissioning to commence once the works are deemed sufficiently complete.

**(a) Policy Implications**

Nil.

**(b) Financial Implications**

Refer separate report to Closed Council.

**(c) Legal Implications**

Nil.

**(d) Community Consultation**

The Community Liaison Committee established for the project met on 24 February 2011 and the next meeting of the Committee is scheduled to be held on 26 May 2011.

## **11.5 WESTDALE ALLIANCE UPDATE - FILE NO SF3216**

**DIRECTORATE: WATER ENTERPRISES**

**AUTHOR: Nigel Thompson, Manager Water Augmentation**

### ***RECOMMENDATION***

*That Council determine this matter in part of the meeting closed to the public pursuant to Section 10A(2) (c) of the Local Government Act 1993 on the grounds that the matter and information is information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting business.*

### **SUMMARY**

Council is undertaking the construction of the Westdale Wastewater Treatment Plant augmentation in two parts being Part A and Part B. The purpose of this report is to update Council on the progress on Part A of the scheme associated with the Westdale Wastewater Treatment Plant augmentation and effluent storage dam.

A further report on this subject is included for determination in Closed Council which deals with confidential matters and information which is recommended for determination by Council in a meeting closed to the public

### **COMMENTARY**

Part A of the Tamworth Sewerage Augmentation Scheme, which comprises the augmentation of the Westdale Wastewater Treatment Plant and effluent transfer system to the new effluent storage dam at the reuse farm is being undertaken by the Westdale Alliance which is made up of United Group Infrastructure Pty Ltd (Alliance Contractor), MWH Australia Pty Ltd (Design Subcontractor) and Council. Progress on Part A to date includes;

- Construction of the Farm Storage Dam is 99% complete and effluent is now filling the dam following the compaction of the floor in late March 2011. Minor works remaining to be completed include final controls for automation of pumping effluent to the dam and restoration of surfaces.
- Construction of the Inlet Works is complete with up to 100% of sewage flows being diverted to the new works.

- Construction of the Intermittently Decanted Aeration Lagoons (IDAL's) is complete with sewage now being treated in three of the four IDAL's. Remaining works include process proving and automation of controls.
- Commissioning of various aspects of the new treatment units are underway with completion of commissioning expected to be achieved in late May 2011.
- Effluent from the treatment plant has ceased discharging to the Peel River System and is now being pumped to the storage dam at the Reuse Farm.
- Swan Street Pumping Station is being commissioned and by late April should be transferring all sewage from the northern side of the Peel River to the Westdale treatment plant. Following decommissioning of the Swan Street Treatment Plant some of the old process units will be converted to act as emergency storage of sewage during power failures or excessive wet weather events.
- All construction work is expected to be completed by late June 2011.

On completion of construction the Alliance Contractor will continue to provide operational services that will run concurrent with a 12 months Defects Liability Period.

**(a) Policy Implications**

Nil.

**(b) Financial Implications**

Please refer to the report on this subject included in the part of the meeting which is closed to the public.

**(c) Legal Implications**

Nil.

**(d) Community Consultation**

The Community Liaison Committee established for the project last met on 24 February 2011 and the next meeting of the Committee is scheduled to be held on 26 May 2011.

**11.6 LEASE OF TAMWORTH REGIONAL LIVESTOCK MARKETING CENTRE/SALE OF LAND/CONSTRUCTION OF NEW REGIONAL LIVESTOCK MARKETING FACILITY  
FILE No SF3290**

**DIRECTORATE: COMMERCIAL AND COMMUNITY ENTERPRISES**

**AUTHOR: Michael Dubois – Business Manager**

*The Council will determine this matter in part of the meeting closed to the public pursuant to Section 10A(2)(c)(d) of the Local Government Act 1993 on the grounds that the matter and information, is information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business, and/or is commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.*

## **SUMMARY**

The purpose of this report is to provide the Council with an update on the Lease of the current Regional Livestock Marketing Centre to Regional Livestock Exchange (RLX) and the construction of a new Regional Livestock Marketing Centre by Palisade Investment Partners.

## **CLOSED COUNCIL**

### **Confidential Reports**

#### **(Section 10A(2) of The Local Government Act 1993)**

Where it is proposed to close part of the Meeting, the Chairperson will allow members of the public to make representations to or at the meeting, before any part of the meeting is closed to the public, as to whether or not that part of the meeting should be closed to the public.

The Chairperson will check with the General Manager whether any written public submissions or representations have been received as to whether or not that part of the meeting should be closed to the public.

The grounds on which part of the Council meeting may be closed to public are listed in Section 10A(2) of the Local Government Act 1993 and are as follows:

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

Section 10A(3) of the Act provides that Council, or a Committee of the Council of which all the members are councillors, may also close to the public so much of its meeting as comprises a motion to close another part of the meeting to the public.

Section 10B(3) of the Act provides that if a meeting is closed during discussion of a motion to close another part of the meeting to the public (as referred to in section 10A(3) of the Act), the consideration of the motion must not include any consideration of the matter or information to be discussed in that other part of the meeting (other than consideration of whether the matter concerned is matter referred to in section 10A(2) of the Act).

Section 10B(1) of the Act provides that a meeting is not to remain closed to the public during the receipt of information or the discussion of matters referred to in section 10A(2):

- (a) except for so much of the discussion as is necessary to preserve the relevant confidentiality, privilege or security, and
- (b) if the matter concerned is a matter other than a personnel matter concerning particular individuals, the personal hardship of a resident or ratepayer or a trade secret - unless the Council or committee concerned is satisfied that discussion of the matter in an open meeting would, on balance, be contrary to the public interest.

For the purpose of determining whether the discussion of a matter in an open meeting would be contrary to the public interest section 10B(4) of the Act states it is irrelevant that:

- (a) a person may interpret or misunderstand the discussion, or
- (b) the discussion of the matter may:
  - (i) cause embarrassment to the Council or committee concerned, or to councillors or to employees of the council, or
  - (ii) cause a loss of confidence in the Council or committee.

#### **Resolutions passed in Closed Council**

It is a requirement of Clause 253 of the Local Government (General) Regulation 2005 that any resolution passed in Closed Council, or Committee be made public as soon as practicable after the meeting has ended. At the end of Closed Council or Committee meeting, the Chairperson will provide a summary of those resolutions passed in Closed Council or Committee.